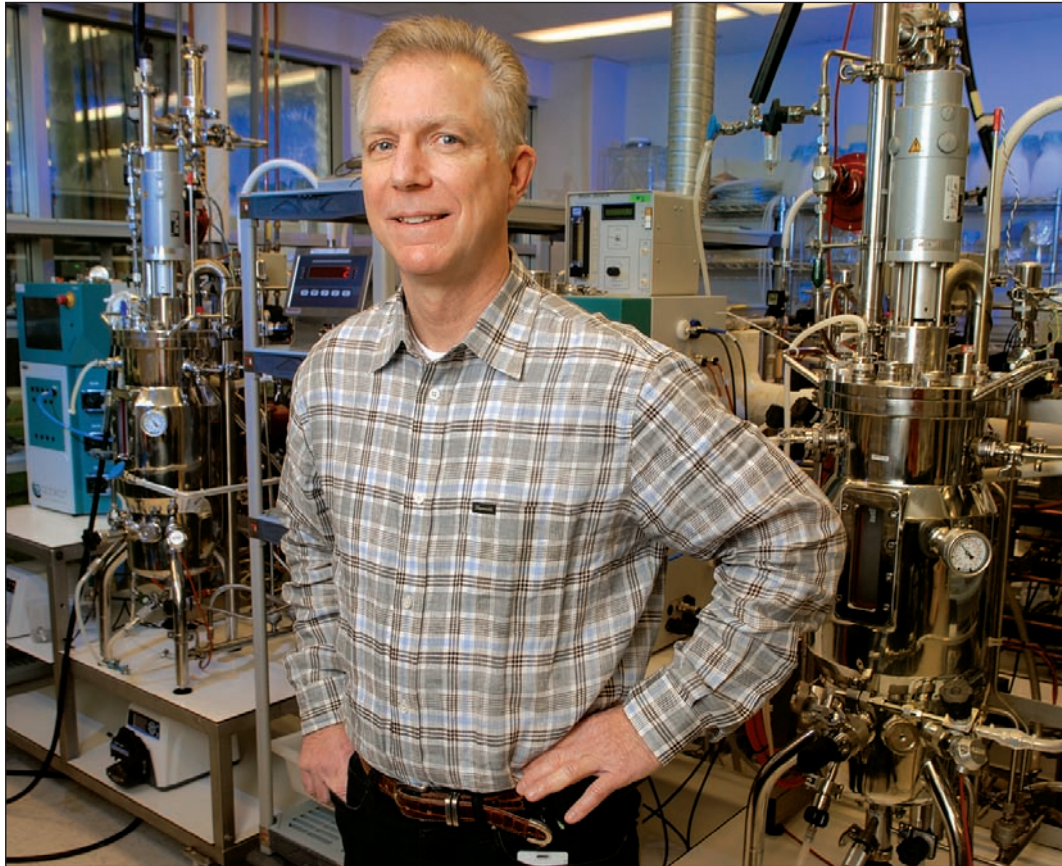


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**GROWTH
SPURT:** Randy
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Bothell biotech expands

Alder Biopharmaceuticals hiring workers and increasing space

By CLAY HOLTZMAN
STAFF WRITER

Bothell-based Alder Biopharmaceuticals says it is expanding its space and head count this year as its pipeline of drug candidates advances through clinical trials and toward potential commercialization.

The 60-employee company will fill 15 new positions this year. In January, the company added 15,000 square feet of adjacent office space to complement its existing 25,000-square-foot lease.

Alder got an additional boost in January, when New York-based Bristol-Myers Squibb, its development partner on a lead drug candidate known as ALD518, said it would keep its recent acquisition, ZymoGenetics, in Seattle. That decision likely strengthens the working relationship between the two companies under a 2010 deal that might bring Alder more than \$1 billion in capital.

As Alder grows and continues to develop its product candidates, the company moves closer to commercial sales and also toward funding milestones under the Bristol-Myers agreement. More importantly, the company's momentum adds to the local biotech sector's growth, which collectively means more jobs and activity for those in the life sciences.

Alder was founded in 2004 to develop antibody-based treatments for a variety of ailments by growing those antibodies in yeast rather than a chilled environment. Alder says the approach can significantly cut the time and expense of developing new therapies, which ultimately makes it more attractive for biotech companies to pursue treatments where consumers expect to pay less, such as for migraines.

"We felt way back when there was this coming world, that cost and price of therapies were going to reach a real pressure point. That prediction is com-

ing to fruition," said Alder's President and CEO, Randy Schatzman.

Alder's lead drug candidate is a molecule called ALD518, for rheumatoid arthritis and cancer therapy. Alder last year licensed the rights for the arthritis therapy to Bristol-Myers in a deal that could eventually be worth more than \$1 billion.

However, Alder kept the rights for using the 518 molecule in cancer treatments and plans to start multiple phase 2 trials this year. Citing the terms of its license agreement, Alder wouldn't comment on what Bristol-Myers will do with its arthritis molecule, which has completed a phase 2a clinical trial (which tests dosing levels). But an Alder spokesman said part of the company's ramp-up is to support the Bristol-Myers work.

Alder has other drug candidates, including ALD806 and ALD901, for cancer and pain, respectively. The company plans to move one of its candidates from preclinical to phase 1 trials this year, although it would not specify which candidate that will be.

Since its founding, Alder has raised \$67 million from investors, including San Francisco-based TPG Biotech, Sevin Rosen Funds, in Dallas, and Seattle's WRF Capital, the venture investment arm of the Washington Research Foundation. The continued development of Alder's drug pipeline shows that the company is advancing in its life cycle, a positive sign for investors.

"We invested early and we have continued to invest in them all along as they have made progress," said Thong Le, managing director with WRF Capital, which has put more than \$1 million into Alder. "They are getting toward the later stages of product development."

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