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PRESS RELEASE

More and better jobs on the Island: Abbott of Puerto Rico announces million dollar expansion

Barceloneta, Puerto Rico – In line with his commitment to foster the knowledge economy to attract more and better jobs for our people and make Puerto Rico the Bio Island, Governor Aníbal Acevedo-Vilá inaugurated today the expansion of the Abbott of Puerto Rico facilities in the municipality of Barceloneta, which has expanded its operation with a \$400 million dollar investment that will result in the creation of 250 new jobs.

“Today our knowledge economy moves a step forward. Five years ago, after 40 years in Puerto Rico, Abbott began the construction of this biotechnology plant in Barceloneta. Today, we inaugurate a state-of-the-art Abbott Biotechnology Plant. Besides being pleased for witnessing this, I feel happy. This plant is an example of the important role that Puerto Rico can play in the new biotech world. It is proof of what we can achieve when we set our minds to something and when we, together as a people, mark the path. We are clearly moving in the right direction by promoting these industrial developments with creative fiscal incentives and providing highly-skilled employees,” the Governor said.

Acevedo-Vilá made these expressions while inaugurating the new Abbott facilities accompanied by Secretary of Economic Development and Commerce Ricardo Rivera, PRIDCO Director Boris Jaskille, Barceloneta Mayor Sol Luis Fontanes, Abbott’s Operations Vice President Neil Aylward; Pharmaceutical Manufacturing Division Vice President Lawrence Graus; Abbott Executive Meter Moesta, and Abbott Manager José Martínez, among others.

The Governor indicated that the new Abbott facilities will be the worldwide manufacturing center for Humira, a monoclonal antibody used for the treatment of arthritis and Crohn’s disease.

“Puerto Rico continues opening an exceptional space in the biotechnology universe. We are moving towards fully understanding the world of biotech. We are positioning ourselves among the top five biotech leaders in the world. Abbott is definitely one of the protagonists in our transformation and integration into the knowledge economy”, the Governor said.

The Governor highlighted that the success in the design and construction of the Abbott facilities and its approval and certification by the Food and Drug Administration are the accomplishment of José R. Martínez, who, together with a team of first-class Puerto Rican professionals, evidenced the ability of our people to be leaders in such a competitive field.

The Governor also indicated that during fiscal year 2007 Puerto Rico manufacturing plants supplied 20% of Abbott's worldwide sales. This includes the production of Biazin, an antibiotic; Depakote, used to treat bipolarity, epilepsy and migrane; and Synthroid, used to treat thyroid disorders.

Acevedo-Vilá said that the pharmaceutical, biotechnology and medical production represents 29.3% of the growth in Puerto Rico's gross product and generates 38,500 direct jobs and nearly one thousand indirect and induced jobs. Pharmaceutical product exports account for 60% and medical product exports for eight percent (8%) of total exports from the Island.

The Head of State explained that the expansion of Abbott was enabled by the incentives and support provided by the Industrial Development Company. This expansion will create over 250 jobs that require doctorate or master's degrees, bachelor's degrees in natural sciences and engineer and associate degrees. "We are proud of our people and we recognize that they are one of our greatest resources," he said.

Abbott, which has 2,400 full time employees in its payroll, began manufacturing operations in Barceloneta producing erythromycin, an antibiotic, in the 1970's. Then, it continued expanding its pharmaceutical and hospital product operations in Puerto Rico and later on established its diagnostic operations, and the chemical plant for the production of Claritromicin.

In 2002, Abbott established its pharmaceutical plant of Synthroid on the municipality of Jayuya and recently it established its vascular products plant in Dorado. In addition, Abbott has established commercial operations in San Juan and a distribution center in Guaynabo.

The Governor stressed that the expansion of Abbott of Puerto Rico complements other recent investment in biotechnology, which add up to a \$3.5 billion investment, including the Amgen expansion in Juncos, with a \$2 billion investment, and Eli Lilly del Caribe in Carolina, with an investment of \$1 billion. These three expansions are estimated to generate 1,700 jobs with higher salaries than those paid in other U.S. jurisdictions.

In addition to these enterprises, other pharmaceutical companies have chosen the Island to establish or expand operations. Among these are: Pall Life Sciences in Fajardo, with an investment of \$58 million and 250 jobs; Abraxis Biosciences in Barceloneta, with an investment of \$32 million and 450 jobs; Merck in Barceloneta, with an investment of \$300 million and 200 jobs; Roche Diagnostics in Ponce, with an investment of \$45 million and 40 jobs; Bristol Myers Squibb in Manatí, with an investment of 200 million and 100 jobs; LifeScan in Aguadilla, with an investment of \$50 million and 350 jobs.

"But that is not all. Microsoft, leader in computer program development, invested \$66 million to expand its facilities in the municipality of Humacao and supply 100% of the U.S. market. In addition, Hamilton Sundstrand, one of the largest suppliers of aerospace industrial products, invested \$40 million in its Santa Isabel plant. Puerto Rico is on the road to a knowledge economy. In the 20th century Puerto Rico began a transformation from an agrarian society into a urban society. Today, only seven years into the 21st century, we are moving towards capitalizing on the lessons of the past and the knowledge of the present to excel at the global level. The inauguration of these biotechnology facilities represent a step forward into our new future," the Governor concluded.

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