

Organogenesis Plans Expansion

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by Mark Hollmer

Four years after emerging from Chapter 11 bankruptcy protection, skin-substitute maker **Organogenesis Inc.** plans to add 300 additional employees and expand its research and manufacturing capacity in Massachusetts.

A site hasn't been chosen yet. But the Massachusetts Office of Business Development will assist the company with a \$12.9 million incentive package that includes grant and also assistance to help find a viable location.

Gov. Deval Patrick announced the news on Thursday, flanked by House and Senate leaders as well as Organogenesis CEO Geoff MacKay.

Patrick said in a statement that the company made plans to stay in Massachusetts as a result of his \$1 billion life sciences initiative announced at the international BIO 2007 convention held in Boston earlier in May.

"I am ... proud of our team for working so hard and so well to make this partnership work," Patrick said.

Organogenesis emerged from bankruptcy protection as a privately-owned company in late 2003 with a fresh start, virtually debt free and focused almost solely on its signature Apligraf skin substitute designed to treat diabetic foot and some leg ulcers.

Before bankruptcy, the company had been doing around \$9 million in annual revenue but was losing as much as \$30 million annually. The now-private company said it headed toward profitability within months of emerging from Chapter 11 and it now bills itself as "the world's first profitable regenerative medicine company."

At its peak as a publicly-traded company, Organogenesis employed more than 260 people but that number dropped as low as 15 before growing to 85 after emerging from Chapter 11.

Since then, Organogenesis has gradually grown its research and development and sales staff, hitting close to 300 people in recent weeks.

News that the company plans to double its employees to more than 600 people represents an enormous turnaround.

But it almost didn't happen in Massachusetts. Organogenesis had planed to expand in another state in order to seek a better business climate.

MacKay, in a statement, heralded Patrick's development plan as crucial to keeping his company and others in Massachusetts.

It "will solidify this state," he said, " as the place where all this great science is translated into therapies benefiting patients."

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