

The Welcome from the *Future Leaders in the Biotech Industry* Conference Held April 8, 2010

On behalf of BioCentury and Thomson Reuters, welcome to the 17th edition of *Future Leaders in the Biotech Industry*.

As you all know, biotech accelerated past the rest of the markets in the first quarter of 2010.

As of yesterday, April 7, the NASDAQ Biotechnology Index (NBI) is up over 13% since the beginning of the year, significantly outperforming just about every major index. And it's up more than 26% from the last trough inflection point on October 30, 2009.

Historically, we've seen a pullback in the sector once gains passed 25%. Indeed, Thomson Reuters data show that during the last seven years the median run-up is 28%, lasting a median length of 122 days.

However, these are averages, so it is also true that some of these rallies have been longer lasting and the returns much more extensive.

How long this market will last depends a lot on whether generalists still on the sidelines feel compelled to chase the smart money. As the BioCentury *2Q Financial Preview* this week shows, there are plenty of upcoming milestones and potential M&A events to attract money looking for momentum.

In fact, the public companies at *Future Leaders* are among the pace setters in the current rally. They collectively are up 100% over the past year, easily out-distancing the 37% jump in the BioCentury 100 Index and the 38% gain in the NBI. Over that same period, the aggregate market cap of the *Future Leaders* public companies has more than doubled to \$7 billion.

But by definition, we are here today because "Future Leaders" means looking beyond quick gains. We think now is a great time to address the need for sector specialists and pharma BD&L experts to access more far-reaching value creation.

Last year, investors demanded companies with financial runway, and *Future Leaders* responded to this survival theme. Now, as the economy gains its footing, the search is on for stories that are suited to the longer term business climate.

We hear pharma when it says it is looking upstream to unpartnered assets that are near to the clinic or in Phase I.

We know both the Street and pharma are looking for differentiating technology and therapeutic modalities, especially in poorly treated diseases, that can be partnered or acquired.

We continue to hear about the Street's desire to hear more about molecular diagnostics.

And everyone wants the most recent word from some familiar names that are on the cusp of the end-game in product development, where FDA pivotal data and regulatory action can be transformational.

As always, we look for investor validation, opportunities to hear competitive stories, situations where milestones can provide tier-jumping potential, and for less visible names that might be undercovered on the Street.

The Future Leaders Class of 2010 has something to meet all these tests.

This year's slate includes 24 public and 18 private companies that have raised \$5.8 billion in capital, including \$1.6 billion since the beginning of 2009.

These *Future Leaders* have 21 marketed products, including 11 therapeutics and 10 diagnostics, 15 programs in Phase III, 72 programs in Phase II and 79 programs in Phase I development. The companies have at least 98 programs in preclinical development, including 85 that are currently unpartnered.

The disease space covers cancer, infectious diseases, neurology, gastrointestinal, cardiovascular and metabolic disorders.

We can't do this meeting without collaborators who take a long-term view. They understand that Future Leaders is about creating and nurturing relationships between innovators and their sources of finance.

Please thank our returning Gold Sponsor Cooley Godward Kronish, which remains a steadfast supporter of biotech innovators.

Please also thank our supporters from the financial community, who all recognize the value of a turf-neutral venue where biotech, pharma and the Street can take care of a lot of business in a single day.

We are happy to note that they all are returning sponsors:

- OrbiMed Advisors
- Rodman & Renshaw
- WBB Securities
- Wedbush PG Life Sciences
- and Yorkville Advisors

Finally, please mark September 15th in your calendars, when we look forward to welcoming you here at *NewsMakers in the Biotech Industry*. The 36th Collaborative Gathering of the Corporate and Investment Communities will be driven by public companies whose milestones will carry the industry and investors into 2011.