

**The 5th Annual
BioExec Institute Retreat**
Wednesday 4th March – Saturday 7th March 2009, Ritz-Carlton Resort, FL

PROGRAM INTRODUCTION & BACKGROUND

On behalf of the BioExec Institute's CEO, Hoda Abou-Jamra, and the Retreat Sponsors, welcome to the 5th Annual BioExec Institute Retreat.

Lead Sponsor

TVM | Capital

Co-Sponsors



Wyeth

Supporting Organization



MPM CAPITAL
Investing in Healthcare Innovation

The world has changed dramatically in the pharmaceutical and biotech industry in 2008.

The credit crunch has morphed into a severe financial crisis with the disappearance of investment banking as an independent business model, a serious drop in consumer demand across several industries, the public investors' general disbelief in the merits of investing in development stage biotech companies, the disappearance of the IPO market for technology stocks in general, as well as a drying up of late stage capital forced by a wave of hedge fund redemptions that have put tremendous downward pressures on asset prices, especially stocks.

All these developments and several others have drawn any conventional wisdom seriously in question as to how to invest successfully in early, discovery and development stage drugs projects, and how to sustain innovation in an industry that has in the last 30 years been driven largely by new and innovative products for unmet medical needs. Looking at discovery, nothing seems to be broken, but problems start mounting as projects get into the development stage. Burdened with increasing safety demands by regulatory agencies, longer and more costly clinical trials, and a pharmaceutical industry that continues to need new and innovative products to feed their ailing product pipelines but is under financial pressure itself and suffering from patent expirations and a likely reduction in capital available for product licensing deals or outright acquisitions in the years to come - *how will this industry and its key players adjust to this challenge?*

And finally, how will the engine behind much of the early-stage work in the industry, the venture capital industry, be able to adjust and find new financial models to be financially successful?

In particular, the financial success, or the lack thereof in recent years, has made it increasingly difficult for even mature VC firms in the sector to win the confidence and trust of limited partners and raise new and substantial funds.

In this unhappy scenario, product innovation is coming under pressure from almost all sides and stakeholders in the innovation feeding chain. This begs a simple question: is biotech discovery and development going to revert to its status of being a pure big industry business? Or will the venture backed biotech start-ups survive? Lastly, what will be the collaboration models between the VC firms, the academic institutions the biotech entrepreneurs and the mid and large pharma companies. Mix in some government policy, research support and new academic models for drug discovery and early development and we might be looking at an entirely new mix for the future of this industry.

Against this background, we have invited top managers and key opinion leaders from all stakeholders in the innovation game: academics, entrepreneurs, pharma managers, venture capitalists and investment bankers. In this meeting we are exploring their peculiar view on the world as it exists today and possible models for the future. In the end, we will bring their sector driven views together to build scenarios for a successful future of drug innovation.

Wednesday 4th March 2009	
19.00	The Opening Retreat Cocktail Reception (The Courtyard, Poolside)
Thursday 5th March 2009	
08.00	Registration & Breakfast (Ocean 1 & Outdoor Lawn)
Group Discussion Sessions (Ocean 1)	
08.55	WELCOME: Hoda Abou-Jamra, CEO, The BioExec Institute
09.00	<p>CAPITAL MARKETS PANEL</p> <p>The panellists will be asked their views on the following questions:</p> <ul style="list-style-type: none"> • <i>What future can we expect for biotech financing in the capital markets?</i> • <i>How the future of liquidity and fund raising is going to look?</i> • <i>What is the role of the investment banks going to be? Who can afford to deal with an ailing industry?</i> • <i>Will there be a wave of PIPE transactions in the market?</i> • <i>Do we need to expect more taking private activities?</i> • <i>Can the capital market offer financing solutions to this industry?</i> • <i>Will the IPO market return and if yes, for what type of company?</i> <p><u>Panellists:</u></p> <ul style="list-style-type: none"> ➤ Chair: Helmut Schühlsler, Managing Partner, TVM Capital ➤ Fred Frank, Vice Chairman, Lehman Brothers ➤ Annette Grimaldi, Managing Director & Head of Healthcare Investment Banking, Jefferies & Co ➤ Mike King, Director & Head of Healthcare, Rodman & Renshaw
09.45	<p>VC PANEL</p> <p>The panellists will be asked their views on the following questions:</p> <ul style="list-style-type: none"> • <i>Is biotech something VC should consider in the future?</i> • <i>What will really happen to the model which has largely worked for the last 35-40 years?</i> • <i>'Who' is going to finance 'what' in the biotech industry going forward?</i> • <i>What are the investor syndicates going to look like?</i> • <i>What is the financial side of the model of the next 2-5 years going to look like?</i> • <i>Input...output? Who is going to buy and when and why?</i> • <i>Is pure product innovation a winning strategy for the future?</i> • <i>How can the VC firms be more competitive vis a vis generalist growth and buy-out firms?</i> <p><u>Panellists:</u></p> <ul style="list-style-type: none"> ➤ Chair: Alex Barkas, Managing Director, Prospect Venture Partners ➤ James Barrett, Partner, Edwards Angell Palmer & Dodge, LLP ➤ Francesco De Rubertis, General Partner, Index Ventures ➤ Ansbert Gadicke, Managing Director, MPM Capital ➤ Helmut Schühlsler, Managing Partner, TVM Capital
10.30	Coffee Break
10.45	<p>PHARMA PANEL</p> <p>The panellists will be asked their views on the following questions:</p> <ul style="list-style-type: none"> • <i>How will pharma respond if VC's are no longer funding?</i> • <i>Will pharma take over the role of early-stage investing to continue feeding their pipelines?</i> • <i>What will happen to the acquisition and licensing appetite and is it sustainable?</i> • <i>Is anything coming out of big pharma in terms of new business models, new partnering schemes etc., that bodes well for early biotech?</i> • <i>Where and how will innovative new medicines be recognized and brought to market in the future?</i> • <i>Is product innovation going to be a key consideration for big pharma in the next 10 years?</i> <p><u>Panellists:</u></p> <ul style="list-style-type: none"> ➤ Chair: Paul Sekhri, Head Biotech Ops Group, TPG Biotech/TPG Growth, LLC ➤ Thomas Hofstaetter, SVP, Corporate Business Development, Wyeth ➤ Barbara Yanni, VP & Chief Licensing Officer, Merck ➤ Corinne Savill, Global Head Search & Evaluation, Business Development & Licensing, Novartis Pharma
11.30	<p>BIOTECH PANEL</p> <p>The panellists will be asked their views on the following questions:</p> <ul style="list-style-type: none"> • <i>At what stage will entrepreneurs be able to pick up "science" to turn it into "innovation"?</i> • <i>How will early-stage companies be funded in the future?</i> • <i>Are start-ups even a possibility in this climate?</i> • <i>What is their recipe for survival if the dearth of outside financing continues?</i> • <i>Is Phase III development even a consideration in this industry?</i> • <i>Are certain types of development projects simply not a possibility in the future?</i> • <i>How to provide the necessary "partnering package" for big pharma?</i> • <i>M&A or alternative exits for small biotech / pharma companies (excluding IPO's)?</i> <p><u>Panellists:</u></p> <ul style="list-style-type: none"> ➤ Chair: Alexis Borisy, President, CEO & Founder, CombinatoRx ➤ Luca Benatti, CEO, Newron Pharmaceuticals, SpA ➤ Jean-Pierre Sommadossi, Chairman & CEO, Idenix Pharmaceuticals ➤ Kathy Williams, Partner, Edwards Angell Palmer & Dodge, LLP
12.15	<p>ALTERNATIVE OPTIONS PANEL</p> <ul style="list-style-type: none"> • <i>Are there any thought leading academic initiatives in support of innovation in the industry?</i> • <i>Is there increasing government funding for the early stages of product development?</i> • <i>Do we need to expect a stronger direct academia-big pharma collaboration going forward?</i> • <i>What are the key determinants for outlicensing to biotech going to be from now on?</i> <p><u>Panellists:</u></p> <ul style="list-style-type: none"> ➤ Chair: Mary Tanner, CEO, Life Sciences Partners, LLC ➤ Alexandra Goll, General Partner, TVM Capital ➤ Lauren Silverman, Managing Director, Novartis Option Fund ➤ Jon Soderstrom, Managing Director, Yale University

13.00	Lunch (Ocean 1 Terrace)
Group Activities	
14.30	<p style="text-align: center;">Group Beach Activities and The Annual Retreat Soccer Match</p> <p>A private area has been set up for Retreat guests on the Ritz-Carlton Private Beach with refreshments, umbrellas, and loungers. Activities offered include kayaking, jet skiing, sailing, and beach soccer. The <u>beach soccer match will start at 15.30pm</u> and, as usual, there will be champagne afterwards for the willing participants!</p>
19.00	<p style="text-align: center;">Cocktail & Dinner Reception at The Breakers</p> <p>All guests to rendezvous in the hotel foyer for 18.30pm transfer departure. Return transfer at 23.00pm</p>
Friday 6th March 2009	
08.00	Breakfast (Ocean 1 Terrace)
Group Discussion Sessions (Ocean 1)	
08.55	Welcome
	<p>OPEN ROUNDTABLE DISCUSSIONS</p> <p>These roundtable sessions are a less formal and more interactive way in which everyone attending can discuss industry issues that arose from the Panel Discussions from Thursday morning. Each table, holding approximately 8 people, is facilitated by a Moderator and will offer everyone attending the opportunity to provide their feedback and input. The individual table discussions will take place simultaneously and at the end of each session the Moderators are each invited to give a synopsis on their table's discussion to provide comparison for the benefit of the other tables.</p>
09.00 – 10.15	<p>OPEN ROUNDTABLE DISCUSSIONS</p> <p>TABLE 1: <i>Capital Markets</i> TABLE 2: <i>Venture Capital</i> TABLE 3: <i>Pharma</i> TABLE 4: <i>Biotech</i> TABLE 5: <i>Alternative Options</i></p>
10.15	Coffee Break
10.30 – 12.00	<p>OPEN ROUND TABLE SUMMARIES & GENERAL OPEN DISCUSSION</p> <p>Each of the moderators will provide a summary of what their table discussed and the outcomes of these discussions.</p>
12.00	Lunch (Ocean 1 Terrace)
Group Activities	
13.30	<p>Fishing Expedition:</p> <p>Guests who have signed up for this activity are asked to assemble in the hotel foyer for a <u>13.30pm</u> transfer departure. A Retreat staff member will accompany you to marina to board your boat for the afternoon fishing trip. Return transfer is at 17.30pm.</p>
14.30	<p>Group Beach Activities: (On Ritz-Carlton's Private Beach)</p> <p>A private area has been set up for Retreat guests with refreshments, umbrellas and loungers. Activities offered include: kayaking, jet skiing, and sailing.</p>
19.00	Drinks Reception: (The Breeze Bar, Ritz Carlton Hotel)
Saturday 7th March 2009	
10.00 – 11.00	Farewell Breakfast (Ocean 1 Terrace)