

# The Role of R&D in Agriculture and Related Industries – An Investor's Perspective

*Illinois Showcase™ Program*

*Eric Larson*

*Linden LLC*

*24 September 2007*

# A Skeptical View of Collaboration

---

You'll find in no park or city  
A monument to a committee

-Victoria Pasternak

A committee is a group that keeps the minutes and loses  
hours.

- Milton Berle

# Illinois Global Partnership

---

- ❖ Mission: to promote and enhance international trade and economic development for the state of Illinois
  
- ❖ A forum to:
  - ❖ Inventory Illinois resources
  - ❖ Develop a collective policy for unique strategic opportunities in:
    - ❖ Food and pharma
    - ❖ Biofuels
  - ❖ Promote innovation

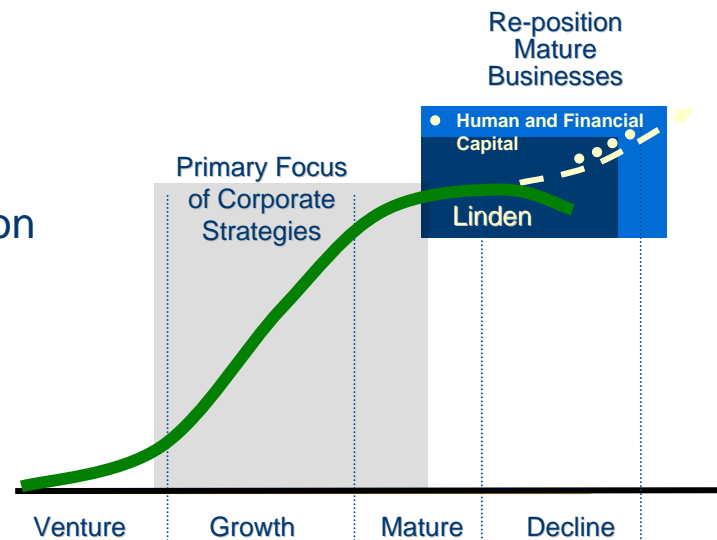
# Context

---

- ❖ Founder and partner of Linden LLC, a private investment company focused on building dynamic science-based companies
- ❖ Incoming member of the Executive Advisory Board for the National Center for Food Safety and Technology

# Linden LLC

- ❖ Private investment firm focused exclusively on healthcare and life science companies
- ❖ Organization comprised of both operating and financial professionals
- ❖ Mature middle market businesses (annual revenues: \$25 to 300 million)
- ❖ Primary strategic focus: non-core units of large corporations
- ❖ Owners, not investors
  - ❖ Active governance model
  - ❖ “Good to Great” transformation
- ❖ Technology accelerators



# National Center for Food Safety and Technology

---

- ❖ **Research consortium**
  - ❖ Enabling collaboration between industry and FDA scientists
- ❖ **Well established food safety capabilities**
  - ❖ Packaging technology
  - ❖ Security of the nation's food supply
- ❖ **New Initiative: Foods with Health Promoting Properties**
  - ❖ Establishing a new facility for nutritional clinical trials
  - ❖ Develop substantiation for specific health claims
  - ❖ Build consumer confidence & awareness for healthy food choices

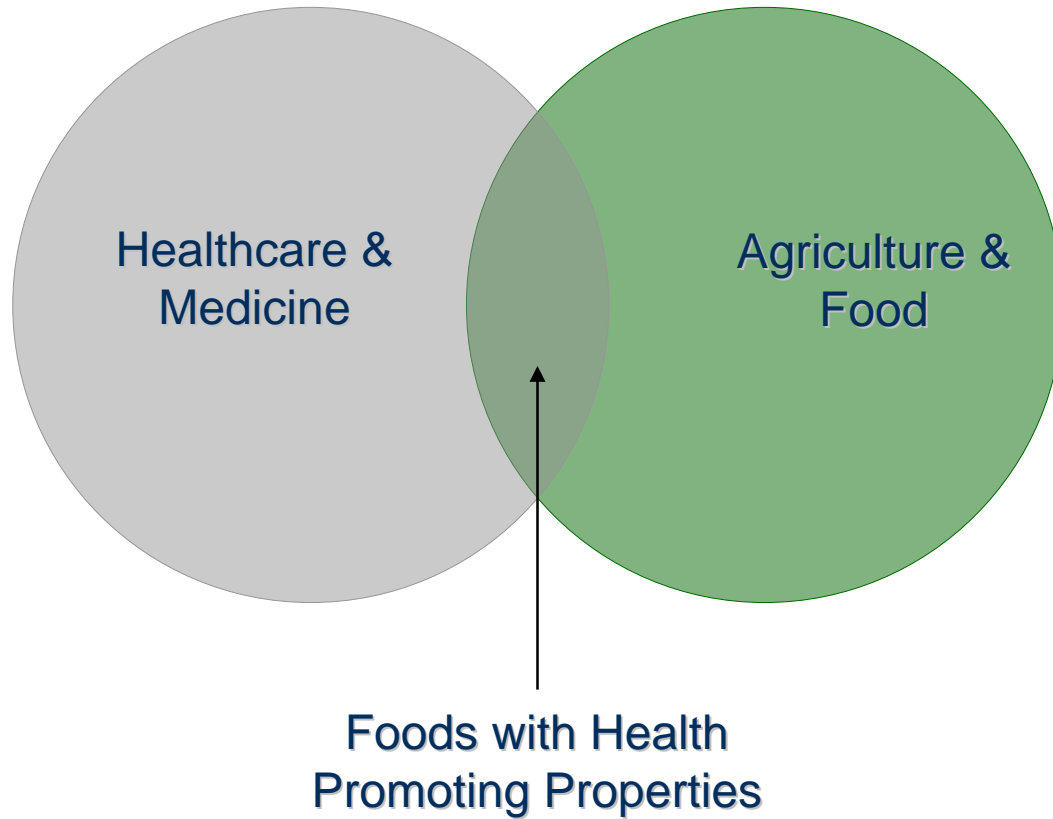
# Nutrition - An Essential Aspect of Health

---

- ❖ “Sick Care” vs. “Health Care”
  - ❖ Sick Care = treatment / disease management
  - ❖ Health Care = prevention of illness / wellness
- ❖ Leading causes of death (CDC 2004)
  - ❖ Diet related - 64% of deaths
  - ❖ Lifestyle related - 71% of deaths
- ❖ Foods with Health Promoting Properties
  - ❖ New FDA designation

# Interaction of food and health

---





# From paclitaxel to Taxol™

---

- ❖ Research efforts on many fronts in the battle against breast cancer
  - ❖ *Plant extract* - US Department of Agriculture
  - ❖ *Screening* - National Cancer Institute
  - ❖ *Synthesis* - Florida State University and Virginia Tech
  - ❖ *Production* - Bristol-Myers Squibb

# A Hopeful View of the Role of R&D

---

- ❖ “Research is the pacemaker of technological progress.”  
- Vannevar Bush
- ❖ Illinois Global Partnership
  - ❖ Mission: to promote and enhance international trade and economic development for the state of Illinois



# The Leading Causes of Death in the US

## Causes of death in which diet can play a part

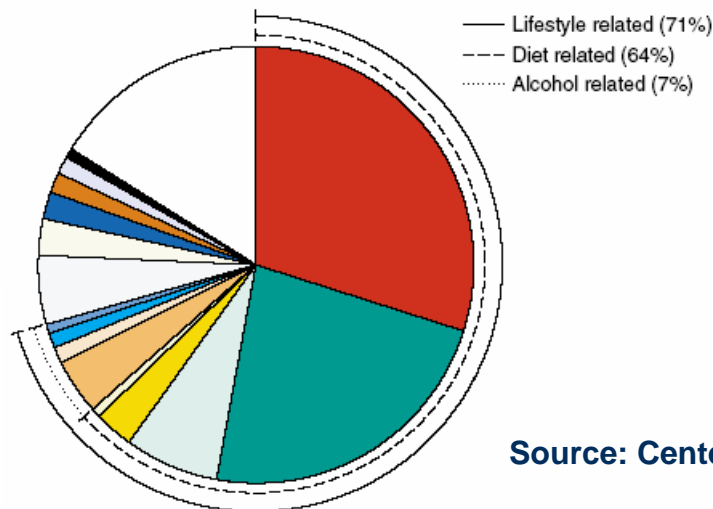
- Heart disease (primarily heart attacks) 29.9%
- Cancer 23%
- Stroke 7%
- Diabetes 2.9%
- Hypertension (high blood pressure) 0.7%

## Causes of death in which excessive alcohol use can play a part

- Accidents (motor accidents—2%; all other accidents—2.1%) 4.1%
- Suicide 1.2%
- Liver disease 1.1%
- Homicide 0.7%

## Other causes of death

- Lung diseases 5.1%
- Pneumonia and influenza 2.7%
- Alzheimer's disease 2%
- Kidney disease 1.5%
- Septicemia (infections in the blood) 1.3%
- Pneumonitis (pneumonia caused by aspiration of solid or liquid materials into the lungs) 0.7%
- All others 16.1%



Source: Centers for Disease Control and Prevention, 2004

# Linden's operating philosophy

---

## **Mission**

Linden's mission is to build dynamic science-based businesses with strong growth and value creation potential. We accomplish our mission by forming relationships with executives and directing a unique set of resources and people to achieve superb investment results.

## **Values**

1. Integrity and respect govern everything we do.
2. Trust is the foundation for every one of our relationships. We develop trust by our actions.
3. We work as a team, sharing recognition, communicating clearly and openly.
4. We strive for a balance of operating and financial expertise within our organization and embrace the diversity that this brings.
5. As owners, we are both results-oriented and patient. We focus on specific programs to add value to the companies in which we invest.
6. We strive for our work to be meaningful and enjoyable.