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

Illinois Showcase™ Program
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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

![Diagram of the lifecycle of businesses with Linden's involvement from Venture to Mature and Decline, highlighting Human and Financial Capital and the re-positioning of Mature Businesses]
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

Healthcare & Medicine

Agriculture & Food

Foods with Health Promoting Properties
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.