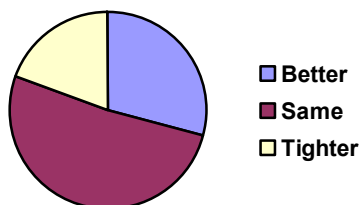


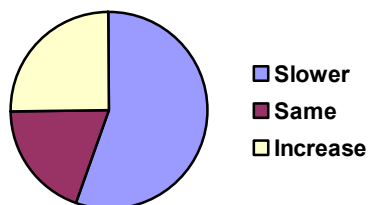
Executive Summary

As reflected in the current economic conditions, the majority believes that capital markets will remain the same although nearly 70% plan to try to raise capital in 2003. A surprising number felt their valuations increased in 2002 but were far less optimistic about 2003. R&D spending projections for 2003 show that many are slowing their R&D spend by funding fewer projects. Cost management will continue in 2003 though less expect to reduce headcount in 2003 than did in 2002. As a result, the majority of respondents projected equal or increased spending for outsourcing while use of consultants will be more conservative. Business and Corporate development activities suggest that many expect to be involved in discussions regarding acquisitions or to be acquired with less expecting to be out licensing technology in the coming years.

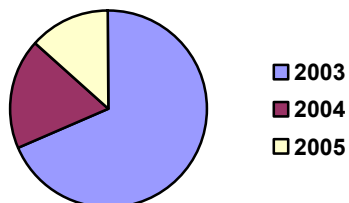
Access to Capital in 2003



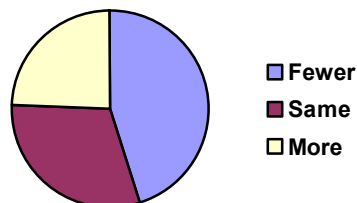
2003 R&D Management: Spend



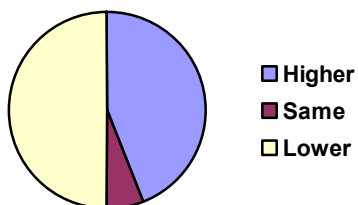
Next Round of Capital



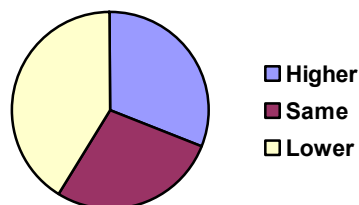
2003 R&D Management: Projects



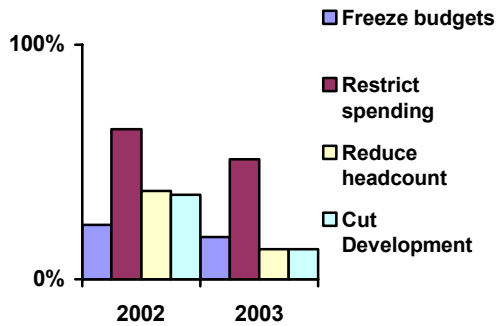
Valuation in 2002



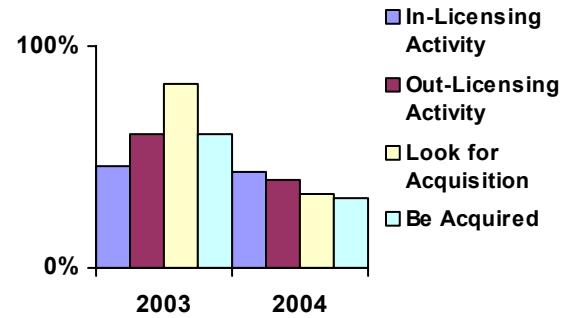
Valuation in 2003



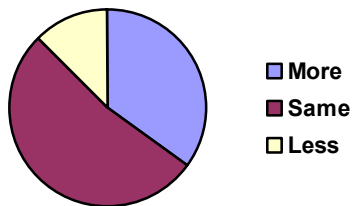
2002 & 2003 Cost Management



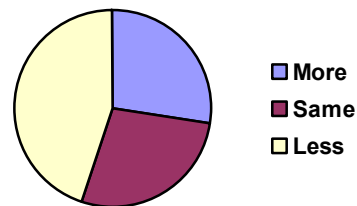
M&A and BD Activity



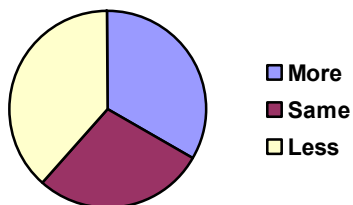
2003 Plans Outsourcing R&D



Consulting Spend



2003 Plans Capital Expenditure



R&D 2003 Spend Profile

