

A LETTER FROM OUR FOUNDER (2005)

We are pleased to announce the second year of Scimitar Equity Research, Inc.

Scimitar Equity Research, Inc. (Scimitar) provides "sponsored" equity research and objective analysis of selected segments within the health sciences industry for the institutional and investment communities. Scimitar, based in Boston, integrates scientific and financial analyses to identify those companies demonstrating real progress towards their vision, while meeting quarterly expectations.

My intent is to keep our constituents well informed concerning Scimitar's code of ethics, practices and beliefs with regard to issues of trust and its safeguards. To ensure governance, disclosure and maximize transparency, our recommendations, reviews, legal disclaimer, disclosures and stock rankings are written in plain English. Reason and deliberation clarifies Scimitar's research approach in identifying any value proposition.

Equity research is our only business!

January, 2005 introduces a new research reporting format. With this new research product look, our analysts can refine the parameters such as the financial metrics visualization, definitions of the investment thesis for the respective company, while articulating the technology position at this reporting period followed by milestones/catalysts, valuation and expectations and finalizing by highlighting their comparables. Moreover, in these specific company reviews, we provide a synopsis of our key ideas and beliefs on these companies for 2005.

Scimitar's fundamental position related to the ongoing research reverberations can be summarized in these definitive points: Scimitar does not engage in investment banking transactions, money management and personal investment in those companies which we provide equity research and institutional sponsorship.

Professionalism demands uncompromising integrity and Scimitar is committed to uncompromising professionalism.

Scimitar provides insightful research and untainted analysis. Our equity research will not sacrifice quality for quantity.

Scimitar is now working with strategic partners to provide you with the most comprehensive research distribution available. Our technology alliances include financial data and models, including other distribution online vehicles. Our recent listing with Thomson Financial's First Call-Investext distribution network further aligns our research for institutional acceptance.

Scimitar defines itself as industry specific analysts and we select a number of health science stocks to provide research coverage. We identify those companies demonstrating real progress towards their vision while meeting quarterly expectations. Scimitar's research is based on four approaches: detailed diligence, skepticism, objectivity and thorough investigation.

Equity Research is our only business!

- ⇒ We certify that the views expressed in our analysis are our own.
- ⇒ January, 2005 introduces a new research reporting format.
- ⇒ Scimitar's code of ethics precludes investment banking transactions, money management and personal investment.
- ⇒ Professionalism demands uncompromising integrity and Scimitar is committed to uncompromising professionalism.
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A LETTER FROM OUR FOUNDER continued (2005)

We operate with a discipline that focuses on physical (quantitative) evidence that is cross-indexed against the logical reasoning of intangible (qualitative) values. Scimitar researches reliable as well as conflicting data, analyzing the facts to define the competitive advantage. We remain open minded to contrary information as we initiate a thorough examination of the collected evidence to develop an investment thesis. Reason and deliberation clarifies Scimitar's investment approach to identify the value proposition. Our discipline is enhanced by investigative practices honed by experience.

While no firm can guarantee total prevention in conflicts of interest, we are confident that the measures we are putting in place deter any questionable practices and will fully comply with our code of ethics, applicable legal and regulatory requirements.

These measures could change as disclaimers and disclosures evolve in the near term. Please be assured that we continue to support disclosure and work diligently to support the efforts of regulatory authorities.

Ultimately, our equity research business depends on your trust and our ability to communicate through our analysis. Thank you for your continued utilization and support!

Scimitar offers a collection of capacities and capabilities that integrate equity research and institutional access by one unique provider.

Thank You,

Henry W. McCusker

“Bridging Equity Research To Institutional Access”



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Scimitar's capabilities are differentiated through our years of corporate experience in the health and life sciences industry and venture/public investment fund communities resulting in an extensive and valuable network. During the past twenty-five years we have developed relationships with a network of asset managers, institutional advisors, high-net worth individuals and other investment professionals.