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## BioMed Realty Trust, Inc. Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator instructions) Your first question comes from the line of Paul Puryear with Raymond James. Please Proceed.

#### Paul Puryear ? Raymond James & Associates

Hey, good morning guys.

#### Alan Gold

Good morning Paul.

#### Paul Puryear ? Raymond James & Associates

Alan, could you compare and contrast the current environment for life science funding to what you went through in 2001 or any previous slowdown for that matter?

#### Alan Gold

I'll give you my best. The one good thing about the life science industry is they've lived through these capital freezes many at times and indeed the 2001 capital freeze which was considered a nuclear freeze, it was a long-term inability for the companies to raise capital to use it through the IPO windows in public markets, even private markets.

We haven't seen the complete shut-off of capital or we hadn't seen the complete shut-off until the last 30 days when we really started to see some significant halt in the flowing capital to the life science companies.

I think what happened in 2001 and what happened before is that the weaker companies, the companies that didn't take advantage of the opportunity to raise capital, those are the first ones to fall out and we are starting to see some of those weaker Tier 4 start-up venture backed companies that didn't raise sufficient capitals and haven't moved their product through the pipeline to – they've started to crack and have problems.

What we do see and what we have seen in the past is we have seen these companies to be more willing to merge because of necessity, and typically what happens is that their evaluations are significantly reduced and that gives the pharma companies the desire to take advantage of those opportunities. We still are in an environment where the pharma companies do have a very thin

pipeline of new drugs and their best hope for an improvement their pipeline comes from the biotech company.

We think that the companies who have sufficient capacity to last out a long time will survive. These management teams have been ? they're very experienced and they know how to, during these tough times, extend their runway for a very long time.

**Paul Puryear ? Raymond James & Associates**

I guess in light of that and what's happened in the last 30 days, who's on your tenant watch list and how has that changed?

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