



Pharsight software products and services improve productivity and decision making in drug development. Pharsight software streamlines pharmacokinetic/pharmacodynamic (PK/PD) modeling, analysis, product profile visualization, reporting and trial simulation. Pharsight strategic consulting services strengthens the quality, visibility and value of critical drug development decisions with quantitative, predictive models. Pharsight reporting and analysis services provide high-quality, regulatory-compliant PK/PD analysis and reporting for new drug approval.

Financial Highlights

(in thousands except per share data)
(Unaudited)

	Three Months Ended June 30,	
	2009	2008
Consolidated:		
Total revenues	\$ 6,550	\$ 6,050
Gross margin	68%	62%
Operating expenses	5,118	4,225
Net income	(409)	(383)
Net income excluding 123R	(20)	(151)
Net income attributable to common stockholders	(409)	(7,534)
Basic earnings per share	\$ (0.04)	\$ (1.11)
Diluted earnings per share	\$ (0.04)	\$ (1.11)
Wtd shares o/s - basic	9,447	6,798
Wtd shares o/s - diluted	9,447	6,798

Recent News

- Reported quarterly revenue of \$6.6 million for the fiscal first quarter ended June 30, 2008. Annual revenue growth of 8%.
- Announced alliance with CRI Worldwide to offer combined services including trial design, simulation, execution, analysis and reporting. Alliance provides a broader solution to customers and addresses the growing need for drug development companies to improve the efficiency in their performance and analysis of clinical trials.
- Announced expansion of Reporting and Analysis Services (RAS) offerings to include preclinical, statistics, and data management. Expansion allows company to compete for business in larger market..
- Added to the Russell Microcap® Index.
- Launched PK Accelerator™ (PKA™), a system of bundled software coupled with a rapid deployment service directed at small to mid-sized organizations.
- Hosted European User Group Meeting in Paris to provide environment for industry scientists and developers to discuss challenges and advances in regulatory compliant PK/PD data management.

The Pharsight Solution

Pharsight Corporation develops and markets software and services that help pharmaceutical and biotechnology companies improve productivity and decision-making in drug development and commercialization. Pharsight combines proprietary computer-based simulation, statistical and data (PK/PD) analysis tools and data repositories with the sciences of pharmacology, drug and disease modeling, human genetics, biostatistics and strategic decision-making. Our offerings, which consist of a portfolio of scientific, regulatory and decision consulting services, software products and related services, help customers optimize clinical drug development processes by quantifying the risk/reward ratio of development and commercialization and identifying probable outcomes. By integrating scientific, clinical and business decision criteria into a dynamic, model-based methodology, Pharsight helps clients improve the value of their drug development programs and portfolios from the discovery phase to post-launch marketing.

The Company

Founded in 1995 and IPO in 2000, Pharsight has operations worldwide and is headquartered in Mountain View, California. The company also operates sales, consulting, development and training facilities in Cary, North Carolina, and Montreal, Canada.

Software Products

Pharsight software products and deployment and integration services provide the analytical tools and conceptual framework necessary to help clinical researchers optimize the decision-making process used to advance drugs through clinical trials and on to the commercial market.

- **WinNonlin® and WinNonMix®.** These software applications are used to efficiently analyze clinical and preclinical data, allowing the creation of PK/PD models and validating the assumptions and information on which the models are based. Such analysis is both cost-effective and required by FDA regulations for new drug submissions.
- **Trial Simulator™.** Trial Simulator uses known information about a drug, or candidate drug, and about patient populations to help design and optimize clinical trial protocols.
- **Pharsight® Knowledgebase Server™ (PKS™).** PKS provides a means of capturing and managing both summary and detailed pharmacokinetic/pharmacodynamic (PK/PD) data across a large set of compounds and development phases. PKS also provides a unified data environment for supporting clinical pharmacology modeling, analysis and reporting activities. PKS is directly integrated into WinNonlin Enterprise and other industry standard modeling and analysis tools.
- **WinNonlin and PKS Validation Suites™.** WinNonlin Validation Suite and PKS Validation Suite streamline on-site validation of the WinNonlin and PKS products. The WinNonlin Validation Suite efficiently and effectively provides documentation of your on-site validation activities, through automated generation of validation reports via Microsoft® Word. The PKS Validation Suite provides document templates, test data, and a collection of automated and manual test scripts.
- **PKS Reporter™.** PKS Reporter addresses the need for streamlined, systematic, and automated report generation and signature. Using PKS as an underlying source of secure, regulatory-compliant report content, PKS Reporter allows researchers to use familiar tools such as WinNonlin and Microsoft Word® to construct, update, review and approve any type of report.
- **Drug Model Explorer® (DMX®).** The Drug Model Explorer is a software-based communication technology, designed to facilitate quantitative decision-making in drug development by allowing project teams to explore key drug attributes, and the uncertainty around those attributes, given the current state of knowledge about a development program.
- **IVIVC Toolkit™.** The IVIVC Toolkit for WinNonlin expands the capabilities of WinNonlin, enabling the use of WinNonlin for in vivo-in vitro correlations (IVIVC). The Toolkit brings enhanced deconvolution methods, numerical convolution, new plotting capability, and the "IVIVC Wizard" to pharmacokineticists and formulators.
- **WinNonlin® AutoPilot™.** WinNonlin AutoPilot is a configurable software application for WinNonlin that automates the creation of presentation-quality clinical pharmacokinetic (PK) analysis. Using WinNonlin AutoPilot, companies can vastly improve their productivity while improving the quality and consistency of analyses and reports.

Consulting Services

Strategic Consulting Services (SCS). Pharsight Strategic Consulting Services consist of consulting, training and process redesign conducted by our clinical and decision scientists in the application and implementation of our core decision methodology. The methodology employed by our services group uses three types of models that work in concert: Drug-Disease Models, Trial Models, and Market Models.

Reporting and Analysis Services (RAS). Pharsight Reporting and Analysis Services addresses customer demand for analysis and reporting of pharmacokinetic/pharmacodynamic (PK/PD) data originating in the full spectrum of clinical and preclinical studies supporting product registration. The analysis techniques include non-compartmental and compartmental analysis, in-vitro/in-vivo correlation (IVIVC), and population modeling, allometry, descriptive statistics and inferential statistics.

Market Acceptance

All of the world's largest 50 pharmaceutical companies use at least one of our software products and 19 of them were active strategic consulting services clients during FY07. Our software applications are currently licensed for use on more than 6,300 desktops in industry and academia with over 1,250 active software customers.

Executive Officers

Shawn M. O'Connor

President, Chairman and Chief Executive Officer

Will Frederick

Chief Financial Officer

Daniel Weiner, Ph.D.

Chief Technology Officer

Mark Hovde

SVP Marketing and Business Development

James Hayden

SVP Global Sales

John Murphy, DrPH

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CEO, Scintera Networks

Howard B. Rosen

Consultant

John J. Schickling

EVP, COO and CFO, KaZaK Composites, Inc.

Significant Investors

Alloy Entities	26% ownership
Sprout Entities	19% ownership
McKesson Corp.	10% ownership
Lewis Asset Management Corp.	4% ownership
Wellington Management Co.	2% ownership

Investor Contacts

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