






**Cadence Pharmaceuticals, Inc.****CADX NASDAQ**

Biotechnology

Market Capitalization USD:

\$416.68 mm**CONCERN LEVEL: HIGH**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap. 
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance. 
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years. 
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Theodore R. Schroeder**Age: 57****CEO Since: 2004**

	2009	2010	2011
Base Salary	\$433,125	\$481,454	\$530,341
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$244,756	\$234,982	\$262,519
Benefits and Perquisites	\$0	\$0	\$0
TOTAL ANNUAL COMPENSATION	\$677,881	\$716,436	\$792,860
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$1,157,608	\$948,991	\$3,042,309
Stock Awards	\$436,400	\$0	\$0
TOTAL COMPENSATION	\$2,271,889	\$1,665,427	\$3,835,169
Median of Other Named Executive Officers Total Compensation	\$1,194,915	\$1,595,602	\$1,038,183
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$0	\$0	\$114,400
TOTAL REALIZED EQUITY COMPENSATION	\$0	\$0	\$114,400

Proxy Date: 26 Apr 2012

Annual Meeting Date: 13 Jun 2012

Equity Reserves: 14.41%

Stock Option Run Rate: 2.16%

Cadence Pharmaceuticals, Inc.

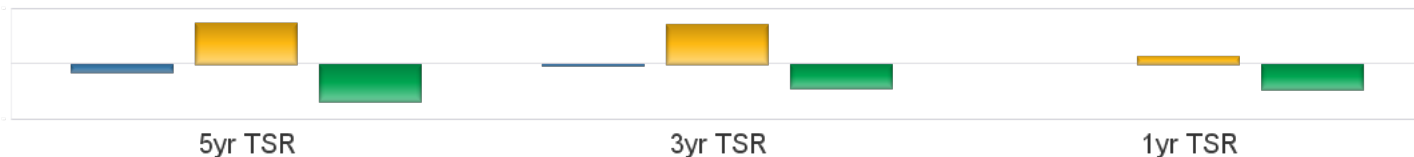
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Performance Comparison

■ S&P500 ■ Industry ■ CADX



Peer Comparisons (TRBC) =Biotechnology

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CADX	Cadence Pharmaceuticals, Inc.	\$2,271,889	\$1,665,427	\$3,835,169	\$416,677,470
PRXL	PAREXEL International Corporation	\$1,510,744	\$3,544,412		\$1,116,414,298
IRWD	Ironwood Pharmaceuticals, Inc.	\$564,290	\$563,231	\$2,019,212	\$1,083,476,109
IMGN	ImmunoGen, Inc.	\$1,910,750	\$1,643,791		\$837,127,594
PCYC	Pharmacyclics, Inc.	\$0			\$809,178,601
ACOR	Acorda Therapeutics, Inc.	\$2,110,018	\$9,556,851	\$3,770,591	\$791,567,312
PDLI	PDL BioPharma, Inc.	\$1,078,572	\$1,701,013	\$1,164,350	\$775,859,802

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Acorda Therapeutics, Inc., Arena Pharmaceuticals, Inc., Avanir Pharmaceuticals, Inc., Dyax Corp., Halozyme Therapeutics, Inc., Idenix Pharmaceuticals, Inc., InterMune, Inc., Isis Pharmaceuticals, Inc., ISTA Pharmaceuticals, Inc., Jazz Pharmaceuticals Public Limited Company, Momenta Pharmaceuticals, Inc., Nektar Therapeutics, NPS Pharmaceuticals, Inc., Optimer Pharmaceuticals, Inc., Orexigen Therapeutics, Inc., Questcor Pharmaceuticals, Inc., Santarus, Inc., Savient Pharmaceuticals, Inc., Theravance, Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Cam L. Garner	Chairman	63	Male	8	Outside Related
James C. Blair	Member	72	Male	7	Outside Related
Samuel L. Barker	Member	69	Male	6	Outside

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