

Trends in Financing Biotech Companies

Elissi, September 22th, Lugano

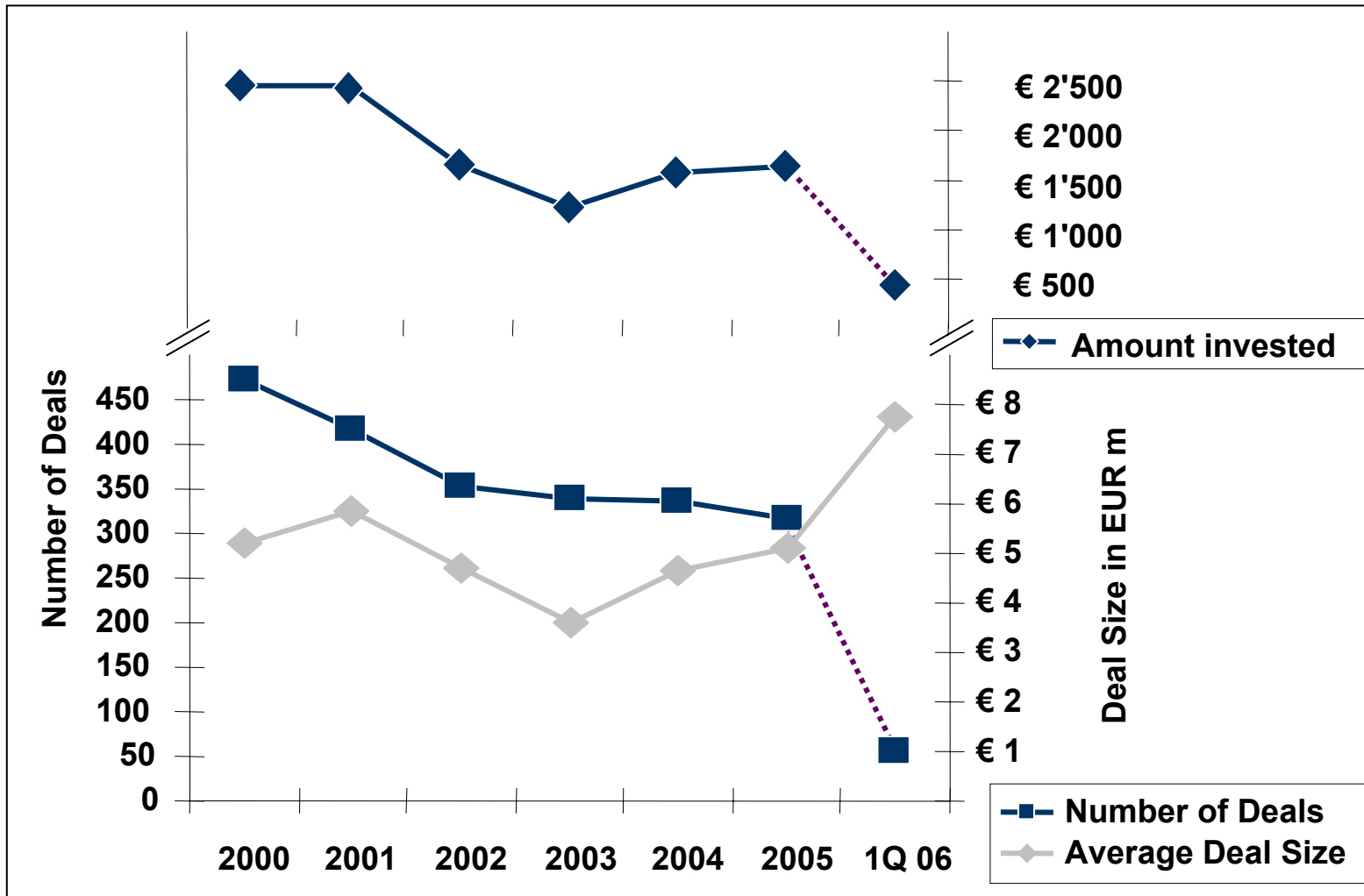
an SWX Group company



Agenda:

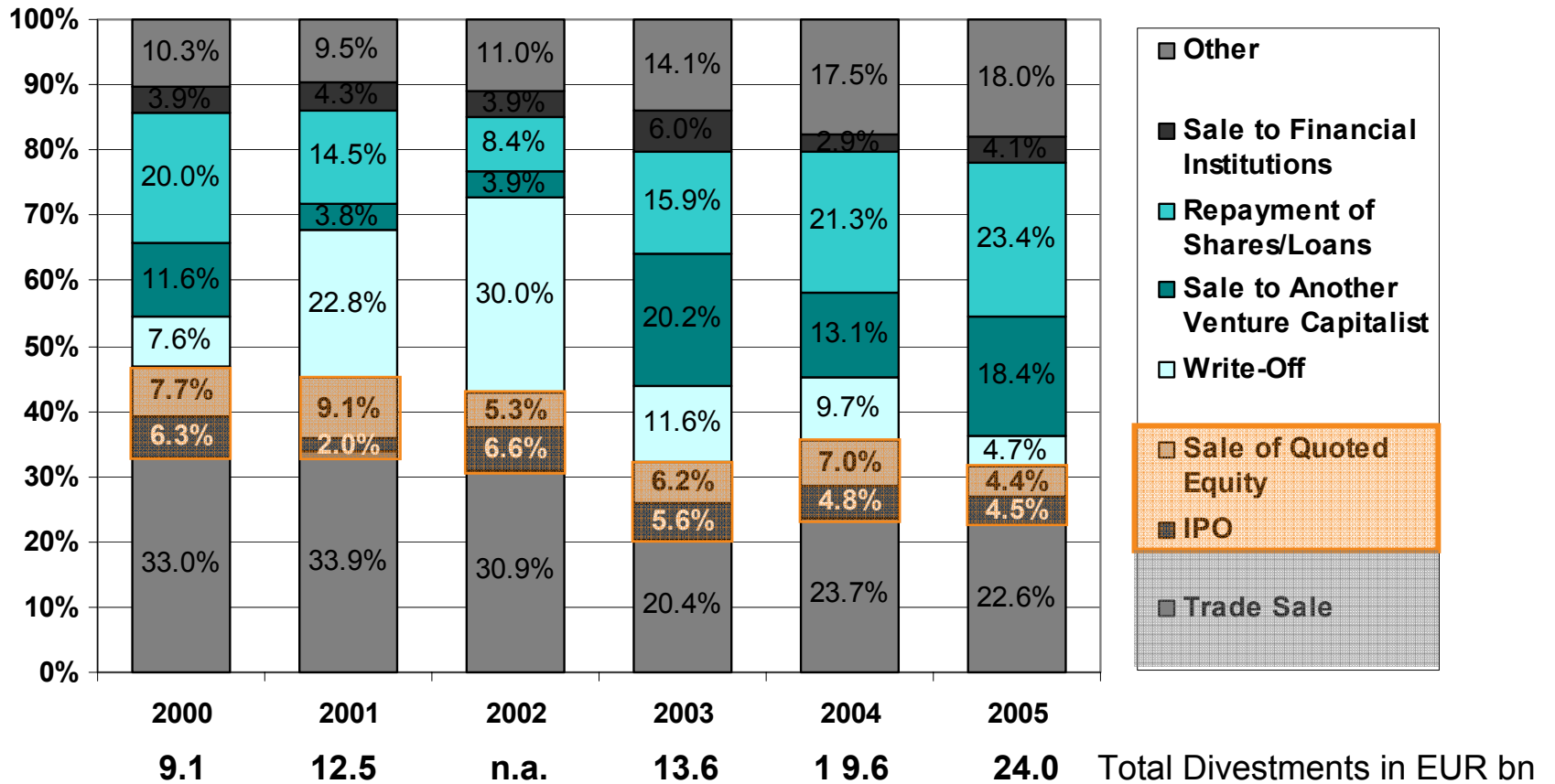
- Biotech private equity investing in Europe
- Divestments by exit route
- Biotech M&A activity in Europe
- Biotech IPO activity in Europe
- Healthcare at SWX Swiss Exchange

V/C backed life sciences deals in Europe



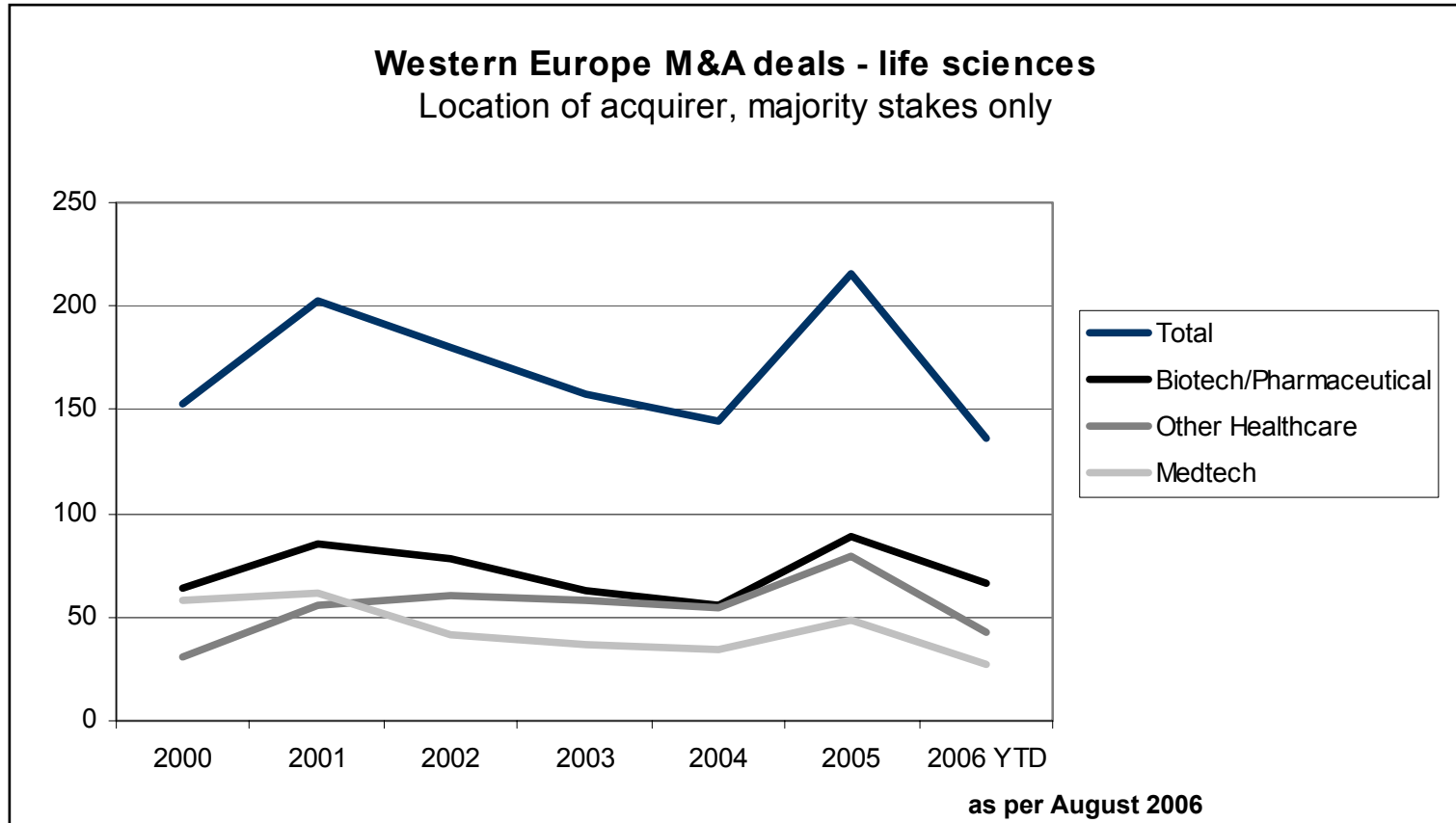
Source: E&Y, VentureSource

Private equity: trends in divestment scenarios



Source: EVCA

Overview of the M&A deals



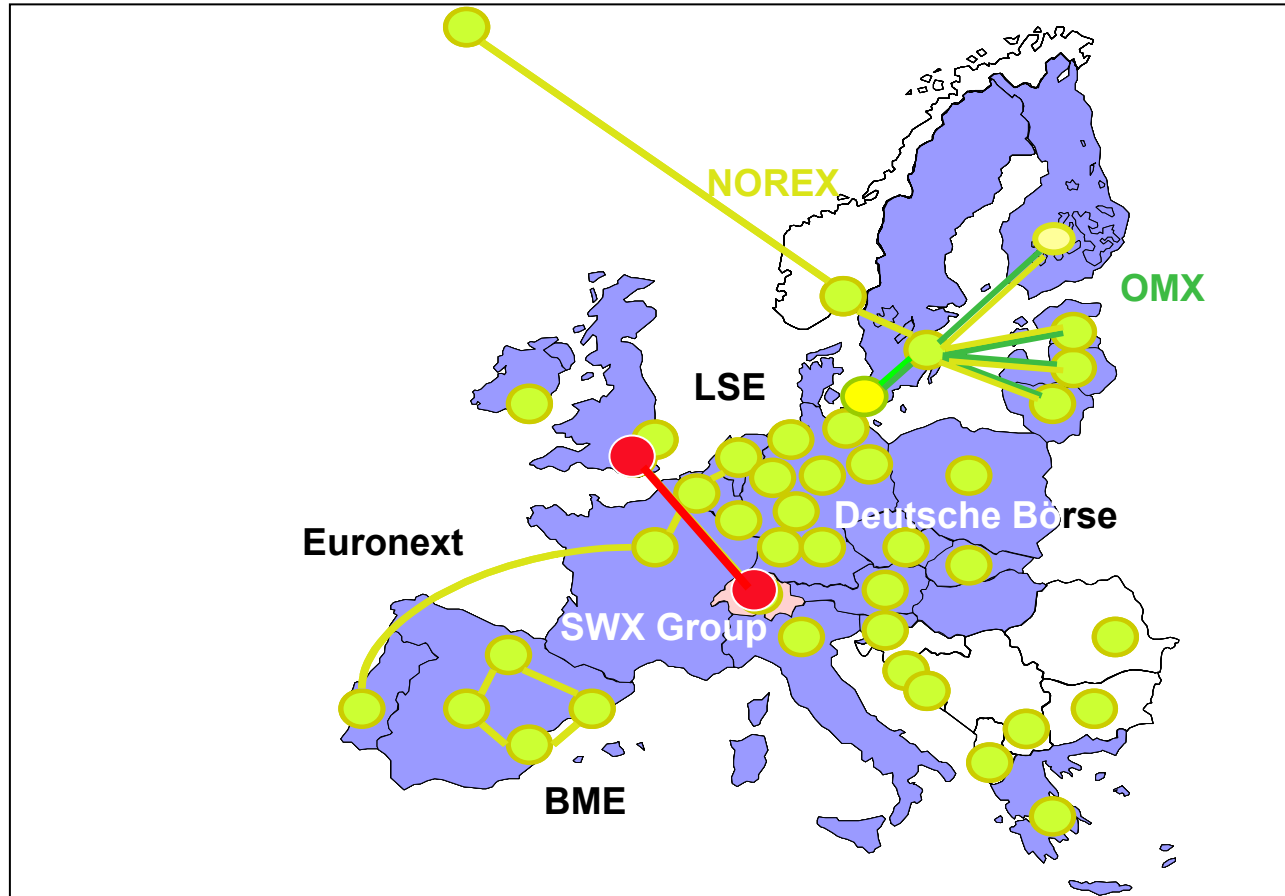
Source: Thomson Financial

Life sciences IPOs in Europe (regulated markets)

	Company	Issue Price	Price adjustment / Price range	Capital raised in EUR million	Total mkt in EUR million	Listing date	Sector
SVE	BIOVITRUM	SEK 100	Mkt. Introduction, SEK 90-105	-		Sep-06	Biotechnology
GB	SOUTHERN CROSS	GBP 2.25	No , but listing postponed from	292.0	617.5	Aug-06	Healthcare Providers & Services
NW	CLAVIS	NOK 45.5		30.3		Jul-06	Biotechnology
BE	THROMBOGENICS	EUR 4.5	EUR 4.50-6.00	35.0	99.6	Jul-06	Biotechnology
BE/NL	ONCOMETHYLOME	EUR 7.5	EUR 7.50-10.00	22.0	75.0	Jun-06	Biotechnology
GB	PURICORE PLC	GBP 0.66	n.a.	43.4	144.8	Jun-06	Biotechnology
CH	MEDISIZE	CHF 92	Spin-off from Gurit Heberlein	-	279.0	Jun-06	Medical Equipment
CH	BIOXELL	CHF 44	No , CHF 44-48	37.0	151.6	Jun-06	Biotechnology
T	PIERREL	EUR 6.00	EUR 5.70-6.70	24.0	60.0	May-06	Pharmaceuticals
ESP	GRIFOLS	EUR 4.4	EUR 4-4.5		937.5	May-06	Pharmaceuticals
GB	RENOVO	GBP 0.87	No , but listing postponed from	71.9	221.4	Apr-06	Biotechnology
GB	OPTOS	GBP 2.3	No , 2-2.6	43.8	221.6	Feb-06	Medical Equipment
GB	ASTERAND		Relisting	-	22.6	Jan-06	Biotechnology

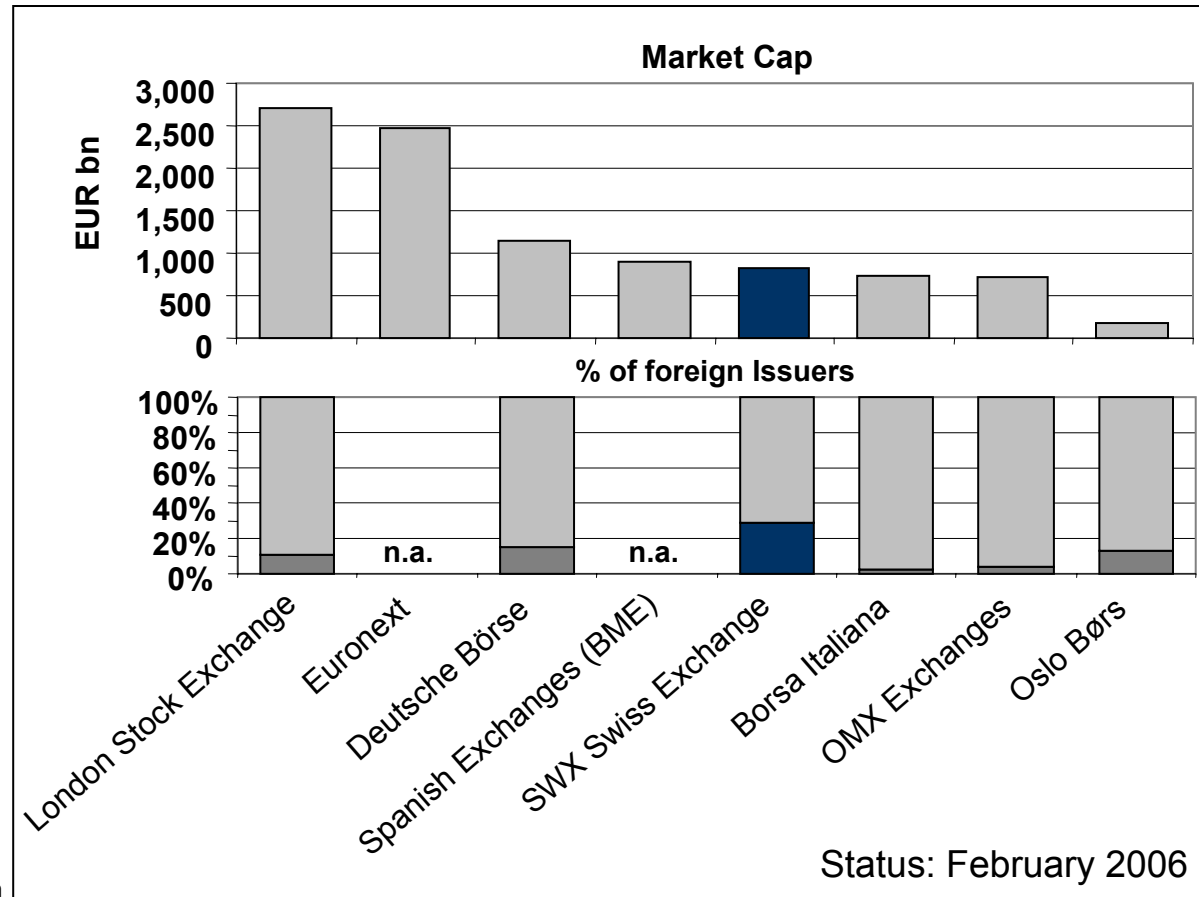
Source: SWX Swiss Exchange

European stock exchanges



Major European exchanges

- Total market cap. (of free float):
- Percentage of foreign issuers: (based on total number of issuers incl. primary & secondary listings)



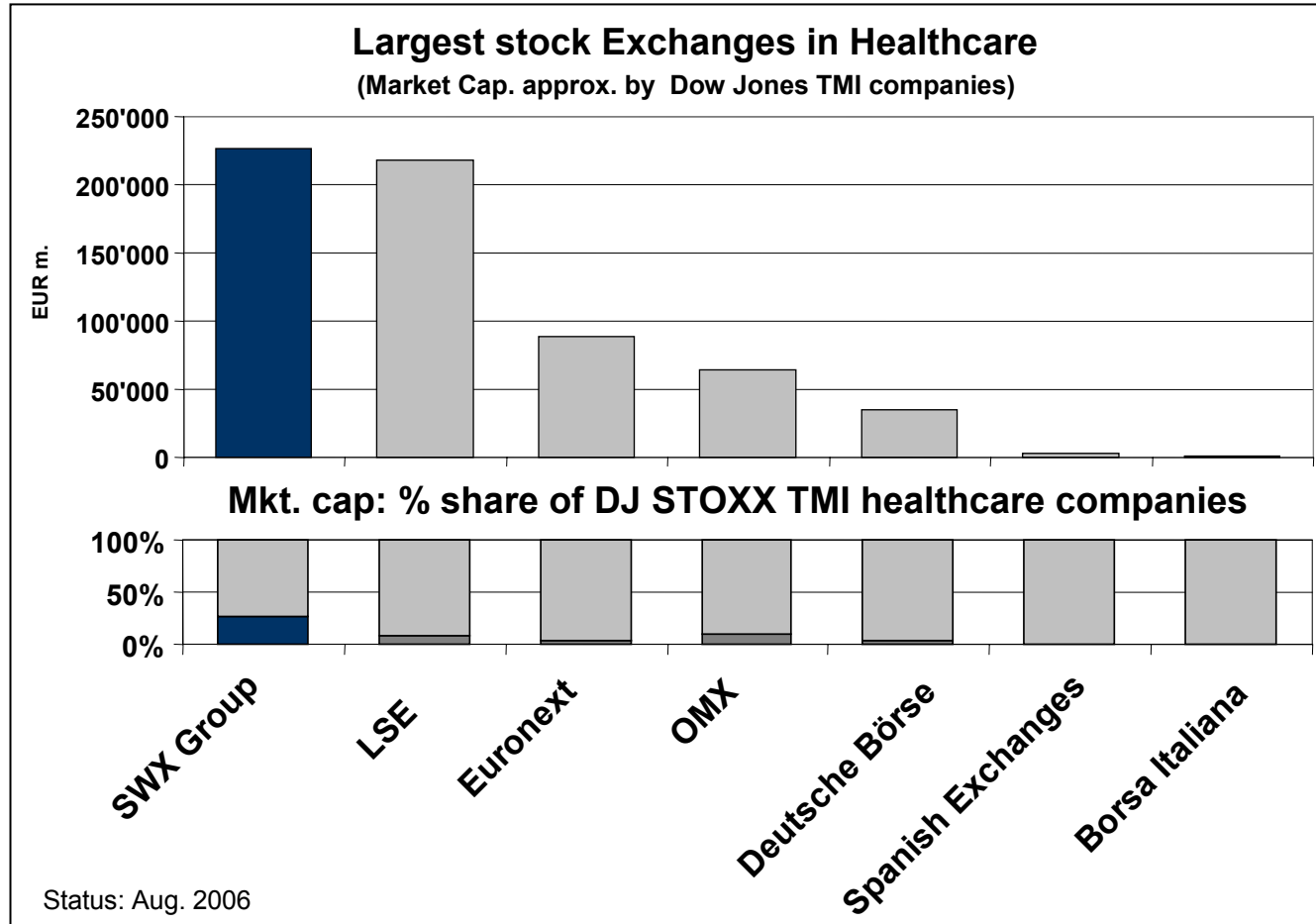
Source: FESE, www.fese.com

Major European exchanges

Market cap. of healthcare companies:
 (Approximated by DJ STOXX TMI Companies applying ICB classification)

Share of total market cap.

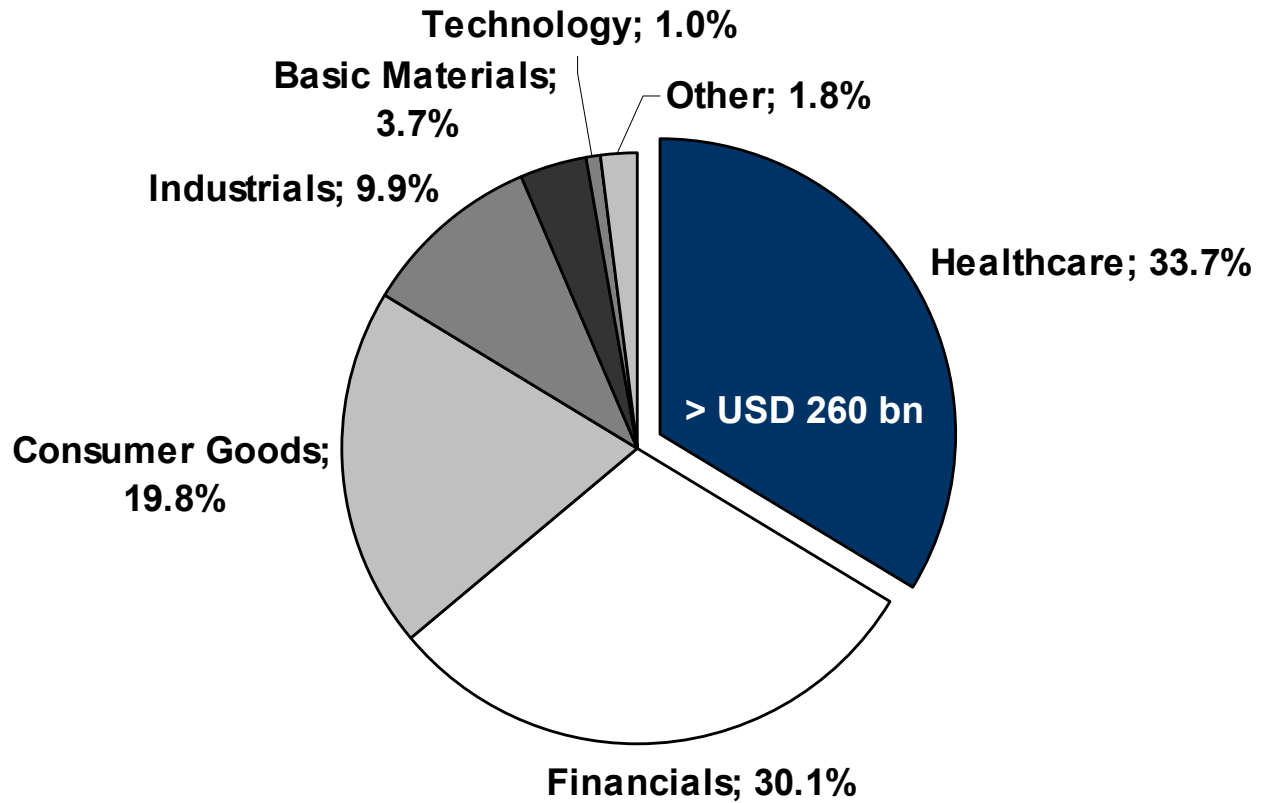
SWX: ~ 35% foreign companies



Source: STOXX

SPI industry breakdown

Breakdown as of
July 2006








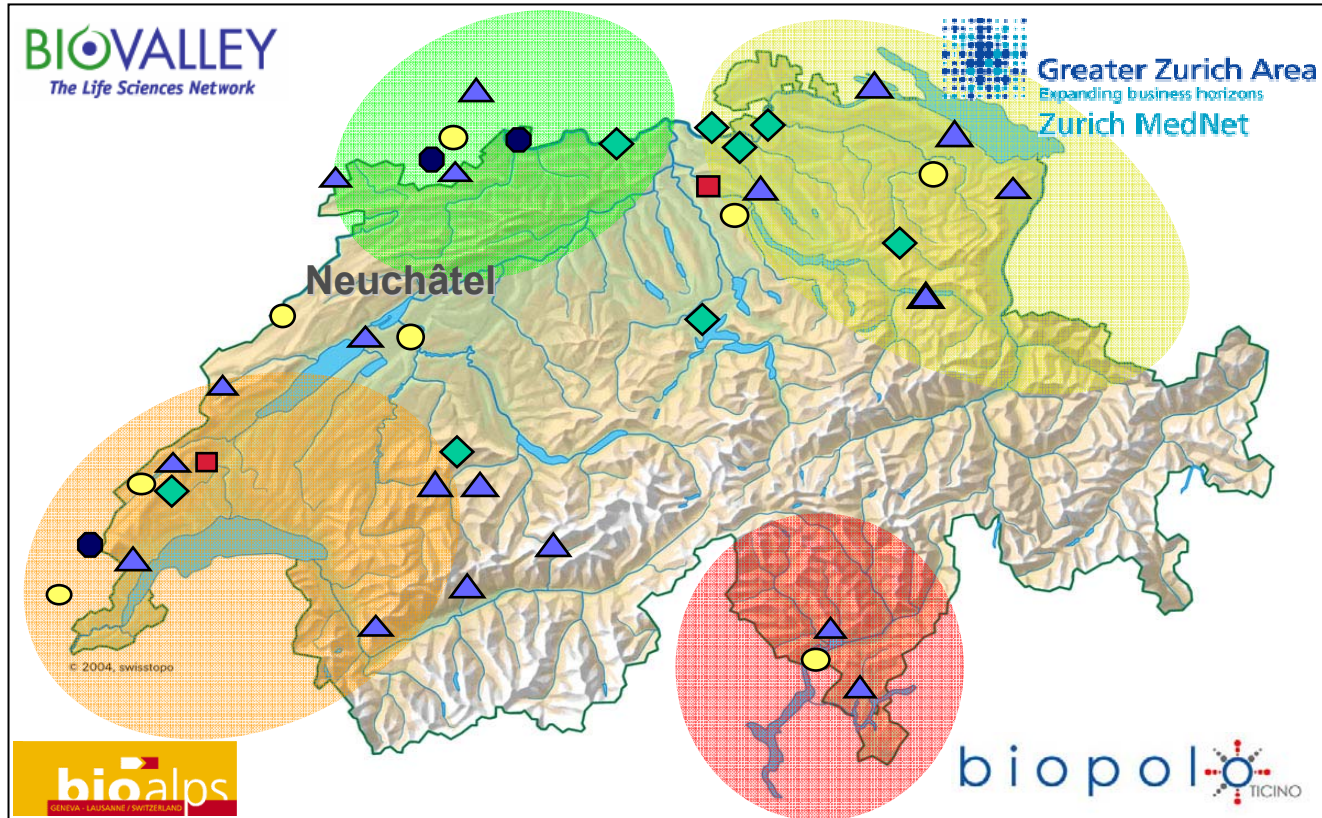
Source:
SWX Swiss Exchange

Life Science Clusters in Switzerland

SWISS+ BIOTECH

SWISS+ MEDTECH

-  Federal Institute of Technology
-  Universities
-  Novartis
Roche
Serono
Berna Biotech
-  Technoparcs
-  Incubators



Source: UBS and Ernst & Young

Peer group in life sciences

Pharma	Biotech	Medtech	Healthcare Providers
BACHEM ELY LILLY NOVARTIS PFIZER ROCHE SCHERING	ACTELION ARPIDA BASILEA BIOMARIN BIOXELL CRUCCELL CYTOS ISOTIS SERONO SPEEDEL	ABBOT BAXTER CARD GUARD COMET IVF HARTMANN MEDISIZE NOBEL BIO CARE ORIDION SYSTEMS PHONAK SHL TELEMEDICINE STRAUMANN SYNTHES TECAN YPSOMED ZIMMER	UNILABS
Mkt. cap. USD 291.57 bn (Rank 1 in EU)*	Mkt. cap. USD 16.85 bn (Rank 1 in EU)*	Mkt. cap. USD 27.54 bn (Rank 1 in EU)*	Mkt. cap. USD 0.2 bn* * based on total market cap, primary listed companies only, Aug. 2006

Source:

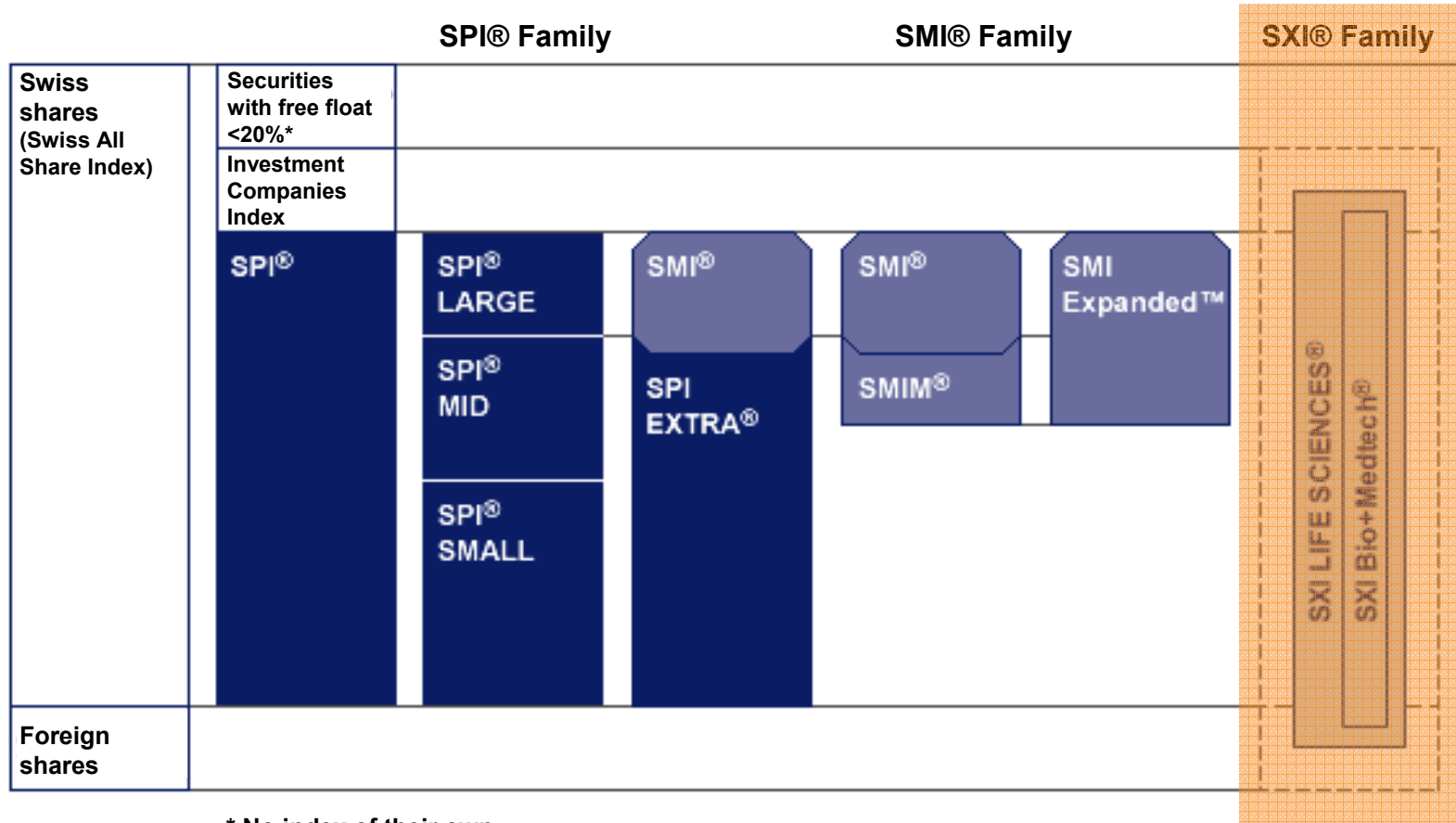
SWX Swiss Exchange

Drivers for the life-science sector at the SWX

- Important peer group in Europe: leaders in their domain (Serono, Actelion, Basilea, Speedel, etc.)
- Strong sector cluster
 - Big pharma – access to partnerships / spin-offs
 - Access to academic and R&D centres
 - Broad sector-oriented investor base
- Recent IPOs:
 - Medisize (spin-off Gurit Heberlein / -11.08 % since IPO*)
 - BioXell S.p.A. (approx USD 45m raised / -0.89 % since IPO*)
 - Speedel (approx. USD 190m placed / +25.00 % 52 week change)
 - Arpida (approx. USD 80m raised / +51.54 % 52 week change)
 - Ypsomed (approx. USD 150m raised / -17.12 % 52 week change)
 - Basilea (approx. USD 160m raised / +41.13 % 52 week change)

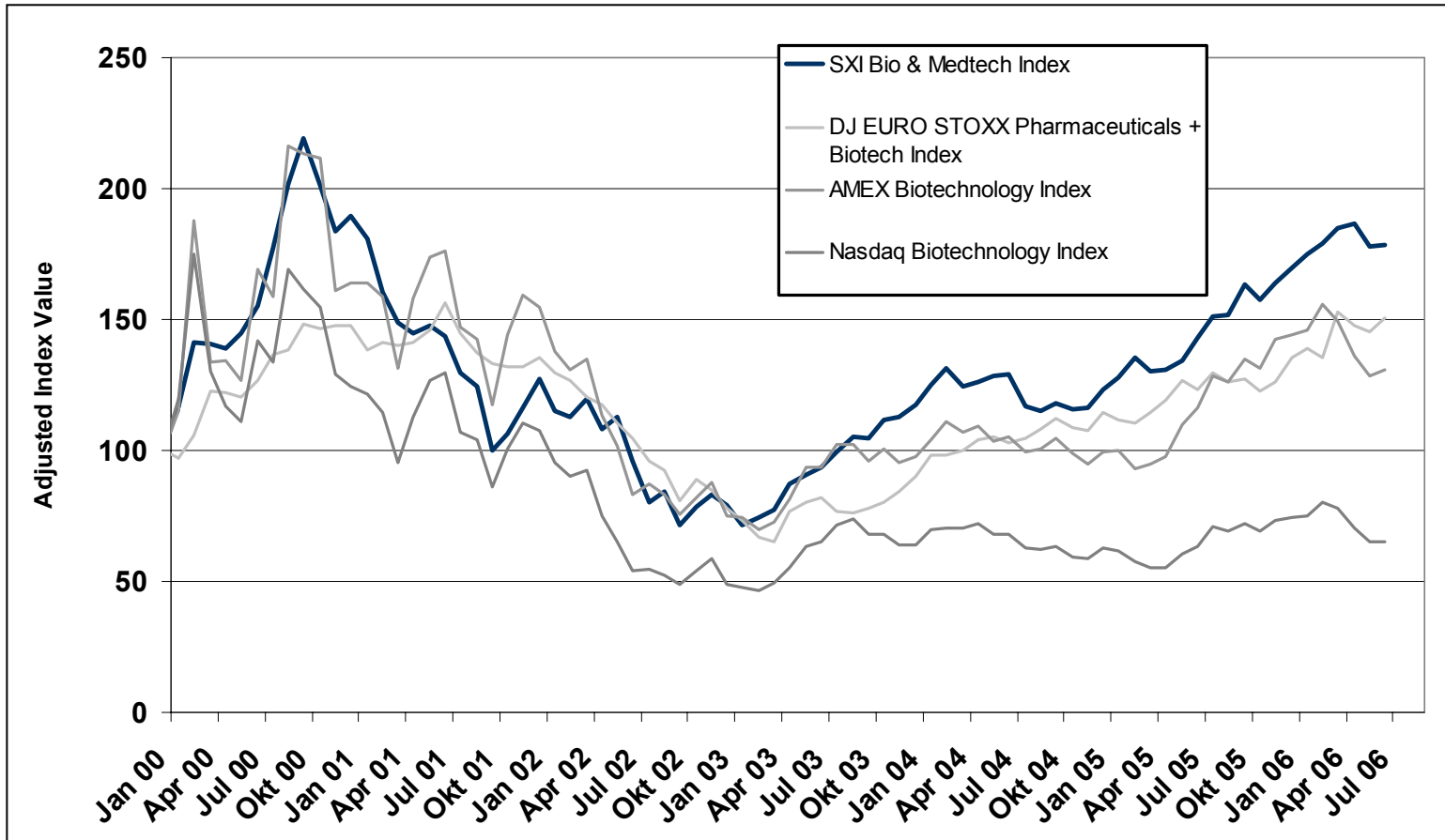
* Performance calculation is based on price at the end of the first trading day, as per 13.09.2006

SWX equity indices



* No index of their own

Performance of SXI Bio+Medtech®



Source:

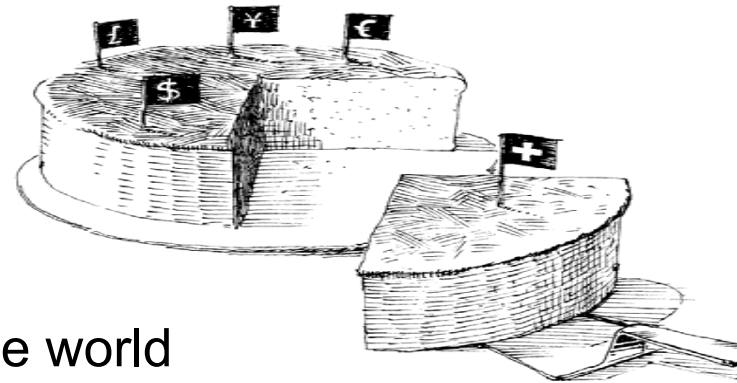
SWX Swiss Exchange

Healthcare at SWX - visibility

- Analyst coverage:
 - Strong coverage by 70 brokers/banks
 - International research providers
 - Coverage provided for life science companies > CHF 100 m (~threshold value in terms of free float)
- Media coverage:
 - High attention to every IPO at SWX
 - High attention of listed companies due to manageable size of total market
- Investor attention:
 - Strong peer group
 - Long tradition in life science investments
 - Focus on small and mid caps

Financial centre Switzerland

- International investor base and leading position in cross-border private banking:
 - Assets managed in Switzerland: CHF 4,245 bn*
 - Proportion owned by foreign clients: 59%*
 - Worldwide share of total assets managed abroad: 27%**
- One of Europe's leading financial centres for equity-investing institutions
- High placing power
- High visibility of listed companies
- Further advantages of location:
 - High level of education
 - Some of the most liberal labour laws in the world
 - Very favourable tax law (private and corporate)
 - Political stability





Disclaimer

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