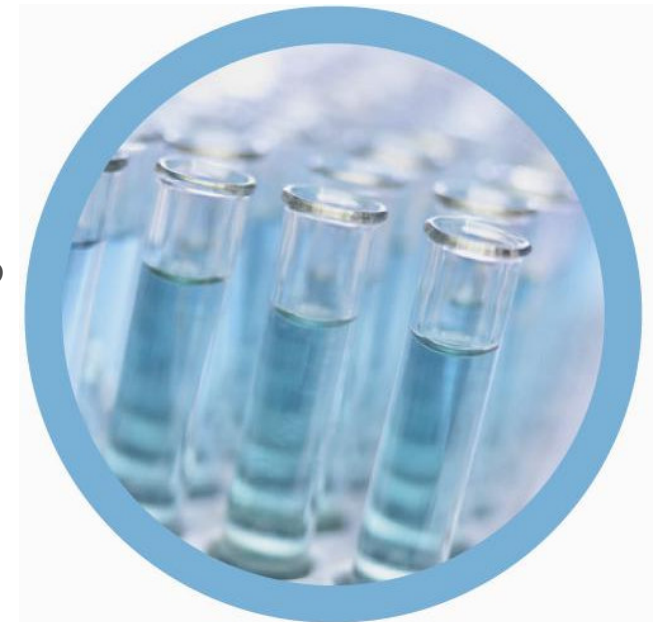


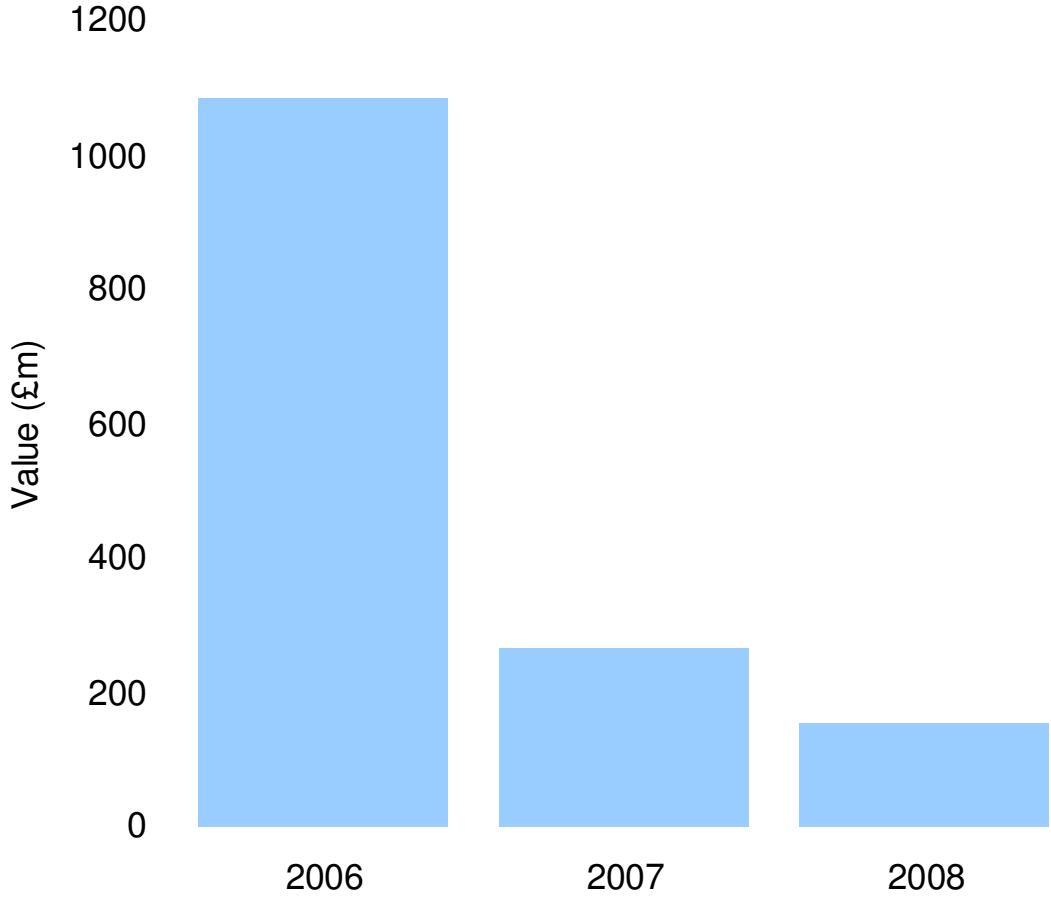
UK-ISRAEL Life Science Networking Event

Raising Finance for the Life Sciences sector in the UK

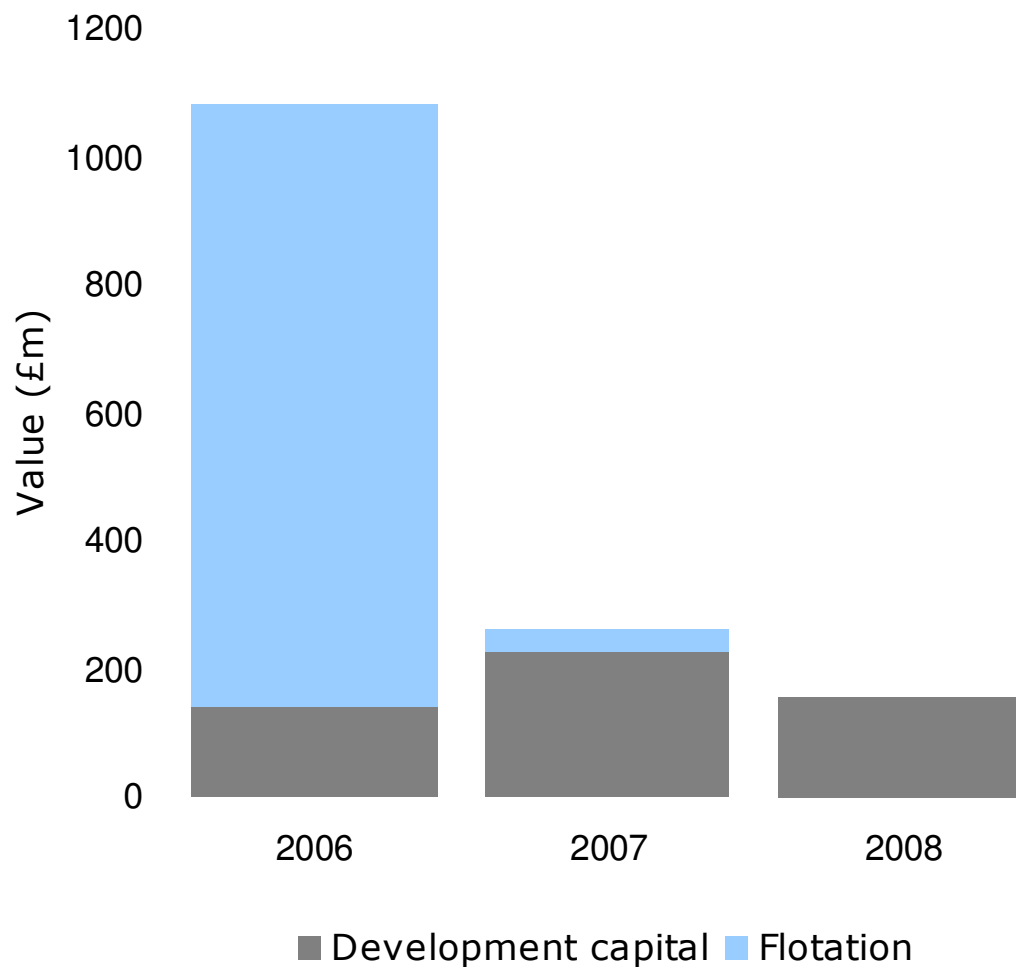
Tony Brown
Partner
Nexus Corporate Finance LLP



Life science sector total funds raised 2006 – Oct 2008

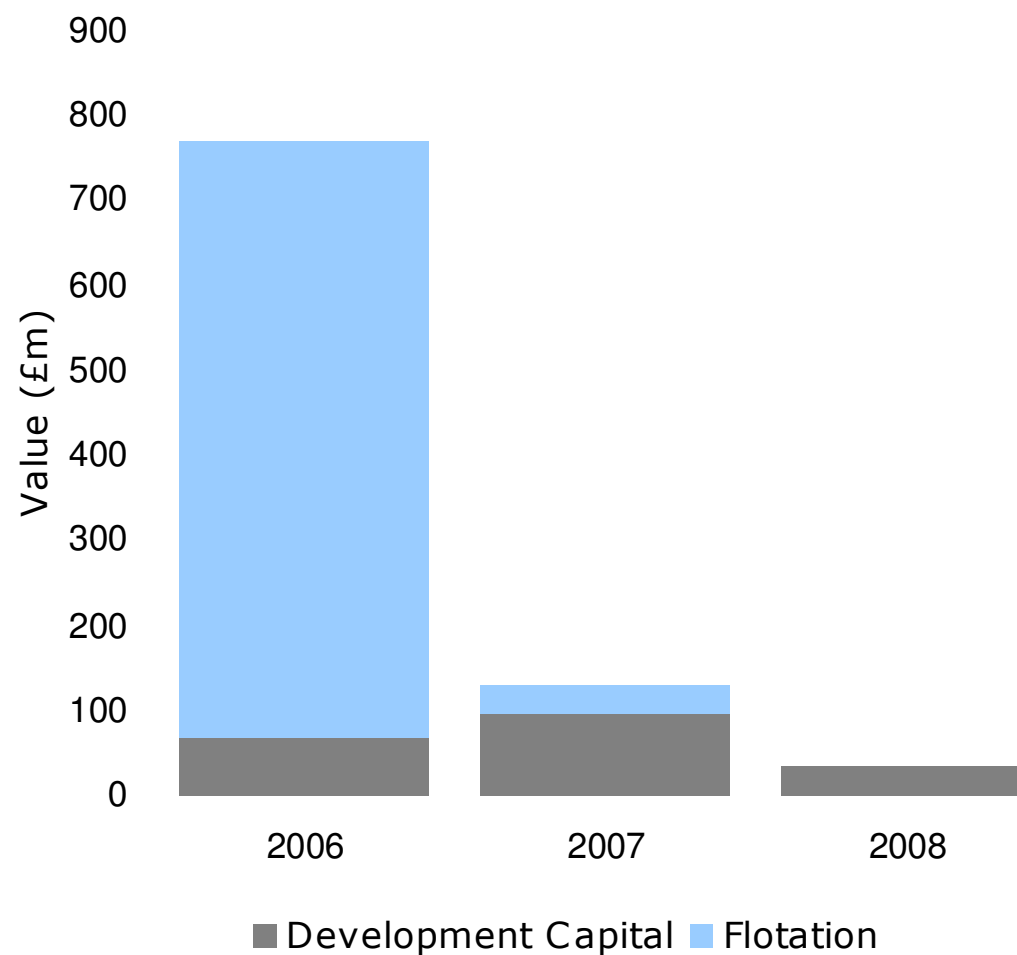


Life science sector total funds raised 2006 – Oct 2008



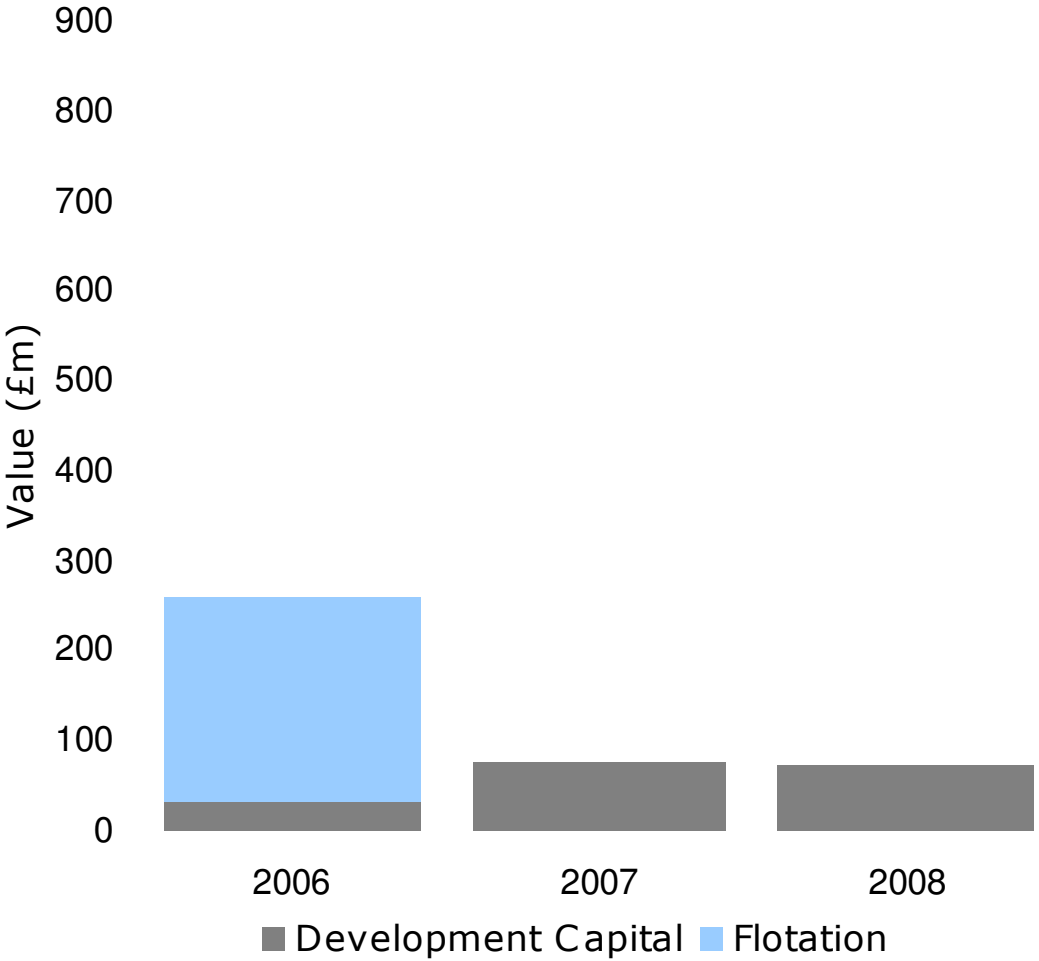
Pharmaceuticals funds raised

2006 – Oct 2008



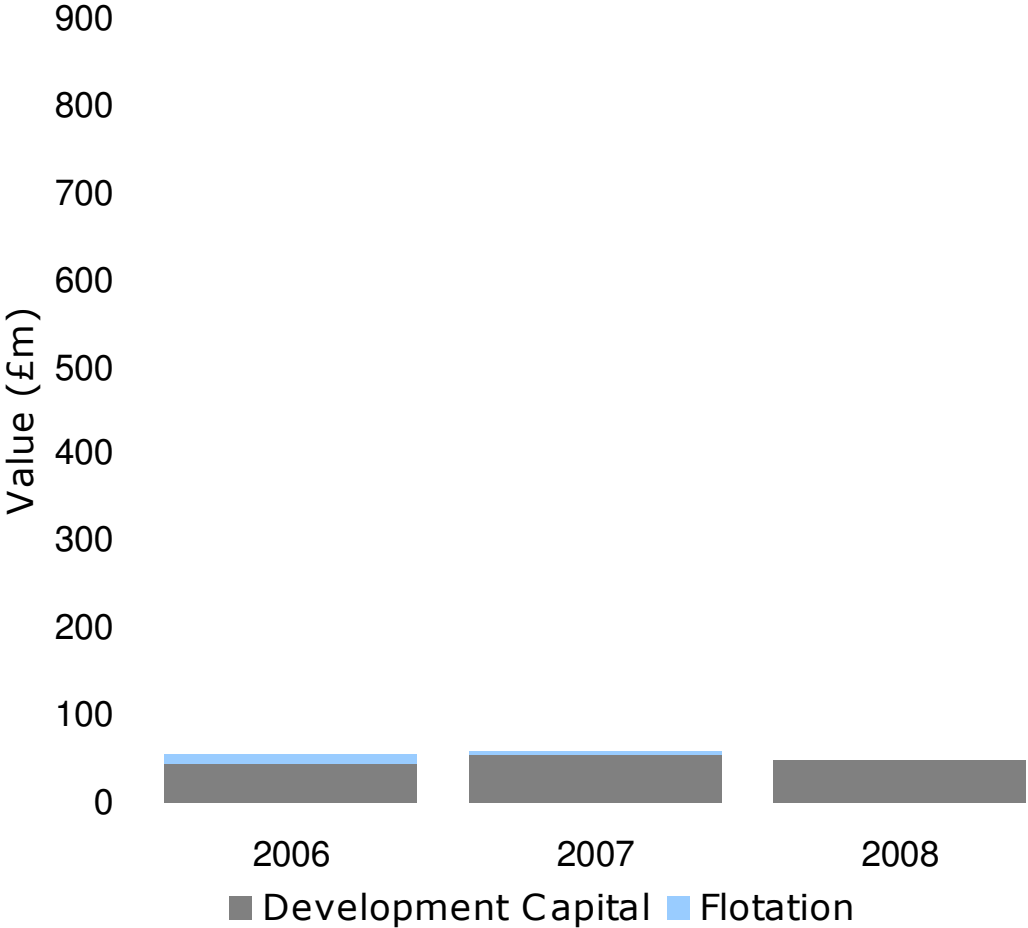
Medical Devices funds raised

2006 – Oct 2008

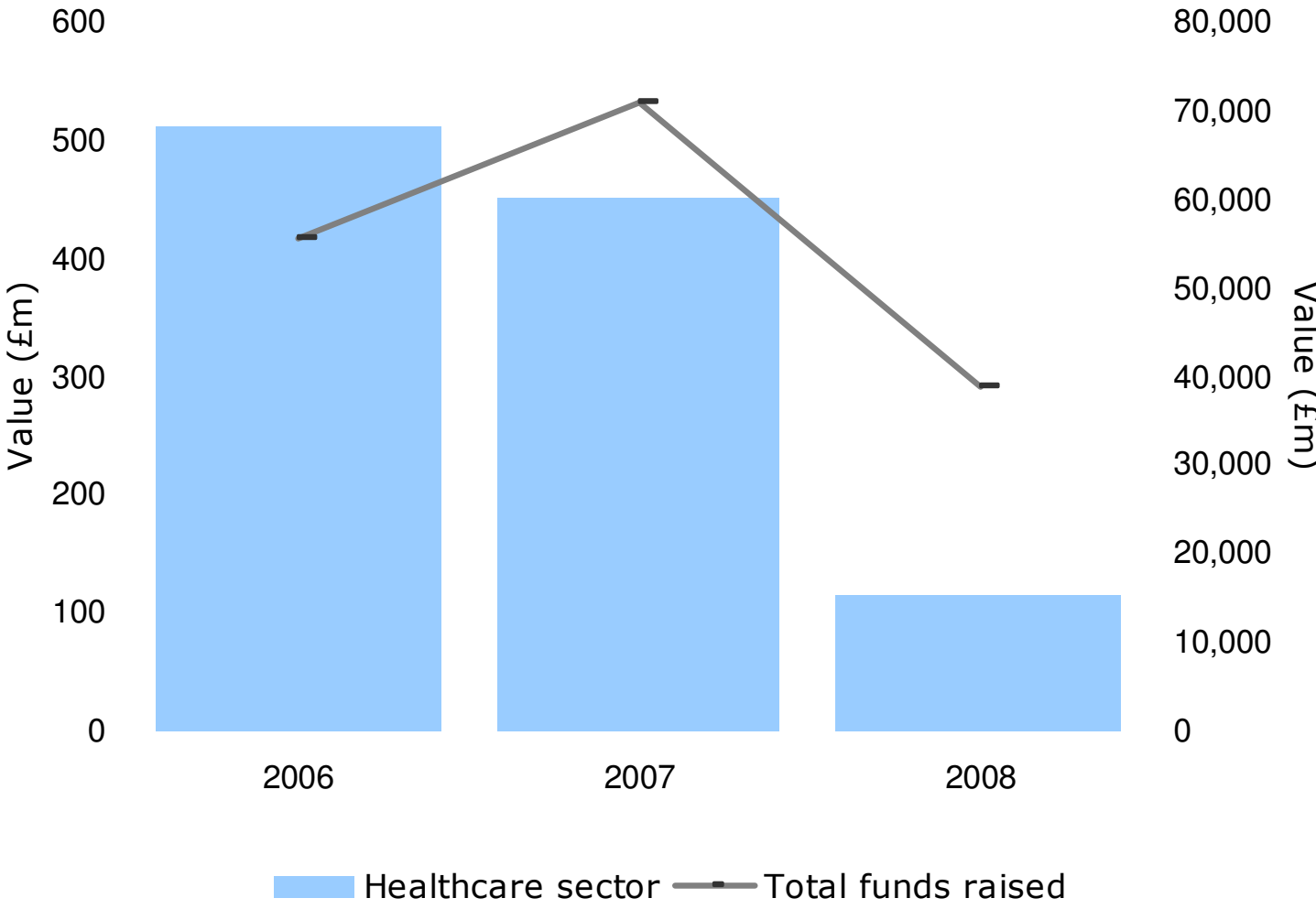


Medical Services funds raised

2006 – Oct 2008



Total funds raised via public market 2006 – Oct 2008



IPO Funds

- Uncertainty about prospects for
 - Companies
 - Sector
 - Economy

- Retreat to caution and conservatism
 - Effect on AIM:
 - 99 new listings 2008 (2007: 284)
 - Raised £1.1bn 2008 (2007: £6.6bn)
 - 26 foreign companies 2008 (2007: 87)
 - October 2008: first month no money raised on AIM

- Prepare for return of market
 - Only if revenue generating and profitable

Private Equity

Impact of changed market

- Reduced gearing
- Best quality transactions
 - Reliable revenues and earnings
- Lower prices
- No money out to shareholders
- Follow-up investment in existing investee companies (and saving resources to do so)

Debt

Reduced lending

- To trading companies
- To financial companies

Effects

- Reduced debtor terms
- Less cash available for acquisitions and buy-outs
 - Reduced valuations
 - Tighter criteria
 - Higher terms

Implications

Financial markets

- Public markets
 - Effectively dormant
 - Some cash available to existing listed companies for no-brainer add-ons
 - Prospective IPO companies can prepare for the moment when the market comes back
- Private equity
 - Some available for follow-on and top quality deals

Trade and industry

- Joint marketing
- Collaboration agreements
- Distribution

Nexus Corporate Finance LLP

- Financial adviser with healthcare specialisation
- Organisers of NHS/Israel 60/60 delegation and IBBC Israel healthcare conferences London 2007 and 2008
- Part of Nexus group of companies
 - Specialist healthcare sector investors and advisers
 - Primary Health Properties PLC
 - PINE
 - HealthInvestor

Contact Details

Tony Brown

Partner

Nexus Corporate Finance LLP

Greener House

66-68 Haymarket

London

SW1Y 4RF

+44(0) 20 7451 7057

+44(0) 7768 046414

tony.brown@nexuscf.com

www.nexuscf.com

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