



PRESS RELEASE

Investment Survey Reveals Continued Optimism About Biotechnology Sector

Funding of Early-Stage Biotech Remains a Challenge in Europe

Munich/Zug, 4 October 2006 – *Global Life Science Ventures (GLSV)* today released the results of its 2nd Annual GLSV Biotech Investment Barometer, revealing strong optimism about the European biotech sector but also concerns about the funding environment for early-stage biotech companies. The Barometer, based on a questionnaire sent out on 21 September 2006 to biotech executives and members of the investment community, was intended to gauge the current investment climate and elicit views about the future perspectives of the sector. The results are being presented at Sachs Associates' Biotech in Europe Investment Forum, held in Zurich on 4-5 October 2006.

186 people responded to the survey, including 54 biotech executives and 103 investors and analysts. Key results and conclusions from the survey include:

- 86% of respondents view the long-term perspectives for investment in biotech as highly or generally favorable – a massive endorsement of the sector unchanged from a year ago.
- Optimism about the sector continues to increase: 55% of respondents were more optimistic about the biotech sector than 12 months ago (last year 46% had a brighter outlook).
- 74% (69% of investors/analysts) expect the IPO window in Europe to remain open for more than 6 months. For the IPO window in the US, the numbers were slightly lower, with 67% (62% of investors/analysts) sharing this view.
- 63% (58% of investors/analysts) expect biotech shares to outperform the stock market in the next year.
- A major difference appeared in the assessment of current biotech stock valuations in the US and Europe:
 - 64% (61% of investors/analysts) consider European biotech stocks to be somewhat or very much undervalued
 - Only 28% (31% of investors/analysts) consider US biotech stocks to be somewhat or very much undervalued
- Funding for biotech start-ups is considered much more problematic in Europe:
 - 72% consider the current funding environment for early-stage biotech companies in Europe to be difficult or very difficult.
 - Only 26% expressed the same view for early-stage biotech companies in the US.
- The significance of European biotech start-ups' difficulty to obtain funding is highlighted by the 41% of respondents who ranked insufficient funding as the greatest threat to the sector.

Dr. Peter Reinisch, Partner at GLSV, commented: "The results of the Barometer support our view that the European biotech sector continues to mature and offers excellent investment opportunities for discerning investors. At the same time, the difficulty for early-stage companies to attract necessary funding is an issue that merits increased attention."

Dr. Reinisch's presentation with the Barometer survey results is available on the GLSV website at www.glsv-vc.com under Download Area.



About Global Life Science Ventures:

GLSV is a leading, independent venture capital fund focusing exclusively on the life sciences. With offices in Germany and Switzerland, GLSV is dedicated to supporting early-stage companies originating from universities, scientific institutions or industry, but also invests in selected later-stage companies, including buy-outs. The group currently advises and manages funds totalling more than €200 million. GLSV has now financed 30 innovative life science companies in Europe and the US, twelve of which have completed an exit through IPO, trade sale or M&A. Since 1996, GLSV has built up a broadly diversified portfolio of companies in pharmaceuticals, diagnostics, medical devices, and biotechnology.

Global Life Science Ventures

Industry-born team – Proven track record – Global perspective

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