



HUW JONES

**THE BIG PICTURE
A UK VENTURE CAPITALIST'S PERSPECTIVE
ON GLOBAL BIOTECH FUND RAISING**

Avlar BioVentures Limited

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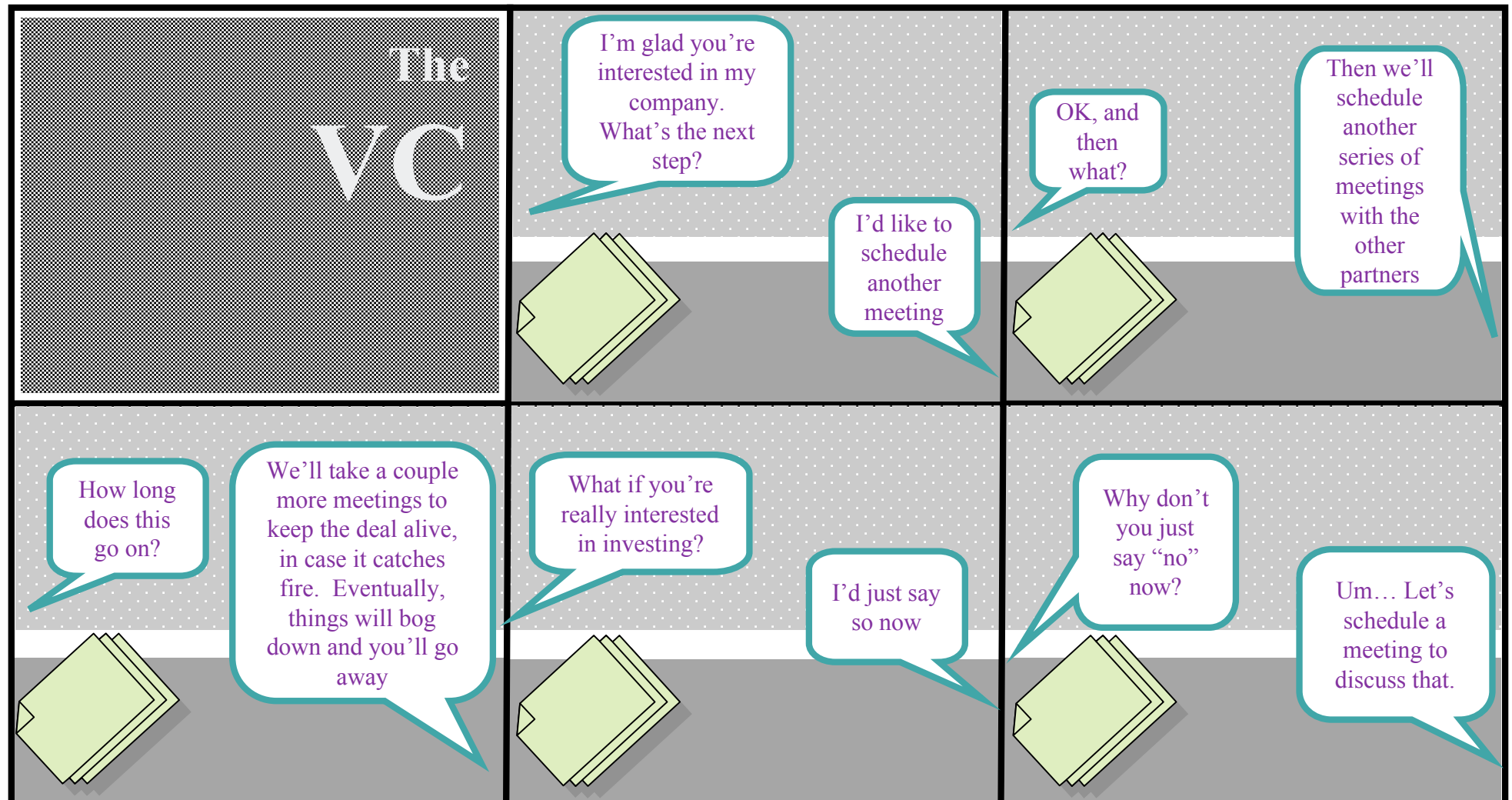
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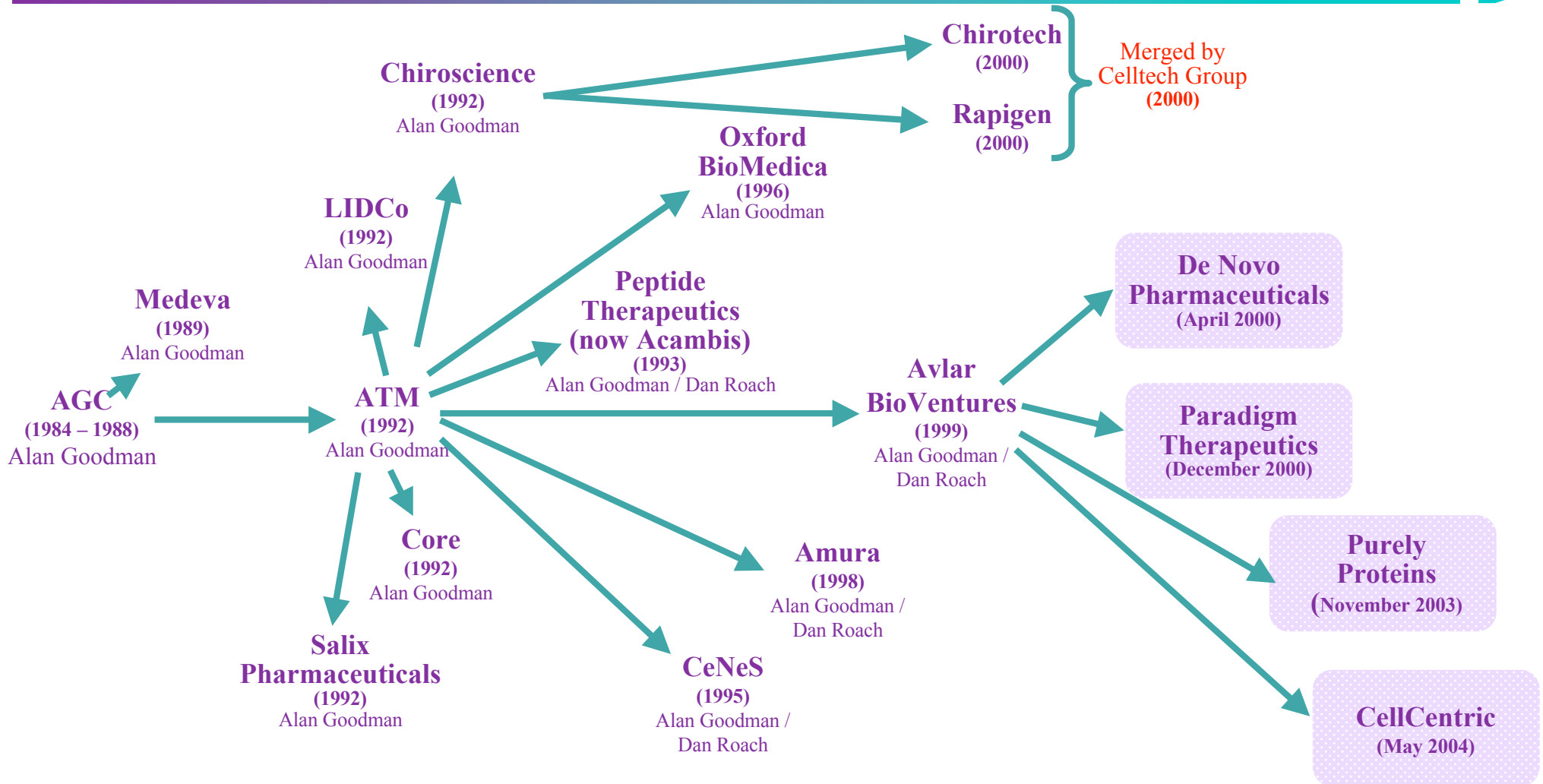
www.avlar.com



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Leaders in Biotechnology



= out of Cambridge University

The Team



ALAN SMITH - CPFA

(Non-Executive Chairman)

Senior management experience, including Group Finance Director of Anglian Water Authority, Anglian Water plc, Group Managing Director of Anglian Water. He is Chairman of Acambis plc



ALAN GOODMAN - FCMA, IMC

(Chief Executive)

Leading serial entrepreneur. Over the last 20 years he has founded or co-founded many biotechnology and healthcare companies. Currently Executive Chairman of CeNeS Pharmaceuticals plc.



DANIEL ROACH - BSc, PhD, IMC

(Investment Director)

20+ years of consulting and senior management experience in biotechnology companies from start up to full listing



CATHERINE PRESCOTT - BSc, DPhil (Science Director)

Extensive consulting and operational experience in research and strategic scientific and commercial development within the biotechnology and pharmaceutical sector



HUW JONES – MA, ACA

(Finance Director)

Qualified Chartered Accountant. Worked in corporate finance in life sciences with PwC, also FD of healthcare business



DAVID NEEDHAM – PhD

(Non-Executive Director)

Was a Partner at Alta Berkeley. Led or managed over 25 high technology investments. He holds a PhD in High Speed Aerodynamics from Imperial College London.

Huw Jones



-
- Accountant
 - Corporate finance
 - Technology company
 - Venture Capital

The US Picture



The US Perspective



	2000	2001	2002	2003	2004 H1
	\$m	\$m	\$m	\$m	\$m
Amount invested	4,216	3,610	3,146	3,481	2,273

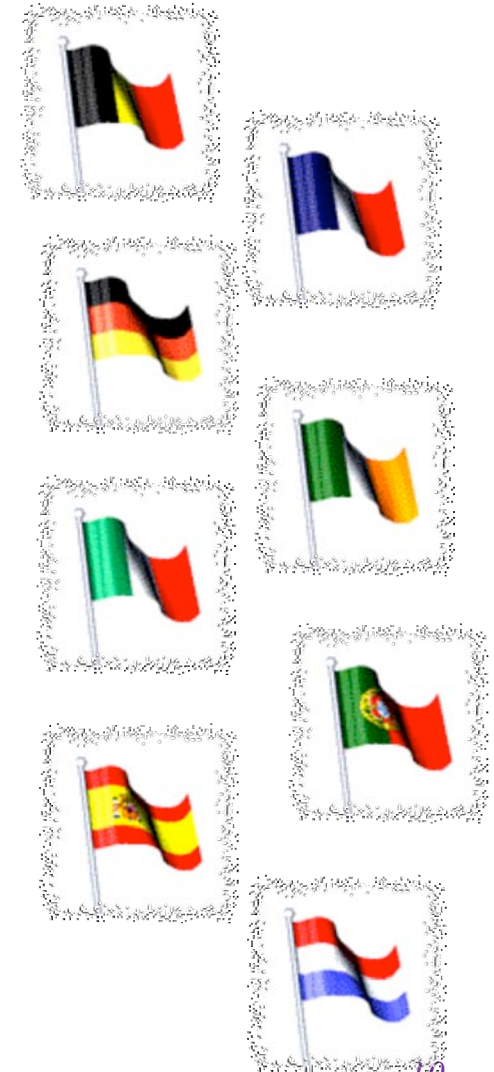
2004 H1 amount is 75% up on previous year

(Source: Venture Source)

Some top US deals

Company	Amount raised \$m	Sector
Corus Pharma	65.0	Infectious diseases and respiratory illness
Aryx Therapeutics	55.0	Drug design platform
Altus Pharmaceuticals	51.0	Proteins
Dynogen	50.0	IBS and bladder disease

Europe – catching up



Investment in European Venture Backed Deals



	2000	2001	2002	2003	2004 H1
	€ M	€ M	€ M	€ M	€ M
Amount Invested	1,819	1,909	1,226	924	552

Investment in 2004 H1 is 37% up on the corresponding period for 2003

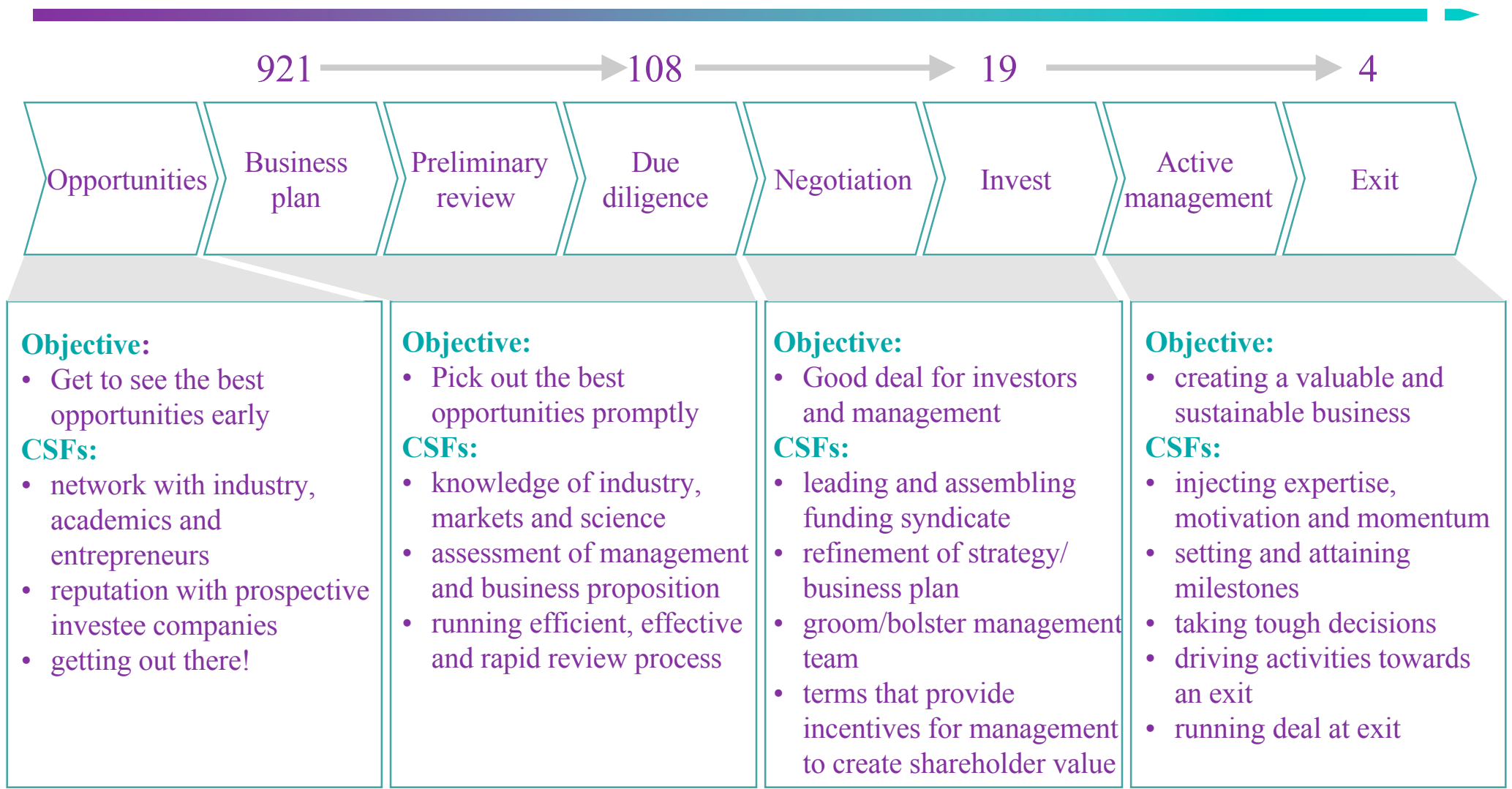
Some recent UK fundraising

Company	Amount raised £m	Sector
Arakis	29m	Therapeutics based upon existing drugs
Lorantis	25m	Platform technology based upon the immune system
Purely Proteins	2m	Protein design and service business

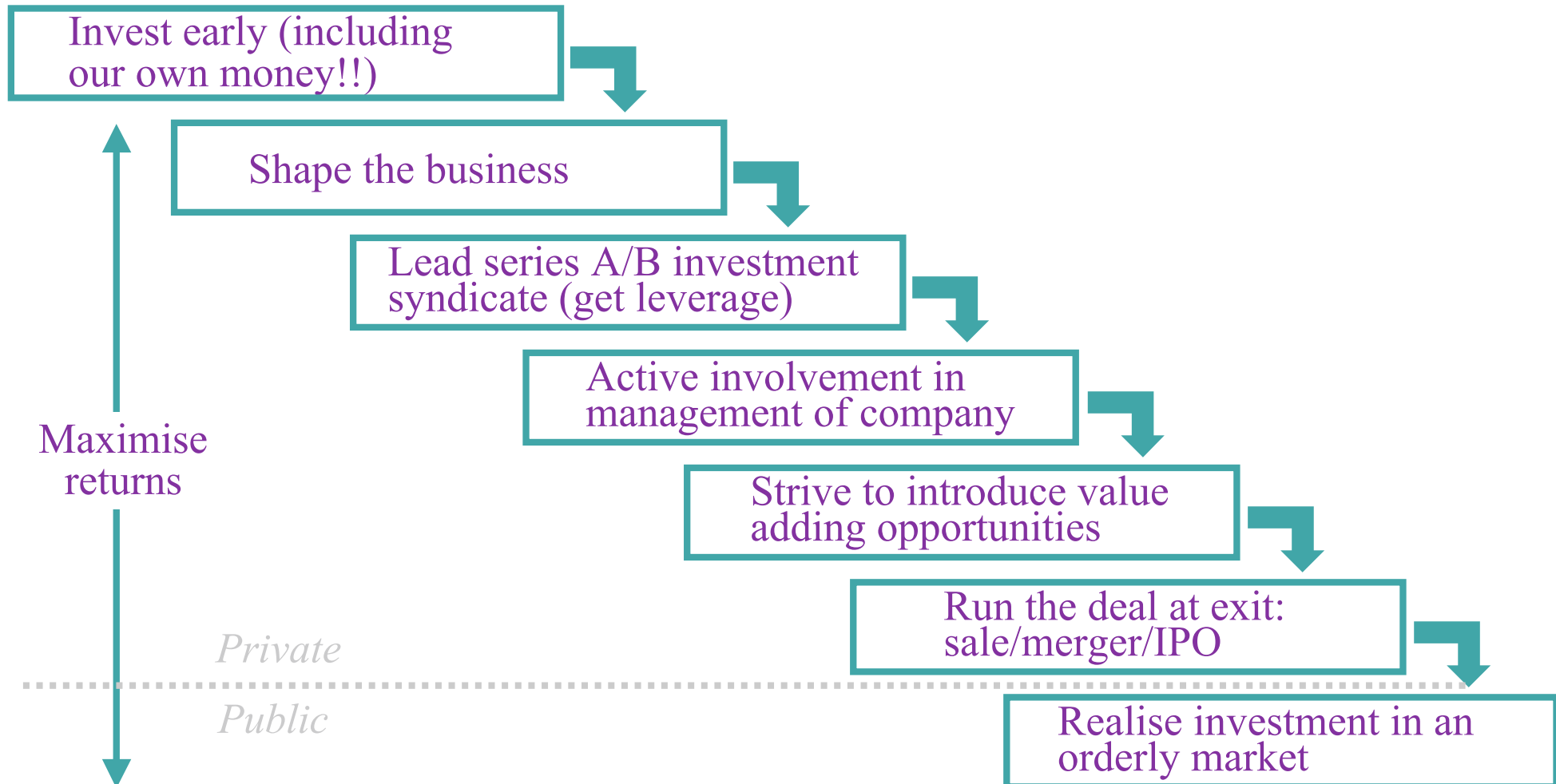
Investment Process



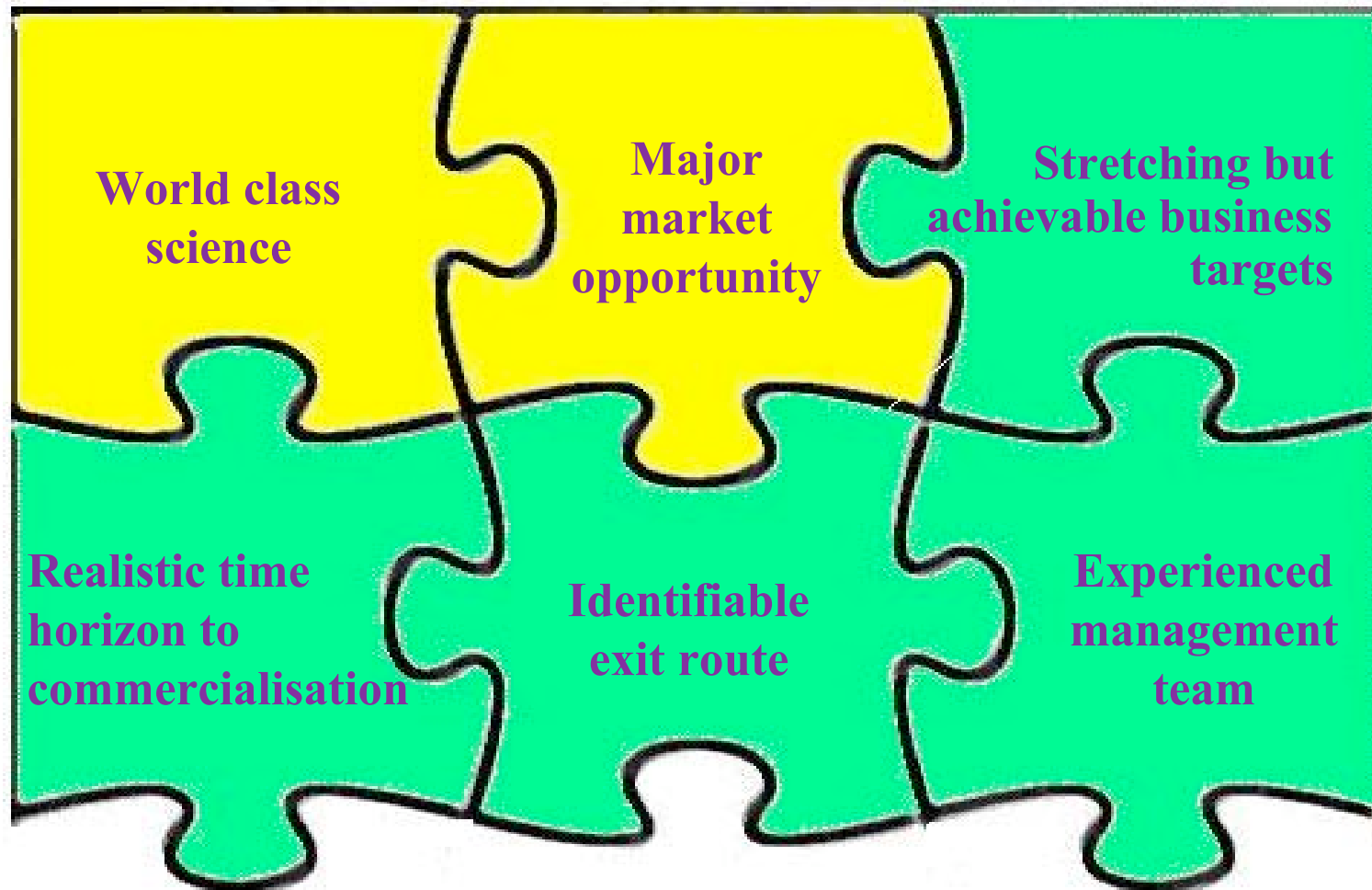
Investment Process



Investment Strategy

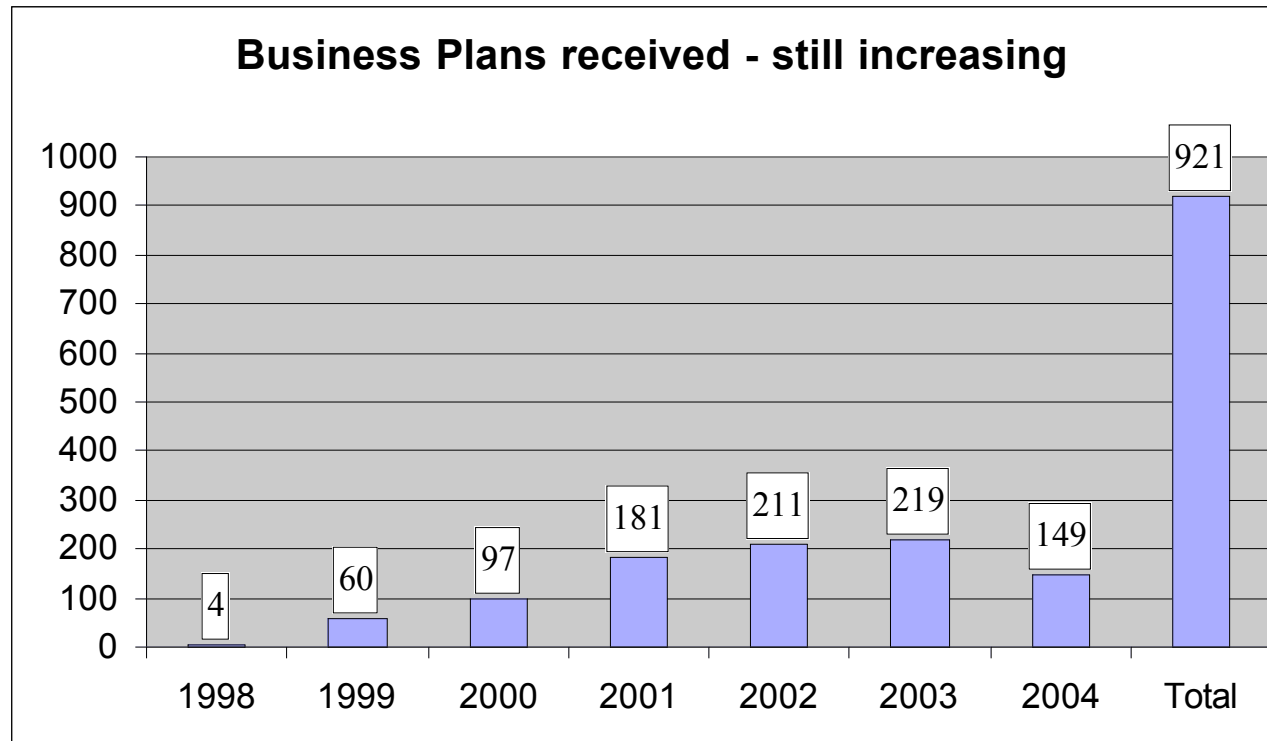


Investment Criteria



 *Able to be influenced by Avlar*

Opportunity Review



as at Sept 2004

- Large number of companies seeking funding
 - although few meet Avlar's exacting criteria

Portfolio - World Class Science

- Many (but not all) companies are spun-out from or founded upon science from the UK's leading universities

Company	University affiliation
Cellcentric	Cambridge University
De Novo	Cambridge University
Paradigm	Cambridge University
Purely Proteins	Cambridge University
Sterix	Imperial College London
Amedis	Imperial College London
Proteom	Imperial College London
Molecular Skincare	Sheffield University

Portfolio - Balance

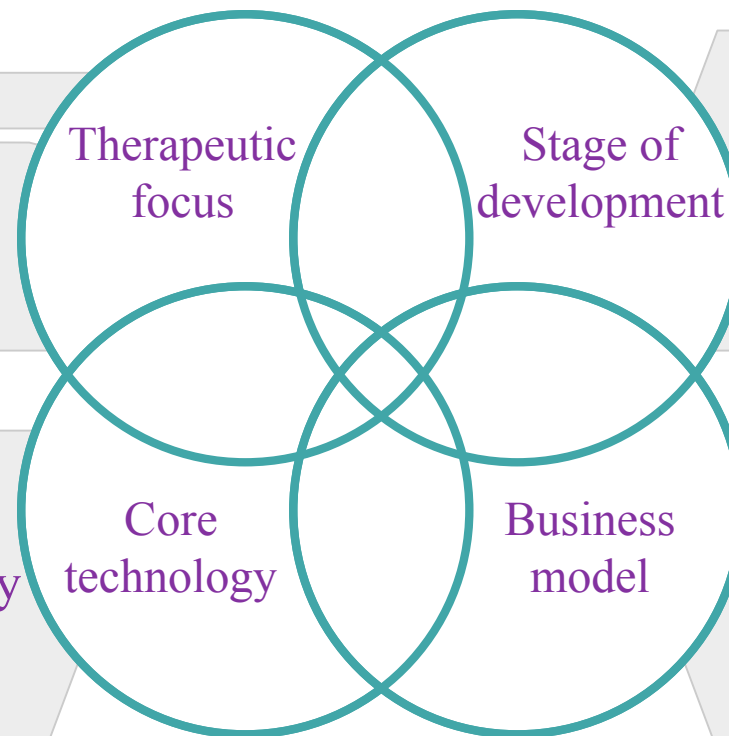
- CNS
- anti infective
- obesity
- dermatology
- oncology

- therapeutics

- medical devices
- prophylactics
- diagnostics

- proteomics
- medicinal chemistry
- computational chemistry
- silicon chemistry
- stem cells

Balance is key ... Avlar has (and seeks) a spread of investments across a range of technologies and business areas



- target validation
- target-to-hit
- hit-to-lead
- lead-to-clinical
- products

- develop and license
- service company
- product sales

Cell•entric

- Researches epigenetic reprogramming factors
- Degenerative diseases, oncology, biomanufacturing of therapeutic proteins
- £600k seed round

How did it fit the criteria?



Criterion

Great management

Top academic centre

Strong technology platform

Alternative financing

Product development strategy

Location

Articulate science as business opportunity

Avoidance of fads

Fit

David Knowles CSO Ribotargets

Will West BD Cell Factors

Cambridge University

Unique, world class

Still early days but could be partnered

Still being formulated

In our offices!

We are getting there

This technology is ground breaking

Concluding comments



- US and Europe are improving
- Avlar is still investing
- We are riding the wave upwards