

Longbow launches double healthcare EIS fund

London – 13th October

Today Longbow Capital LLP launches two healthcare EIS (enterprise investment scheme) funds aimed at investors who wish to profit from continued innovation and investment in healthcare, and who want their investment supported by a powerful set of tax breaks.

Longbow is a leading venture investor in the area of healthcare, well-being and life sciences. It was co-creator of the Boots Centre for Innovation*, and has raised **£14 million** in its EIS portfolio service. Longbow, which is based in the City of London and Edinburgh, has eight partners and its active non-executive partners include Sir Nigel Rudd.

Julian Hickman, partner at Longbow, said:

“Longbow views healthcare as a defensive investment sector likely to do better than many in a downturn, but also as an exciting area for innovation - all driven by public sector funding, and an ageing population. Longbow’s two new funds will invest in a diversified portfolio of unquoted UK based life sciences, health and wellbeing companies that can exploit their products and technologies globally. Longbow has launched two funds offering different tax solutions so that investors can take advantage of the Enterprise Investment Scheme (EIS) in a way best matched to their tax circumstances.”

In life sciences and healthcare the UK is a global centre of innovation and the sector accounts for over £32 billion in revenue and employs more than 400,000 people.¹ Longbow has access to many investment opportunities through an extensive network of contacts within the research and industrial communities and its close association with the Boots Centre for Innovation; and is well placed to generate exceptional returns from these opportunities by providing capital and management guidance to turn world class technologies into commercial successes.

¹ The Department for Business, Enterprise and Regulatory Reform

The key features of the funds are:

	Longbow Approved EIS Fund	Longbow Arrowhead EIS Fund
Fund Status	Approved Investment Fund for EIS	Unapproved Investment Fund for EIS
Open Date	13 October 2008	13 October 2008
Closing Dates	3 April 2009	[First close 31 December 2008] (or earlier)
Target Size	£5m	£10m
Target Portfolio Size	6 - 8	10 – 15
Investment Period	12 months	18 – 24 months
Sector	Life Sciences, Healthcare & Wellbeing	
Income tax Relief	20% of each Investment made by the Approved Fund against an investor's taxable income in the 2008/09 tax year, being the tax year of his investment into the Approved Fund	20% of each Investment made by the Unapproved Fund against an investor's taxable income in each of the tax years in which Investments will be made in EIS Qualifying Companies
Tax Year(s)	2008/09	2008/09 2009/10 2010/11

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About the Boots Centre for Innovation

During 2006 Alliance Boots plc (“Boots”), Longbow and Professor Marc Clement, representing the Institute of Life Science (the “ILS”), based within the University of Wales in Swansea, agreed to establish the Boots Centre for Innovation. The aim of the BCI is to identify, validate and commercialise new product and service opportunities for Boots through open innovation, managed and co-ordinated by the BCI. The BCI establishes external connections in product areas that may be developed into profitable innovations both for Boots and third party companies.

The BCI is funded by Boots with additional public funding support facilitated by the Welsh Government. It has its own professionally staffed centre based within the ILS and became operational in March 2007. Working in collaboration with the BCI and the Boots New Product division in Nottingham, Longbow has priority access to investment prospects that emerge from this source.

***www.bootsinnovation.com**

About Longbow

Established in 2004 Longbow Capital LLP is a leading specialist in unquoted investments. Its purpose is to bring to early stage unquoted companies the management skills and capital required in order to build successful businesses that can generate significant returns for investors over a 3 to 5 year period.

Longbow manages more than £50 million invested across 36 companies, having added 10 new investments with more than £23 million since its formation.

Longbow seeks to invest in companies looking for development capital with excellent growth prospects as well as the core of a strong management team. It actively searches for investment opportunities offering new and innovative proprietary technologies with wide ranging applications, scalability and, as a result, offers considerable market potential. Longbow tends to focus on a range of areas across personal healthcare and the life sciences.

www.longbow.co.uk

Notes on the healthcare market:

- Proportion of UK population over 65 has grown by near 25% since 1971 (ONS) – more demand for domiciliary care, more orthopaedic products, while chronic disease prevalence is up
- Nearly one in two Americans has a chronic medical condition (e.g. cardiovascular disease, diabetes, arthritis)
- Big pharmaceutical companies are currently cash rich
- emphasis on prevention means more demand screening technology (Biotronics 3D / PWB e.g.)
- Fight against hospital MRSA demands new solutions eg. Destiny Pharma
- Plans to increase UK spending on healthcare R&D to £1.7 billion by 2011/12 and Longbow will benefit from maturing pathways to commercialisation (because of better technology transfer) and UK is a second home to global R&D talent
- UK is second only to the US when it comes to global life science R&D funding