



8 February 2010

NEWS RELEASE

**LONGBOW LAUNCHES EIS FUND INVESTING IN EMERGING
HEALTHCARE, LIFE SCIENCE AND WELLBEING COMPANIES**

Longbow Capital LLP, the specialist venture investor, announces the launch of the Longbow Approved EIS Fund (the "Fund"), a tax-efficient investment vehicle offering investors the opportunity to invest in a portfolio of emerging healthcare, life science and wellbeing companies.

The Fund will invest in a portfolio of 6 -8 companies within a 12 month period, in accordance with HMRC rules. The current economic environment is ideal for investing in this asset class and sector. Valuations have fallen due to shortages of venture capital available and there are many attractive growth opportunities at good prices. The Fund closes to new investments on 1 April 2010 and is targeting to raise £10 million.

Longbow is a founding partner of the Boots Centre for Innovation (BCI), an innovation hub based in Swansea, Wales, which works closely with early stage companies or inventors to develop pioneering products for the shelves of Alliance Boots stores.

Enterprise Investment Schemes (EIS) are one of the few remaining tax reliefs open to investors. EIS can offer mitigation across several different brackets including income tax, inheritance tax and capital gains tax – a very generous system and attractive for investors looking to make the most of their cash.

Julian Hickman, partner, Longbow Capital LLP says; "The Fund provides investors with

access to investment prospects that emerge from the BCI as well as other sources, which will excite investors looking into the well being, healthcare and life science field. The relationship with Boots ensures that these products have

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access to a distribution network, meaning that investors will see the products rolled out across the UK and through international networks. During 2009 two portfolio products were successfully launched through Boots with further launches expected in 2010.”

“The innovations coming out of the BCI offer investors the opportunity to invest in tangible products at the market-ready stage and be involved in the cutting edge of innovation in the UK.”

“Owing to the world class research and development facilities found in the UK it is home to 40 per cent of Europe’s public biotechnology companies. The Longbow Approved EIS Fund is well positioned to gain exposure to these companies and profit from their success.”

Previous products developed at BCI and included in the Longbow Capital portfolio include PWB Health Ltd. The first product developed by the company, called the BreastLight is a device that helps women with routine self examination to identify early signs of abnormalities or lumps in their breasts. This product is now available in Boots across the UK as well as selected countries such as Canada. Over 10,000 units have been sold and a full international rollout is planned for 2010.

The Fund will be invested by the Longbow Executive team comprising of Edward Rudd, Edward Beckett, Julian Hickman, Ron Petersen and Robin Finlayson. All investments are reviewed and approved by the Supervisory Committee which is comprised of a majority of non-executive partners with an independent chairman, Colin Harris.

The Enterprise Investment Scheme (“EIS”) is a government scheme that provides a range of tax reliefs. Depending on tax status investors may be able to qualify for:

- 20% income tax relief on up to £500,00 in any one tax year
- Tax free capital gains if held for three years

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- Deferral of capital gains generated up to three years before or one year after the EIS investment
- 100% inheritance tax relief if held for two years

Key Fund Facts

Fund: Longbow Approved EIS Fund

Closing date: 01 April 2010

Minimum investment: £10,000

Target portfolio size: 6 - 8 investments

Upfront charge: 5%

Management fee: 2%

The Funds will seek to generate capital gains from unquoted investments in the healthcare and life science sectors. Investment activity will be focused on technologies that are close to market or have already been launched as this reduces risk while maintaining the opportunity for significant returns. All investments will qualify for EIS relief.

The Funds will target companies valued below £10 million.

ENDS

Editors Notes

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About Longbow Capital

Longbow is a specialist investor in the unquoted well being, healthcare and life sciences sector, established in 2004 and owned by its investment partners and outside members. It currently manages three EIS Funds (a fourth following closure of the 2010 Longbow Approved EIS Fund) and the Longbow SIPP Venture Fund. Longbow has led on investments of over £35m into 12 unquoted life science companies. The Executive Partners have combined experience of investing in over 30 unquoted technology companies with several successful exits achieved.

www.longbow.co.uk



About the Boots Centre for Innovation

Boots Centre for Innovation (BCI) has been set up to work closely with early stage companies or inventors to develop pioneering products for the shelves of Alliance Boots stores that will improve the quality of life for Alliance Boots consumers.

Established in 2007, Boots Centre for Innovation is a dynamic, not for profit partnership between Alliance Boots, Longbow Capital and The Institute of Life Science at Swansea University.

www.bootsinnovation.com

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Article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2005 (“CIS FinProm”). Any individual in doubt of the investment to which this document relates should consult an authorised person.

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