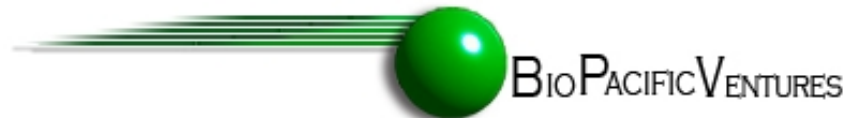


Investing in Agbiotech

Skill, scale and scatology

Dr Andrew Kelly
Executive Director





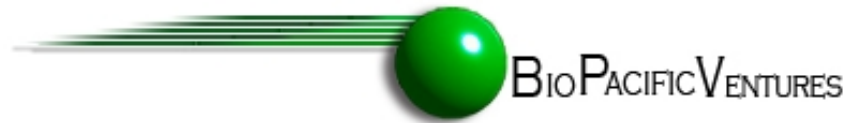
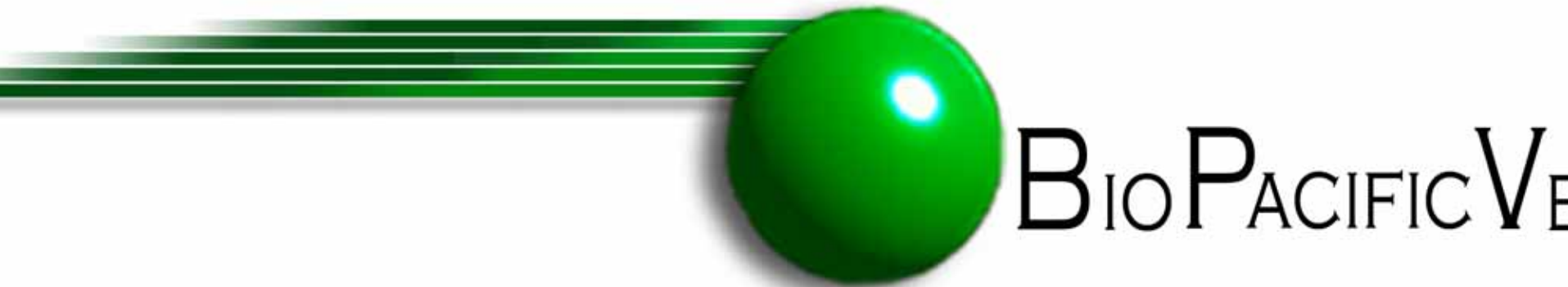
Skill

Scale



Scatology

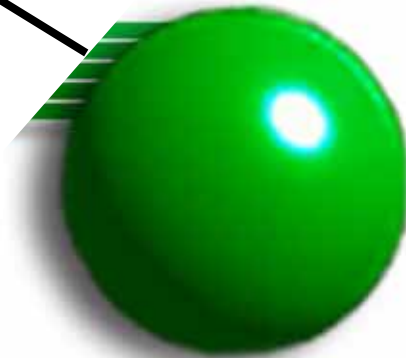






investages Venture Capital
Investments Inc

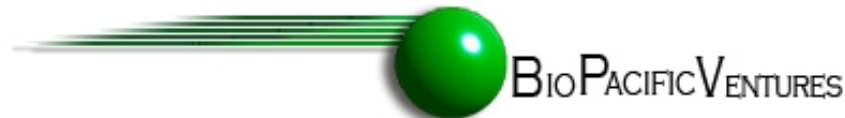
- €1 billion under management
- Exclusively life science
- Portfolio of 25 companies



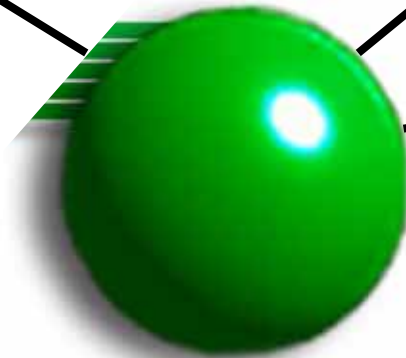
inventages Venture Capital
Investments Inc



- 12 years old
- 7 funds
- NZ\$400m managed



inventages Venture Capital
Investments Inc



- 1,000 life scientists
- 18 spin-offs / subsidi
- 30 key collaborations

investages Venture Capital
Investments Inc

- Nestlé
- PGG-Wrightson
- NZ Government
- ACC
- AgResearch
-11 in total



DIRECT CAPITAL



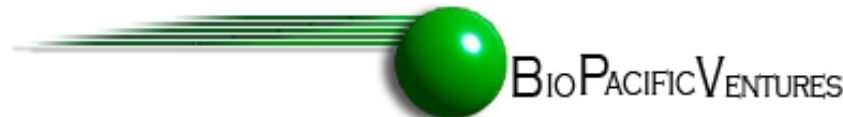
agresearch

inventages Venture Capital
Investments Inc

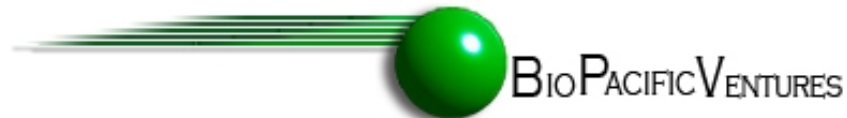
- Nestlé
 - L'Oreal
 - Purina
 - General Mills
 - Uncle Toby's...
- P&G
- Unilever...
- Novartis
- Roche
- Bayer
- BMS
- J&J / McNeil...
- PGG-Wrightson
- AgResearch
- Monsanto
- Dow
- Cargill
- Syngenta...



- Equity investments (shares)
- Emerging companies / spin-outs / capital for growth
- New Zealand & Australia
- \$2m to \$15m
- Join the Board, grow the company, pass on to next stage / owner

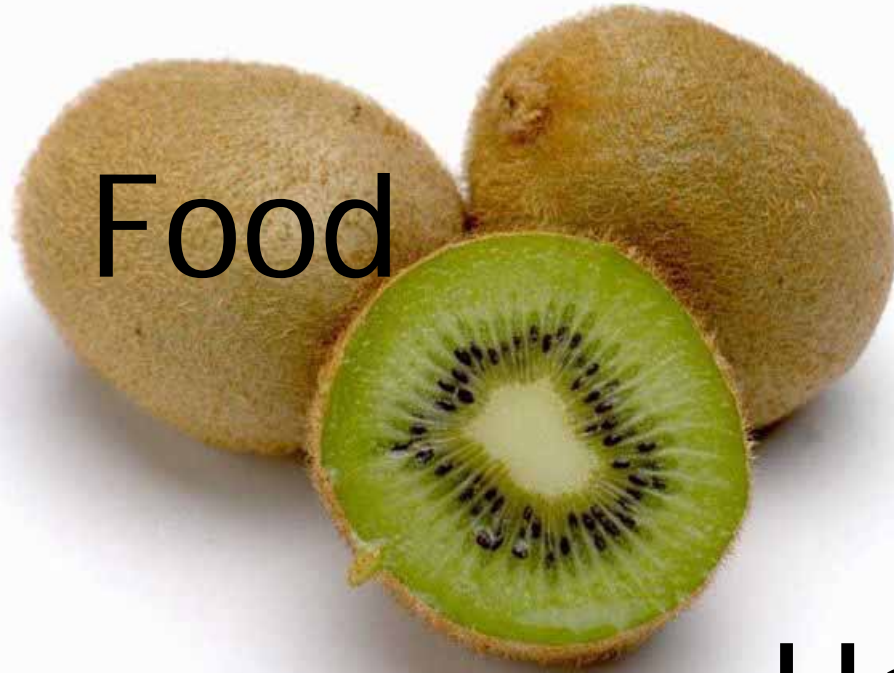


Why agbiotech?





Ag



Food

Health



Chronic diseases changing the disease landscape

Obesity and metabolic syndrome

From early childhood

Cardiovascular diseases

From mid 30s

Alzheimer's and other neurodegenerative diseases

From 50s

Diabetes

Type II from 30s

Allergies

From early childhood

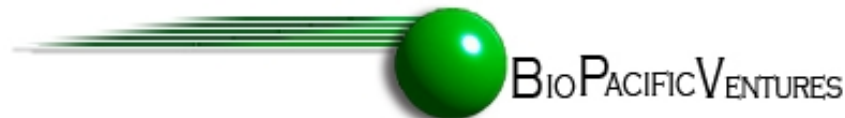
Gastric Ulcers

From 20s

Average life expectancy

• US 81.7 years

• EU 83.3 years



Spiralling healthcare costs

With Governments and companies less able to pay, individuals are shouldering more of the burden...



HEALTHCARE COSTS AS A SHARE OF GDP WILL **RISE** FROM
3% WORLDWIDE TO 9%

Pharma are not well prepared to address side effects of chronic treatment

- Drug discovery and development methods are historically built around acute treatments
- Current preclinical and clinical trials are not designed to generate safety data for chronic treatments
- Biggest Recalls:
 - Vioxx, COX-2, Merck, withdrawn September 2004, revenue potential \$8bn
 - Lipobay, statin, Bayer, withdrawn August 2001, revenue potential \$5bn

Benecol, the leading cholesterol-lowering ingredient

- Its product line includes low fat spreads
- J&J reviewed



...e to
um for its
 (spreads)



- “Proven” to lower cholesterol
- May lower risk of heart disease when part of a diet low in saturated fat and cholesterol



The ag-food industry can step up to this opportunity more easily than pharma

- Used to lower margins, will readily move to higher
 - Used to food-type logistics
 - Used to dealing directly with consumers
 - BUT, watch for conservatism!
-
- In comparison, pharma are under profit pressure from shareholders
 - Are not used to cost-of-goods considerations
 - Do not have ready-made path to consumer (with exceptions: e.g. J&J)
 - They too are conservative

A2 Corp

Oceanessence

Clovercorp

StarchTech

Colltech

Nutrizeal

Glucagel

Anadis

Comvita

Lyprinol

EnCoate

Peptech

Phoenix Eagle

Probiomix

MigCo

Phosphagenics

Merinova

Incitive

Novogen

Calthapharm

TGR Bioscience

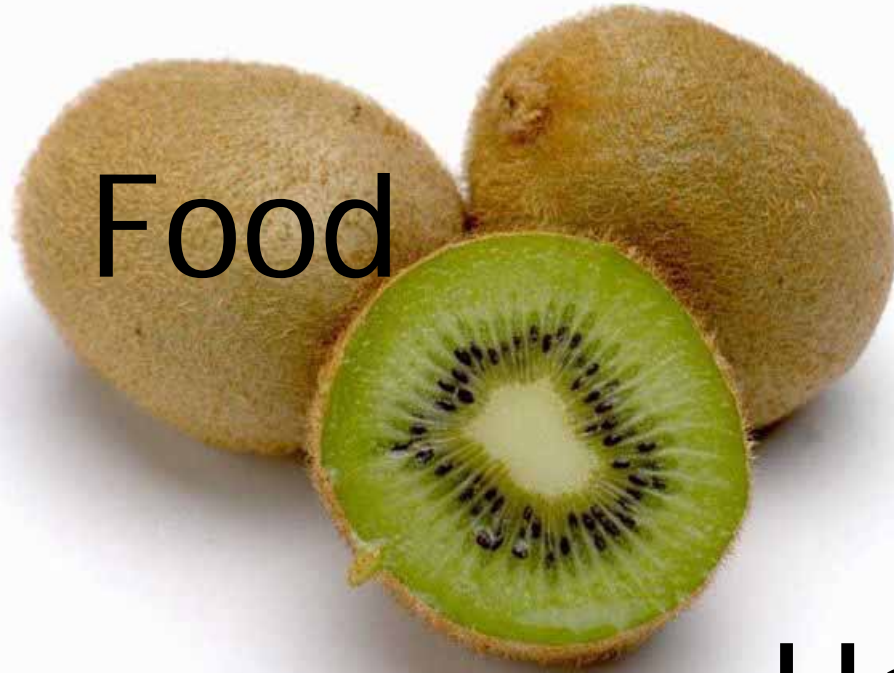
Tarac

Solagran

BioVite

Vital Foods





Health

Ag

Call me...

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