

Nanotech for Investors Summit

Investing in Nanotechnology:
Public and Private Investment Opportunities

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Addendum to Disclaimer

This presentation is a brief summary of a larger global presentation.

All companies mentioned in this report were selected for illustrating the development of Nanotechnology from an investor perspective.

It is not the objective of the author to give recommendations of any kind on any mentioned companies, but to use examples for drawing a tendency on the theme investing in Nanotechnology.

Most companies displayed thereafter are assumed to have contributed to the development of nanotech, or have reported activities in Nanotechnology, deliberately and publicly.



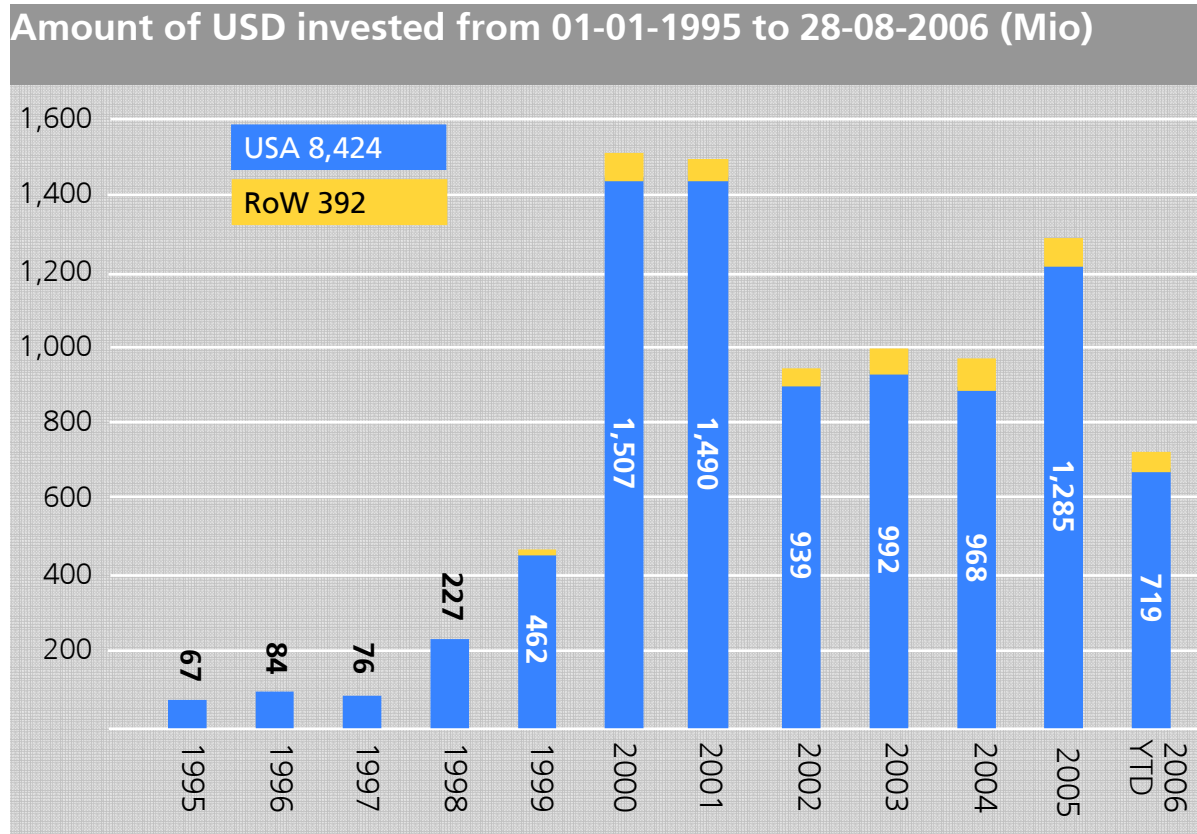
Private Equity Financing

This chapter presents an overview of firms having funded nanotechnology and nanotechnology-related companies through private equity financing. Most of these firms have established private equity Funds for the purpose of investing. Private equity money paid by corporates to companies in return of strategic partnerships and collaborations is not included in this report.

Private Equity Financing: An Overview (1)

Thomson Financial "Nanotechnology"

A sample of 363 companies



Before 1999, private equity investment is non-significant. With little surprise, investments are boosted during the technology rush. In 2002 they are cut by almost 50%, a situation that lasts for two additional years. The year 2005 is marked by a strong rebound in the investment activity.

We will see that the 2005 recovery might be correlated with new IPOs.

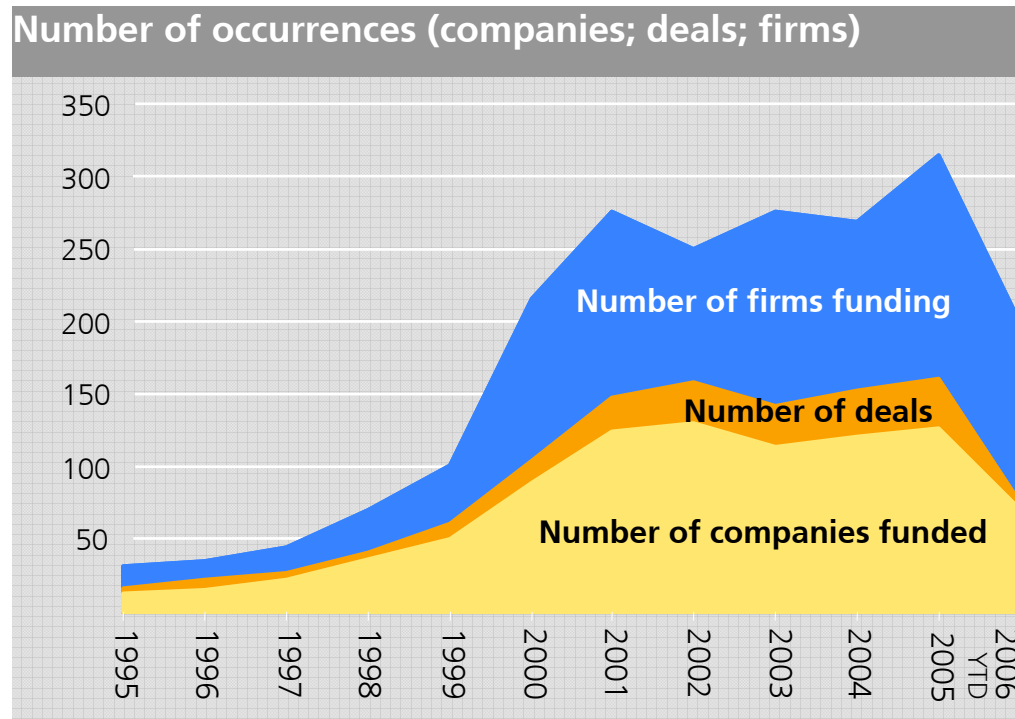
Noticeably, private equity financing remains a US specialty.

Source: Thomson Financials

Private Equity Financing: An Overview (2)

Thomson Financial "Nanotechnology"

A sample of 363 companies



The number of companies funded by private equity grew substantially in 1999 and has remained pretty stable to approximately 120 companies since 2001.

The same situation is observed with the number of deals. In 2006 however it seems that the number of deals per company has declined to 1:1. This observation remains to be confirmed.

Another interesting observation is the constant increase in the number of investment firms year over years.

Source: Thomson Financials

Intermediary Statement

Let's put a filter on the Thomson Financial formulation of Nanotechnology...

*All tech,
All biotech,
All fuel cells tech,
All MEMS tech,
Are not necessarily "Nanotech" ...*

117 companies out of the initial 363 remain on our radar screen after that some limits have been defined for reasonable nanotech features

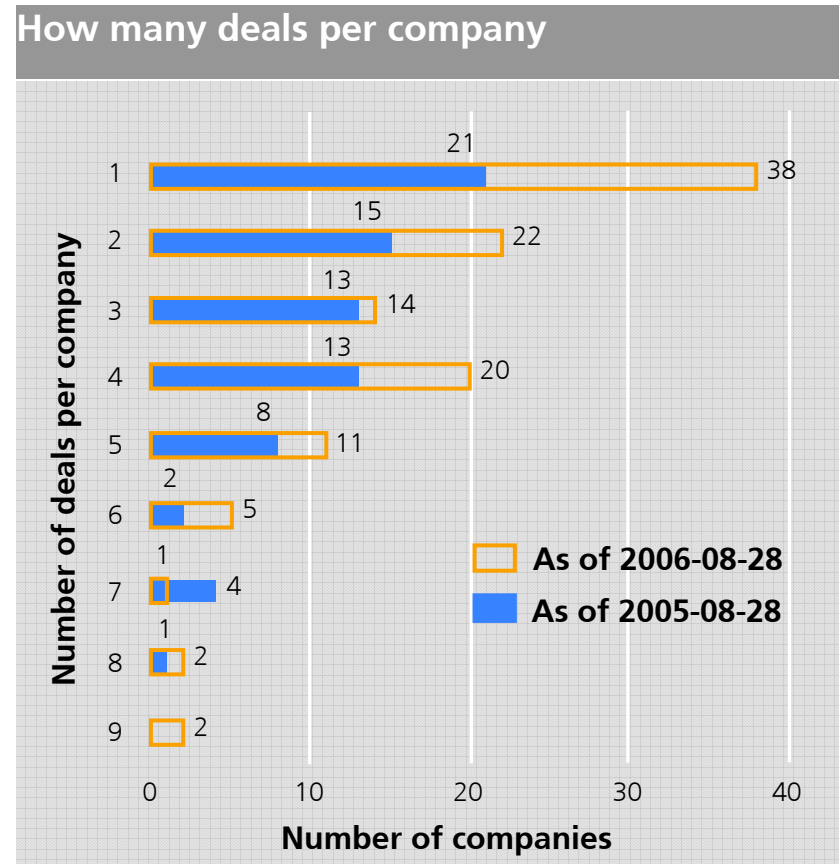
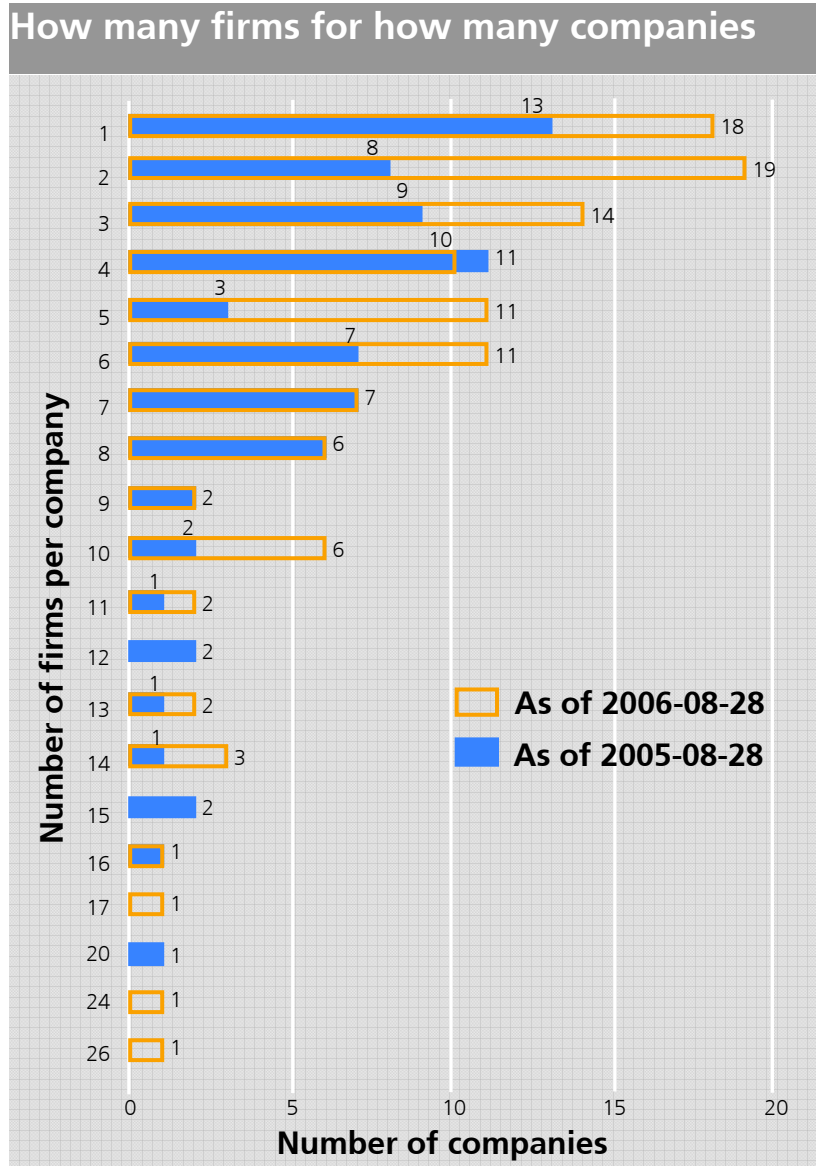
Private Equity Funding

Since last edition of Nanotech For Investors

Number of companies, number of deals, amounts invested Over the last 12-months			
	2006-08-28	2005-08-28	12mo
Companies	117	77	+40
Investments from 01.01.95 (USD Mio)	2,734	1,918	+816
Deals	330	230	+100
Average per deal (USD Mio)	7.10	7.44	stable
Average per VC firms (USD Mio)	3.57	3.78	stable

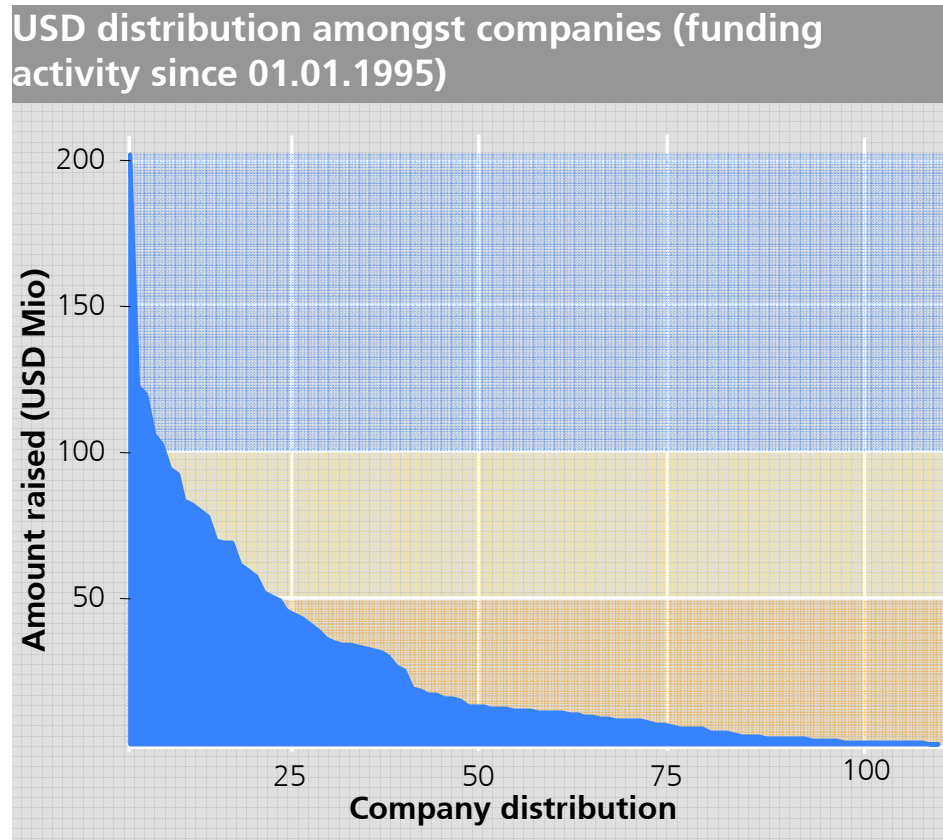
Source: data from Thomson Financials

Private Equity Funding



Source: data from Thomson Financials

Private Equity Funding



5 companies have attracted more than USD 100 Mio (24% of total funding) totaling 6.8 deals and 14.8 investment firms per company in average

14 companies have raised btw. USD 50 Mio and 100 Mio (37% of tot funding) an av. 4.8 deals, 10.8 firms per company

98 companies (84% of total companies) have attracted less than 60% of all private equity investments

Source: data from Thomson Financials

Private Equity Funding

Rankings (top ten)

Amount raised from investment firms			Number of deals			Number of investment firms		
	USD Mio	%tot inv		deals	USD Mio		IF	USD Mio
NeoPhotonics	202.0	7.4%	NeoPhotonics	9	202.0	NeoPhotonics	26	202.0
E-Ink	122.7	4.5%	NanoOpto	9	50.6	Nanosys	24	94.7
Solexa*	119.6	4.4%	E-Ink	8	122.7	E-Ink	17	122.7
Immunicon*	105.9	3.9%	Nanomix	8	46.1	DigiLens***	16	83.8
Nanosolar	103.0	3.8%	Targesome	7	11.4	Immunicon*	14	105.9
Nanosys	94.7	3.5%	Solexa*	6	119.6	Konarka	14	52.0
SiGen	92.6	3.4%	Surface Logix	6	70.0	Catalytic Solutions	14	82.2
DigiLens***	83.8	3.1%	Nanogen*	6	49.4	NanoOpto	13	50.6
Catalytic Solutions	82.2	3.0%	Solicore	6	41.4	Molecular Imprints	13	59.5
Nanosphere	80.1	2.9%	Quantum Dot**	6	39.2	NanoNexus	11	68.9
	1,086.6	39.7%			27.5%			33.7%

IF Investment firms
 * listed companies
 ** acquired company
 *** bankruptcy in 2003

Source: data from Thomson Financials; info from company websites

Private Equity Funding

Firms investing		
	nb deals	
Harris & Harris Group	13	Investment firm
Draper Fisher Jurveston	12	Investment firm
NGEN, Partners & Funds	6	Investment firm
ARCH, Funds	5	Investment firm
Intel Capital	5	Corporate
Kleiner Perkins Caufield & Byers	5	Investment firm
New Enterprise Associates	5	Investment firm
Venrock, Associates & Funds	5	Investment firm
3i, Partners & Funds	4	Investment firm
JP Morgan, Partners & Funds	4	Bank
Motorola Ventures	4	Corporate
Sevin Rosen Fund	4	Investment firm
Abingworth, Mgmt & Ventures	3	Investment firm
Alloy Ventures	3	Investment firm
Alta, Funds	3	Investment firm
BASF Venture Capital	3	Corporate
Business Development Bank of Canada	3	Bank
Eastman, Company & Ventures	3	Corporate
Institutional Venture Partners	3	Investment firm
Johnson & Johnson, Associates & Funds	3	Corporate
Mohr, Davidow Ventures	3	Investment firm
Oak, Partners & Funds	3	Investment firm
Pacifica Fund	3	Investment firm
Rockport Capital Partners	3	Investment firm

In total 332 firms have invested in nanotech and nanotech-related companies since 1995.

Completing the list, 57 firms have invested in 2 companies, 251 firms have invested in a single company.

The leading investment firms have defined a clear investment strategy for funding nanotechnology.

Several of the most successful VCs ever are on the top list. In the past they have help and raised companies to notoriety such as Compaq, Lotus, Electronic Arts, Cypress, Apple, Intel, 3Com, Sun, Netscape, Amazon, and Google in IT as well as Caliper, Illumina, Idec, Millenium, Genentech, Vertex, Chiron, Amgen, and Affymetrix in life sciences.

Complementary to venture capital funds, corporate funds account among leaders.

Noticeably, the leading firms are US-based.

Investment Firms with Nanotech Focus

Harris & Harris Group

Draper Fisher Jurveston

Lux Capital Management

Nanostart AG

Advance Nanotech Inc

Nanotech Partners Ltd

Ardesta LLC

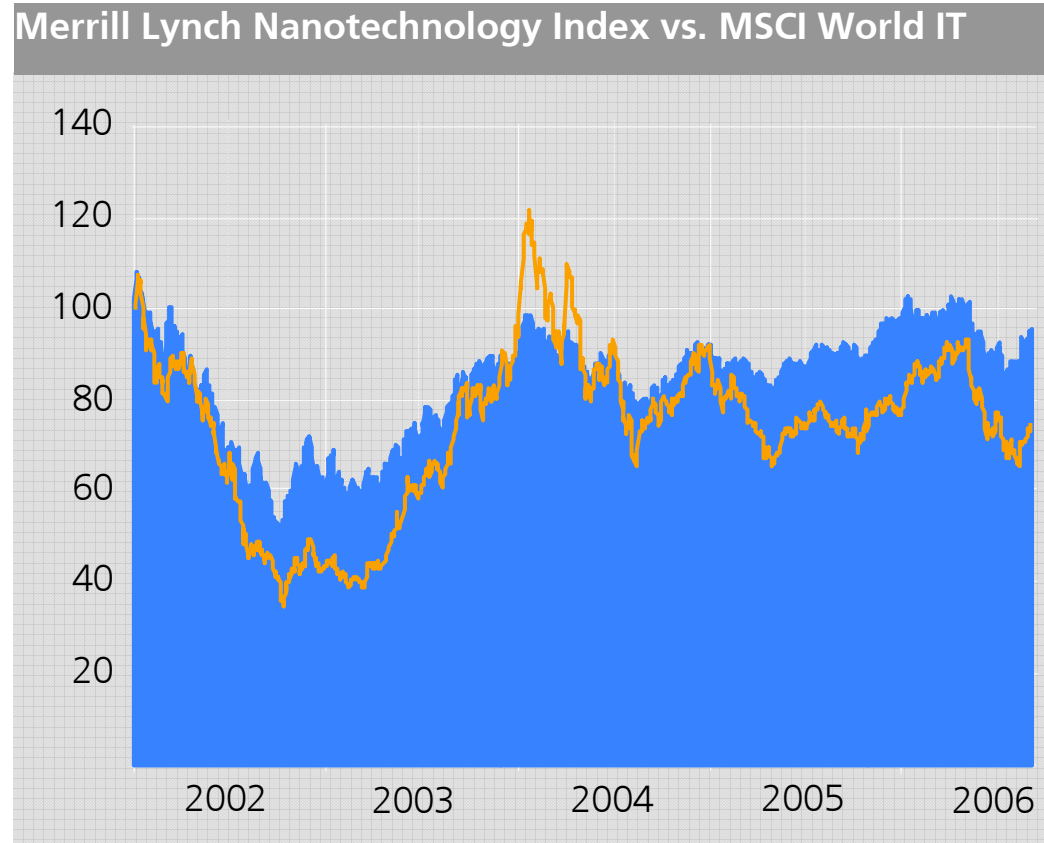
NanoDimension Management Ltd

Public Equity

This chapter presents an overview of listed companies reporting nanotechnology or nanotechnology-related activities. In most cases, no deep analysis has been undertaken to confirm the reliability of company statements.

Merrill Lynch Nanotech Index

An indicator of the performance of nanotech stocks



The ML Nanotech Index is well correlated to the performance of IT stocks and is characterized by a higher volatility. Nanotech stocks give back a negative performance, of 20% below the IT sector.

Remember that IT stocks have performed far below most sectors during the last 4 years.

Products of Listed Stocks

Activest (LUX) Nanotech

DAC Nanotech-Fonds

WestLB Nanotechnologies Active Zertifikat

Fisrt Trust Nanotechnology Portfolio: Series 1 / Series 2

Merrill Lynch Nanotech Basket

VONCERT Nanotech Basket

PowerShares Lux Nanotech Portfolio

Nanotech US Select Zertifikat

PERLES on UBS Nanotech Basket

More Information Needed:

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Alexandre is a client advisor at UBS Wealth Management.

For 7 years, Alexandre has built up a core expertise in the financial aspects of nanotechnology. This is a qualified reference used for internal consultation as well as for advisory services provided to the private and institutional clientele of UBS internationally. Periodic reviews on commercializing nanotechnology and investing in nanotechnology have been reported in several papers and lectures given at leading international conferences. Prior to UBS, Alexandre undertook research at the Nestlé Research Center, and worked as a project leader in Switzerland and in the USA. He holds a PhD from the University of Lausanne, where he studied biology, physical chemistry and organic chemistry.