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**YEAR-END 2006 HEALTH CARE VENTURE CAPITAL RESULTS UP AGAIN,
ACCORDING TO HEALTHCARE CORPORATE FINANCE NEWS**

Norwalk, CT, January 11, 2007—For the fourth year in a row, the total amount of venture capital committed to health care companies grew, rising to more than \$8.6 billion for the year ended December 31, 2006—up nearly 18%, compared with 2005. The year 2006 produced 463 deals (median size, \$12.5 million), representing an increase in deal volume of nearly 5% over the previous year, and an increase of 16%, compared with 2004. “Investments in health care services companies helped drive up the quarterly and year-end totals, including several deals announced by specialty providers,” noted Gretchen S. Swanson, Associate Editor.

Health Care Venture Capital Deal and Dollar Volume, Q4:04 to Q4:06		
Quarter/Year	Number of Deals	Total Funding, in Billions
Q4:04	97	\$1.6
<i>Year-End Total, 2004</i>	399	\$6.9
Q1:05	122	\$2.0
Q2:05	116	\$1.9
Q3:05	97	\$1.7
Q4:05	108	\$1.7
<i>Year-End Total, 2005</i>	443	\$7.3
Q1:06	136	\$2.2
Q2:06	97	\$2.0
Q3:06	110	\$2.2
Q4:06	120	\$2.2
<i>Year-End Total, 2006</i>	463	\$8.6

Health care services companies procured \$959.6 million of venture capital in 34 deals in 2006, the first year in a few years that health care services companies have announced a

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significant number of venture capital investments. Pharmaceutical companies, with the most funding for a single sector, announced 67 venture capital deals totaling \$2.05 billion. “Several venture-backed pharma companies have been established in the past year to in-license or acquire a technology, product, product candidate or portfolio,” remarked Stephen M. Monroe, Managing Editor. Investors also continued to fund biotechnology companies, which raised \$1.7 billion in 107 deals, and biopharmaceutical companies, which raised \$1.7 billion in 87 deals. Medical device companies announced the most deals in one sector during the year, with 123 totaling \$1.8 billion. E-health and other health care companies accounted for the remaining transactions.

For the fourth quarter ended December 31, 2006, health care companies raised about \$2.2 billion, representing close to a 29% increase in dollar volume over the year-ago quarter. Deal volume was up by about 11%, with 120 deals announced in Q4:06, compared with 108 in Q4:05. Health care services companies were responsible for raising the greatest amount of venture capital in one sector, with \$515.2 million spread over 16 deals. Medical device companies announced 32 deals, the largest number in one sector, totaling \$439.7 million. Pharmaceutical companies announced 19 transactions that raised \$505.7 million. Biotechnology and biopharmaceutical companies together raised \$633.7 million in 38 deals, with e-health and other companies accounting for the remainder.

The top venture capital firms for the fourth quarter and the year ended December 31, 2006, based on participation in number of investments, are listed in the following chart.

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Most Active Health Care Venture Capital Firms			
Fourth Quarter, Ended December 31, 2006	Number of Investments	Year Ended December 31, 2006	Number of Investments
MPM Capital	4	Sofinnova Ventures	12
Oxford Bioscience Partners	4	Novartis Venture Fund	12
Burrill & Company	3	Alta Partners	11
Domain Associates	3	New Enterprise Associates	11
Flagship Ventures	3	HBM Funds	11
Highland Capital Partners	3	3i Group	10
Nexus Medical Partners	3	Domain Associates	10
Tall Oaks Capital	3	InterWest Partners	10
Thomas, McNerney & Partners	3	Pequot Ventures	9
SV Life Sciences	3	HealthCare Ventures	9
Village Ventures	3		

Healthcare Corporate Finance News (www.hcfnews.com) reports weekly on financial events in the fast-paced venture capital, private and public equity, and merger and acquisition markets for health care companies, and provides subscribers with access to a searchable online database of health care venture capital deals. This monthly newsletter and weekly email update is published by Irving Levin Associates, Inc., a leading financial publisher and source of market intelligence since 1948. For more information, please call 1-800-248-1668.

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