



LSP Advisory B.V.

Report on the first half of 2011

LSP Advisory B.V.

Financial statements
for the period January until June
2011

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Balance sheet as at 30 June 2011

(before proposed appropriation of result)

Assets	30 June 2011	31 December 2010
(in EUR)		
Current assets		
Receivables from group companies	1,057,288	-
Other receivables	316,239	5,501,296
Cash and cash equivalents	1,305,764	33,853
	2,679,291	5,535,149
	2,679,291	5,535,149

Liabilities	30 June 2011	31 December 2010
(in EUR)		
Equity		
Issued capital	18,000	18,000
Share premium	82,000	82,000
General reserve	2,143,565	250,215
Result for the year	203,007	4,293,350
	2,446,572	4,643,565
Current liabilities		
Payable to group companies	20,831	811,117
Taxes and social security premiums	19,980	15,075
Other liabilities	191,908	65,392
	232,719	891,584
	2,679,291	5,535,149

Income statement for the period January until June 2011

	01-06/2011	01-06/2010
(in EUR)		
Advisory fee	416,900	121,167
Operating income	416,900	121,167
Other operating expenses	92,403	15,157
Cost sharing LSP Operations B.V.	<u>121,869</u>	<u>80,792</u>
Operating expenses	214,272	95,949
Operating income (loss)	<u>202,628</u>	<u>25,218</u>
Interest income and similar proceeds	<u>379</u>	<u>258</u>
Financial result	379	258
Income before tax	<u>203,007</u>	<u>25,476</u>
Corporate income tax	-	-
Net income (loss) for the year	<u>203,007</u>	<u>25,476</u>

Notes

General

LSP Advisory B.V. was founded on 3 March 2008 and is registered in Amsterdam, the Netherlands.

Principles of accounting

The accompanying financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Netherlands.

Receivables are stated at face value less any provisions deemed necessary.

Other assets and liabilities in foreign currencies have been translated into Euros at the exchange rate on balance sheet date. Any results from this are recognised in the income statement.

Other assets and liabilities are stated at face value.

Income and expenses are allocated to the financial year to which they relate, except dividend and supervisory board remuneration from investments, which are allocated to the year they are made payable.

All amounts are in Euro (EUR), unless otherwise stated.

Taxes

LSP Advisory BV is part of a fiscal unity with LSP Management Group BV being the ultimate holding company. The income tax for the group is payable at group level and only recorded in the financial statements of the mother.

Balance sheet as at 30 June 2011

Current Assets

Receivables from group companies

The receivables from group companies mainly exist of a receivable from LSP Operations B.V.

Other receivables

Other receivables consist of a down payment in relation to the purchase of fixed assets of EUR 16K as well as advisory fee regarding the 2nd quarter of 2011 to be received of EUR 176K, management fee from LSP Life Sciences Fund N.V. of EUR 101K and expenses of EUR 23K.

Cash and cash equivalents

The cash at banks consists of the balance in the EUR bank account at the ING Bank in Amsterdam. All cash and cash equivalents are available on demand.

Equity

(in EUR)	Issued capital	Share premium	General reserve	Unappropriated result	Total
Balance as at 31 December 2009	18,000	82,000	37,112	848,103	985,215
Changes during the year					
Transfer of result to reserve			848,103	(848,103)	-
Interim Dividend			(635,000)		(635,000)
Result for the year				4,293,350	4,293,350
Balance as at 31 December 2010	18,000	82,000	250,215	4,293,350	4,643,565
Changes during the year					
Transfer of result to reserve			4,293,350	(4,293,350)	-
Interim Dividend			(2,400,000)		(2,400,000)
Result for 01-06/ 2011				203,007	203,007
Balance as at 30 June 2011	18,000	82,000	2,143,565	203,007	2,446,572

Issued capital

The authorised capital of the company amounts to EUR 90,000, divided in 90,000 common shares, with a par value of EUR 1.00, of which 18,000 shares have been issued and fully paid.

Current liabilities

Payables to group companies

The payables to group companies mainly consist of a payable to LSP Bioventures Inc.

Taxes and social security premiums

Taxes and social security premiums consist of VAT payable for the second quarter of 2011.

Other liabilities

Other liabilities consist of various expenses made in the first half year of 2011, which will be paid before year end 2011.

Income Statement for the period January until June 2011

Advisory fee

LSP Advisory BV has concluded an investment advisory agreement with APG Algemene Pensioen Groep N.V. and LSP Life Sciences Fund N.V. pursuant to which the Manager will be entitled to a fixed advisory fee per year as a percentage of the average Net Asset Value of the Portfolio during that year.

Personnel

The company has no employees.

Other operating expenses

	01-06/2011	01-06/2010
Advisory costs	36,055	6,155
Travel, meeting and representation expenses	24,738	8,968
Other costs	31,610	34
Total other operating expenses	92,403	15,157

Cost sharing LSP Operations B.V.

	01-06/2011	01-06/2010
Cost sharing LSP Operations B.V.	121,869	80,792

Cost sharing agreement

On 1st of January 2008 a cost sharing agreement between LSP Operations B.V., Life Sciences Partners Management B.V., LSP II Management B.V., LSP III Management B.V., LSP IV Management B.V., LSP Bioventures Management B.V. and LSP Advisory B.V. became in effect.

In this agreement it is stipulated that LSP Advisory B.V. shares cost in the amount of 0.25% of the yearly Net Asset Value of the portfolios managed by LSP Advisory B.V. with a minimum of EUR 25K. For the first half year of 2011 this cost sharing amounted to EUR 122K.

Contingent liabilities

At the end of June 2011 there is an outstanding commitment to acquire fixed assets for a total amount of EUR 210K.

Amsterdam, August 30, 2011

As Statutory Directors

M. A. Wegter

J.P.P. Muijers

Other information

Statutory regulations as to appropriation of profit

According to Article 21 of the Articles of Association, profit as evidenced by the adopted financial statements shall be at the disposal of the General Meeting of Shareholders.

The Company may only make payments from the distributable profit to the shareholders and other parties having a profit entitlement in so far as its shareholders' equity exceeds the value of the paid-in portion of the capital augmented by such reserves as required to be maintained, either by law or, in so far as applicable, pursuant to these Articles of Association.