

## **Press release**

**Zug, 11 May 2009**

### **HBM BioVentures: letter to shareholders**

In its letter dated May 8, 2009, the Board of Directors of HBM BioVentures is notifying its shareholders of a number of decisions concerning the company. The HBM BioVentures Board has decided to decrease fees and also intends to reduce the size of the Board of Directors. The 2009 ordinary shareholders' meeting will be asked to pass a motion increasing the scope of share buy-backs to 20% of outstanding shares. According to projections and not as erroneously reported in the press, HBM BioVentures will have sufficient liquidity also in 2010.

At its meeting of May 8, 2009, the Board of Directors of HBM BioVentures discussed the implications of the global financial crisis on the future business activities of HBM BioVentures. The Board took the following decisions, potentially affecting the company's share price:

#### **Lower advisory fees**

HBM BioVentures' advisory organisation, which was geared to growth, is to be adjusted in line with the lower anticipated business volume. The Board of Directors assumes that the restricted capacity of the capital markets over the next two years will severely hamper the activities of venture capital intermediaries. This signifies that the management company's organisation and costs can be reduced by up to half. The Board of Directors has reached an agreement to this end with the management company, HBM Partners. It will result in cost savings totalling CHF 13 million over a two year period, with CHF 5 million accruing in 2009/2010 and a further CHF 3 million in 2010/2011. HBM BioVentures and thus the shareholders will benefit in full from these savings. Fees for the period after 1 April 2011 will be determined at the end of 2010.

#### **Smaller Board of Directors**

The number of directors will be reduced from seven to five over the same period.

#### **Increased authorisation for share buy-backs**

Moreover, HBM BioVentures will take action to limit the extreme discount of the market price of its shares relative to the company's NAV. An increase from 10% to 20% in the authorisation limit for share buy-backs via the second trading line will thus be proposed to the 2009 shareholders' meeting.

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### **Outlook**

The Board concludes that, in accordance with measures and projections presented and contrary to press reports, HBM BioVentures will continue to have sufficient liquidity to pursue its business activities also in 2010.

Due to the continuously growing demand of the large pharma and biotech companies for new products and due to the maturity of many portfolio companies, HBM BioVentures is well positioned for successful disinvestments.

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### **Brief profile of HBM BioVentures Ltd**

HBM BioVentures is invested globally in some 40 mature emerging companies in the biotechnology/human medicine, diagnostics and medical technology sectors. The primary products of HBM BioVentures' portfolio companies are either at an advanced stage of development or already available on the market. The company focuses on unlisted emerging companies, Two thirds of investment capital is invested in private companies with high value creation potential. This has enabled HBM BioVentures to carve out a unique and distinctive market position. HBM BioVentures has a broad shareholder base and is listed on the SWX Swiss Exchange (ticker: HBMN).

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