

HBM BioVentures Ltd

Bundesplatz 1, 6300 Zug

Invitation to the 8th Ordinary Shareholders' Meeting

Friday, 4 September 2009, 3.00 pm

Congress Center Metalli
6300 Zug

The admissions office opens at 2.30 pm

Agenda and Motions of the Board of Directors:

1. Annual report, statutory financial statements and consolidated financial statements 2008/2009; reports of the statutory auditors

Motion: The annual report, statutory financial statements and consolidated financial statements for the 2008/2009 business year are to be approved

2. Discharge from liability of the members of the Board of Directors and Management

Motion: The members of the Board of Directors and Management are to be discharged from liability for the 2008/2009 business year

3. Appropriation of results

Motion: The accumulated loss of CHF 343,961,244 is to be carried forward as follows to the new accounts:

<i>in CHF</i>	<i>2008/2009</i>
<i>Loss for the year 2008/2009</i>	<i>336,377,527</i>
<i>Loss carryforward</i>	<i>7,583,717</i>
<i>Accumulated loss</i>	<i>343,961,244</i>

4. Elections to the Board of Directors

- Motions:**
- 4.a. Re-election of Mr Robert A. Ingram as a member of the Board for a term of three years*
 - 4.b. Re-election of Dr. Rudolf Lanz as a member of the Board for a term of three years*
 - 4.c. Election of Mr Hans Peter Hasler, of Leimiswil, in Küssnacht SZ, as a member of the Board for a term of three years*

The terms of office of Dr. Rudolf Lanz and Mr Robert A. Ingram end at the forthcoming Ordinary Shareholders' Meeting. Both stand for re-election. At its meeting on 8 May 2009, the Board of Directors decided to reduce the number of directors from seven to five within two years. The motion for two re-elections and one first-time election is not contradictory to this plan: in the current critical period of major portfolio sales, it is essential to secure the services of the two gentlemen put forward for re-election. All of the elections proposed are also in line with the planning for the next two years and beyond. The first-time election of Mr Hans Peter Hasler as a replacement for Dr Karl Preisig at this juncture is intended to ensure that he has the necessary time to settle in to his new role.

Mr Robert Ingram, Vice Chairman Pharmaceuticals, GlaxoSmithKline, has spent his professional life in the pharmaceutical sector and knows the industry like few others. His global personal network is of irreplaceable value at HBM BioVentures' present stage of development with so many sale-ready portfolio companies. Around half of HBM BioVentures' holdings are in the USA. Mr Ingram is also a member of the Nominations Committee, in which his knowledge of the pharma / biotech sector and his management skills are of great value.

Mr Ingram first earned his spurs in Public Affairs and then Government Affairs at Merrell Dow Pharmaceuticals and Merck respectively. In 1990, he moved to Glaxo, where he was responsible for Administrative und Regulatory Affairs before holding the titles of Executive Vice President, President, COO and CEO. He was appointed to the Global Board of Glaxo Wellcome as Executive Director in 1995, and became CEO of Glaxo Wellcome two years later.

Dr Rudolf Lanz holds a dual degree in business administration and law. He has spent most of his professional life in the areas of acquisitions, divestments, mergers and large scale financings – HBM BioVentures' core business. He also serves on two Board committees: the Audit Committee and the Nominations Committee, the latter of which he chairs.

Mr Lanz began his career at Ernst & Young AG (E&Y), making him the perfect fit for his role at HBM BioVentures. He rose as early as 1988 to head M&A / Corporate Finance department, becoming Chief Financial Officer in 1995 and member of the E&Y Executive Board in 1997. In 2000, he joined forces with partners to found "The Corporate Finance Group", and became Chairman of the Board of this leading independent M&A / corporate finance firm, which focuses on mid-sized transactions of the type currently planned by HBM BioVentures.

Mr Hans Peter Hasler (1956) was COO of one of the largest (USD 4 billion sales) and oldest biotech companies, Biogen Idec until early 2009. There, he was responsible for commercial operations, business development, medical affairs and Biogen International. He previously headed up the global neurology and cardiovascular business, as well as international business ex USA.

Beginning at Sanofi Pharma in Basel, Mr Hasler has spent his entire career in the pharma / biotech industry. As early as 1988 he was in charge of the Pharma division at Abbott AG, Zug, before moving four years later to become General Manager of the American Cyanamid-Lederle in Zurich. After the company was acquired by Wyeth in 1994, he was appointed CEO of Wyeth (Switzerland) AG, Zug. From there he went on to become CEO of Wyeth Group Germany, president of the Pharma division, and ultimately CEO and Chairman of Wyeth Pharmaceuticals in St. Davids, Pennsylvania, USA. Mr Hasler knows the biotech business from the grass roots upwards.

Dr Karl Preisig will leave the Board of Directors on the date of the upcoming ordinary shareholders' meeting due to the unexpectedly high time demand by his new project.

5. Election of the auditors

Motion: *Ernst & Young AG, Zurich, is to be re-elected as auditors of the statutory financial statements and the consolidated financial statements for the 2009/2010 business year*

6. Reduction in equity capital (cancellation of own shares)

Motion: (1) *The share capital of CHF 675,771,540.-- is to be reduced to at least CHF 630,771,540.- - by means of the cancellation of a maximum of 750,000 registered shares with a par value of CHF 60.--;*

(2) *The audit report of Ernst & Young AG, which states that creditor receivables are covered in full even after the share capital has been reduced, is to be formally acknowledged;*

(3) *Art. 3 of the articles of association, concerning share capital, is to be amended as follows (changes marked):*
"The share capital of the company amounts to CHF ~~675,771,540.--~~ [630,771,540.--] [to be determined finally on the day of the shareholders' meeting] and is divided into ~~11,262,859~~ [10,512,859] [to be determined finally on the day of the shareholders' meeting] registered shares with a par value of CHF 60.-- each. All shares are fully paid in."

As part of the share buy-back programme for up to 10% of issued shares, as adopted in September 2008, the company has acquired a total of 424,952 of its own shares via the second trading line on SIX Swiss Exchange Ltd as at the date of dispatch of this invitation. These shares correspond to 3.77% of issued shares. The Board of Directors intends to propose these 424,952 shares for cancellation, as well as any additional own shares repurchased under this share buy-back programme up to 3 September 2009 – but not more than 750,000 registered shares.

At the shareholders' meeting the Board of Directors will announce the final number of registered shares proposed for cancellation (no more than 750,000 registered shares), as well as the final number of shares remaining outstanding.

7. Approval of a new share buy-back programme and capital reduction

- Motion:**
- (1) *Under the terms of a new share buy-back programme that will run until 31 August 2012 ("2009 buy-back programme"), the Board of Directors is to be authorised to repurchase up to 20% of outstanding issued shares, as they stand following the capital reduction in the previous agenda item, in order to cancel them by means of a capital reduction;*
 - (2) *As part of the 2009 buy-back programme, the share capital is to be reduced by a maximum of 20% of the share capital (following the entry in the Commercial Register of the capital reduction adopted under the previous agenda item) by means of the final cancellation of a maximum of 20% of share capital. The precise extent of the reduction is to be determined by the actual number of own shares repurchased under the 2009 buy-back programme;*
 - (3) *It is to be determined that, according to the findings of the Ernst & Young AG audit report, creditor receivables as at 3 September 2009 would be covered in full even after a capital reduction to the maximum extent permitted under the previous paragraph.*

The company repurchased its own shares for the purpose of a capital reduction as part of the share buy-back programme adopted in September 2008. With the 2009 buy-back programme, the Board of Directors would like to keep open the option of repurchasing more of the company's own shares via the second trading line in order to cancel them as part of a capital reduction. These buy-backs shall be effected in the future depending on how business, disposable liquidity and the markets develop. The share buy-back programme adopted in September 2008 will be terminated before the 2009 buy-back programme is launched.

The shares to be repurchased under the 2009 buy-back programme are definitely intended for cancellation by means of a capital reduction. At one of the forthcoming shareholders' meeting, the Board of Directors will propose that those shares repurchased under the 2009 buy-back programme be cancelled (resolution implementing the – possibly lower – amount of the capital reduction) as well as the corresponding reduction in capital (amendment to the articles of association).

By adopting this procedure, it shall be possible to repurchase more than 10% own shares for cancellation without infringing the provisions of Art. 659 of the Swiss Code of Obligations.

Should the share price remain heavily undervalued following the repurchase of the aforementioned 20%, a third buy-back programme would be recommended to the shareholders' meeting. As long as share prices are conducive to buy-backs, the company will refrain from the less attractive option of a par value repayment.

HBM BioVentures Ltd will not make any further investments in private companies (except follow-on financings) until the average discount of the share price compared with the average net asset value (NAV) per share is less than 15% for a continuous three-month period. Until then, any disposable liquid funds shall be used to repurchase own shares.

8. Miscellaneous

Documentation

The 2008/2009 business report, including the annual report, the statutory financial statements, the consolidated financial statements, as well as the reports of the statutory auditors, was sent out on 3 June 2009 to all shareholders entered in the Shareholders' Register unless they had requested not to receive a copy. It is also available for review at Bundesplatz 1, 6300 Zug, Monday to Friday from 9.00 am to 5.00 pm. It can be ordered from the same address. Please call +41 (0)41 768 11 08. This also applies to the Ernst & Young AG audit reports on agenda items 6 and 7. The annual report can be accessed at www.hbmbioventures.com.

Admission cards / voting materials

Shareholders who are entered in the Shareholders' Register with the right to vote as at 5.00 pm on 25 August 2009 (the qualifying date) will receive the invitation as well as, upon request, a personal admission card and the voting materials directly from the company.

Shareholders who are entitled to vote according to the Shareholders' Register as of the qualifying date may participate in the shareholders' meeting. Each share carries one vote. Shareholders who have sold their shares before the shareholders' meeting takes place are no longer entitled to vote.

Granting of powers of attorney

Shareholders who do not participate in person in the shareholders' meeting may appoint as a representative another shareholder, a third party, their bank, the company's agent, or Mr. Walter Boss, chartered fiduciary agent, KBT Treuhand AG, Zimmergasse 16, 8032 Zurich, as independent proxy holder in the sense of Art. 689c of the Swiss Code of Obligations.

The power of attorney on the registration form must be filled in accordingly, signed and returned to the company or the independent proxy holder by 31 August 2009 at the latest.

Without specific instructions to the contrary, the proxy will be exercised to vote in favour of the motions of the Board of Directors as published in this invitation to the ordinary Shareholders' Meeting or, if applicable, as supplemented or modified by the Board of Directors at the ordinary Shareholders' meeting. Shareholders who sign their power of attorney and return it to the company without indicating a representative will be represented by the company's agent; their votes will be cast in favour of the motions of the Board of Directors. Powers of attorney containing instructions that reject the motions submitted by the Board of Directors will be passed on to the independent proxy-holder.

Proxy-holder for shares held in custody accounts

Proxy-holders representing shares held in custody accounts, as described in Art. 689d of the Swiss Code of Obligations, are kindly asked to inform the company of the number of shares they represent as soon as possible and no later than 2.45 pm on 4 September 2009.

Admissions office

The admissions office opens at 2.30 pm on the day of the shareholders' meeting. Shareholders are asked kindly to present their admission cards at the entrance.

Registration

We ask you kindly to return the registration form by 1 September 2009 if you intend to participate in the shareholders' meeting.

Reception

The Board of Directors is pleased to invite you to a reception after the shareholders' meeting.

Zug, 11 August 2009

On behalf of the Board of Directors
The Chairman:



Dr. Henri B. Meier