

## **Press release**

**Zug, 29 January 2010**

### **HBM BioVentures Quarterly Report as at 31 December 2009**

HBM BioVentures closed the first nine months of the current financial year with a profit of CHF 73.5 million. Following a very successful third calendar quarter in 2009, the company made further progress in the portfolio of private companies during the period under review. As a result, the net asset value (NAV) per share has increased since the end of March 2009 by 13 percent, from CHF 58.80 to CHF 66.58. Meanwhile, the HBM BioVentures Ltd share price has risen by 17 percent in 2009, from CHF 41.00 to CHF 47.95. Recent financing rounds and licensing agreements of portfolio companies and sales of a few investment positions underline the solid value of the HBM BioVentures portfolio.

#### **Private portfolio companies**

After the success of the important sales of Brahms and ESBATech in the third calendar quarter, the quarter under review brought one sale, one IPO, a major licensing agreement and two successful financing rounds among our smaller portfolio holdings. HBM BioVentures continued to support a number of existing portfolio companies with follow-on financings.

As part of a USD 50 million financing round, PTC Therapeutics attracted a major new investor, which contributed additional funding to the company at a price of approximately 2.2 times its previous valuation. HBM BioVentures took a pro rata share in this financing round, with the new company valuation representing a CHF 18.3 million upward restatement of its existing holding in PTC. Ophthotech saw its valuation confirmed by new investors in a financing round that netted the company CHF 30 million. Paratek Pharmaceuticals announced that it had concluded a licensing agreement with Novartis, in which Novartis acquired exclusive global marketing rights to the broad-spectrum antibiotic PTK 0796. Under the agreement, Paratek stands to gain up to USD 485 million in the form of an upfront and subsequent milestone payments. In the spring of 2009, the investment in Pacira was written down. This was partly reversed in the quarter under review on the strength of new and promising study data. The whole investment in the Ziemer Group (sale to other investors) and half of the investment in China Nuokang (in its IPO) were sold.

#### **Public portfolio companies**

We continued to reduce our holdings in Newron and Biovitrum during the last quarter. Exercising a portion of its subscription rights, HBM BioVentures participated in Biovitrum's capital increase. With the exception of Basilea, which announced the US

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authorities' refusal to approve its broadspectrum antibiotic, there was no significant change in the share prices – and thus the valuation – of our other public portfolio companies.

### **Capital management**

HBM BioVentures repurchased a total of 489,000 of its own shares in calendar 2009 in the interest of all its shareholders. This figure corresponds to 4.3 percent of all outstanding shares as at the beginning of 2009.

Following the successful sales of portfolio companies Brahms and ESBATech in September 2009, nominal CHF 45 million of the Going Public Convertible Bond was repurchased at attractive market prices. As at the end of December 2009, nominal CHF 84 million of the Going Public Convertible Bond was still outstanding. These bonds will be redeemed in April 2010.

### **Outlook**

After various successful sales of private investments in the second half of calendar 2009, HBM BioVentures' main focus remains on the optimum management of our existing portfolio. In addition to selective participation in follow-on financings for promising portfolio companies, we are striving for other company sales. We anticipate that 2010 and 2011 will bring further developments that will increase the value of our private and public investment portfolios.

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

As a venture capital company, HBM BioVentures is invested globally in some 35 mature emerging companies in the biotechnology/human medicine, diagnostics and medical technology sectors. The lead products of HBM BioVentures' portfolio companies are either at an advanced stage of development or already available on the market. The company focuses on emerging companies that are not yet listed, with two-thirds of assets invested in private companies that offer 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 SIX Swiss Exchange (ticker: HBMN).

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