

Press Release

Zug, 3 May 2010

HBM BioVentures closes successful 2009/2010 financial year with a profit of CHF 66 million

HBM BioVentures Ltd can look back on a successful 2009/2010 financial year. Net income came to CHF 66 million, net inflows of funds from investment activities amounted to CHF 187 million. The performance of the portfolio companies was largely positive. As a result, HBM BioVentures' net asset value (NAV) increased by 12% over the reporting period. The development risks faced by the portfolio receded further. By the end of the financial year, emerging companies – which already account for 30% of the portfolio – were showing a profit, while a further 27% were reporting sales. The Board of Directors has decided to amend the Company's strategy.

Review of the 2009/2010 financial year

The financial statements were adopted by the HBM BioVentures Board of Directors at its meeting on 30 April 2010. The Company made a profit of CHF 66 million in the 2009/2010 financial year just ended. As a result, HBM BioVentures' net asset value (NAV) increased by 12% over the reporting period. Following the complete redemption of the convertible bond, liquid assets now account for 7% of total assets, while balance sheet commitments make up just 4%. The development risks faced by the investment portfolio have receded considerably in recent years. More than two thirds of capital is held in the form of direct (56%) and indirect (12%) investments in private companies. Public companies account for 13% of capital. The portfolio is now 30% invested in companies that are already operating at a profit. A further 27% of the portfolio is invested in companies that actively distribute products on the market and are gradually approaching the profitability threshold. Currency risks (50% of the portfolio is held in USD-based companies, including investments in China) are monitored continuously and hedged where necessary. Attached are the abridged version of the consolidated balance sheet and the asset allocation as at 31 March 2010, as well as the abridged statement of income for 2009/2010. The detailed annual report for the 2009/10 financial year will be published in early June.

Successful company sales

In September 2009, HBM BioVentures completed its most successful transaction to date with the sale of its investment holding in Brahms. The capital originally invested was multiplied by a factor of 22. HBM BioVentures reported further successes in the private investment portfolio. These include the sale of investments (ESBATEch, Ziemer), significant financing rounds (PTC Therapeutics, Ophthotech), licence agreements with major partners (Paratek, Chemocentryx) and an IPO (China Nuokang).

Careful management of capital and existing portfolio

HBM BioVentures focuses on the sale or IPO of private investment positions, some of which have been in the portfolio for many years. Equal importance is attached to the management of existing investment positions. During the financial year just ended, CHF 43 million, or 6.5% of net assets, was dedicated to follow-on financings. The portfolio of public companies was reduced further. A total of 4.7% of the original outstanding shares was repurchased via a second trading line during the 2009/10 financial year, with a view to their cancellation. Cancelling shares reduces the number of outstanding shares, meaning that future gains from the sale of existing holdings will give a greater boost to net asset value (NAV) per share.

Strategy

Over the past year, the Board of Directors devoted several meetings, with changing attendees, to the issue of HBM BioVentures' optimum risk profile, and amended the Company's strategy accordingly. In the interests of better liquidity management, the anticipated maturing period up to HBM BioVentures' exit – and thus the average length of time for which an investment is held – will be shortened by investing at later stages of development, including investments to improve liquidity in emerging companies that are already public. These companies depend on risk capital that comes with expertise. Borrowing will be kept low and repayment commitments will be more staggered in the future. To exert a greater influence on the timing of divestments, the Company will also consider acquiring majority positions. Geographically, there are plans to focus more on Europe at the expense of the USA.

Outlook

Most portfolio companies are performing positively and generating added value, even though EVCA accounting rules mean that this is not directly reflected in the book value of the corresponding investment holdings. Major positions such as Basilea, Cathay, Micrus, mtm laboratories, PharmaSwiss and PTC Therapeutics have realisable value-adding potential within the next 24 months, by means of company sales or IPOs. A number of smaller investment holdings offer the prospect of a sale within the next 12 months (e.g. Lux Biosciences, Mpex and Pacira). Future sale proceeds will be used for the benefit of all

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shareholders, and should bring about a significant increase in both the NAV and share price of HBM BioVentures.

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Brief profile of HBM BioVentures Ltd

As a venture capital company, HBM BioVentures invests world-wide in some 35 mature young companies in the biotechnology/human medicine, diagnostics and medical technology sectors. The primary products of many of HBM BioVentures' portfolio companies are either at an advanced stage of development or already available on the market. The investment focus is on emerging companies that are not yet public. 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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HBM BioVentures Ltd

Consolidated Balance Sheet (short version)

(CHF 000)	31.3.2010	31.3.2009
Cash and cash equivalents	129'084	65'609
Other current assets	6'531	7'433
Total current assets	135'615	73'042
Investments	632'918	726'874
other non-current assets	17'422	9'496
Total non-current assets	650'340	736'370
Total assets	785'955	809'412
Current financial liabilities	84'284	0
Other current liabilities	5'982	6'017
Total current liabilities	90'266	6'017
Long-term financial liabilities	29'541	184'466
Total long-term liabilities	29'541	184'466
Shareholders' equity	666'148	618'929
Total liabilities and shareholders' equity	785'955	809'412
Number of shares outstanding (in 000)	10'116	10'525
Net Asset Value (NAV) per share (CHF)	65.85	58.80

Consolidated Income Statement (short version)

(CHF 000)	2009/2010	2008/2009
Gains / (losses) on investments, net	90'054	-265'531
Gains / (losses) from financial instruments, net	0	-16'512
other revenues, net	13	0
Gross profit	90'067	-282'043
Management fee and administration expenses	-16'704	-21'519
Financial result, net	-7'330	-9'318
Net result for the year	66'033	-312'880
Currency translation differences (reported in shareholders' equity)	-96	1'697
Total comprehensive income	65'937	-311'183
Number of shares outstanding, time-weighted (in 000)	10'340	10'795
Basic earnings (net result) per share (CHF)	6.39	-28.98

As the Company does not have options or similar instruments outstanding, diluted earnings per share are identical to basic earnings per share.

HBM BioVentures AG

Allocation of assets as at 31 March 2010

	in CHF per share	in %
Private companies	43.51	56.0%
Specialized venture capital funds	9.15	11.8%
Public companies	9.92	12.8%
Other assets	2.36	3.0%
Cash and cash equivalents	12.71	16.4%
Total Assets	77.65	100.0%
./. Liabilities	-11.80	
Total Net Assets	65.85	

Currency allocation as at 31 March 2010

	in CHF per share
<i>Assets held in</i>	
USD	38.87
EUR	18.51
CHF	17.70
Others (SEK, GBP, DKK)	2.57
Total Assets	77.65
<i>Liabilities due in</i>	
CHF	-11.13
USD	-0.67
Total Net Assets	65.85