

Press Release

Zug, 7 October 2010

HBM BioVentures sells its investment in Sloning

- Cash proceeds of CHF 9.0 million almost double the current investment valuation
- HBM BioVentures' net asset value (NAV) increased by CHF 0.45 per share

Sloning Biotechnology GmbH, a private company from the HBM BioVentures portfolio, is being taken over by exchange-listed Morphosys (Xetra: MOR) for EUR 19.0 million (CHF 25.5 million) in cash. HBM BioVentures will receive EUR 6.7 million (CHF 9.0 million) from the sale. This figure is almost twice the present book value and results in an increase in NAV of CHF 0.45 per share.

HBM BioVentures is Sloning's biggest shareholder and has played a major part in the company's development since 2003. Following the initial investment, Sloning pursued the production of synthetic genes using its newly developed technology. However, the decision was then taken not to continue with this business area owing to the rise of alternative technologies and price erosion in the synthetic gene segment. The value of HBM BioVentures' investment was adjusted as a result. The subsequent focus on combinatorial libraries, accompanied by small follow-on financings, laid the foundation for the company's successful sale to Morphosys.

Dr. Andreas Wicki, CEO of HBM BioVentures, noted: "The HBM portfolio contains a large number of companies that develop promising technologies and offer commercially attractive products. Sloning is a prime example. Companies like these are attractive candidates for takeover."

Based in Puchheim, near Munich, Sloning Biotechnology operates in the "Protein Engineering" field and is a leading provider of technologies for synthetic biology. Sloning successfully developed the "Slonomics" technology, and has already launched it on the market. Morphosys believes that the Slonomics technology is currently the best method for building up protein libraries. The objective is to produce optimised antibodies much faster than is presently possible. Furthermore, the technology provides a foundation for antibody production procedures, which has so far been impossible to manufacture industrially.

For further information, please contact Dr. Andreas Wicki, CEO HBM BioVentures Ltd, Tel.: +41 41 768 11 08, andreas.wicki@hbmbioventures.com.

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As a venture capital company, HBM BioVentures invests world-wide in some 30 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 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). Visit www.hmbioventures.com.

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