

Press Release

Zug, 26 October 2010

HBM BioVentures Quarterly Report as at 30 September 2010

- The successful take-overs of Micrus, Asthmatx and Sloning from HBM BioVentures' portfolio are testament to the unabated interest of larger pharma and medtech companies to strengthen their product pipelines through acquisitions.
- During the quarter under review, the net asset value (NAV) declined 5.8% to CHF 61.22 per share despite successful sales of companies – equally attributable to exchange rate fluctuations and value adjustments on investments.
- The hedge of almost half of the US dollar foreign exchange risk from mid-May to the beginning of July 2010 partially neutralised the foreign exchange losses and increased the Company's liquidity by CHF 11.5 million.

Private companies in the portfolio

In the quarter under review, the holding in the US company Asthmatx was sold for more than double its book value. Furthermore, the investment in the German company Sloning was sold in early October to the public biotech company MorphoSys for close to twice its book value. In the quarter under review, a total of CHF 8 million was invested in nine follow-on financings. Three investment positions had to be revaluated in most part because new financing rounds took place at significantly lower valuations.

Public companies in the portfolio

Boston Scientific made a take-over bid in July 2010 for Micrus Endovascular – for long an important position in HBM BioVentures' portfolio. Its acceptance led to the delisting of Micrus before the quarter's end, to HBM BioVentures receiving its proportional share of the take-over price and thus to the end of a successful investment. Basilea's position was somewhat increased during the summer based on our expectations for positive news from the company.

At present, the foreign exchange risks of the investment portfolio are not hedged.

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Outlook

Just under 80% of HBM BioVentures' current investment portfolio is invested in positions in private companies, more than half of which (in terms of book value) are operating profitably or already selling products on the market. A large portion of the portfolio is stable, and the operations of these more mature companies are developing well. We are working with several private companies in the portfolio towards a sale, supported in some cases also by external experts.

The quarterly report as at 30 September 2010 is available on the web site of HBM BioVentures Ltd. www.hmbioventures.com.

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Brief profile of HBM BioVentures Ltd

As a venture capital company, HBM BioVentures is invested globally in some 30 mature emerging companies in the biotechnology/human medicine, diagnostics and medical technology sectors. The lead products of many companies in HBM BioVentures' portfolio are either at an advanced stage of development or already available on the market. The Company focuses on unlisted emerging companies, with two-thirds of assets being 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).

Disclaimer

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