

## **Press release**

**Zug, 24 January 2011**

### **HBM BioVentures Quarterly Report as at 31 December 2010**

HBM BioVentures closed 2010 with a net asset value (NAV) per share of CHF 58.10. The NAV fell by 12.7%, primarily as a result of foreign currency fluctuations. At the same time, the share price was down by 11.4%. In 2010 the Swiss franc was very strong against our main investment currencies, the US dollar and the euro, in which HBM BioVentures holds around 80% of its investments. Without these probably temporary foreign exchange losses, the NAV trend would have been marginally negative, but within the performance range of a number of key equity indices.

As at 31 December 2010, private companies accounted for 79% of the HBM BioVentures investment portfolio. 24% of the investment value is held in profitable companies, and a further 30% in companies that already have products on the market. HBM BioVentures currently holds cash and equivalents of CHF 51 million and does not currently hedge foreign currency risks.

#### **Private companies in the portfolio**

The US company Pacira, in which HBM BioVentures has a major investment holding, submitted an IPO application in the USA. Pacira aims to potentially finance itself on the public market. If a satisfactory valuation can be obtained, a listing on the US exchange NASDAQ is targeted for the first quarter of 2011.

The investment in Sloning was sold to the public company Morphosys, also German, for CHF 9 million in cash – twice its investment valuation. Valuation changes of private investments led to net negative valuation adjustments of USD 4.5 million during the reporting period. CHF 6.3 million were invested in existing portfolio companies through follow-on financings.

#### **Public companies in the portfolio**

Basilea brought arbitration proceedings with Johnson & Johnson to a successful conclusion. It received USD 130 million in compensation for Johnson & Johnson's violations of the licensing agreement for phase III development of the broad-spectrum antibiotic Ceftobiprole.

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**HBM BioVentures**

### **Outlook**

PharmaSwiss' operating business is growing according to plan. Both PTC and Pacira are expecting approval decisions for major indications for their primary drugs in the summer of 2011. A number of companies in the portfolios of HBM BioVentures and third-party funds in which HBM BioVentures has a significant holding, are currently in trade sale negotiations. These transactions have the potential to boost the net asset value and liquidity of HBM BioVentures. We are expecting various positive news from the investment portfolio in the first half of 2011.

### **Voluntary internal investigation by KPMG Ltd., Forensic, of the payments in connection with the HBM BioVentures capital increases in 2001 and 2002**

HBM BioVentures Ltd instructed KPMG Ltd., Forensic, to investigate all payments made by HBM BioVentures Ltd., HBM Partners Ltd. and all of their then subsidiaries for the period from foundation to 31 March 2003. The investigation found no indication that HBM companies paid any retrocessions. KPMG Ltd. is independent of HBM BioVentures Ltd. and has never acted as its auditors.

The quarterly report as at 31 December 2010 and the presentation shown at today's HBM Info-Day are available on the web site of HBM BioVentures Ltd. [www.hbmbioventures.com](http://www.hbmbioventures.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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