

## Press Release

Zug, 1 February 2011

### **HBM BioVentures realises a profit of EUR 41.9 million through the sale of PharmaSwiss to Valeant**

- Increase in HBM BioVentures' net asset value (NAV) of CHF 2.97 per share, or 5.0%
- Cash proceeds of EUR 96.5 million (approx. CHF 125 million)

Largest private portfolio company PharmaSwiss will be acquired by Valeant in an all cash transaction at an equity value of EUR 350 million. The acquisition of PharmaSwiss solidifies Valeant's position as a leading pharmaceutical company in Central and Eastern Europe. This transaction increases HBM BioVentures' net assets by CHF 28.8 million (CHF 2.97 per share), a 5.0% appreciation, and will generate a cash inflow at closing of EUR 93.6 million (approx. CHF 120 million). In total HBM BioVentures will realise a profit of EUR 41.9 million on its investment in PharmaSwiss.

Valeant Pharmaceuticals International, Inc. (NYSE/TSX: VRX) and PharmaSwiss SA announced today the signing of a binding agreement for Valeant to acquire all issued shares of PharmaSwiss at an equity value of EUR 350 million. The purchase price is payable in cash: 97% of the sum is due at closing and the remainder after escrow releases. The closing is expected in the first or second quarter 2011, subject to customary closing conditions, including certain regulatory approvals.

In June 2007, HBM BioVentures invested EUR 54.6 million in PharmaSwiss. When the investment was made, the company had no need for capital. Still, after more than two years of interaction with the founders, they were interested in bringing a value-adding investor on board to accelerate the company's expansion. HBM BioVentures has been an active and very engaged investor at PharmaSwiss with Dr. Andreas Wicki as board member and Dr. Matthias Fehr and Lars-Kristian Bråten as board observers.

One year after HBM BioVentures's investment, in May 2008, Polish Enterprise Fund VI, a private equity fund managed by Enterprise Investors, invested EUR 35 million in PharmaSwiss, enabling HBM BioVentures to increase the valuation of its investment by 35.8%. Including this appreciation, HBM BioVentures can record a net profit of EUR 41.9 million, or 1.8 times the invested capital, representing an annualized return of 16%.

Dr. Andreas Wicki, CEO of HBM BioVentures, comments: "HBM BioVentures was invited to become an investor in PharmaSwiss due to its industry expertise and network, as well as the willingness to be a minority investor in a company controlled by the founders. During the investment period, HBM BioVentures has been an active contributor at the

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board level. Furthermore, when requested by management, we have assisted in business development, transaction support and by increasing the visibility of PharmaSwiss as a company. This transaction demonstrates the increased maturity and value creation in the HBM BioVentures portfolio over the past years.”

PharmaSwiss has a broad product portfolio in seven therapeutic areas and operations in nineteen countries throughout Central and Eastern Europe, including Poland, Hungary, the Czech Republic and Serbia. The company also has operations in Greece and Israel. In addition, PharmaSwiss is an existing partner to several large pharmaceutical and biotech companies offering regional expertise in such functions as regulatory, compliance, sales, marketing and distribution. Since HBM BioVentures’s investment in 2007, PharmaSwiss has made good progress, expanding its operations from 12 to 19 countries, doubling the number of employees to more than 750 and increasing net revenues from EUR 100 to approximately EUR 180 million.

For further information, please contact Dr. Andreas Wicki, CEO HBM BioVentures Ltd, Tel. +41 41 7681108, [andreas.wicki@hbmbioventures.com](mailto:andreas.wicki@hbmbioventures.com)

#### **About PharmaSwiss S.A.**

PharmaSwiss SA is a privately held multinational specialty pharmaceutical company based in Zug, Switzerland. The company represents major research-based multinationals such as Amgen, Astellas, BMS, Ferring, Ipsen, Lilly, Norgine, Pfizer and Reckitt-Benckiser and also in-licenses and markets its own brands. Sales in 2010 were approximately EUR 180 million, and 2011 sales are expected to exceed EUR 200 million. More information about PharmaSwiss can be found at [www.pharmaswiss.com](http://www.pharmaswiss.com).

#### **About Valeant Pharmaceuticals International, Inc.**

Valeant Pharmaceuticals International, Inc. (NYSE/TSX: VRX) is a multinational specialty pharmaceutical company that develops, manufactures and markets a broad range of pharmaceutical products primarily in the areas of neurology, dermatology and branded generics. More information about Valeant Pharmaceuticals International, Inc. can be found at [www.valeant.com](http://www.valeant.com).

#### **About 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). Visit [www.hbmbioventures.com](http://www.hbmbioventures.com).

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