

## Press Release

Zug, 5 May 2011

### **HBM BioVentures closes the operationally successful financial year 2010/2011 with loss of CHF 56 million owing to the sharp rise of the Swiss franc**

If exchange rates had remained stable, HBM BioVentures Ltd would have posted a break-even net result for the year. HBM BioVentures Ltd can look back upon a number of successful company sales during the past 2010/2011 financial year. These confirm the value of the investment portfolio. All of these trade sales were made at valuations that exceeded the book values of the corresponding holdings in the HBM BioVentures balance sheet. They significantly increased the Company's liquidity. Despite these successes, the strength of the Swiss franc resulted in a loss for the financial year of CHF 56 million, because the majority of invested assets were held in USD dollars (-12.8% vs. CHF) and euros (-8.6% vs. CHF).

#### **Review of the 2010/2011 financial year**

The financial statements for 2010/2011 were adopted by the HBM BioVentures Ltd Board of Directors at its meeting today. During the financial year just ended, the Company increased net liquidity by CHF 77 million, but reported an overall loss of CHF 56 million owing to the strength of the Swiss franc. At the end of March 2011, cash and cash equivalents stood at 25% of total assets, while investment commitments accounted for 6%. More than half of capital is held in the form of direct (43%) and indirect (16%) investments in private companies. Public companies account for 13% of capital. The 50% portfolio allocation in USD-based companies also includes investments in China, and represents a considerable currency risk that is not hedged at present. This risk is monitored continuously and hedged where necessary. The abridged versions of the consolidated balance sheet as at 31 March 2011, and the consolidated statement of income for 2010/2011 are attached. HBM BioVentures' largest investment holdings as at 31 March 2011, as well as the asset allocation as at 30 April 2011, can be found on the [www.hbmbioventures.com](http://www.hbmbioventures.com) website. The detailed annual report for the 2010/11 financial year will be published in early June.

#### **Successful trade sales**

HBM BioVentures realised a number of successful trade sales during the financial year just ended, each of which increased the Company's net asset value (NAV). These were the sale of the privately-held Swiss company PharmaSwiss (February 2011), the sale of the public US company Micrus (July 2010), the sale of the indirect holding in the Chinese firm China Health System (April 2011), and the sales of Sloning (Germany) and Asthmatx (USA) in the autumn of 2010. In

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In addition, the US company Pacira Pharmaceuticals raised further capital by going public on the NASDAQ in February 2011.

### **Outlook**

Trade sales and the increase in cash and cash equivalents that these generated have reduced the risks attached to the portfolio as a whole. A number of portfolio companies have reached further milestones and will therefore make a positive contribution to value growth in the future. The high US dollar allocation continues to leave HBM BioVentures vulnerable to fluctuations in value in Swiss franc terms, however. Imminent FDA approval decisions and clinical studies that are due for completion over the next 12 months also mean that certain portfolio companies will temporarily be exposed to higher risks. Market demand for smaller companies in the healthcare sector remains lively, and the capital market has become more receptive to newly listed companies. We therefore remain confident about the prospects for further trade sales and an occasional IPO from the portfolio. We expect that the corresponding transactions will further increase the net asset (intrinsic) value of various HBM BioVentures investments over the next one or two years.

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### **Brief profile of HBM BioVentures Ltd**

HBM BioVentures is invested globally in some 30 mature 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 investment focus currently is on follow-on financing for private companies in the portfolio companies that offer high value-creation potential. HBM BioVentures is an interesting alternative to investments in big pharm and biotech companies. HBM BioVentures has an international shareholder base and is listed on SIX Swiss Exchange (ticker: HBMN). Visit [www.hbmbioventures.com](http://www.hbmbioventures.com).

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## HBM BioVentures Ltd

### Consolidated Balance Sheet (short version)

(CHF 000)	31.3.2011	31.3.2010
Cash and cash equivalents	155'789	129'084
Other current assets	8'433	6'716
<b>Total current assets</b>	<b>164'222</b>	<b>135'800</b>
Investments	450'953	632'918
other non-current assets	13'152	17'237
<b>Total non-current assets</b>	<b>464'105</b>	<b>650'155</b>
<b>Total assets</b>	<b>628'327</b>	<b>785'955</b>
Current financial liabilities	36'166	84'284
Other current liabilities	2'933	5'982
<b>Total current liabilities</b>	<b>39'099</b>	<b>90'266</b>
Long-term financial liabilities	0	29'541
<b>Total long-term liabilities</b>	<b>0</b>	<b>29'541</b>
<b>Shareholders' equity</b>	<b>589'228</b>	<b>666'148</b>
<b>Total liabilities and shareholders' equity</b>	<b>628'327</b>	<b>785'955</b>
Number of shares outstanding (in 000)	9'635	10'116
Net Asset Value (NAV) per share (CHF)	61.15	65.85

### Consolidated Income Statement (short version)

(CHF 000)	2010/2011	2009/2010
Gains / (losses) on investments, net	-45'743	91'000
Gains / (losses) from financial instruments, net	12'075	0
Gains / (losses) on other financial assets, net	-1'255	-946
other revenues, net	15	13
<b>Gross profit</b>	<b>-34'908</b>	<b>90'067</b>
Management fee	-10'000	-12'096
Administration expenses 1)	-7'469	-4'608
Financial result, net	-4'002	-7'330
Income taxes	-3	0
<b>Net result for the year</b>	<b>-56'382</b>	<b>66'033</b>
Currency translation differences (reported in shareholders' equity)	242	-96
<b>Total comprehensive income</b>	<b>-56'140</b>	<b>65'937</b>
Number of shares outstanding, time-weighted (in 000)	9'844	10'340
Basic earnings (net result) per share (CHF)	-5.73	6.39

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

1) Thereof CHF 3,1 Million (previous yer CHF 0.6 Million for one quarter) from Tensys Medical Inc., a subsidiary with operating activities