

Press Release

Zug, 20 July 2011

Cathay Industrial Biotech, third-largest portfolio position of HBM BioVentures, is planning an IPO

Cathay Industrial Biotech yesterday submitted the prospectus for its IPO on the US NASDAQ exchange. The banking syndicate for the transaction is led by Morgan Stanley, Deutsche Bank and Jefferies. HBM BioVentures directly holds 12.4% in Cathay, and values its investment at its cost price of USD 28 million. This corresponds to an equity valuation for Cathay of USD 225 million. In addition, HBM BioVentures holds a little over 1% of Cathay indirectly via BioVeda China, a fund co-founded by HBM BioVentures.

Cathay Industrial Biotech, based in Shanghai, was the first Chinese company in HBM BioVentures' portfolio. A total of USD 28 million was invested in four transactions between May 2006 and October 2008. Cathay replaces chemical production methods with novel biotechnological processes. The company is the recognized market leader in the biotechnological production of diacids for various industries. Key clients include international companies such as DuPont, Ciba and Akzo Nobel. This business division has been working at a profit for many years and shows healthy growth. Cathay has built up a second business area based on the production of bio-butanol, which is in use as a bio-fuel or lubricant in a variety of sectors and generates rapidly growing revenues. According to the IPO prospectus, Cathay generated sales of USD 125 million with a net loss of USD 2.1 million in 2010 (Q1 2011: sales of USD 41 million and net loss of USD 0.9 million). The prospectus is available at www.sec.gov/edgar.shtml.

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Brief profile of HBM BioVentures Ltd

HBM BioVentures is invested globally in some 25 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

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focus currently is on follow-on financings for private companies in the portfolio that offer high value-creation potential. HBM BioVentures is an interesting alternative to investments in big pharma and biotech companies. HBM BioVentures has an international shareholder base and is listed on SIX Swiss Exchange (ticker: HBMN).

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