

## **Press Release**

Zug, 1 August 2011

### **Cathay Industrial Biotech announces further details for its IPO**

**Cathay Industrial Biotech, the second-largest private portfolio position of HBM BioVentures, announced the target price range for its IPO on the US exchange NASDAQ. The company valuation shall be between USD 565 and 655 million after raising between USD 113 and 127 million in new capital. The mean of the target share price range (USD 13.00 per American depositary share (ADS)) would bring the value of HBM BioVentures' direct investment in Cathay to USD 63 million, which is USD 35 million higher than the current book value of USD 28 million. This would correspond to an increase in the net asset value (NAV) of CHF 2.95 (or approx. 5%). HBM BioVentures holds 4.87 million ADS (= 13.4%) of Cathay directly, and slightly more than 1% indirectly via BioVeda China, a fund co-founded by HBM BioVentures.**

Cathay Industrial Biotech, based in Shanghai, was the first Chinese company in the portfolio of HBM BioVentures. 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](http://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 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).

### **Disclaimer**

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