

Press Release

Zug, 28 October 2011

HBM BioVentures Quarterly Report as at 30 September 2011

The successful sale of the German portfolio company mtm laboratories to Roche was the most important achievement during the quarter under review. At EUR 47 million, the provisional proceeds from this sale represent double HBM BioVentures' investment in mtm laboratories. If future study data are positive, HBM BioVentures stands to receive additional performance-related milestone payments of up to EUR 21 million. Even if these payments are valued conservatively, the annualised return on the mtm laboratories investment comes to 19%.

The proceeds from the sale of mtm laboratories further strengthened HBM BioVentures' cash position. Factoring in the repayment of the CHF 30 million bond that is due in December 2011, as at the end of September 2011 cash and cash equivalents accounted for 19% of net assets, while the net equity ratio reached a high 99%. 53% of assets are invested in private companies (38% directly and 15% indirectly), 21% in public companies, and 7% is accounted for by discounted possible future milestone payments. These are weighted according to the probability of their occurrence, and could potentially be much higher if the companies in question perform well. HBM BioVentures reports net currency gains of CHF 11 million for the reporting period.

Private companies in the portfolio

In early August, Cathay Industrial Biotech, the largest private company in the HBM BioVentures portfolio, attempted an IPO on the US NASDAQ exchange at a valuation that would have been well above the book value of our investment. The turbulence on the equity markets at the time of the IPO attempt necessitated the postponement of these plans. Since Cathay operates cash-flow neutral, the company is not directly reliant on the proceeds of the IPO, and is able to evaluate other sources of financing to selectively expand its business. Owing to the delays in the filing for approval of its primary drug, the valuation of PTC Therapeutics was

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reduced to the cost value of the investment. It had been valued higher for a time following an earlier financing round with a major investor at a higher valuation.

Public companies in the portfolio

The quarter under review saw significant expansion in our holding in the biotechnology company Basilea. HBM BioVentures firmly believes that, at current share prices, Basilea is significantly undervalued. Its current position as Basilea's largest investor permits HBM BioVentures to present its views on the company's strategic direction to Basilea's Board of Directors and management. Data from the final trial of Toctino, a product already available on the European market, are expected in the coming months. If successful, they could be used to apply for Toctino to be approved for the treatment of hand eczema in the US. The results of a renewed analysis of data on the Ceftobiprole antibiotic from clinical studies involving patients with pneumonia will be presented towards the end of 2011/early 2012. In the best-case scenario, the quality of these data will lead to an application to approve Ceftobiprole for the treatment of lung infections, or at least clarify whether or not further clinical studies must be conducted before an application for approval can be submitted.

Outlook

Investors continue to show an aversion to risk, so IPOs of portfolio companies will remain rare events. Significant increases in the value of individual investments are expected if clinical data are positive or products receive market approval.

The quarterly report as at 30 September 2011 is available on the web site of HBM BioVentures Ltd. www.hmbioventures.com.

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Brief profile of HBM BioVentures Ltd

HBM BioVentures invests in the healthcare sector. The Company holds and manages an international portfolio of some twenty five promising companies in the biotechnology/ human medicine, medical technology and diagnostics sectors. Many of these companies have their lead products already available on the market, or at an advanced stage of development. The focus of investment is on follow-on financing for existing portfolio companies. These portfolio companies are closely tracked and actively guided on their strategic directions. This is what makes HBM BioVentures an interesting alternative to investing in big pharma and biotech

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companies. HBM BioVentures has an international shareholder base and is listed on SIX Swiss Exchange (ticker: HBMN).

Disclaimer

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