

Press Release

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HBM Report Shows Strong M&A Activity in the Pharma Sector

The recently published HBM M&A Report shows that the transaction volume and the number of M&A transactions in the pharma sector remain high. Swiss pharma companies were involved in some of the largest European M&A deals.

In 2011, 71 pharma and biotech companies in Europe and North America were sold for \$64.1 billion. Including contingent payments total deal volume reached \$70.9 billion. The respective numbers of 2010 in were slightly higher (79 M&A transactions, \$66.9 billion deal volume not including contingent payments). Nevertheless, deal activity in 2011 is considered to be very solid. Counting only M&A transactions with an upfront consideration of at least \$100 million, 2011 was a record year with 38 such deals (29 in 2010).

Strong M&A Activity both in the U.S. and in Europe

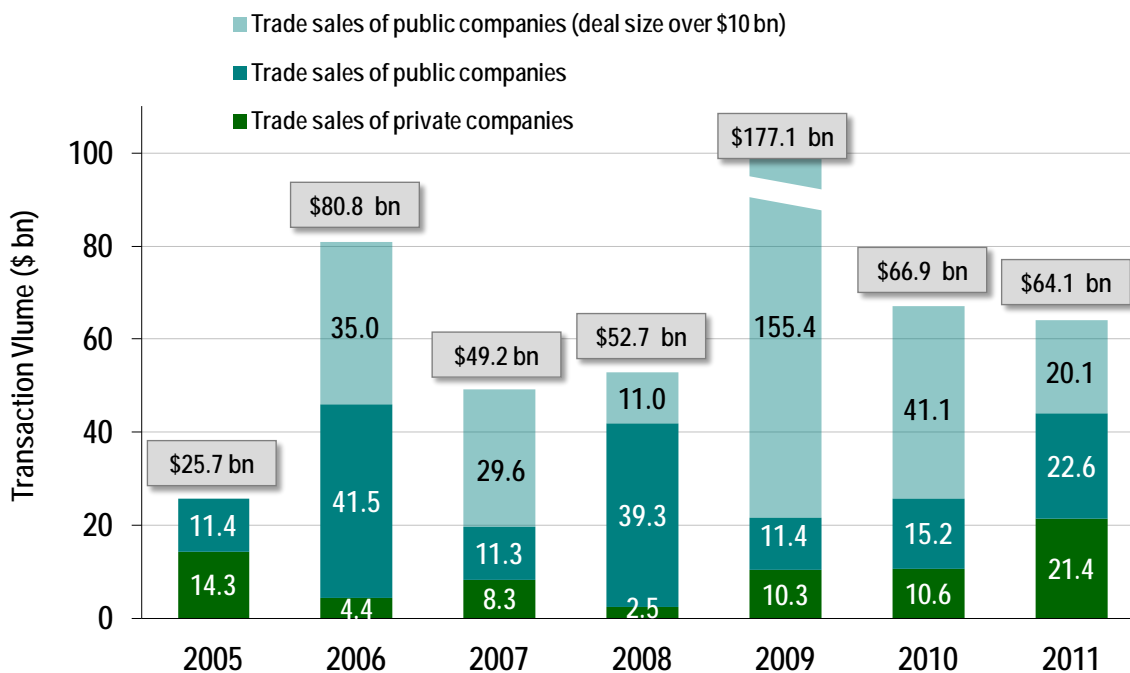
In U.S., 39 biopharma companies were sold for a \$42.8 billion and in Europe deal volume increased from \$7.6 billion in 2010 to \$21.2 billion in 2011 (27 M&A transactions).

As in previous years, the transaction volume from the sale of public pharma companies was substantially higher than the proceeds generated from the sale of private companies. However, in 2011 deal volume from private transactions reached the highest level (\$21.4 billion deal volume).

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Pharma/Biotech M&A Transactions in North America and Europe



Trade sales of pharma and biotech companies in the U.S., Canada und Europa.

„Mega Deals (transaction volume over \$10bn): Serono / Merck KGaA 2006, Schering AG / Bayer 2006, Medimmune / Astra Zeneca 2007, Organon / Schering Plough 2007, Alcon / Novartis 2008 (minority purchase), Wyeth / Pfizer 2009, Schering Plough / Merck Inc. 2009, Genentech / Roche 2009, Alcon / Novartis 2010 (purchase of remaining shares, merger officially completed in 2011), Nycomed (private) / Takeda 2011.

Swiss Companies Involved in Large European M&A Transactions

By far the largest European pharma M&A transaction in 2011 was the sale of privately held Nycomed (headquartered Zurich/Opfikon) to Japanese pharma firm Takeda. With a purchase price of \$13.7 billion this marks the largest private pharma M&A in Europe deal ever. Nycomed was financed by buyout firm Nordic Capital and other private equity investors.

Also among the largest European M&A deals in recent year was the acquisition of PharmaSwiss (Zug, Switzerland) by Canadian firm Valeant for \$487 million. Investors in that company were HBM Bioventures und Enterprise Investors. Another large European transaction was the purchase quoted QMed (Sweden) for \$1.2 billion by Swiss-based Galderma Pharma. This was the third largest European pharma deal in 2011 (after the Nycomed deal and the sale of Dutch Crucell to Johnson & Johnson for \$2.3 billion).

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Novartis and Roche, both of which completed each a „mega deal“ in the last two years (acquisition of Genentech by Roche, complete purchase of Alcon by Novartis) were not very active in the M&A market in 2011. Roche acquired the small quoted US company Anadys for \$230 million. Novartis did not engage in any significant pharma acquisition in 2011.

Strong Pharma M&A Activity Also Expected for 2012

For 2012, HBM expects that the high level of M&A deal making in the pharma sector will continue. During the financial crisis 2008/2009 pharma M&A activity was relatively little affected. Active buyers of other pharma and biotech companies are large and mid-sized pharma firms that are looking to add products to their pipeline or want to expand geographically.

Further Information

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The full HBM Pharma/Biotech M&A Report (including additional information on transactions) is available under www.hbmpartners.com/report.

Profil von HBM BioVentures AG

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

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