

## Press Release

Zug, 27 July 2012

### **HBM Healthcare Investments Quarterly Report June 2012**

The portfolio performed very pleasingly during the quarter under review. In total, the first three months of the current financial year generated a net profit of CHF 24 million, most of which originated from increases in the value of public investments and the rise of the US dollar against the Swiss franc.

As a result, HBM Healthcare Investments' net asset value (NAV) per share rose by 4.7 percent to CHF 62.38 during the reporting period. Meanwhile, the share price increased by a disproportionately high 15.7 percent to close June at CHF 48.00.

#### **Public companies**

The stock market valuations of Pacira Pharmaceuticals and ChemoCentryx rocketed by around 40 percent each during the quarter under review. In April, Pacira launched its promising new drug Exparel™ on the US market. At ChemoCentryx, data from clinical trials of at least one of the company's primary products are expected within this year.

The market capitalisation of Basilea Pharmaceutica fell by 11 percent, despite the successful mid-June sale to a GlaxoSmithKline subsidiary of global rights to Toctino®, a drug used to treat severe hand eczema. Under the terms of the agreement, Basilea receives CHF 216 million up-front, is entitled to further milestone payments of up to CHF 74 million when Toctino® is approved in the USA, and will also receive royalties on future US sales revenues. The deal puts the company on a very sound financial footing, with cash holdings of some CHF 370 million. Its current market capitalisation is only slightly higher. In addition to a series of promising early-stage development projects, Basilea has two more drugs in the last phases of clinical development: the antibiotic Ceftobiprole against resistant bacterial pathogens, and the antifungal Isavuconazole. We firmly believe that the company's assets will be reflected more accurately in its share price.

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### Private companies

There was good news from Ophthotech. The New Jersey, USA-based company has developed Fovista™, a drug to treat neovascular age-related macular degeneration (wet AMD). The data from a recently-published phase IIb trial in 449 patients show that those who received Fovista™ in combination with the existing drug Lucentis® experienced an improvement in their vision that was 62 percent higher than the improvement experienced by patients treated with Lucentis® alone. Lucentis® currently sets the standard in the treatment of wet AMD. The drug is distributed by Novartis and Roche, and achieved global sales of over USD 3 billion in 2011. These spectacular results make Ophthotech an attractive takeover candidate.

At the end of May, Nabriva Therapeutics signed an agreement with US company Forest Laboratories for the onward development of the BC-3781 pleuromutilin, which represents a new class of antibiotics. Forest is paying Nabriva USD 25 million, and will finance a further joint BC-3781 development programme over the next twelve months. Forest has the exclusive right to acquire Nabriva during this twelve-month period. Further details will be announced only if the option to buy is exercised.

The sale of Broncus Technologies, an investment which was largely written off some time ago, yielded USD 1.2 million and a book loss of the same amount. A further valuation adjustment, of USD 5 million, was also made to the holding in Cylene Pharmaceuticals because of unsatisfactory business performance.

The portfolio of fund investments generated liquidity of CHF 5.2 million in the first three months of the financial year. The Water Street Healthcare Partners fund made a major distribution following the sale of its holding in Physiotherapy Associates at around 2.5 times the capital invested.

### Outlook

We continue to expect a positive performance from our portfolio, driven by good results from clinical trials and transactions involving individual companies.

You will find the online version of the Quarterly Report as at 30 June 2012 on the HBM Healthcare Investments website [www.hbmhealthcare.com](http://www.hbmhealthcare.com).

For further information, please contact Dr Andreas Wicki, CEO, HBM Healthcare Investments Ltd, tel.: +41 41 768 11 08, [andreas.wicki@hbmhealthcare.com](mailto:andreas.wicki@hbmhealthcare.com).

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### Profile of HBM Healthcare Investments Ltd

HBM Healthcare Investments 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 Healthcare Investments an interesting alternative to investing in big pharma and biotech companies. HBM Healthcare Investments has an international shareholder base and is listed on SIX Swiss Exchange (ticker: HBMN).

### Disclaimer

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### HBM Healthcare Investments Ltd

Bundesplatz 1 CH-6300 Zug | Tel: +41 41 768 11 08 | Fax: +41 41 768 11 09 | [info@hbmhealthcare.com](mailto:info@hbmhealthcare.com)  
[www.hbmhealthcare.com](http://www.hbmhealthcare.com)