

Press Release

Zug, 30 October 2012

HBM Healthcare Investments Quarterly Report September 2012

There was little change in the net asset value (NAV) per share of HBM Healthcare Investments during the summer quarter. At the end of September, it stood at CHF 61.66 (– 1.2%). The share price rose by five percent to CHF 50.40 in the same period. In the first nine months of the current year, the NAV rose by 10.1% and the share price by 26.2%.

Private companies

Within the portfolio of private companies, PTC Therapeutics concluded a USD 30 million financing round in July. In view of the positive outcome of talks with the European Medicines Agency, the company intends to submit an application for the authorisation of its drug Ataluren® to treat the rare genetic disease Duchenne and Becker muscular dystrophy shortly.

At the end of June, Lux Biosciences, a US company, accepted its final patient for an ongoing phase III study in ophthalmology for a drug to treat inflammatory uveitis. Data from this study are expected in early 2013. A positive result would allow the company to apply for drug approval in the USA and Europe, and open up the possibility of the company's sale or IPO.

The valuation of the German company Probiodrug has been lowered by EUR 3.7 million because the company's development is behind schedule.

Public companies

SkyePharma achieved significant progress during the quarter just ended. At the beginning of July, it was able to announce the approval of its asthma drug flutiform® for the European market. The launch of flutiform® on the two primary markets of Germany and the United Kingdom in September brought SkyePharma milestone payments totalling EUR 8 million from its distribution partner Mundipharma. The company is also entitled to further sales-related milestone payments of up to EUR 50 million, as well as low double-digit licence payments on revenues.

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In addition, at the end of September the company announced that its development and distribution partner Kyorin Pharmaceutical had applied for approval for flutiform® for the Japanese market. Furthermore, SkyePharma reported a deal with its debt holders which will improve the company's liquidity situation. Following SkyePharma's recapitalisation, HBM Healthcare Investments holds a 10.8 percent stake in the company.

At the end of September, Swedish Orphan Biovitrum (SOBI) published positive results from a phase III study of a drug to treat the bleeding disorder haemophilia B. The drug is being developed in collaboration with Biogen Idec. SOBI's market capitalization has risen by over 40 percent since the announcement. The company is also expecting data from a further phase III study among patients with haemophilia A – a much larger population – by the end of this year.

At the beginning of August, Pacira Pharmaceuticals reported its first set of sales figures for Exparel™, which received approval for the US market in November of last year. Investors' expectations were exceeded with revenues of USD 2.3 million in the first three months of sales. This further boosted Pacira's share price during the quarter under review.

The market capitalisation of ChemoCentryx edged down amid thin trading. Over the next three to nine months, the company is expecting decisive data from a phase II study of a drug to treat chronic kidney disease, and from a phase III study of a drug to treat chronic inflammatory bowel diseases such as Crohn's disease.

Outlook

Given the development and the maturity of a number of portfolio companies, we are convinced that the HBM Healthcare Investments portfolio is in an excellent position. A number of the private companies in the portfolio are aiming to stage an IPO in the months to come, providing market circumstances allow. We are also expecting positive news regarding the sale of portfolio companies.

Some of our companies are due to present decisive study data in the next three to nine months. Successful study results are likely to have a significant positive effect on the value and continued growth of the companies concerned. The developments we have outlined should also be reflected in an increase in the net asset value per share of HBM Healthcare Investments.

You will find the online version of the Quarterly Report as at 30 September 2012 on the HBM Healthcare Investments website www.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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