

## Media Release

Zug, 30 October 2013

### **HBM Healthcare Investments Quarterly Report September 2013**

With a profit of CHF 109 million in the second quarter of the current business year, the portfolio's fundamentally positive performance trend was continued during the period just ended, despite a slightly negative currency effect. In the first six months of the 2013/2014 financial year, HBM Healthcare Investments thus earned profits totalling CHF 173 million.

The net asset value per share (NAV) rose from CHF 75.80 to CHF 87.16 during the reporting period. Factoring in the par value repayment of CHF 1.50 per share that was made on 9 September 2013, this corresponds to an increase of 17.0 percent. At the same time, the share price gained 14.7 percent, to close the quarter at CHF 65.00.

#### **Performance of portfolio companies during the quarter under review**

The Ophthotech initial public offering was extremely successful, with both the number of new shares issued and their issue price well above the original price range. The company placed 8.7 million new shares at a price of USD 22 each, thereby raising USD 192 million in new capital. By the end of September, Ophthotech's share price had risen by a further 35 percent. Before the company went public, HBM Healthcare Investments had invested USD 19.5 million in Ophthotech at an average price of USD 5.69 per share. It also subscribed for a further USD 5 million investment at the IPO. The Ophthotech holding contributed a total of CHF 52.0 million to results for the quarter.

At Pacira Pharmaceuticals, marketing activities for the long-acting analgesic Exparel™ continue to generate considerable success. The company's market capitalisation rocketed by a further 66 percent during the quarter just ended, and now stands at USD 1.6 billion. This resulted in a book profit of CHF 28.5 million for HBM Healthcare Investments during the quarter.

There was a CHF 15.4 million increase in the value of the Basilea Pharmaceutica holding during the quarter under review. At the end of September, Basilea published the results of the first of three phase-III studies (the SECURE study) for its antifungal compound Isavuconazole. This showed that the drug is slightly more effective than the current standard therapy Voriconazole, with a better safety profile.

# NOT FOR DISTRIBUTION IN THE USA, CANADA, JAPAN OR AUSTRALIA

## HBM Healthcare Investments

In September, the UK company SkyePharma received Japanese market approval for its asthma drug Flutiform®, which has been licensed for sale in Europe since the summer of 2012. The price of SkyePharma's shares shot up by around 62 percent during the quarter under review, which contributed CHF 7.3 million to HBM Healthcare Investments profits.

The other public holdings in Swedish Orphan Biovitrum, Enanta and PTC Therapeutics also performed positively during the period, contributing CHF 23.1 million in total to profit for the quarter.

There was a setback with the holding in ChemoCentryx, however. The phase-III study for the Crohn's programme did not achieve the desired results. Also the interim data from the phase-II study into a compound to treat kidney failure caused by diabetes are, as yet, inconclusive. ChemoCentryx shares dropped by 61 percent over the period, which reduced the quarterly results by CHF 12.9 million. The damage is nonetheless limited, because HBM Healthcare Investments has so far sold around 70 percent of its initial holding in ChemoCentryx. This has yielded 1.3 times the capital originally invested.

### Outlook

In the medium term, the companies in the HBM Healthcare Investments portfolio remain well positioned to add further value. The risk attached to the largest holding, Basilea, has been reduced by positive top-line data from its first phase-III study. With the forthcoming publication of data from the VITAL study, the company will reach further important milestones by the end of the year.

At Pacira, investors will continue to focus on progress with the marketing of Exparel™. Regarding the holdings in Enanta, PTC and Ophthotech, we must wait for the results of the phase-III studies that will run over the next 6 to 24 months. The high proportion of public companies in the portfolio has increased its vulnerability to market volatility, irrespective of the fundamental performance of the companies it contains. In the private companies segment, we expect further trade sales, IPOs and financing rounds that should feed through into their value.

The online version of the Quarterly Report as at 30 September 2013 is available on the HBM Healthcare Investments website [www.hbmhealthcare.com](http://www.hbmhealthcare.com).

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

### Information on HBM Healthcare Investments Ltd

HBM Healthcare Investments actively invests in the human medicine, biotechnology, medical technology and diagnostics sectors and related areas. The company holds and manages an international portfolio of some twenty five promising companies. Many of these companies have

#### 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)

# NOT FOR DISTRIBUTION IN THE USA, CANADA, JAPAN OR AUSTRALIA

## HBM Healthcare Investments

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

This media release does not constitute an issue prospectus within the meaning of Art. 652a or Art. 1156 of the Swiss Code of Obligations, a listing prospectus in the sense of the SIX Swiss Exchange Listing Rules or a securities prospectus as defined in the German Securities Prospectus Act (*Wertpapierprospektgesetz*). Publication is for information purposes only and constitutes neither an offer to sell nor an invitation to buy or subscribe for securities. This media release and the information it contains must not be distributed or forwarded to or within the United States of America (USA) or to US persons (including legal entities) or publications with a general circulation in the USA. This media release does not constitute an offer or invitation to purchase any securities in the USA. The securities of HBM Healthcare Investments Ltd have not been registered under United States securities legislation and may not be offered, sold or delivered within the USA or to US persons without prior registration or the corresponding exemption from the registration requirements of US securities legislation.