

Media Release

Zug, 21 May 2014

HBM Healthcare Investments announces terms of share buy-back involving the issue of put options

The Board of Directors of HBM Healthcare Investments has set the terms for the put option issue announced on 12 May 2014. Each registered share will be allocated one option, free of charge. Fifteen put options entitle the option holder to sell one registered share to the company, at the exercise price of CHF 100.00. This corresponds to a premium of 25.2% over the closing price on 20 May 2014 for the share.

The options will be issued on 22 May 2014 (ex date). From this date onwards, HBM shares will be traded ex put options on the SIX Swiss Exchange. The options may be exercised on 16 June 2014 up to noon 12.00 CEST (European Style Options). Between 22 May 2014 and 13 June 2014 the options will be traded on the SIX Swiss Exchange. Investors therefore have the choice of exercising their options, selling them, or acquiring further options that will enable them to tender more shares.

For a full overview of the terms, please refer to the listing notice which will be published on 22 May 2014, and will be available on the website <http://www.hbmhealthcare.com/en/investoren/aktienrueckkaufprogramme.php> from then onwards. Shareholders will also receive information from their custodian bank. The put options will be booked automatically to their custody accounts.

Shareholders benefit from premium over share price

The issue of put options benefits shareholders in several respects. The premium over the share price enables them either to sell a tranche of their shareholding at a higher price, or to generate an additional return by selling the options. In addition, the repurchase and planned cancellation of the shares results in a direct increase in net asset value (NAV) per share. Furthermore, reducing the supply of shares on the market should also help to achieve the target of narrowing the gap between share price and NAV.

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Information on the tax implications of exercising or selling options

Shareholders are advised to review their tax situation before exercising or selling their options. The allocation and sale of options are not subject to Swiss federal withholding tax. This 35% tax is, however, payable on the difference between the exercise price and the par value of CHF 58.50 per share if the option is exercised. Please refer to the summary attached to this media release for information on further tax implications.

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

Information on HBM Healthcare Investments Ltd

HBM Healthcare Investments invests in the healthcare sector. The Company holds and manages an international portfolio of some 25 promising companies in the human medicine, biotechnology, medical technology and diagnostics sectors and related areas. Many of these companies have their lead products already available on the market or at an advanced stage of development. The portfolio companies are closely tracked and actively guided in their strategic direction. This is what makes HBM Healthcare Investments an interesting alternative to investments in big pharma and biotechnology 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.

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Summary of taxes and duties

A company's repurchase of its own registered shares for the purpose of reducing capital is treated, for the purposes of both Swiss Federal withholding tax and of direct taxes, as the partial liquidation of the company in question. The following consequences result for the shareholders who sell their shares:

1. Swiss Federal withholding tax

Swiss Federal withholding tax amounts to 35% of the difference between the buy-back price of the HBM Shares and their par value. The tax is deducted from the buy-back price by the company buying back or by the bank mandated by it and remitted to the Swiss Federal Tax Administration.

Persons domiciled in Switzerland may claim reimbursement of Swiss Federal withholding tax if, at the time of the buyback, they had the right to use the registered shares (Article 21 of the Swiss Federal Law on Withholding Tax). Persons domiciled outside Switzerland may reclaim Swiss Federal withholding tax subject to the provisions of the relevant Double Taxation Agreement.

2. Direct taxes

The following remarks refer to the imposition of direct Federal taxes. Cantons and municipalities generally adopt the same practice.

a) Put options and registered shares held as private assets:

The allocation and any proceeds realized from the sale of put options are not subject to direct Federal tax.

In the event where put options are exercised and HBM Shares are sold to the Company, the difference between the shares' buy-back price and their par value constitutes taxable income.

b) Put options and registered shares held as business assets:

The tax treatment of the receipt of the put options is determined by how they are booked. A capital gain realized from the sale of the put options is subject to income resp. capital gains tax.

In the event where put options are exercised and HBM Shares are sold to the Company, the difference between the shares' buy-back and their book value constitutes taxable income ("book value principle").

Persons domiciled outside Switzerland for tax purposes will pay tax in accordance with the laws of the country in which they are domiciled.

3. Fees and duties

Issuance and trading of the put options are not subject to Swiss turnover tax. No turnover tax is levied when a company buys back its own registered shares for the purpose of reducing capital. Any applicable fees of SIX Swiss Exchange Ltd are nevertheless due.