

BBBIOTECH

Monthly News December 2008

As at 12/31/2008	Share price	NAV	Market capitalization
Switzerland: BION SW	CHF 68.75	CHF 92.19	CHF 1392 mn
Germany: BBZA GY	EUR 45.88	EUR 61.70	EUR 932 mn
Italy: BB IM	EUR 44.19	EUR 61.70	EUR 932 mn

Actelion: Zavesca receives positive opinion for treating Niemann-Pick type C disease

Actelion received a positive opinion from the Committee for Medicinal Products for Human use (CHMP) for an extension of the indication for the use of miglustat (Zavesca) in patients suffering from Niemann-Pick Type C (NPC). NPC is a very rare neurodegenerative genetic disease. Zavesca is already indicated for the treatment of mild to moderate type 1 Gaucher disease, another rare genetic disorder, and for these patients for whom enzyme replacement therapy is unsuitable. Based on the positive recommendation of the CHMP, the European Commission is expected to make a final decision within two months.

NicOx: The last naproxinod study demonstrates positive effect on blood pressure; development of TPI 1020 for COPD terminated

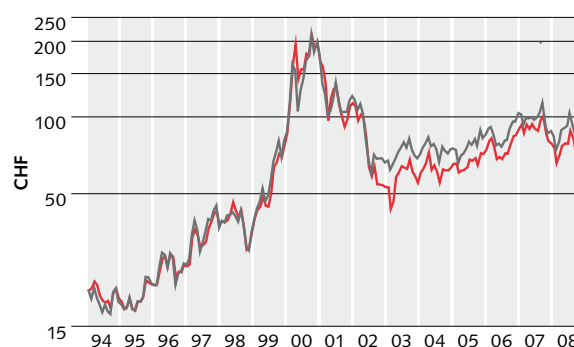
Study 112, the third and last ambulatory blood pressure (ABPM) study, showed differentiation of naproxinod versus naproxen and ibuprofen, the two widely used NSAIDs (non-steroidal anti-inflammatory drugs) for pain relief. The study was a double blind 16 week trial in osteoarthritis patients with hypertension, and monitored 24 hour blood pressure. At week 13, naproxinod 750 mg bid showed a reduction of systolic blood pressure of 2.7 mm Hg compared to naproxen 500mg bid and 4.2 mm Hg compared to ibuprofen 600mg tid. These new results provide support to the findings from the pooled Phase III studies, in which naproxinod showed non-inferior efficacy to naproxen, and a significant reduction in blood pressure compared to naproxen with a placebo-like profile. NicOx is expected to file the combined package of data to FDA in 2009. We believe that naproxinod has the potential to meet the need in the market for an anti-inflammatory drug with a favorable blood pressure profile.

NicOx decided to terminate TPI 1020 (nitric oxide donated budenoside) program due to lack of efficacy data compared to budenoside, from the Phase II study conducted in patients with Chronic Obstructive Pulmonary Disease (COPD).

BB BIOTECH: Redemption of convertible loan

BB BIOTECH redeems the CHF 200 mn convertible loan, which was issued in 2006, on January 6th 2009. Holders of the loan will receive CHF 5'19.40 in cash, plus 5.6342 shares of BB BIOTECH, for each bond with nominal value of CHF 1000.

SHARE PRICE TREND SINCE FOUNDATION



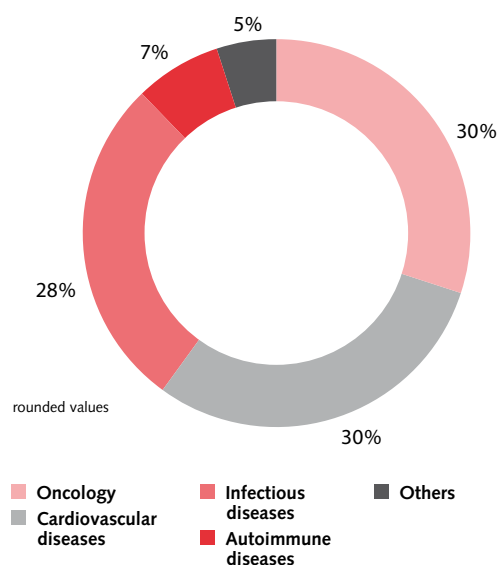
■ BB BIOTECH ■ BB BIOTECH NAV

Source: Datastream, 12/31/2008

PERFORMANCE (adjusted for dividends)

	1M (Dec.)	YTD	11/15/1993
BION SW	-2.0%	-18.7%	+227%
BBZA GY	1.5%	-9.6%	N.A.
BB IM	-2.4%	-13.6%	N.A.

SECURITIES PORTFOLIO BY SECTORS AS AT 09/30/2008



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“Our performance is driven by selection of current and future winners in the drug development industry.”

Dr. Thomas Szucs , Chairman BB BIOTECH

RELATIVE VALUATIONS: MOST IMPORTANT BIOTECHNOLOGY COMPANIES

	Price (l.c.)	Market Cap (USD bn)	2009E PE	EPS 08-12E Growth	08-12E PEG	2008E Revenue (USD mn)
US						
Celgene	55.3	25.3	23.2	33.0%	0.7	2 257
Gilead	51.1	46.6	17.6	17.0%	1.0	5 375
Biogen Idec	47.6	13.9	12.4	7.0%	1.7	4 064
Average			17.8	19.0%	1.1	
Europe						
Actelion	59.4	6.6	14.5	19.0%	0.8	1 319
US/Europe						
Average			16.9	19.0%	1.0	

As at 12/31/2008

Investment Strategy

BB BIOTECH's objective is to generate an average return of 15% per annum with a long-term investment horizon and to substantially outperform the relevant indices in the process. BB BIOTECH participates selectively in firms operating in the growth market of innovative medications and diagnostics based on modern biotechnology, with companies listed in the stock markets accounting for at least 90% of the portfolio value.

Our task is to have an in-depth knowledge of the businesses conducted by our holdings, which includes key financial ratios, also of the prevailing competitive environment, the product pipeline, the portfolio of patents and the perception of the products and services by the end-customers, to name but just a few aspects. The target portfolio of BB BIOTECH consists of approximately 20 to 30 holdings, no more than 5 of which account for more than 10% of equity and the largest of which should not exceed 25%.

In the course of selecting its holdings, BB BIOTECH relies on the well-established experience of its Board members and the fundamental analyses by the experienced management team of Bellevue Asset Management Group, with access to a network of physicians and specialists for the sectors in question. In doing so, a detailed financial model is created for each holding, which guarantees a compelling illustration of the potential for doubling asset values in a period of four years.

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FIVE GOOD REASONS

- Strong growth driven by innovative, high-margin new therapies
- Attractive valuations for fast-growing companies
- Long-term track record of 14 years with proven double-digit performance
- Long-term outperformance to industry benchmarks
- Experienced management with strong board of directors

MANAGEMENT TEAM



Roland Maier



Dr. Daniel Koller



Elhan Elbi

GENERAL INFORMATION

Board of Directors	Prof. Dr. med. Thomas D. Szucs (Chairman) Dr. Clive A. Meanwell Prof. Dr. David Baltimore
Management team	Roland Maier Elhan Elbi Dr. Daniel Koller Stefan Müller Felicia Flanigan Dallas Webb
Portfolio management	Jan Bootsma Marjorie Valeria Victorina Hugo van Neutegem
Legal structure	Incorporated company
Foundation	November 9, 1993
Share type	Registered shares
Nominal value	CHF 1
Share structure	20.25 mn registered shares
Authorized capital	CHF 10.6 mn
Conditional capital	CHF 10.6 mn
Listing	Swiss Stock Exchange German Stock Exchange Italian Stock Exchange
Security number (CH)	3 838 999
Security number (D/I)	AONFN3
Net Asset Value	Wednesday and Saturday in FuW and FAZ, Website daily
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