

# BBBIOTECH

## Monthly News February 2009

As at 02/28/2009	Share price	NAV	Market capitalization
Switzerland: BION SW	CHF 65.50	CHF 88.07	CHF 1326 mn
Germany: BBZA GY	EUR 44.44	EUR 59.43	EUR 895 mn
Italy: BB IM	EUR 44.50	EUR 59.43	EUR 895 mn

### Genentech's special committee rejects Roche's tender offer

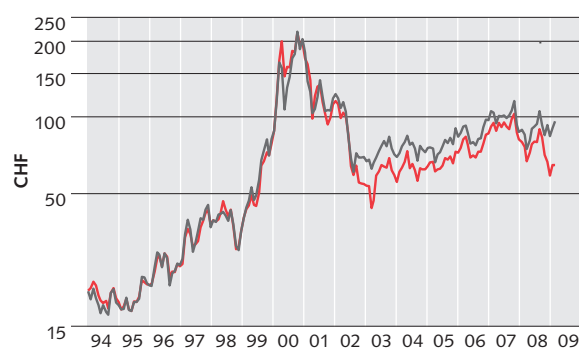
Genentech's special committee of the board of independent directors recommended Genentech shareholders not tender their shares into Roche's offer. The committee views Roche's offer of USD 86.50 cash per share as significantly undervaluing the Company. During the negotiation process since last July, Roche and the Special Committee could not agree on the valuation of the company. The special committee indicated to Roche that at a price of USD 112 per share, it would be willing to pursue a transaction. The lack of concurrence between the two parties was centered around Genentech's new long range plan estimates. Roche disagrees with the plan's projections for higher Lucentis, Herceptin and Raptiva revenues, price increases, lower capital expenditures, lower corporate tax rates, higher pipeline productivity and higher probabilities for the success of Avastin adjuvant indications. Genentech management will be updating the investment community on its long term outlook and goals at the company's analyst day on March 2.

Roche raised USD 32 bn (CHF 38 bn) from bond offerings in the US and Europe. With the completion of this offering, Roche seems to have fulfilled the sufficient financing condition of the tender offer to purchase Genentech shares at USD 86.50 per share.

### Actelion: Actelion 2008 Financial Results and R&D Day

Actelion announced CHF 1 474 mn total revenues and a net profit of CHF 321 mn for 2008. The company's key drug Tracleer, an oral endothelin receptor antagonist for pulmonary arterial hypertension (PAH), achieved revenues of CHF 1 294 mn and therefore the first year as a block buster with more than USD 1 bn in revenues. Tracleer achieved a strong growth with 17% local currency growth, driven by an expansion of the patient base in all territories as well as through the new indications such as for the treatment of digit ulcer patients and NYHC II PAH patients. The company guided for a 12% to 15% local currency increase in revenues for 2009 driven by expanding the Tracleer franchise even further. The company updated its broad development pipeline, with Almorexant in Phase III testing with first results expected by the end of 2009. Other Phase III studies to report in 2009 include Bosentan for the treatment of idiopathic pulmonary fibrosis and Clazosentan for the prevention of vasospasm post brain bleedings. The company has initiated the largest ever Phase III trial for PAH for Macitentan, a next generation endothelin receptor antagonist. Additional clinical data from Phase II studies for 2009 are expected for the S1P1 program for psoriasis, for NS-304 for PAH and results from an improved formulation of Ventavis for PAH. The company announced a positive prove of concept study for its CRTH2 program for asthma, with the plan to initiate Phase IIb studies in the second half of 2009 and to be partnered, with a deal possible for 2009.

### SHARE PRICE TREND SINCE FOUNDATION



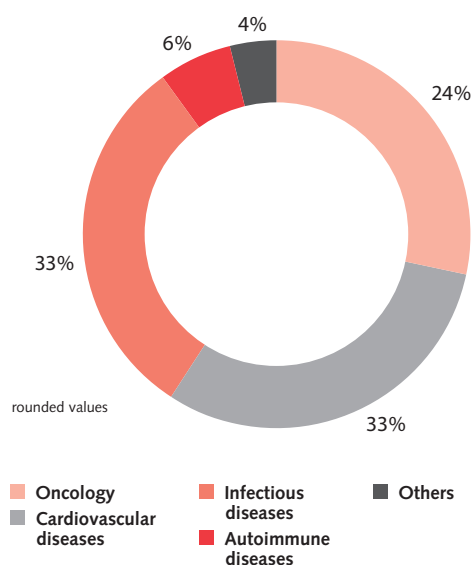
■ BB BIOTECH ■ BB BIOTECH Net Asset Value

Source: Datastream, 02/28/2009

### PERFORMANCE (adjusted for dividends)

	1M (Feb.)	YTD	11/15/1993
BION SW	-4.4%	-4.7%	+212%
BBZA GY	-3.3%	-3.1%	N.A.
BB IM	-1.1%	+0.7%	N.A.

### SECURITIES PORTFOLIO BY SECTORS AS AT 12/31/2008



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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 09–12E Growth	09–12E PEG	2008E Revenue (USD mn)
<b>US</b>						
<b>Celgene</b>	44.7	20.6	19.1	30.0%	0.6	2 837
<b>Gilead</b>	44.8	40.8	16.7	18.0%	0.9	6 502
<b>Genentech</b>	85.6	90.1	26.6	18.0%	1.5	13 915
<b>Average</b>			20.8	22.0%	0.9	
<b>Europe</b>						
<b>Actelion</b>	55.4	6.0	14.2	19.0%	0.8	1 494
<b>US/Europe Average</b>						
			19.1	21.0%	0.9	

As at 02/28/2009

**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 15 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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