

# BBBIOTECH

## Monthly News January 2009

As at 01/31/2009	Share price	NAV	Market capitalization
Switzerland: BION SW	CHF 68.50	CHF 99.47	CHF 1387 mn
Germany: BBZA GY	EUR 45.95	EUR 66.87	EUR 933 mn
Italy: BB IM	EUR 45.01	EUR 66.87	EUR 933 mn

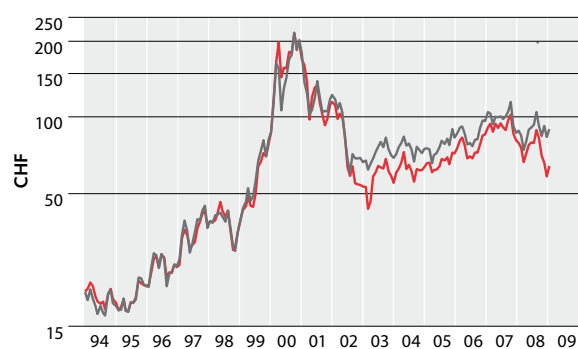
### Roche announces tender offer for Genentech shares

Roche will commence a tender offer for the outstanding publicly held shares of Genentech at a price of USD 86.50. Roche currently owns 55.8% of the Genentech outstanding shares, and expects to start the tender offer in the first half of February. Roche has decided to make an offer directly to Genentech minority shareholders. The recent change in the financial environment and lack of success in achieving a negotiated bid are reasons for reducing its offer from USD 89 to USD 86.50. The offer is conditional upon: Majority of the minority shareholders tendering their shares and obtaining sufficient financing to purchase all outstanding publicly held shares. Following Roche's offer, special committee of the board of independent directors re-iterated its view that the prior offer of USD 89 significantly undervalues Genentech, and recommended minority shareholders to take no action on the Roche tender offer. The key value driver event for Genentech is the data release from the NSABP C-08 Avastin adjuvant colon cancer trial in April. The acquisition would be one of the biggest transactions ever in the healthcare industry and would provide investors of Genentech with approximately USD 41 bn in cash, corresponding to approx. 10% of the market capitalization of the total biotech industry.

### ZymoGenetics and Bristol-Myers Squibb enter global collaboration on novel Hepatitis C compound

ZymoGenetics and Bristol-Myers Squibb (BMS) announced a global collaboration for PEG-Interferon lambda, a novel type 3 interferon currently in Phase Ib development for the treatment of Hepatitis C Virus (HCV), and its related development program. BMS pays an upfront cash payment of USD 85 mn plus and additional USD 20 mn license fee plus USD 90 mn milestone payment for the initiation of a Phase II program. The deal includes a total of USD 430 mn development and regulatory milestone payments for HCV, USD 287 mn of additional milestone payments for other indications and potential USD 285 mn for commercial milestones. ZymoGenetics may opt out of the co-development, co-promotion and profit sharing arrangement in the United States, in which case ZymoGenetics will receive double-digit royalties on PEG-Interferon lambda sales worldwide. Outside the United States, Bristol-Myers Squibb will be responsible for commercialization and ZymoGenetics will receive double-digit royalties on product sales. The deal is expected to generate up to USD 200 mn of cash for 2009, strengthening ZymoGenetics balance sheet significantly.

### SHARE PRICE TREND SINCE FOUNDATION



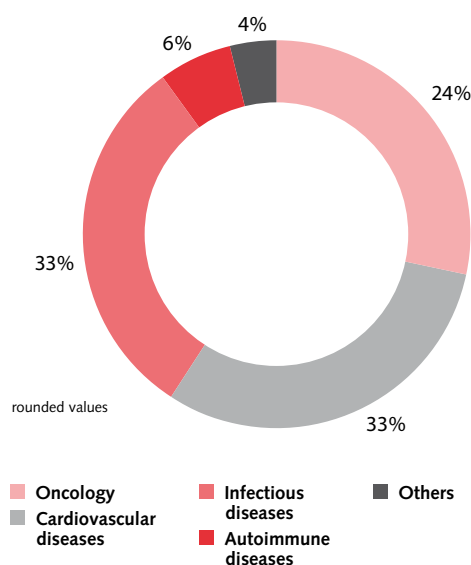
■ BB BIOTECH ■ BB BIOTECH NAV

Source: Datastream, 01/31/2009

### PERFORMANCE (adjusted for dividends)

	1M (Jan.)	YTD	11/15/1993
BION SW	-0.4%	-0.4%	+226%
BBZA GY	+0.2%	+0.2%	N.A.
BB IM	+1.9%	+1.9%	N.A.

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



■ Oncology ■ Infectious diseases ■ Others  
 ■ Cardiovascular diseases ■ Autoimmune diseases

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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>	53.0	24.3	22.2	26.0%	0.9	2 257
<b>Gilead</b>	50.8	46.2	17.5	17.0%	1.0	5 375
<b>Genentech</b>	81.2	85.5	21.9	15.0%	1.5	13 426
<b>Average</b>			20.6	19.0%	1.1	
<b>Europe</b>						
<b>Actelion</b>	63.2	6.7	15.3	18.0%	0.8	1 261
<b>US/Europe</b>						
<b>Average</b>			19.3	19.0%	1.0	

As at 01/31/2009

**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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