

# BBBIOTECH

## Monthly News March 2009

As at 03/31/2009	Share price	NAV	Market capitalization
Switzerland: BION SW	CHF 62.40	CHF 84.60	CHF 1264 mn
Germany: BBZA GY	EUR 40.77	EUR 55.90	EUR 835 mn
Italy: BB IM	EUR 40.15	EUR 55.90	EUR 835 mn

### Roche and Genentech reach a friendly agreement to combine the two organizations

On March 12, Genentech's Special Committee of The Board of Independent Directors announced that they signed a merger agreement with Roche and recommended Genentech shareholders tender to their shares in an increased offer at USD 95. On March 26, Roche completed its acquisition of Genentech pursuant to a short-form merger. Roche expects the acquisition to generate annual synergies of USD 750 to 850 mn, and to be accretive to Roche's earnings in the first year after closing. The take-over of the pioneer biotech company Genentech by the pharma giant Roche emphasizes once again the attractiveness and worth of the biotechnology sector to the pharmaceutical companies.

### Celgene expects lower growth in Q1 2009

At the end of the month, Celgene announced that its Q1 earnings will be lower than financial analysts expected. Revenues were negatively impacted by several factors related to the current difficult economic conditions. These include more free goods and co-pay assistance for US patients who are having greater problems affording expensive drugs such as Revlimid, the company's flagship product for multiple myeloma, and a decline in inventories as specialty pharmacies are more aggressively managing costs. However, underlying demand for Revlimid continues to rise. Despite the weak Q1, Celgene did not change its revenue or earnings guidance for the year, guiding revenue and earnings growth in 2009 to be approx. 16% and approx. 31%, respectively.

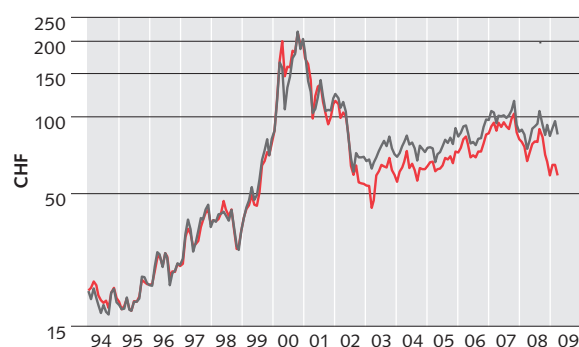
### Arena's Lorcaserin is safe and effective in first Phase III trial

Arena announced positive, statistically significant data from the first Phase III study, called BLOOM, which enrolled 3 182 obese patients. Arena announced that 47.5% of patients receiving Lorcaserin achieved greater than or equal to 5% weight loss, versus only 20.3% of patient in placebo ( $p < 0.0001$  – highly significant). The safety profile of Lorcaserin is very good, showing no difference from placebo in cardiovascular or psychiatric events. It is expected that Lorcaserin will become significant drug for treatment of obesity (as long as the next Phase III data in September are consistent) given the high unmet need and the safety and efficacy of the drug.

### BB BIOTECH shareholders approve all proposals submitted by the Board of Directors

Shareholders at BB BIOTECH's Annual General Meeting on March 30, 2009 approved all proposals submitted by the Board of Directors. Shareholders approved the proposed dividend payout of CHF 1.80 per registered share and re-elected the Board members Prof. Dr. med. Thomas Szucs, Prof. David Baltimore and Dr. Clive Meanwell. Furthermore, the shareholders voted to initiate a new share buyback program of up to 1.8225 million of its registered shares. At the General Meeting, 11.53% of BB BIOTECH's shares were present or represented.

### SHARE PRICE TREND SINCE FOUNDATION



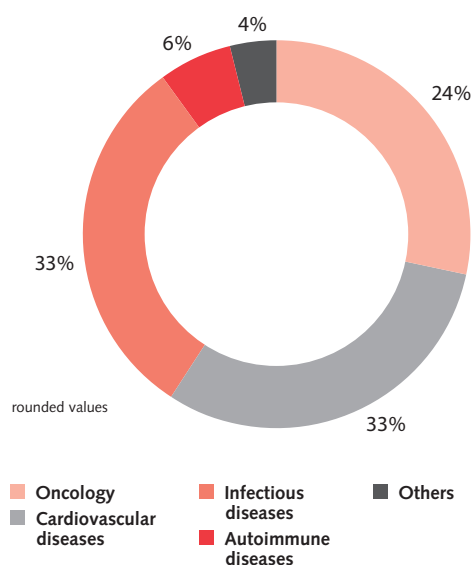
■ BB BIOTECH Share price ■ BB BIOTECH Net Asset Value

Source: Datastream, 03/31/2009

### PERFORMANCE (adjusted for dividends)

	1M (March)	YTD	11/15/1993
BION SW	-1.8%	-6.5%	+206%
BBZA GY	-5.5%	-8.5%	N.A.
BB IM	-6.9%	-6.3%	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>						
Celgene	44.4	20.4	19.0	30.0%	0.6	2 837
Gilead	46.3	42.2	17.2	18.0%	0.9	6 502
Genentech	95.0	100.0	29.5	18.0%	1.6	13 915
<b>Average</b>			<b>21.9</b>	<b>22.0%</b>	<b>1.0</b>	
<b>Europe</b>						
Actelion	52.0	5.7	13.3	19.0%	0.7	1 524
<b>US/Europe Average</b>			<b>19.8</b>	<b>21.0%</b>	<b>0.9</b>	

As at 03/31/2009

## 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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