

BBBIOTECH

FOR THE MEDICINES OF TOMORROW



February 2009

www.bbbiotech.com

Caution Regarding Forward-looking Statements

The following information contains certain “forward-looking statements,” relating to the Company’s business, which can be identified by the use of forward-looking terminology such as “estimates,” “believes,” “expects,” “may,” “are expected to,” “will,” “will continue,” “should,” “would be,” “seeks,” “pending” or “anticipates” or similar expressions, or by discussions of strategy, plans or intentions. Such statements may include descriptions of the Company’s investment and research and holdings and anticipated expenditures in connection therewith, descriptions of new products expected to be introduced by a portfolio company and anticipated customer demand for such products and products of a portfolio company in the Company’s existing portfolio. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward-looking statements, including, without limitation: fluctuations in interest rates and currency values, changes in economic and political conditions, legislative or regulatory developments, technological developments and competition. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected, and the reader is therefore cautioned not to place undue reliance on these statements.

This material is not intended as an offer or solicitation for the purchase or sale of shares of BB BIOTECH. This material may not be distributed within the United States or any other country where it may violate applicable law.

Agenda

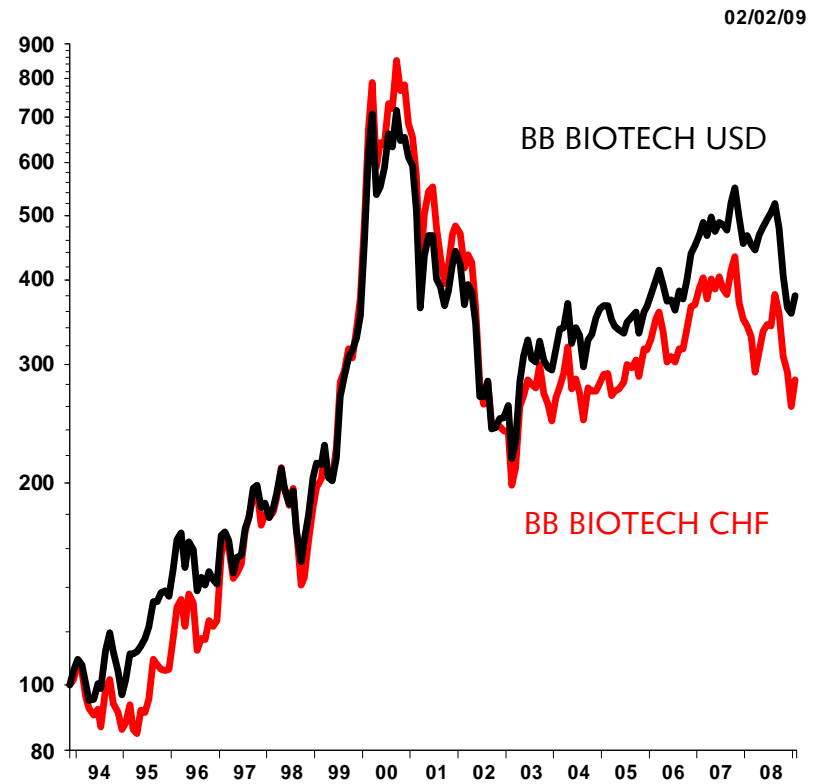
- ▶ Facts & Figures: - BB BIOTECH, the “perfect” drug company
- ▶ Why Biotechnology? - Industry Trends
- ▶ Why BB BIOTECH? - Performance & Style
- ▶ Why now? - Valuation & Triggers

Facts & Figures

BB BIOTECH - longterm success story

- ▶ Investment Company listed in CH (1993), D (1997) and I (2000)
- ▶ One of the largest Biotech investment vehicle worldwide with a market capitalization of approx. CHF 1.4bn and USD 1.2bn
- ▶ BB BIOTECH offers an access to the fast growing Biotech market offering superior returns with low volatility
- ▶ Experienced Management Team and senior Board
- ▶ Performance since inception in USD*:

NAV absolute:	505.5%
NAV average (p.a.):	12.6%
Shares absolute:	322.3%
Shares average (p.a.):	9.9%



Facts & Figures

BB BIOTECH - longterm success story (1,3,5 years)

NAME	PERFORMANCE in % (USD) as of 02.02.09			TOTAL ASSETS in USD mn	
	1Y	3Y p.a.	5Y p.a.	Assets	Date
1 BB BIOTECH NAV	1.1	8.1	8.0	1'733	01. Feb
2 PICTET FUNDS LUX-BIOTECH-I\$	-9.0	4.1	7.5	1'945	31. Jan
3 BIOTECH HOLDRS TRUST	6.5	0.1	6.9	674	01. Feb
4 <i>BTK INDEX</i>	-16.6	-3.5	3.8		
5 BB BIOTECH SHARE	-16.6	1.0	3.7	1'196	01. Feb
6 FIDELITY SELECT BIOTECHNOLGY	-9.0	-3.2	2.1	1'216	31. Jul
7 CL (GUE) BIOTECHNOLOGY EQT-B	-12.3	-4.3	2.1	150	01. Feb
8 BIOTECH GROWTH TRUST PLC/THE	-10.6	0.9	1.3	97	01. Feb
9 FRANKLIN BIOTECHNOLOGY DIS-A	-6.5	-3.8	1.3	395	31. Jul
10 ALLIANZ RCM BIOTECHNOLOGIE-A	-7.0	-3.0	1.0	329	01. Feb
11 RYDEX SERIES BIOTECH-INVST	-8.1	-4.1	-0.3	69	31. Jul
12 UBS LUX EQTY-PIOTECH-P	-7.3	-3.2	-0.9	266	01. Feb
13 <i>NBI INDEX</i>	-11.3	-3.9	-1.6		
14 FORTIS L FUND - BIOTECHNOLOGY	-18.8	-10.6	-1.8	168	29. Aug
15 CS EQUITY FUND BIOTECHNOLOGY	-11.4	-7.8	-2.1	44	01. Feb
16 DWS-BIOTECH-AKTIE TYP O	-10.1	-6.6	-3.6	254	01. Feb
17 CI GLOBAL BIOTECH CORP CL-A	30.1	-7.5	-8.1	54	31. Jul
18 MUTLIADVISOR-APO BIOTECH-A	-29.7	-16.7	-8.6	82	31. Aug

Source: BAM; Bloomberg as of 02.02.2009

Facts & Figures

BB BIOTECH > the „perfect“ drug company



20

Companies



86

Launched
Products



41

Products in
Phase III

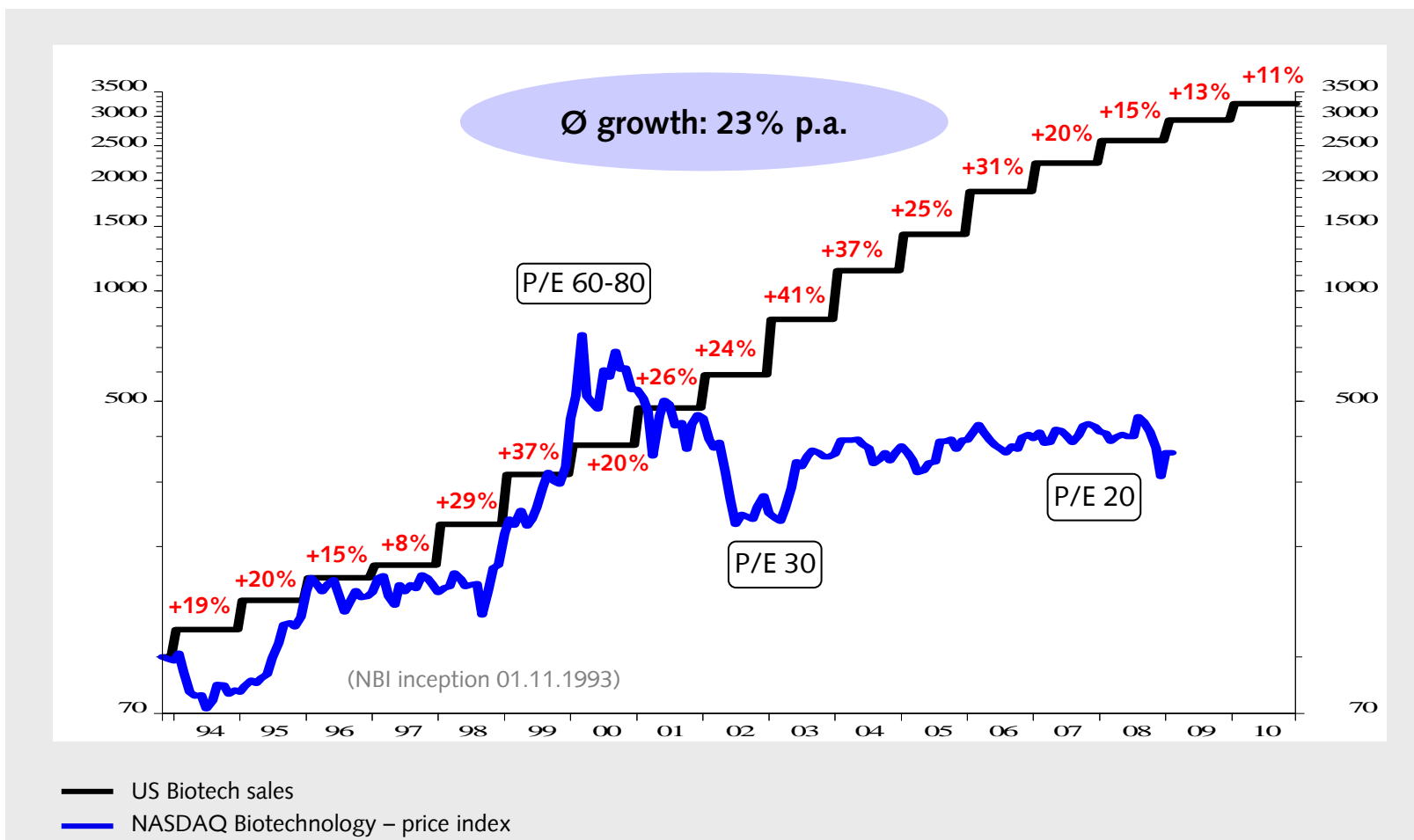


155

Products in
Phase I & II

Why Biotechnology?

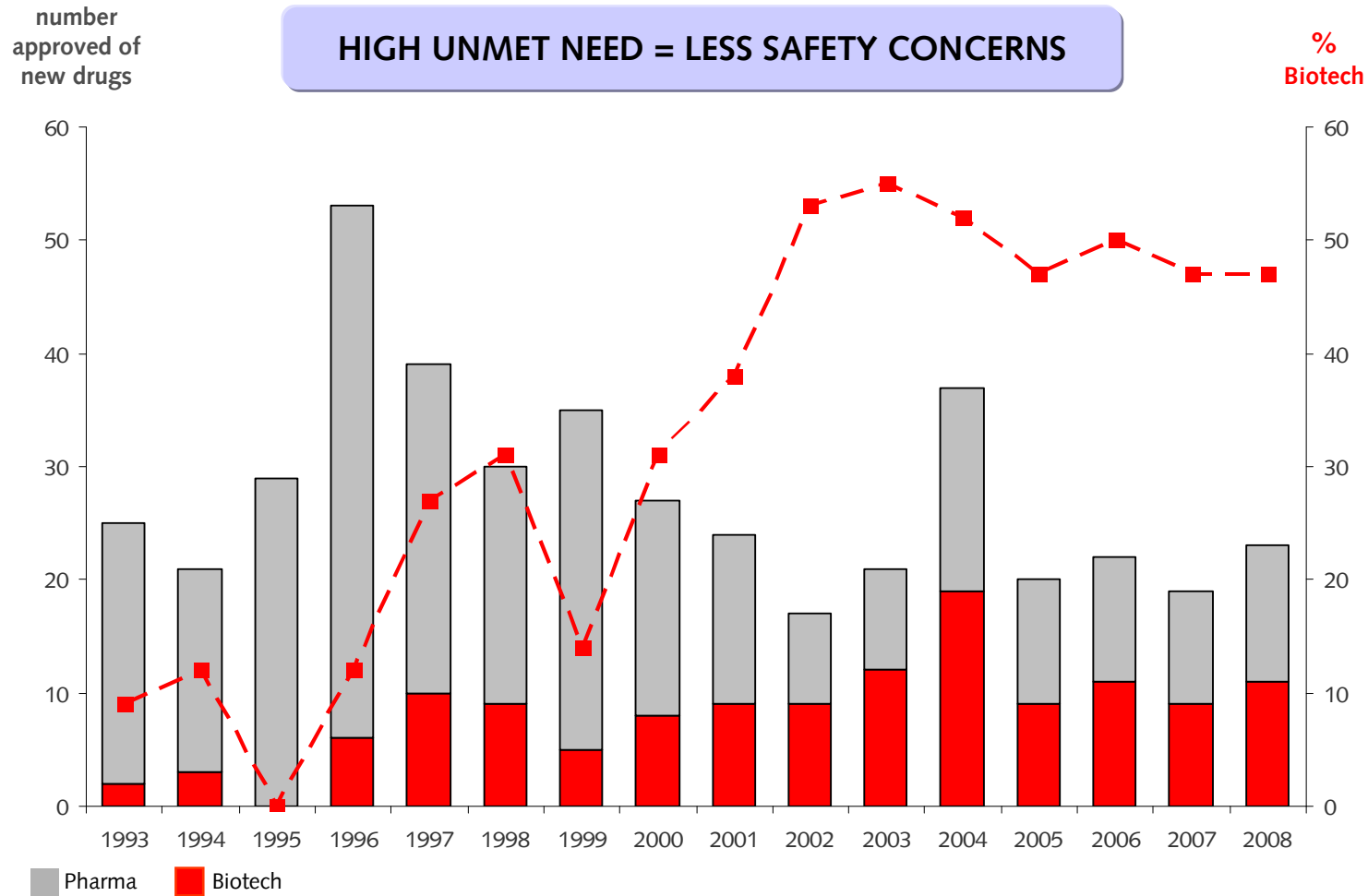
Biotech sector: big potential



Source: Thomson Datastream as of 02.02.2009

Why Biotechnology?

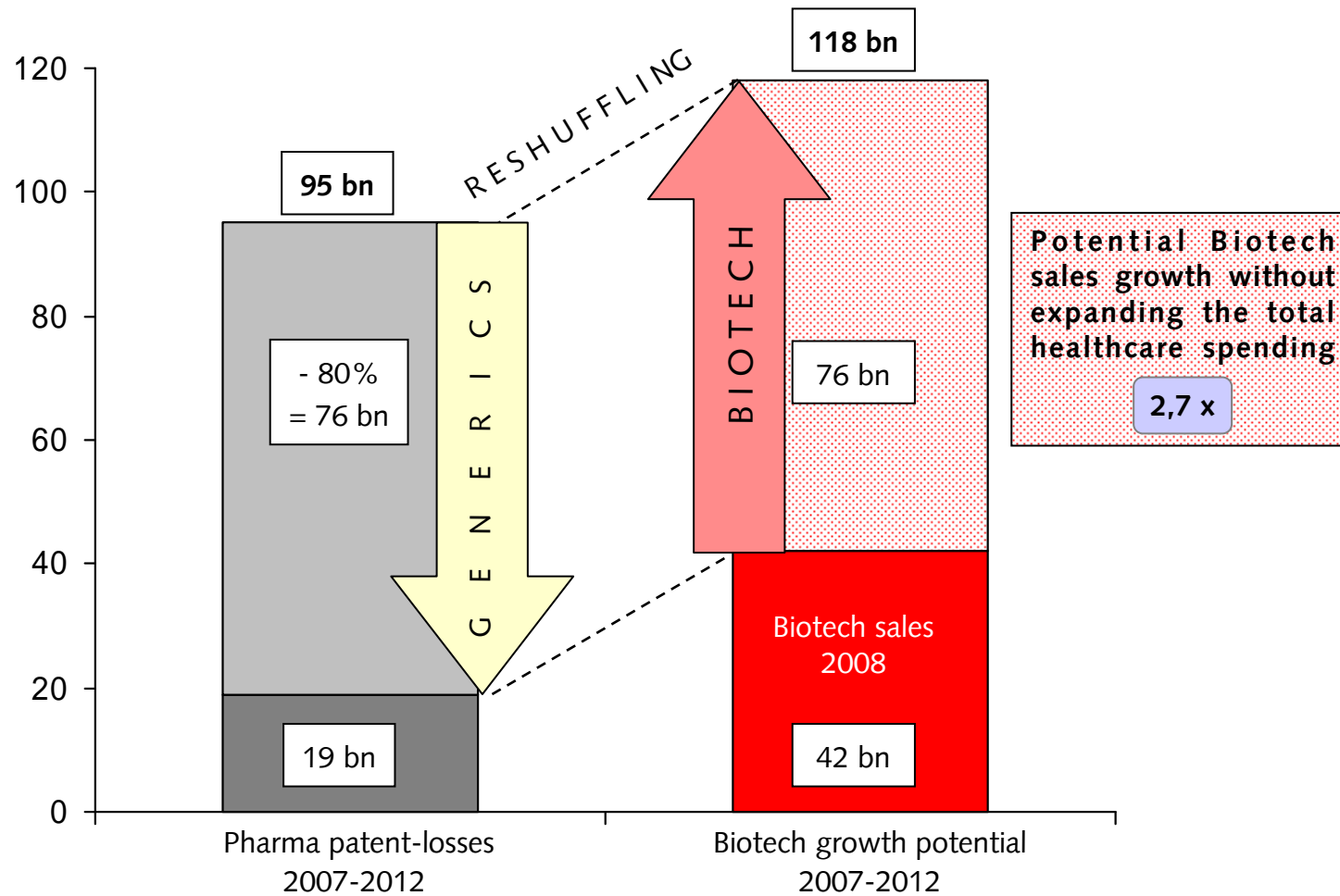
FDA approvals: regulatory advantages for Biotech



Source: FDA; BAM Research

Why Biotechnology?

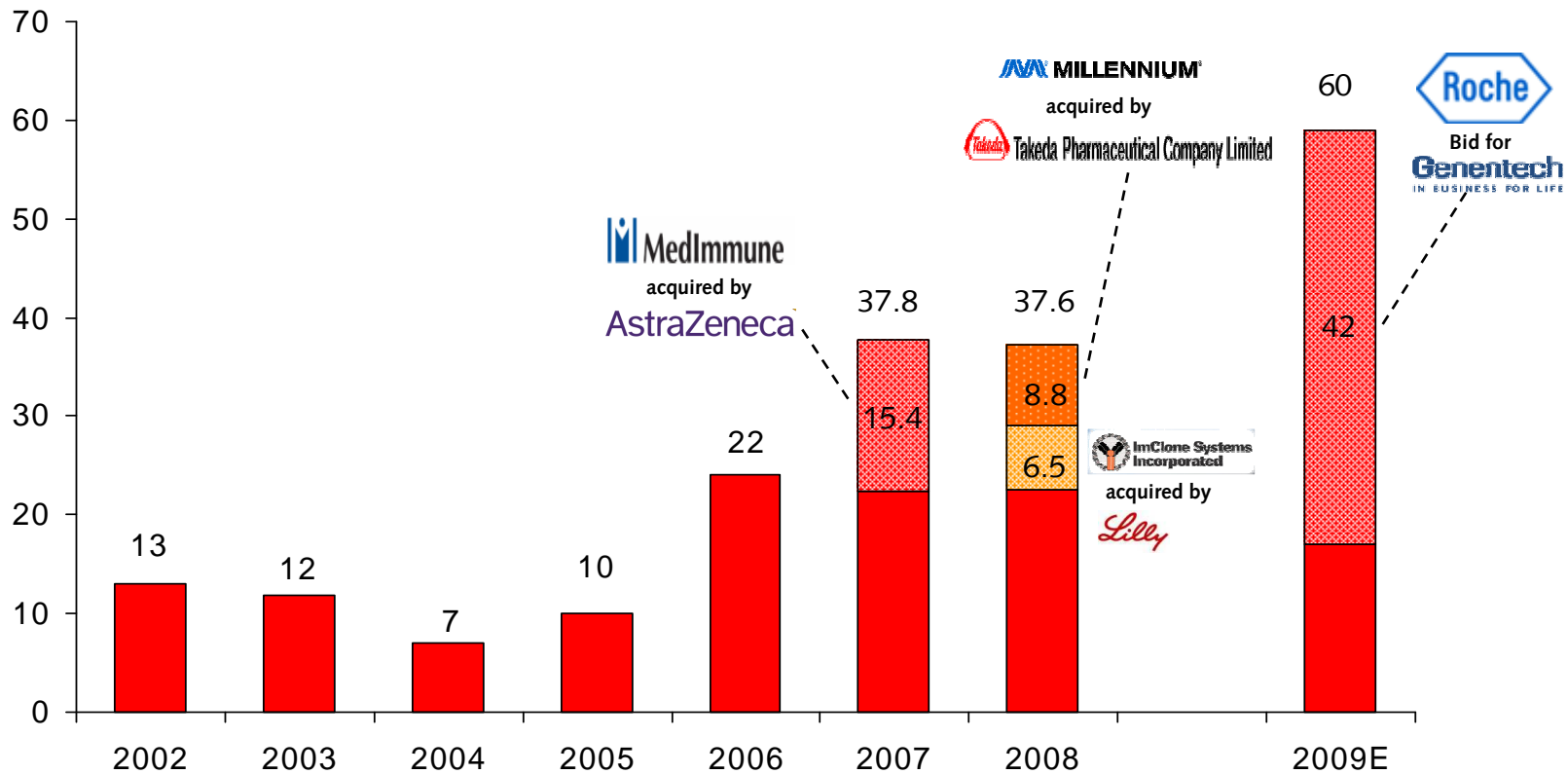
Pharma patent losses = Biotech growth opportunity



Why Biotechnology? Pharma is forced to secure future growth

Sum of M&A Biotech-Transactions

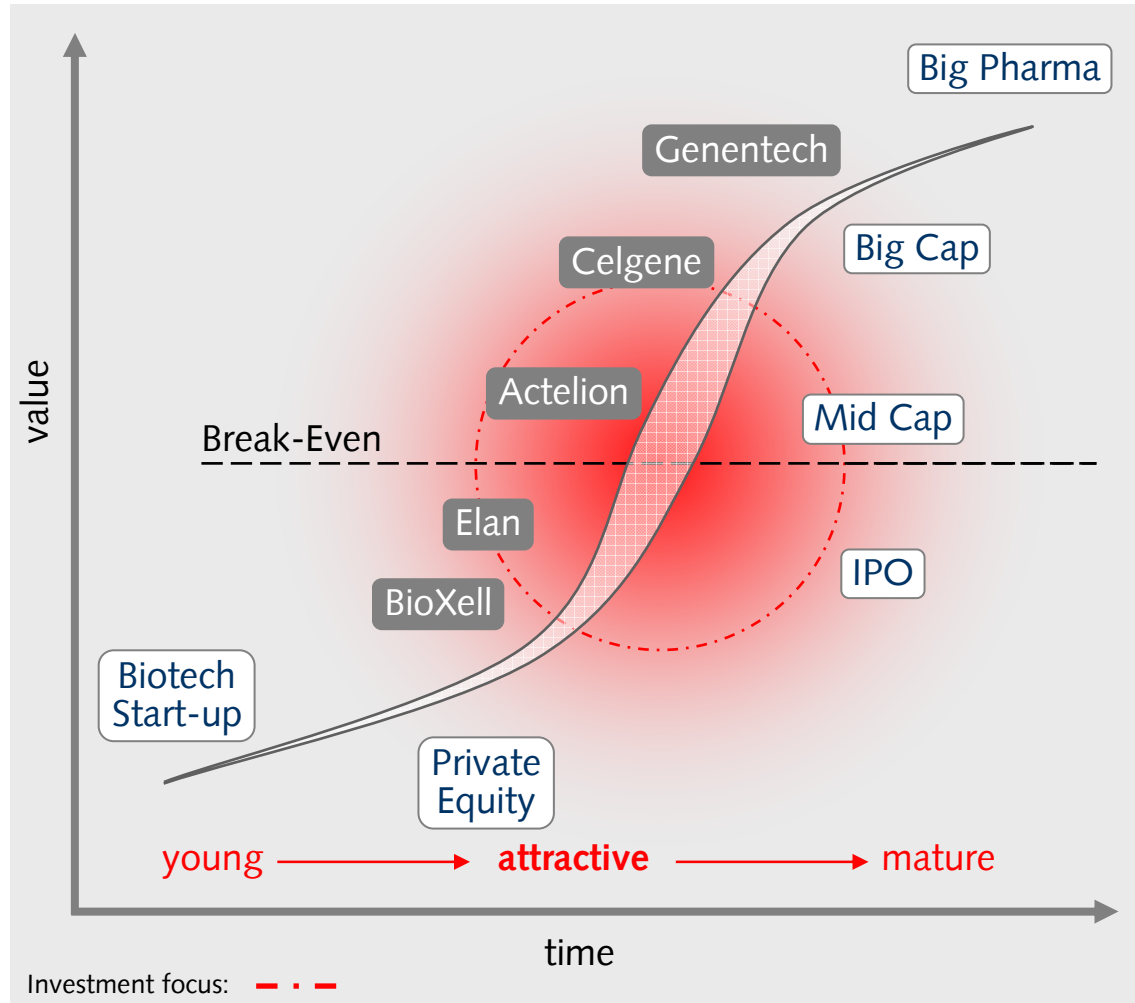
Deal value in USD bn



Source: BAM ; BioCentury

Why BB BIOTECH?

BB BIOTECH > focused with industrial approach



► Portfolio

- 5 – 8 core positions
- 15–20 small positions
- Up to 10% private equity possible

► Industrial Perspective

- Selective investments in most attractive companies

► Currency

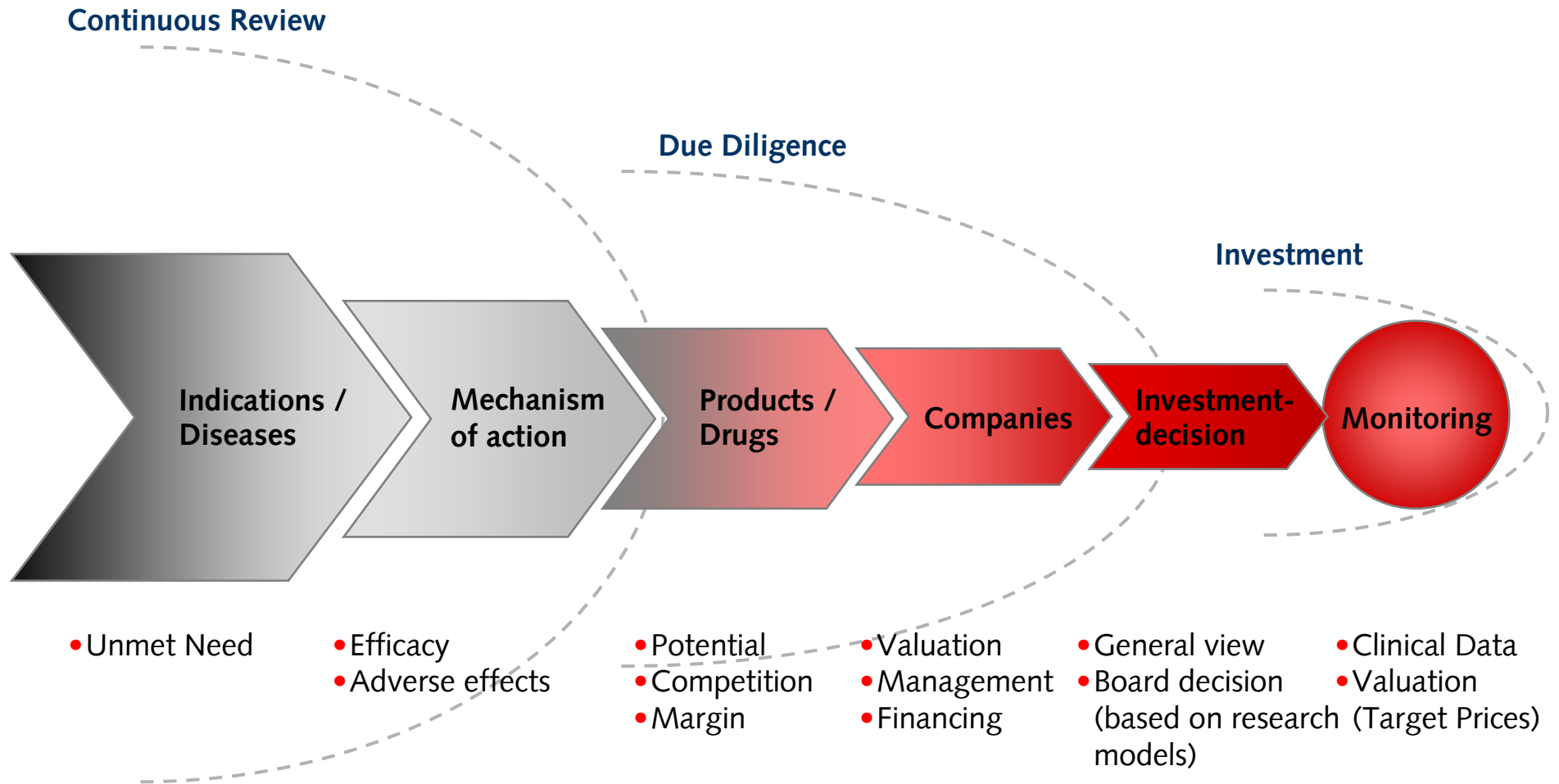
- USD exposure approximately 60%

► Yield Target

- 15% p.a.

Why BB BIOTECH?

Investment process: fundamental & sector driven



Why BB BIOTECH?

Active collaboration between investment team & board

BBBIOTECH

Board of Directors

Prof. Dr. Thomas Szucs

MD, MPH, MBA, Epidemiologist, Health economist,
University of Zürich and Basel, ex Roche

Prof. Dr. David Baltimore

Nobel prize, laureate, Caltech

Dr. Clive A. Meanwell

The Medicines Company, ex MPM, Roche

BELLEVUE ASSET MANAGEMENT

Investment Team **BBBIOTECH**

Roland Maier, Biochemist, Economist, ex BASF

Elhan Elbi, CFA, Economist, ex Cantrade

Dr. Daniel Koller, Biochemist, ex Cytos, UBS

Felicia Flanigan, MBA, ex SG Cowen

Dallas Webb, Microbiologist, Economist,
ex Stanford Group Company

Stefan Müller, Biochemist



Large Industry and Expert Network

- Indication/technology specialists
- Key access to biotech executives and operationals
- Physician opinion leaders
- Pharma & biotech managers
- Patent & corporate lawyers

BELLEVUE ASSET MANAGEMENT

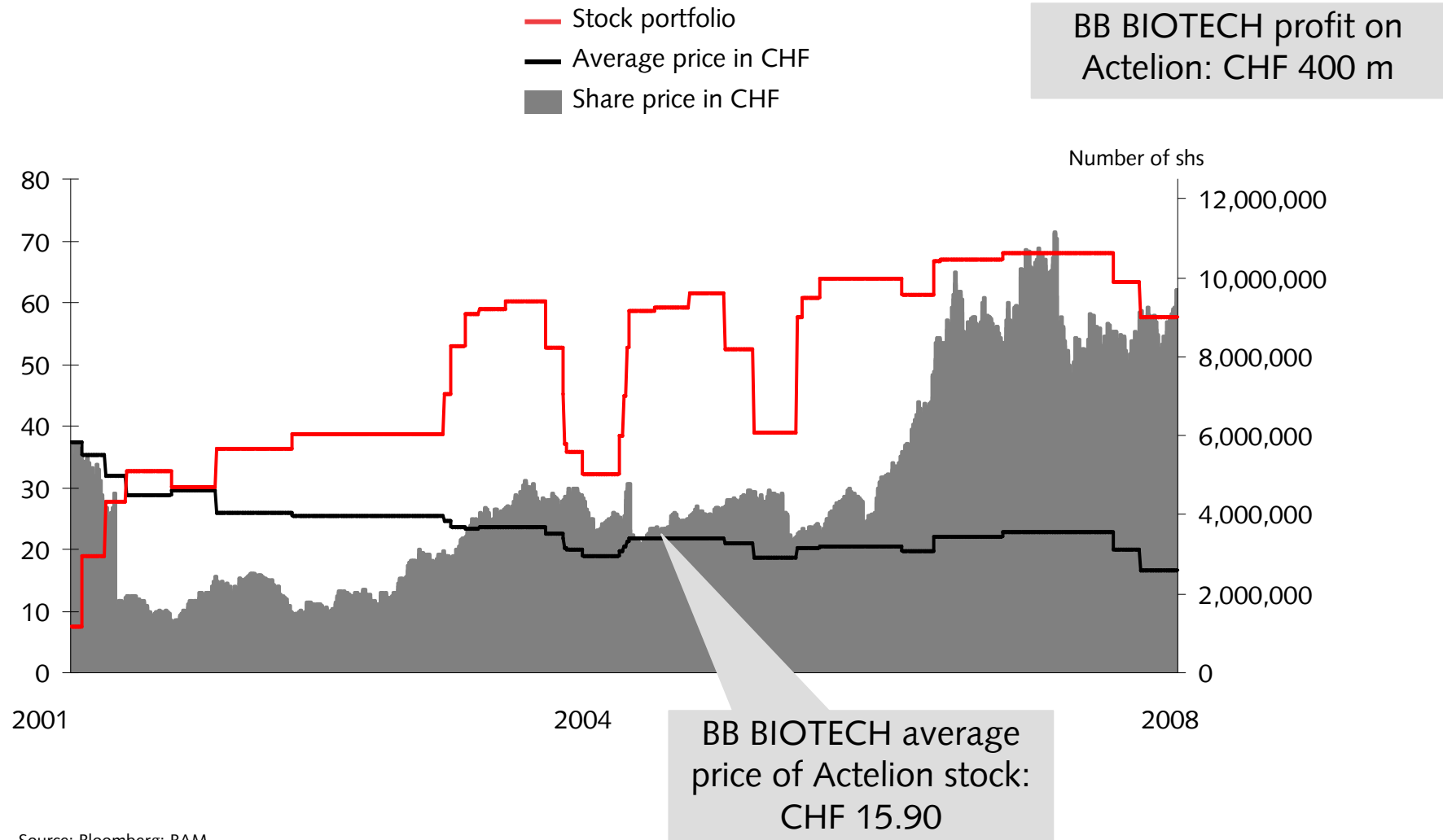
Investor Relations Team

Nafida Bendali, Biotechnology engineer, ex Novartis IR
Maria-Grazia Iten-Alderuccio, Finance

Why BB BIOTECH?



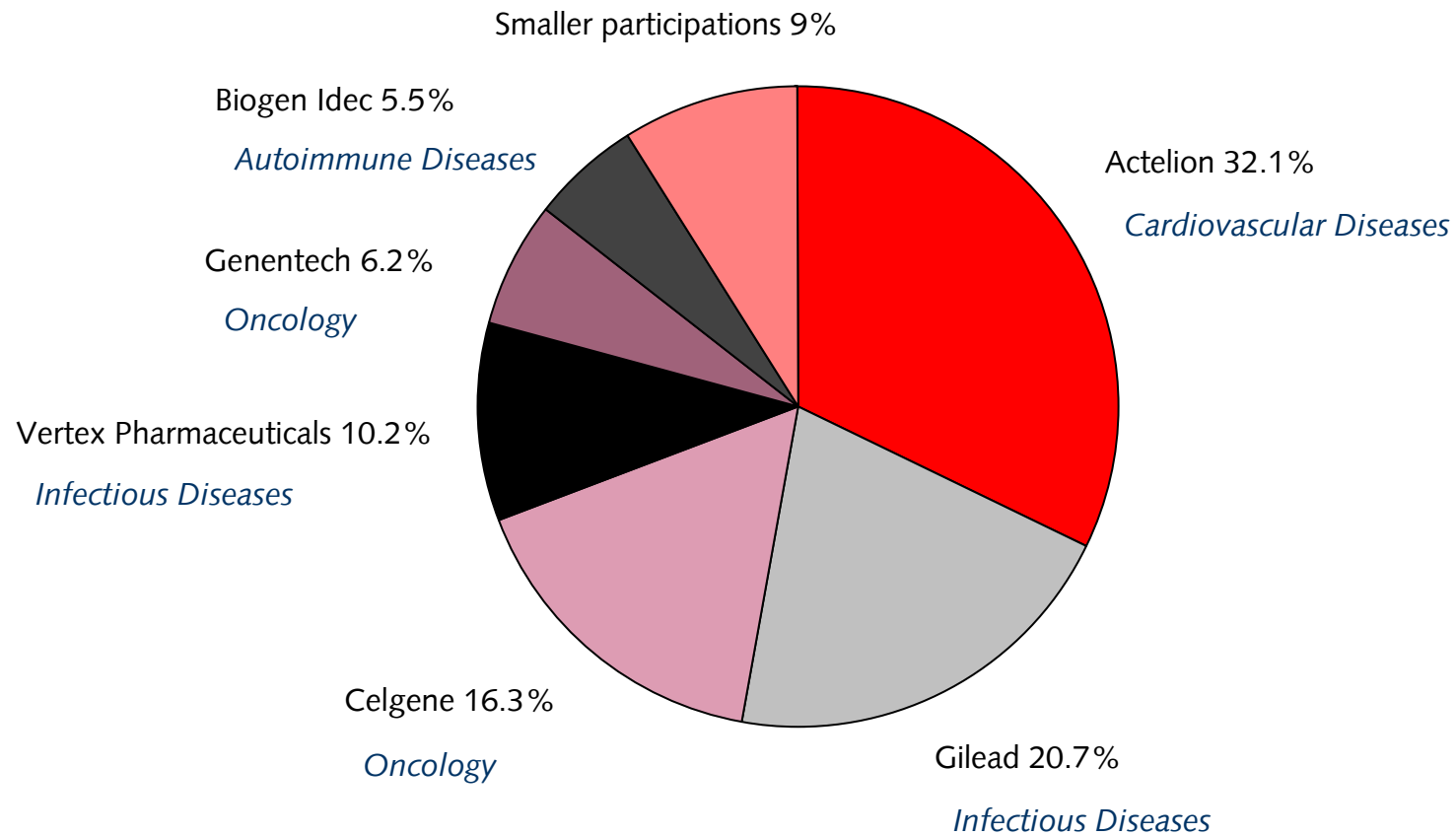
Core position Actelion: Long-term profit accumulation



Source: Bloomberg; BAM

Why BB BIOTECH?

Portfolio as of December 31st 2008



Why BB BIOTECH? Significant outperformance

Performance*:	since Nov 1993	YTD
▶ BBBIOTECH NAV in USD:	+ 505.5%	- 0.4%
	+ 246.5%	- 0.3%
▶ Nasdaq Biotechnology Index: 136 members, capital weighted	+ 259.0%	- 0.1%

* as of 02.02.2009

Why now?

Key milestones and value drivers in the portfolio



PIPELINE	STATUS	Newsflow
<ul style="list-style-type: none"> ▶ Successful market expansion of Tracleer ▶ Almorexant (RESTORA-1) ▶ S1P1 in auto-immune's disease (Roche collaboration) ▶ CRTH clinical data 	<p>Approved</p> <p>Phase III</p> <p>Phase II</p> <p>Phase II</p>	<p>2009</p> <p>H1 2009</p> <p>H1 2009</p> <p>H1 2009</p>
<ul style="list-style-type: none"> ▶ Successful market penetration of Atripla ▶ Darusentan 311 study results ▶ Cayston approval 	<p>Approved</p> <p>Phase III</p> <p>Filed for registration</p>	<p>H1 2009</p> <p>H1 2009</p> <p>2009</p>
<ul style="list-style-type: none"> ▶ Successful market penetration of Revlimid ▶ Non-Hodgkin's lymphoma: NHL ▶ Revlimid in other indications 	<p>Approved</p> <p>Phase III</p> <p>Phase II</p>	<p>2009</p> <p>H1 2009</p> <p>2009</p>
<ul style="list-style-type: none"> ▶ Further news on proposal from Roche ▶ Avastin in adjuvant colon cancer study NSABP-C08 	<p>In progress</p> <p>Phase III</p>	<p>H1 2009</p> <p>April 2009</p>
<ul style="list-style-type: none"> ▶ Telaprevir PROVE-3 	<p>Phase II</p>	<p>H2 2009</p>

Why now?

Attractive growth at historic low valuations

<u>US</u>	<u>Price</u> 30-Jan-09	<u>Market Cap (\$bn)</u>	<u>2009E PE</u>	<u>EPS 09-12E Growth</u>	<u>09-12E PEG</u>	<u>2008E Revenue (\$mn)</u>
Celgene	52.1	23.9	21.9	26%	0.8	2'257
Genentech	84.1	88.5	22.7	15%	1.5	13'426
Gilead	50.6	46.1	17.5	17%	1.0	5'375
Average		52.8	20.7	19%	1.1	7'019

<u>Europe</u>	<u>Price (CHF)</u> 30-Jan-09	<u>Market Cap (\$bn)</u>	<u>2009E PE</u>	<u>EPS 09-12E Growth</u>	<u>09-12E PEG</u>	<u>2008E Revenue (\$mn)</u>
Actelion*	62.9	6.8	15.3	18%	0.8	1'273

US and Europe

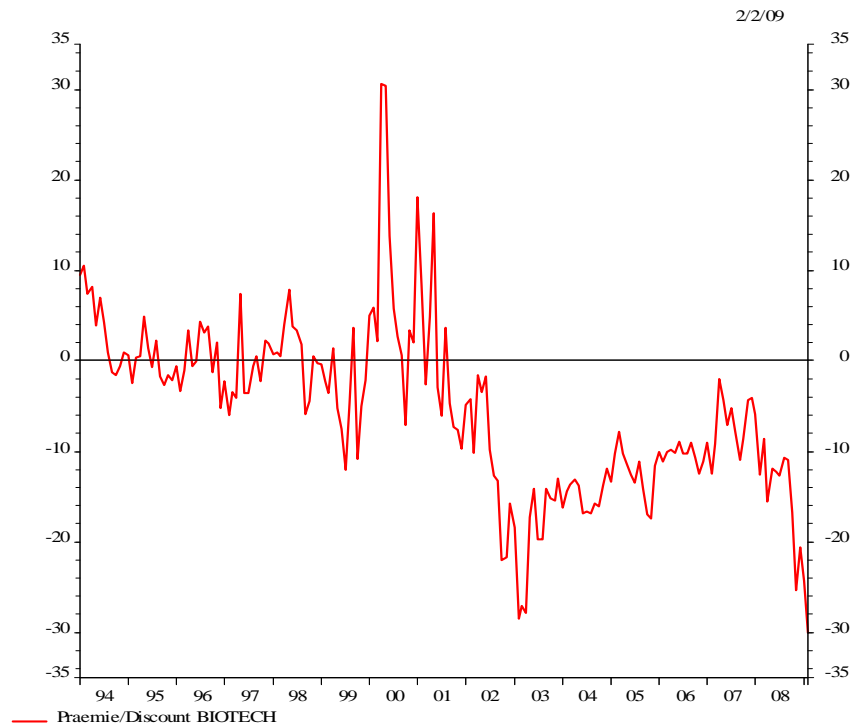
	<u>2009E PE</u>	<u>EPS 09-12E Growth</u>	<u>09-12E PEG</u>
Average	19.3	19%	1.0

* Revenue in USD
Source: Bloomberg; BAM

Why now?

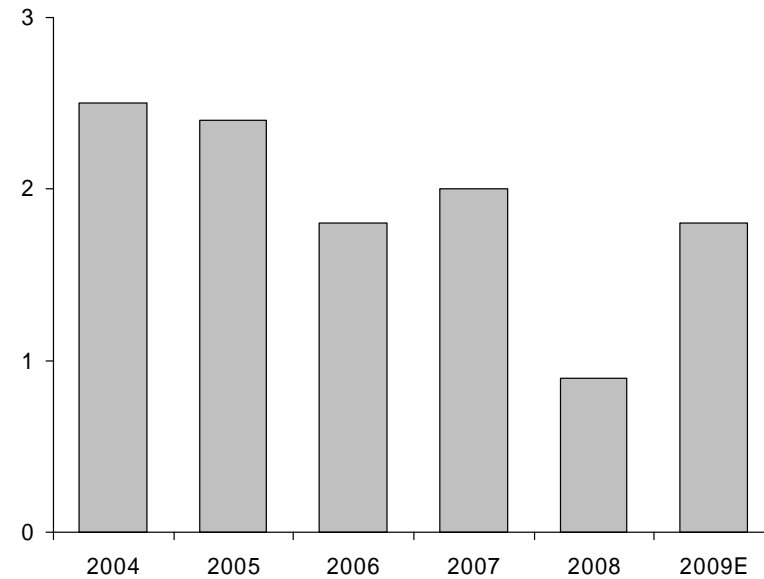
Premium / Discount: Improving sector sentiment

BB BIOTECH premium / discount since 1993



BB BIOTECH Dividend

In CHF



Source: Thomson Datastream

Contact

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AONFN3

Bloomberg:

BB IM Equity, BION SW Equity, BBZA GY Equity,

Compensation scheme



Compensation scheme – management fee

A) Asset Management

- ▶ Part I - Fix
 - ▶ 0.4% p.a.
- ▶ Part II – linked to share price development
 - ▶ Hurdle rate 5% p.a.
 - ▶ Adjustment of relevant share price
 - ▶ Profit sharing between 5% and 20% p.a.
 - ▶ High water mark at 20% p.a. share price gain
 - ▶ High-Watermark for each issued capital (max. 3% p.a.)

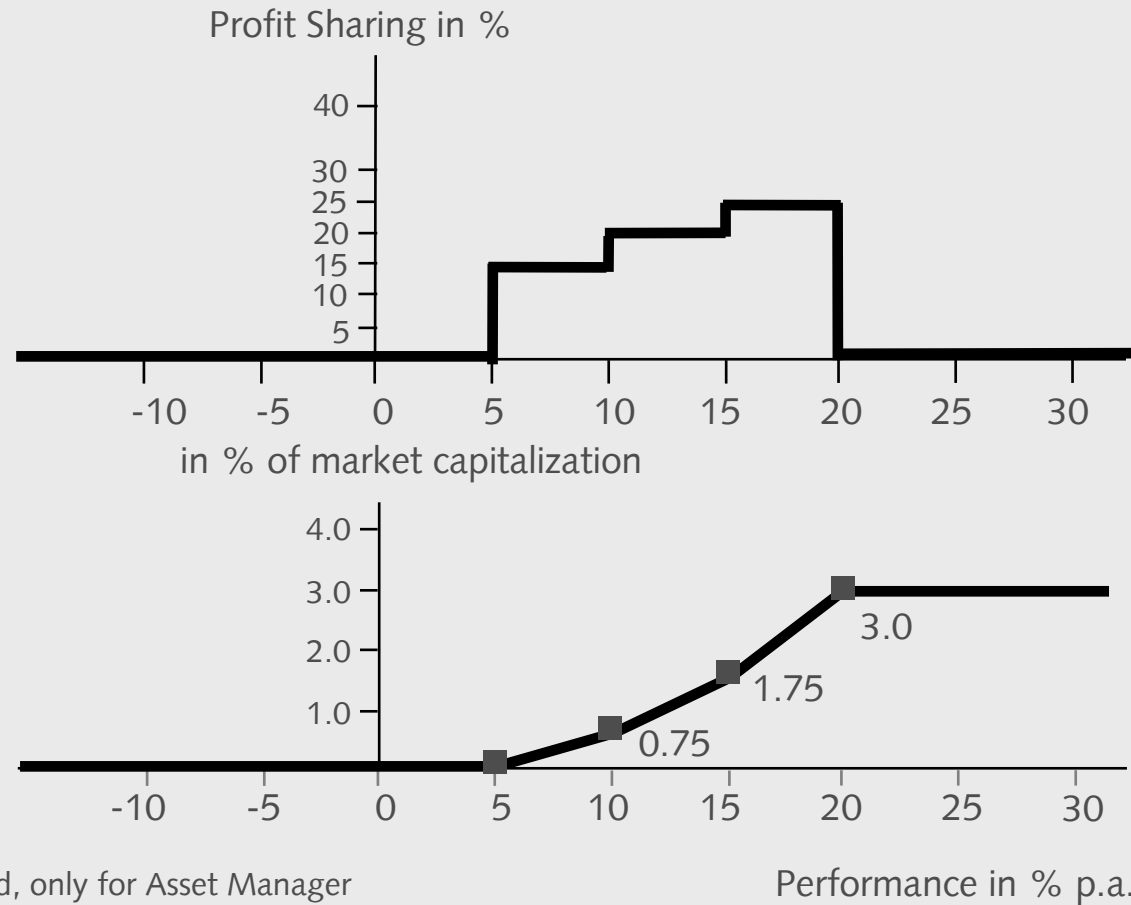
B) Board

- ▶ 10% of asset manager's fee (additional)

Conclusion: Parallel Incentives

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Compensation scheme* - performance fee



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Performance-related fee

For the end of next quarter (March 31st, 2009) the hurdle rates for payment of a performance related fee will be as follow:

- ▶ Shares (70.1% of the company): CHF 110.23
- ▶ Shares (14.4%): CHF 112.65
- ▶ Shares (3.6%): CHF 116.67
- ▶ Shares (6.1%): CHF 251.89
- ▶ Shares (5.8%): CHF 259.38

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Performance hurdle

