

BBBIOTECH

FOR THE MEDICINES OF TOMORROW



March 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
- ▶ Why Biotech? Industry Trends
- ▶ Why BB Biotech? Performance & Style
- ▶ Why now? Valuation & Triggers

Facts & Figures

BB BIOTECH - longterm success story

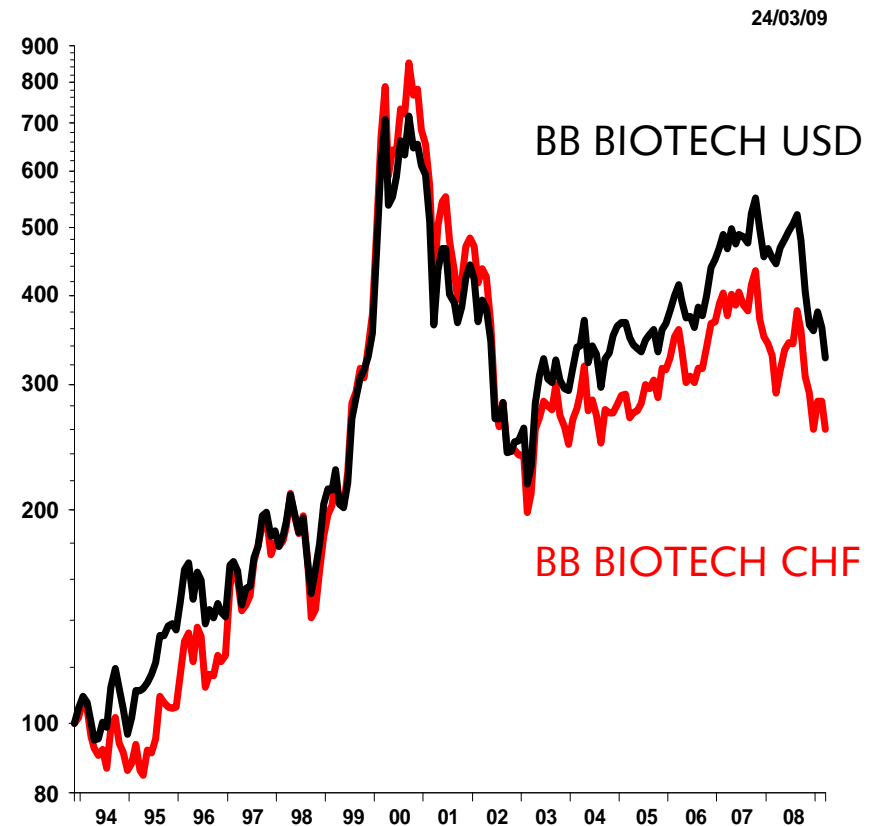
- ▶ Investment Company listed in CH (1993), D (1997) and I (2000)
- ▶ One of the largest Biotech investment vehicle worldwide with CHF 1.4 bn assets
- ▶ BB Biotech offers an access to the fast growing Biotech market offering superior returns with low volatility
- ▶ Experienced Management Team and senior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

NAV absolute: 447.8%

NAV average (p.a.): 11.7%

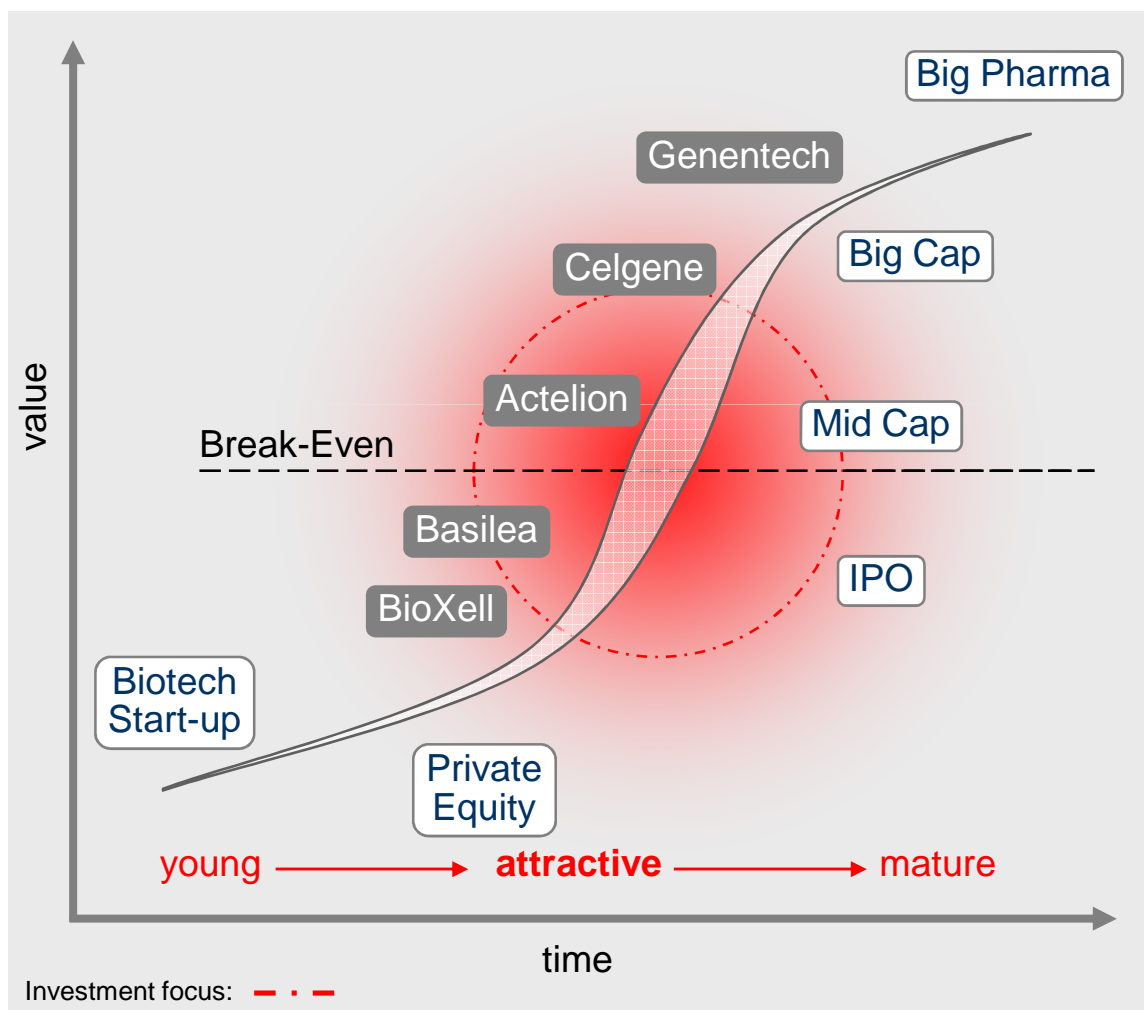
Shares absolute: 309.3%

Shares average (p.a.): 9.6%



Facts & Figures

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.

Facts & Figures
BB BIOTECH > a „perfect drug company“




20
Companies



86
Launched Products



41
Products in Phase III



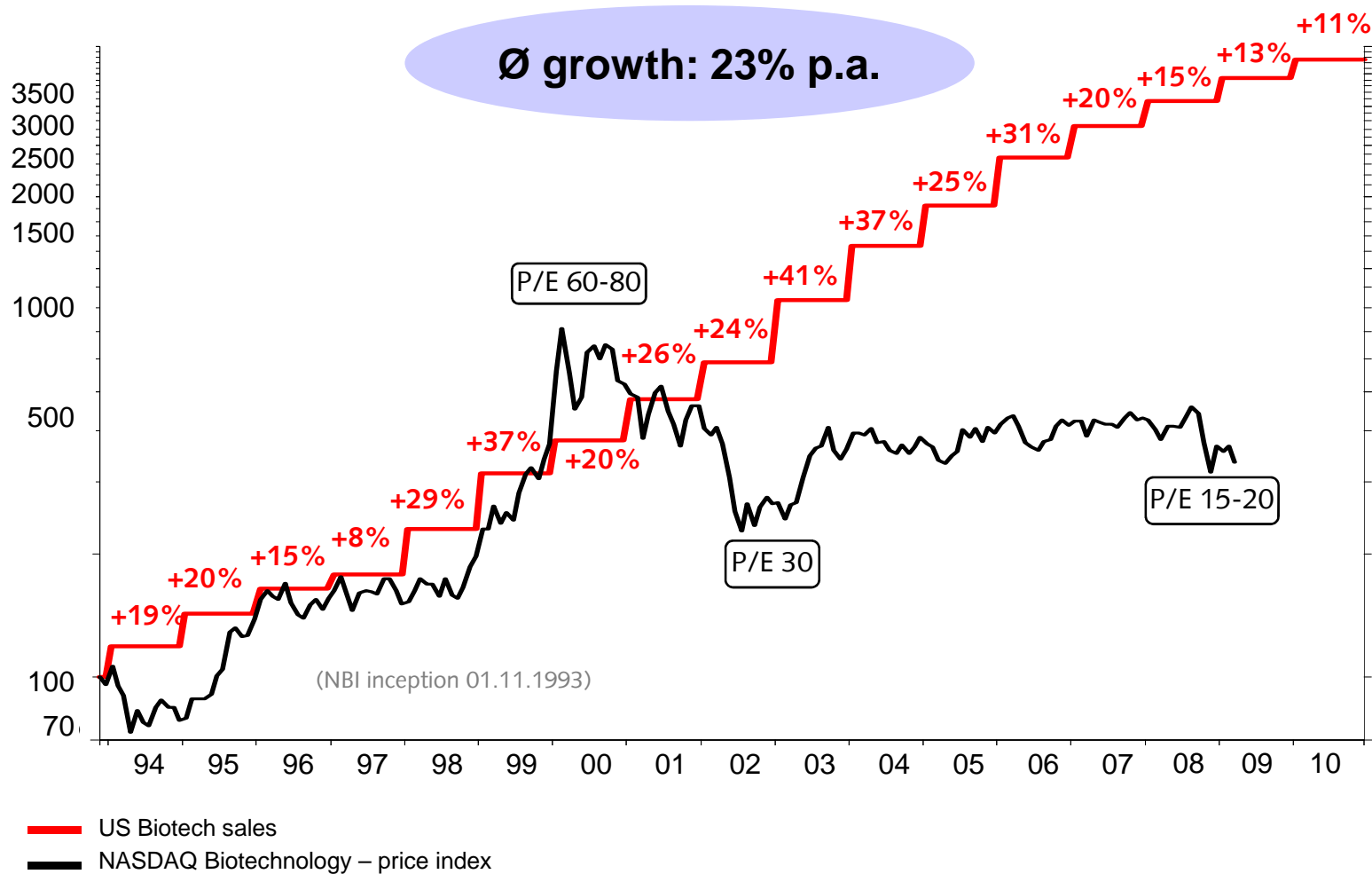
155
Products in Phase I & II

Why Biotech?



Why Biotech?

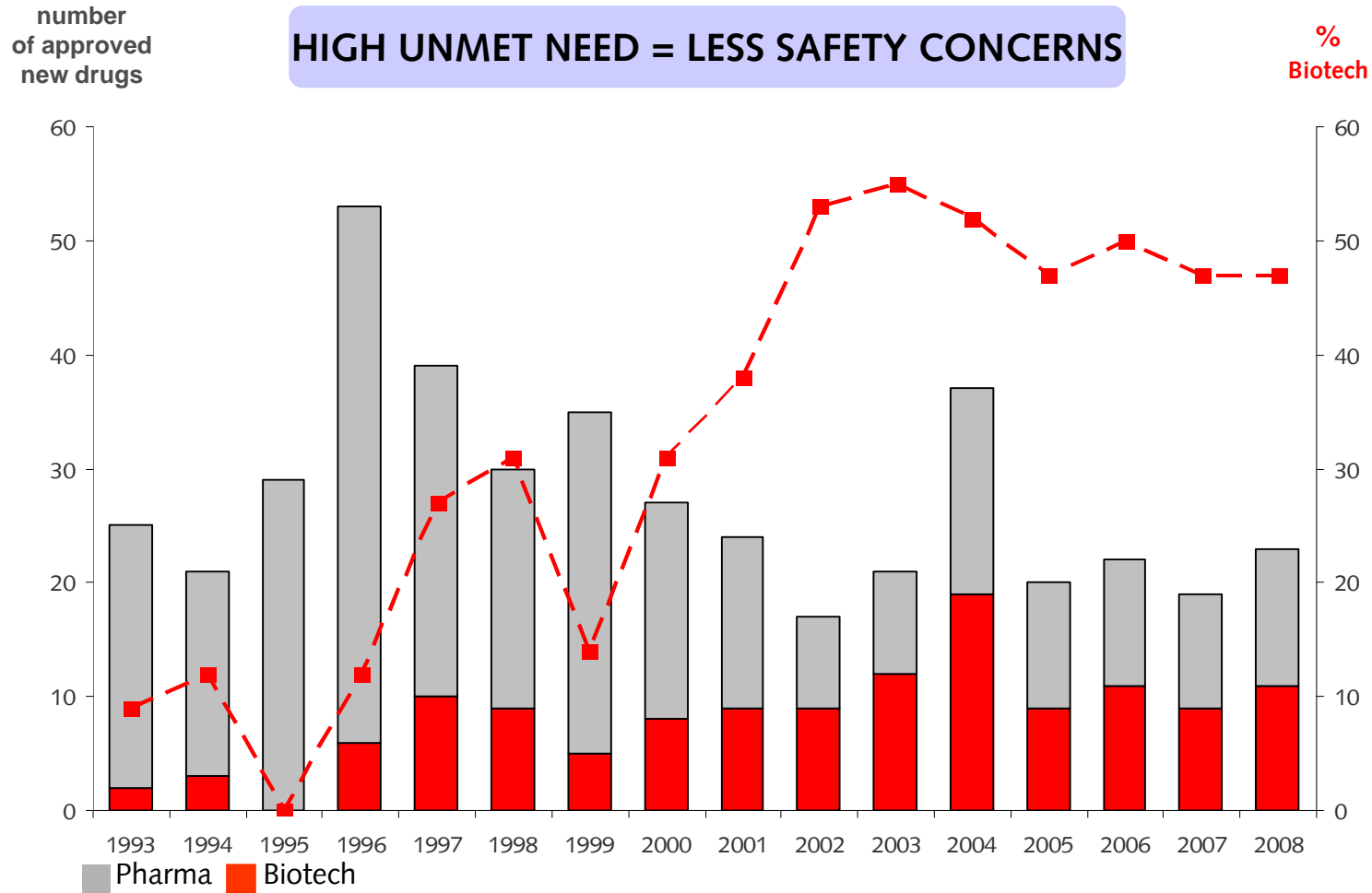
Biotech sector has a big potential



Source: Thomson Datastream as of 24.03.2009

Why Biotech?

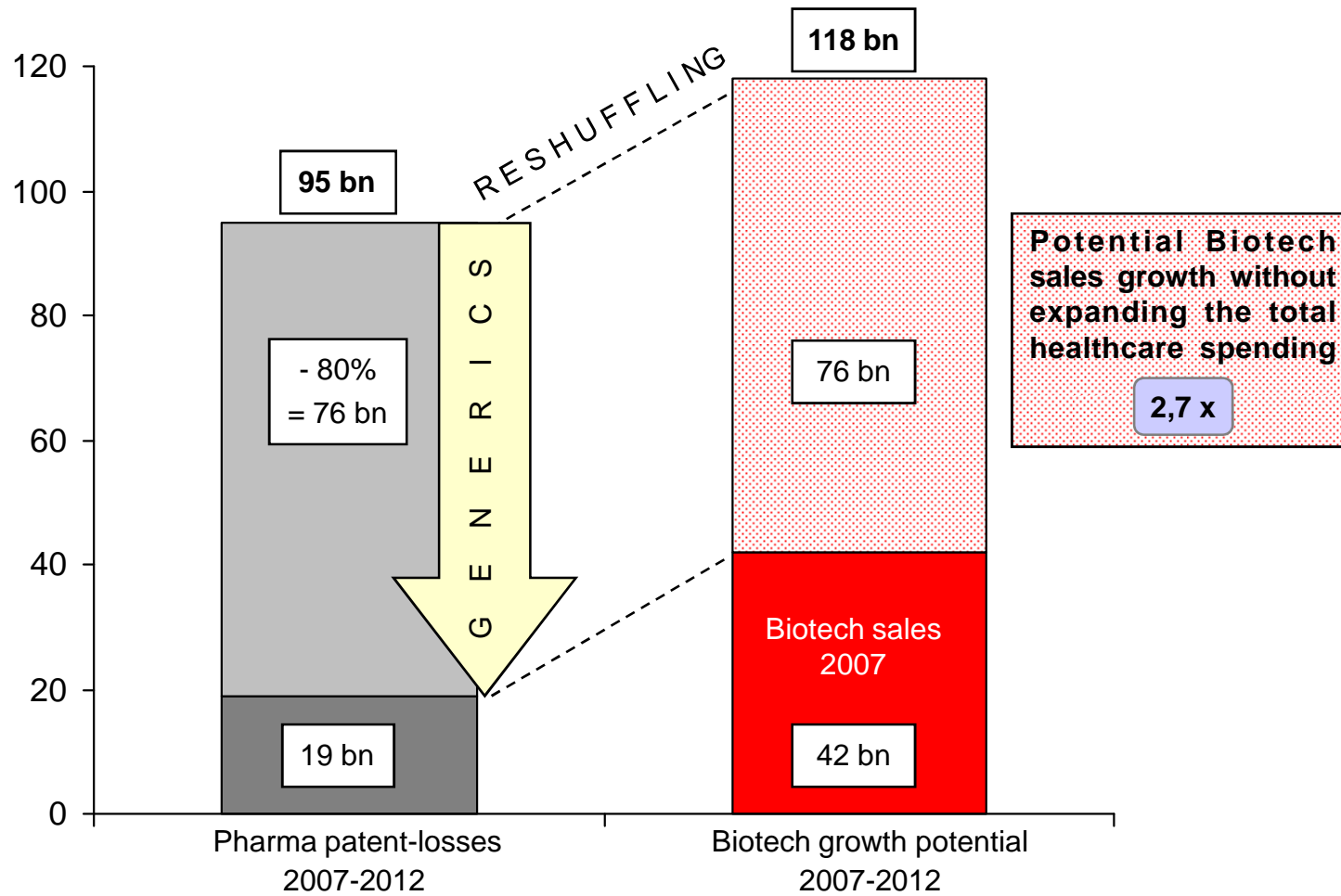
FDA approvals: regulatory advantages for Biotech



Source: FDA; BAM Research

Why Biotech?

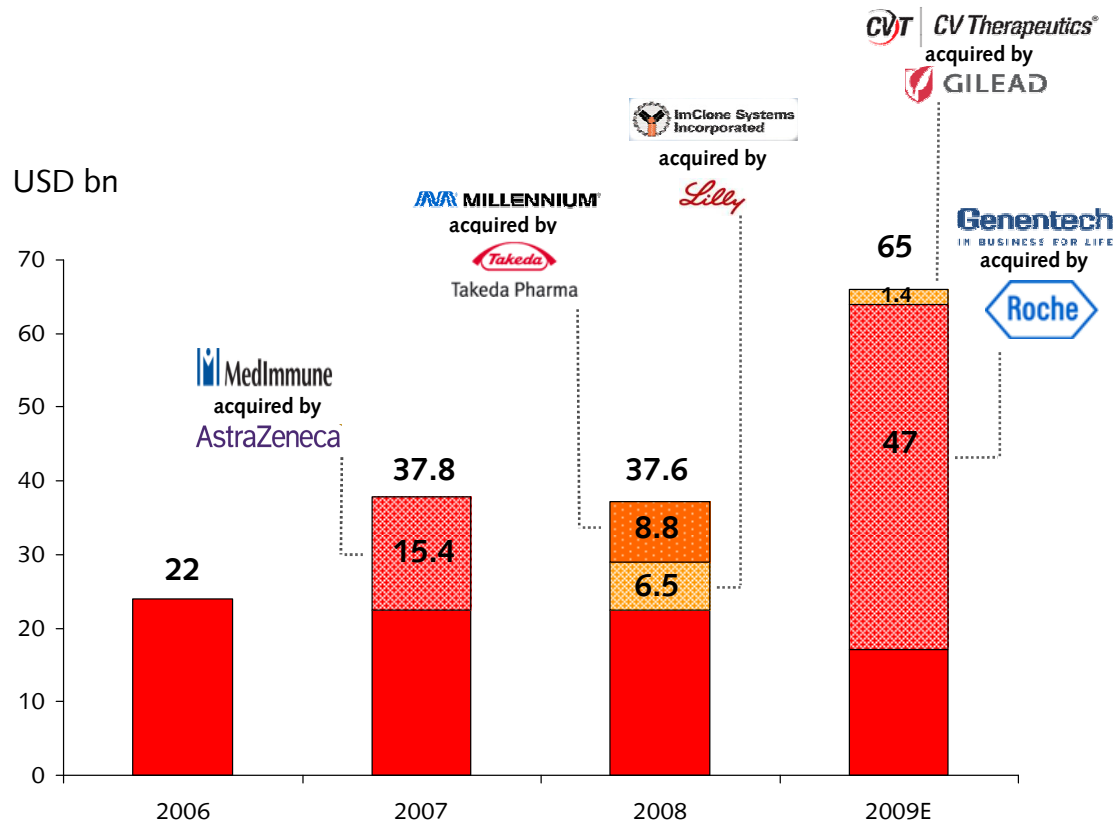
Pharma patent losses = Biotech growth opportunity



Why Biotech?

Pharma is forced to secure future growth

Sum of M&A Biotech-Transactions



January 2009:
Pfizer acquires Wyeth
→ for 68 bn

March 2009:
Merck acquires Schering-Plough
→ for 41 bn

- Consolidation
- Secure pipelines products
- Generate liquidity in the sector

Why BB BIOTECH?



At a glance

Active collaboration between investment team & board

BBBIOTECH

Board of Directors

Prof. Dr. Thomas Szucs

MD, MPH, MBA, Epidemiologist, Health economist,
University of Zurich 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 PhD, 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

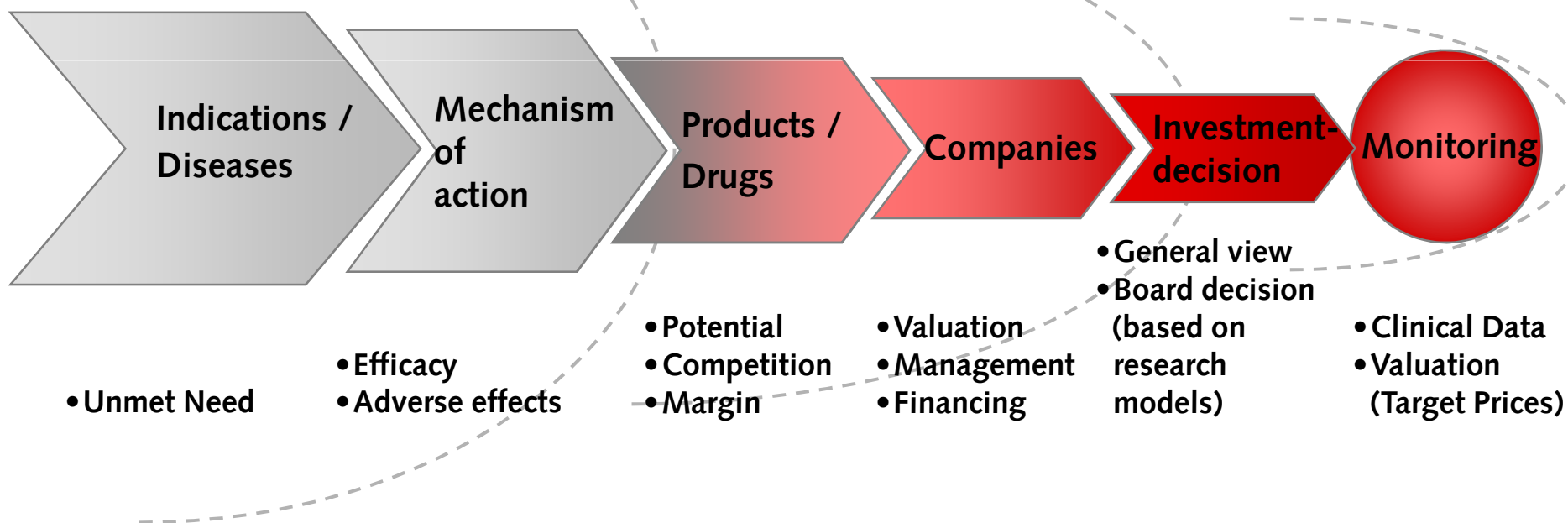
Maria-Grazia Iten-Alderuccio, Finance

At a glance Investment process: fundamental & sector driven

Continuous Review

Due Diligence

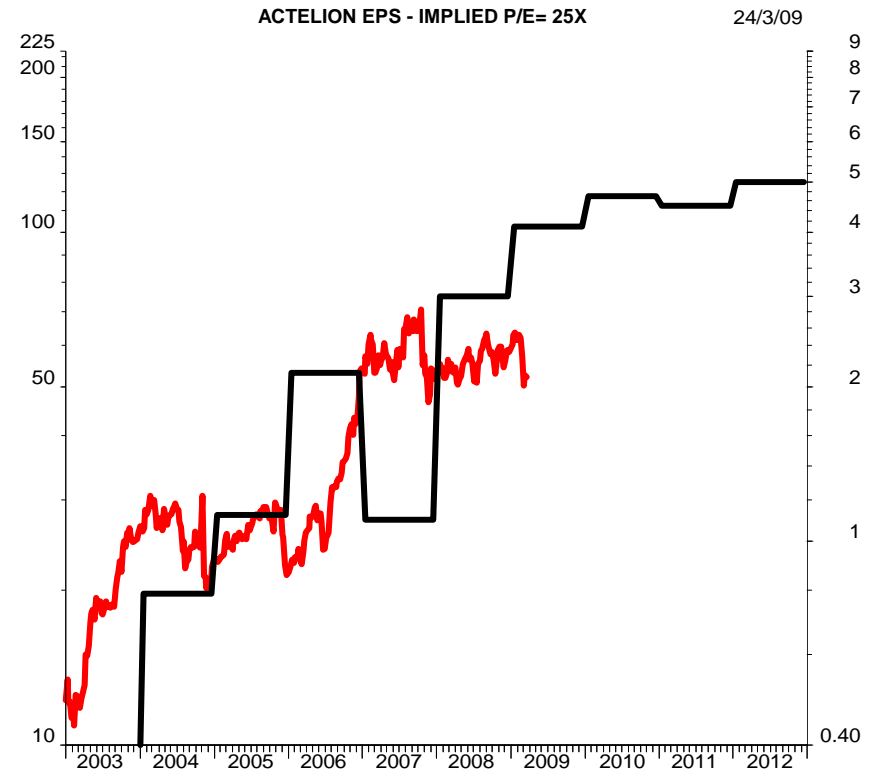
Investment



Core position Actelion Continuation of a success story



- ▶ Core position: 32.1% of portfolio
- ▶ Tracleer:
Market leader in the treatment of pulmonary arterial hypertension
- ▶ Revenues FY 2008: CHF 1'474 mn (+12%)
- ▶ Net income FY 2008: CHF 321 mn (+158%)



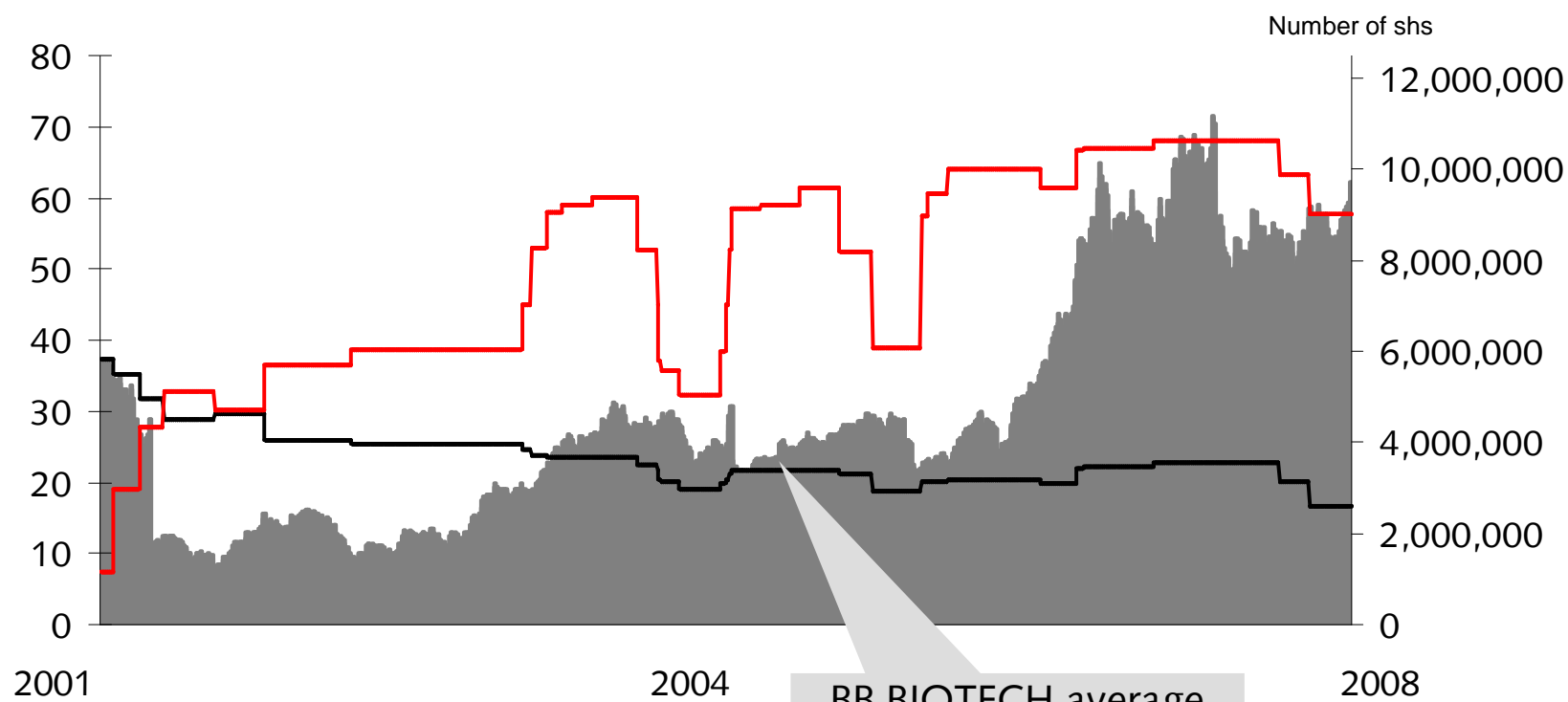
* Net income adjusted
Source: Thomson Datastream



Core position Actelion ACTELION – Long-term profit accumulation

- Stock portfolio
- Average price in CHF
- Share price in CHF

BB BIOTECH profit on Actelion: CHF 320 mn



Source: Bloomberg, BAM

Core position Actelion

Continuation of a success story

➔ 2009: 5 projects in Phase III

- Almorexant (RESTORA-1, Phase III)
- Actelion-1 (SERAPHIN, Phase III)
- Bosentan (BUILD-3, Phase III)
- Clazosentan (CONSCIOUS-2, Phase III)
- Ventavis (POWER-15, Phase III)
- Renin Inhibitor (Phase II, Merck)
- S1P1 (Phase II, Roche)
- CRTH2 (Phase II)



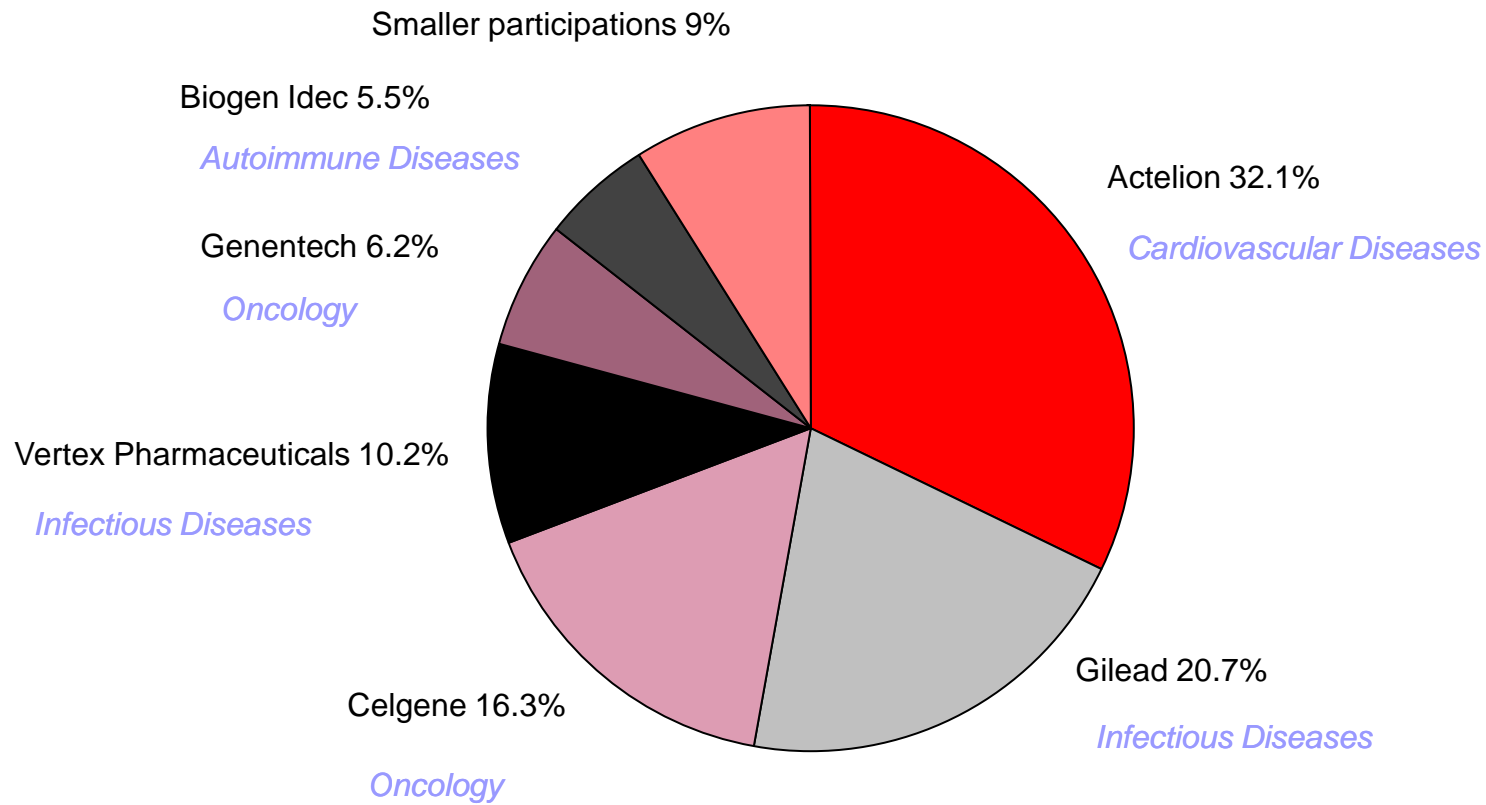
➔ Actelion – Glaxo Deal (Almorexant)

- Milestones: U\$ 150mn up-front, up to U\$ 415mn additional payments, max of U\$ 3.5bn
- Shared costs 60:40 ATLN:GSK
- Co-marketing deal

➔ Co-operation with Roche

- S1P1-Receptor agonist in Phase II for diverse autoimmune diseases
- U\$ 75mn up-front payments
- U\$ 555mn milestone – payments approx 55% royalties

At a glance Portfolio as of December 31st 2008



At a glance Significant outperformance

Performance*:	since Nov 93	2008	YTD
▶ BBBIOTECH NAV in USD:	+ 447.8%	+10.1%	-10.0%
	+207.1%	+22.7%	-4.8%
▶ Nasdaq Biotechnology Index:	+ 240.7%	-12.6%	-5.2%

136 members, capital weighted

* as of 24.03.2009

Why now?



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>Q3 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>Q2 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>H2 2009</p> <p>2009</p>
<ul style="list-style-type: none"> ▶ Roche takes over Genentech for 47 bn ▶ Avastin in adjuvant colon cancer study NSABP-C08 	<p>Finalized</p> <p>Phase III</p>	<p>March 2009</p> <p>April 2009</p>
<ul style="list-style-type: none"> ▶ Telaprevir PROVE-3 	<p>Phase III</p>	<p>H2 2009</p>

Why now? Attractive growth at historic low valuations

US

	<u>Price</u> 24-Mrz-09	<u>Market Cap (\$bn)</u>	<u>2009E PE</u>	<u>EPS 09-12E Growth</u>	<u>09-12E PEG</u>	<u>2009E Revenue (\$mn)</u>
Celgene	48.0	22.1	20.5	30%	0.7	2'837
Genentech	94.3	99.3	29.3	18%	1.6	13'915
Gilead	45.7	41.6	17.0	18%	0.9	6'502
Average		54.3	22.3	22%	1.0	7'751

Europe

	<u>Price (CHF)</u> 24-Mrz-09	<u>Market Cap (\$bn)</u>	<u>2009E PE</u>	<u>EPS 09-12E Growth</u>	<u>09-12E PEG</u>	<u>2009E Revenue (\$mn)</u>
Actelion*	51.1	5.7	13.1	19%	0.7	1'530

US and Europe

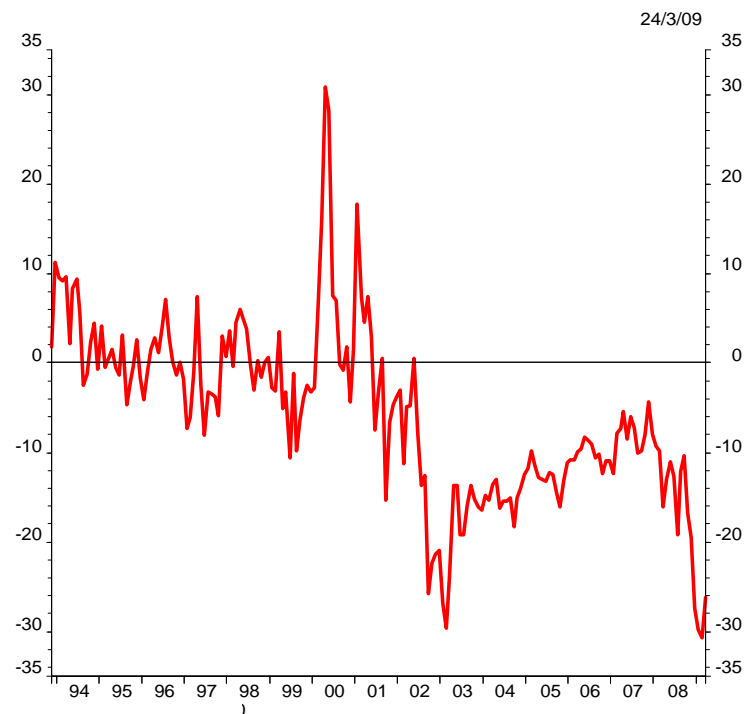
	<u>2009E PE</u>	<u>EPS 09-12E Growth</u>	<u>09-12E PEG</u>
Average	20.0	21%	0.9

* revenues adj in US\$

Why now?

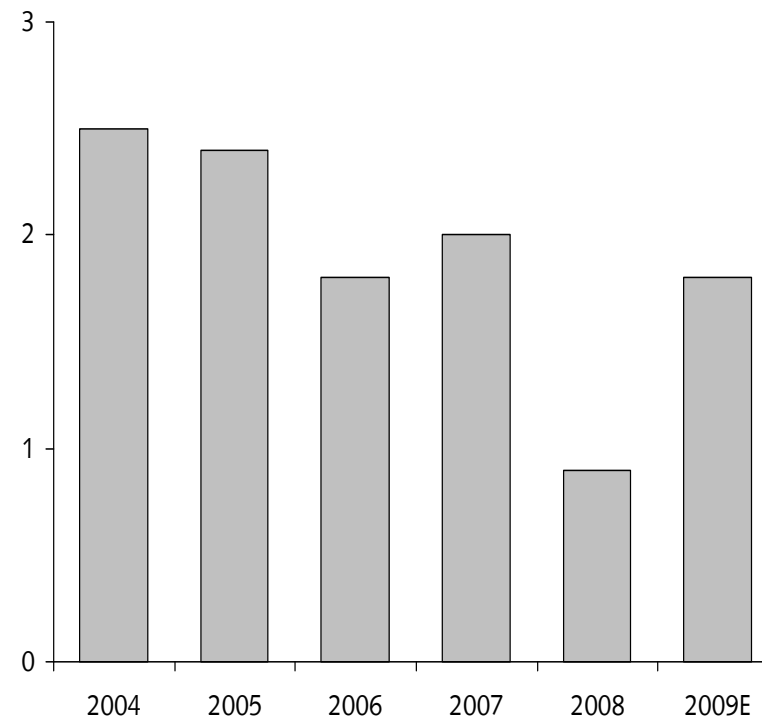
Premium / Discount: Improving sector sentiment

BB BIOTECH premium / discount since 1993



BB BIOTECH Dividend

In CHF



Source: Thomson Datastream

Summary

- ▶ Attractive valuation, dynamic growth
- ▶ Strong news flow – e.g. clinical data / approvals
- ▶ Growth of Biotechnology will continue in economically difficult environment
- ▶ Long-term track record of BB BIOTECH

DEFENSIVE GROWTH EXPOSURE & ATTRACTIVE VALUATIONS

Contact

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AONFN3

Bloomberg:

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

Compensation scheme



BBBIOTECH

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.)

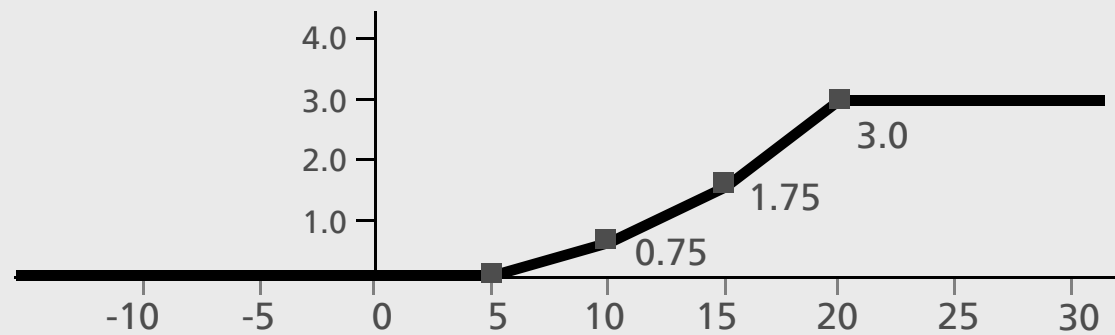
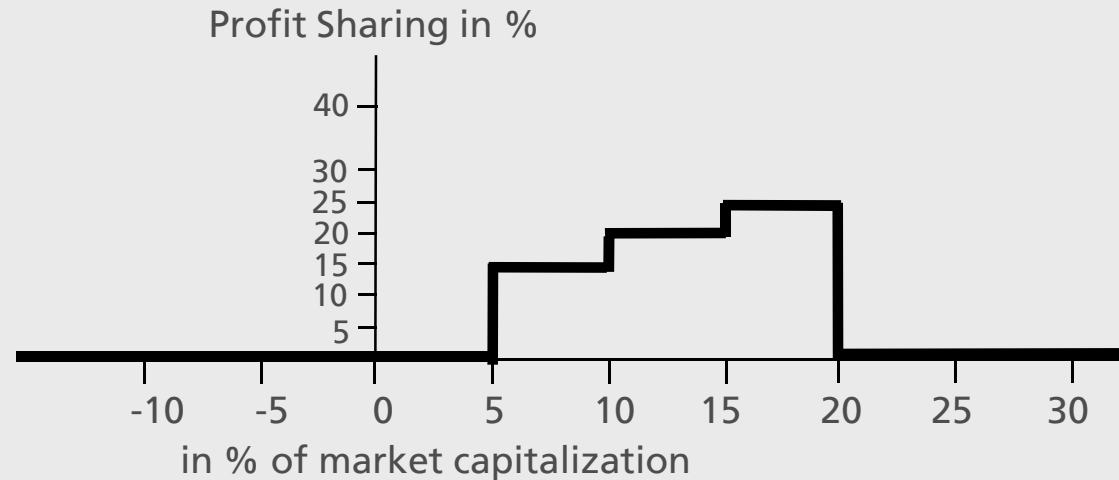
B) Board

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

Conclusion: Parallel Incentives

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Compensation scheme* - performance fee



* simplified, only for Asset Manager

Performance in % p.a.

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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

