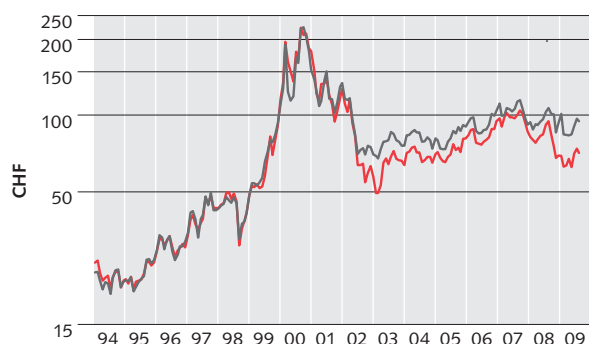


BBBIOTECH

Quarterly Report
as at September 30, 2009

Commitment to performance

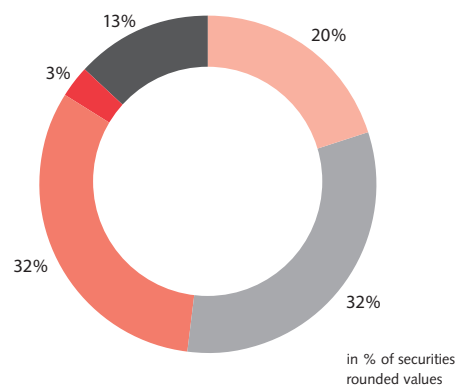
SHARE PRICE TREND SINCE FOUNDATION



■ BB BIOTECH ■ BB BIOTECH Net Asset Value

Source: Datastream, 09/30/2009

PORTFOLIO BY SECTORS AS AT 09/30/2009



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

PERFORMANCE (adjusted for dividends)

As at 09/30/2009	YTD	3Y	5Y	11/15/1993
Switzerland	+16.8%	+1.2%	+30%	+283%
Germany	+15.4%	+6.7%	+34%	N.A.
Italy	+20.1%	+6.9%	+34%	N.A.

MULTI-YEAR COMPARISON BB BIOTECH

	12 months	2008	2007	2006	2005
Market capitalization at the end of the period (in CHF mn)	1 420.6	1 392.2	1 924.9	2 241.8	2 068.9
Net Asset Value at the end of the period (in CHF mn)	1 607.5	1 505.2	1 767.2	2 252.9	2 279.9
Number of shares (in mn)	18.2	20.3	22.5	23.9	25.7
Trading volume (in CHF mn p.a.)	1 057.8	1 640.4	3 326.8	1 972.2	1 919.6
Profit/(loss) (in CHF mn)	(16.7)	45.4	(265.4)	297.4	318.0
Closing price at the end of the period in CHF	77.95	68.75	85.55	93.80	80.50
Closing price (D) at the end of the period in EUR	51.42	45.88	51.35	57.73	51.64
Closing price (I) at the end of the period in EUR	51.46	44.19	51.71	57.64	51.58
Stock performance (incl. dividend)	(3.8%)	(18.7%)	(6.8%)	19.1%	19.5%
High/low share price in CHF	83.50/56.65	94.00/59.80	107.00/83.85	93.80/71.20	82.35/64.70
High/low share price in EUR	53.84/38.06	58.80/38.06	64.19/50.31	58.00/45.71	53.00/41.51
Premium/(discount) (annual average)	(24.0%)	(14.2%)	(7.5%)	(10.3%)	(12.7%)
Dividend in CHF	N.A.	1.80	0.90	2.00	1.80
Degree of investment (quarterly figures)	99.2%	110.3%	116.0%	110.8%	98.8%
Total Expense Ratio (TER) p.a.	0.77%	0.83%	1.61%	0.71%	0.64%
– of which Performance-related remuneration	0.00%	0.00%	0.85%	0.00%	0.00%

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David Baltimore, Clive Meanwell, Thomas Szucs

Dear shareholders

During the third quarter 2009, BB BIOTECH's portfolio companies achieved a positive performance in line with the broad biotechnology index, with the Net Asset Value (NAV) increasing by 7.2% in CHF. BB BIOTECH's share price closed the quarter at CHF 77.95, up 12.2% compared to the second quarter 2009. In Germany, it closed at EUR 51.42, up 10.6% compared to the previous quarter. The difference between the share price and the Net Asset Value of BB BIOTECH decreased at the end of the third quarter to 19.2% down from 22.8% at the end of second quarter. We will continue our measures to control the discount between the share price and Net Asset Value and as such we have initiated the sixth share buyback program in September.

BB BIOTECH's core positions, Actelion, Celgene, Gilead and Vertex, progressed in line with our assumptions. Actelion delivered continued strong growth of its PAH franchise with the US FDA broadening the Tracleer label to include treatment for less advanced PAH patients. Clinical data for Almorexant, a potential new therapy for insomnia, is the key milestone for the company by year end.

Celgene announced that a Phase III trial testing its flagship product, Revlimid, for the treatment of patients with newly diagnosed multiple myeloma ineligible for stem cell transplantation, was stopped early as it met its primary efficacy end point at the first interim analysis. The positive results should allow Celgene to expand the label for Revlimid, currently approved only for relapsed/refractory multiple myeloma patients, to the first-line setting, increasing the sales potential for Revlimid.

Gilead reported positive earnings numbers, driven by continued strength of its HIV products Atripla and Truvada. The company announced a collaboration with Johnson & Johnson (Tibotec) to develop a fixed-dose combination of Truvada with Tibotec's non-nucleoside reverse transcriptase inhibitor (NNRTI) TMC278. We believe this has the potential to replace Sustiva, the NNRTI component of Atripla. A successful launch could solidify Gilead's leading position in HIV therapy and could boost Gilead's earnings.

At the American Association for the Study of Liver Disease meeting in November, we expect Vertex to present results from a Phase II trial with Telaprevir, its protease inhibitor for HCV. The study is comparing twice-daily dosing to three-times-daily dosing (already shown to be highly effective in Phase II trials) and we expect the cure rate between the two regimens to be comparable, providing a further advantage to patients. We also expect data on several early stage protease inhibitors in development from competitor companies. While one or more of these agents could be successful in the clinic, we believe the safety hurdle is high and they would come to market several years behind Telaprevir, which we expect to launch in 2011.

BB BIOTECH has initiated two new investment positions with Genzyme and Micromet. Genzyme is progressing well to resolve its manufacturing problems for its key product Cerezyme, approved for the treatment of a rare genetic lysosomal storage disorder called Gaucher's Disease. BB BIOTECH participated in the capital increase of Micromet. Micromet's lead clinical program is a bi-specific single-chain antibody targeting CD19 BiTE® for the treatment of lymphoma. Positive clinical data support the bi-specific antibody platform of Micromet. The positions in Rigel and The Medicines Company were sold, with BB BIOTECH realizing a significant gain on The Medicines Company of around CHF 109 mn over the entire investment period.

BB BIOTECH initiated its sixth share buyback program on September 16, 2009, acquiring 113 500 shares until the end of the third quarter. The shareholders confirmed the resolution of a sixth share buyback program at the extraordinary general assembly on July 6, 2009 to repurchase and cancel up to 1.8225 million of BB BIOTECH's registered shares, corresponding to 10% of total share capital. The reduction in the number of outstanding registered shares will increase earnings per share and should also reduce the discount between the market price and the reported Net Asset Value.

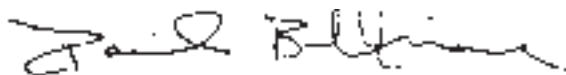
The ongoing debate on US healthcare reform is advancing with the uncertainty still weighing on the share performance of many healthcare companies. We think BB BIOTECH's portfolio is well balanced regarding possible healthcare reform risks towards potential changes to the portfolio companies' revenues and profits. Innovative and effective medicines will continue to achieve good pricing as well as reimbursement in the Western world, even in a cost conscious environment.

We thank you for your ongoing support.

The Board of Directors of BB BIOTECH AG



Prof. Dr med. Thomas Szucs, Chairman



Prof. Dr David Baltimore



Dr Clive Meanwell



Commitment to performance

The investment company BB BIOTECH focuses on participations in listed, high-growth, profitable biotechnology companies. Most of our participations are already successful on the market or have promising products in Phase III. Our financial involvement gives promising smaller companies the capital they need to advance their research projects – and targets a doubling of BB BIOTECH's share price in a four-year period. We interact with management to discuss corporate strategy and the research pipeline. This process of dialog identifies the potential involved. Apart from the overall economic situation, the ultimate success of an investment company stands and falls with the performance of the Board of Directors and the management team. BB BIOTECH is backed by an experienced team with interdisciplinary skills.

Alongside expertise, attitude is the main factor that determines success. Intermanagement cooperation works only if day to day working life is inspired by a passion for the job. The academic know-how, long experience and passion for all aspects of medicine, biochemistry and economics shared by all team members generate a stimulating interdisciplinary exchange of thoughts within the team as well as with external partners such as doctors, scientists and research analysts. The detailed financial models of BB BIOTECH and the focus on the biotech sector form the basis for sustainable above-average performance.

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 business conducted by of our holdings, i.e. in addition to purely key financial ratios, also of the prevailing competitive environment, the innovation pipeline, the portfolio of patents and the perception of products and services by end customers, to name but a few further aspects. In the process, we assign a great deal of importance to in-depth expertise.

The target portfolio of BB BIOTECH consists of approx. 20 to 30 holdings, no more than five of which account for more than 10% of equity and the largest of which should not exceed 25%. In the process, we deliberately decline to choose a portfolio structure of statistical relevance as we attach importance to the depth of sector and company expertise and seek personal access to the management of our equity interests.

In the course of selecting its holdings, BB BIOTECH relies on the well established experience of its management 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. This potential is based on innovative power, new products for serious illnesses and outstanding management.

Before making a positive investment decision, intensive contact is established with the management, since we are convinced that an outstanding performance can only be achieved with a strong management. After being incorporated into BB BIOTECH's portfolio, intense personal contact with members of the management of the relevant holdings is maintained and extended.

This closely knit monitoring of the portfolio companies enables BB BIOTECH to utilize all strategic options on a timely basis, including early disposal of an equity interest when the fundamental situation deteriorates significantly.

Participations as at September 30, 2009

Company	Number of securities	Change since 06/30/2009	Local currency	Share price	Market value in CHF mn	In % of securities	In % of shareholders' equity	In % of company
Actelion	7 677 000	(275 039)	CHF	64.35	494.0	32.1%	30.7%	6.1%
Gilead	5 614 768	(388 850)	USD	46.50	270.8	17.6%	16.8%	0.6%
Celgene	4 364 439	–	USD	55.90	253.0	16.4%	15.7%	1.0%
Vertex Pharmaceuticals	4 784 700	34 700	USD	37.90	188.1	12.2%	11.7%	2.6%
Novo Nordisk	990 000	(10 000)	DKK	318.50	64.3	4.2%	4.0%	0.2%
Zymogenetics	6 000 000	–	USD	6.04	37.6	2.4%	2.3%	8.7%
Biogen Idec	631 800	(100 000)	USD	50.52	33.1	2.2%	2.1%	0.2%
Roche Holding GS	150 000	–	CHF	167.50	25.1	1.6%	1.6%	<0.1%
Roche Holding ADR	100 000	–	USD	40.60	4.2	0.3%	0.3%	<0.1%
Arena Pharmaceuticals	5 431 980	500 000	USD	4.47	25.2	1.6%	1.6%	5.9%
Basilea Pharmaceutica	200 000	25 000	CHF	104.30	20.9	1.4%	1.3%	2.1%
Affymetrix	2 000 000	–	USD	8.78	18.2	1.2%	1.1%	2.8%
Genzyme	306 600	306 600	USD	56.73	18.0	1.2%	1.1%	0.1%
Micromet	2 329 156	2 329 156	USD	6.66	16.1	1.0%	1.0%	3.4%
Optimer Pharmaceuticals	888 099	(60 740)	USD	13.53	12.5	0.8%	0.8%	2.7%
Elan	1 500 000	–	USD	7.11	11.1	0.7%	0.7%	0.3%
NicOx	500 000	(500 000)	EUR	8.89	6.7	0.4%	0.4%	1.0%
Incyte	947 166	–	USD	6.75	6.6	0.4%	0.4%	0.8%
Epigenomics	945 000	–	EUR	2.95	4.2	0.3%	0.3%	3.2%
BioXell	487 194	–	CHF	6.70	3.3	0.2%	0.2%	9.1%
Keryx Biopharmaceuticals	801 811	(137 500)	USD	2.34	1.9	0.1%	0.1%	1.7%
Clinuvel	1 296 006	(1 927 353)	AUD	0.34	0.4	<0.1%	<0.1%	0.4%
3% Convertible Bond Deutsche Bank London -05/18/2012 ¹⁾	3 525 730	–	CHF	77.25	2.7	0.2%	0.2%	
Total					1 518.0	98.6%	94.4%	
Derivative instruments								
Biogen Idec call option (short)	(150 000)	50 000	USD	1.93	(0.3)	<(0.1%)	<(0.1%)	
Basilea put option (short)	(25 000)	–	CHF	0.00	<(0.1)	<(0.1%)	<(0.1%)	
USD / CHF put option (long)	400 000 000	–	CHF	0.05	20.0	1.3%	1.2%	
USD / CHF call option (short)	(400 000 000)	–	CHF	0.00	<(0.1)	<(0.1%)	<(0.1%)	
SWAP agreement on treasury shares	1	–	CHF		1.8	0.1%	0.1%	
Total securities					1 539.5	100.0%	95.8%	
Liquid funds (net)					52.8		3.3%	
Other assets					18.7		1.2%	
Other payables					(3.5)		(0.2%)	
Total					1 607.5		100.0%	
BB BIOTECH registered shares ²⁾	1 566 774	(11 503)			122.2			8.6%
Total					1 729.7			

1) Convertible into registered shares BB Biotech AG

2) Correspond to the total of all own shares held in Switzerland, Germany and Italy including the second trading line.

Exchange rates as at 09/30/2009:

USD / CHF: 1.037150

EUR / CHF: 1.516550

GBP / CHF: 1.656900

AUD / CHF: 0.913250

DKK / CHF: 20.381500

Consolidated balance sheet

(in CHF 1 000)

Assets	Notes	09/30/2009	12/31/2008	Liabilities and shareholders' equity	Notes	09/30/2009	12/31/2008
Current assets				Current liabilities			
Liquid funds		52 849	12 454	Payables to brokers		1 508	–
Receivables from brokers		4 267	1	Securities short	4	309	977
Marketable securities	4	1 539 797	1 588 294	Other short-term liabilities		1 250	7 366
Other assets		5 554	5 465	Tax accrual		757	207
				Convertible bond	11	–	100 070
				Liability from options	11	–	5 747
		1 602 467	1 606 214			3 824	114 367
						3 824	114 367
Fixed assets				Shareholders' equity			
Other assets		8 890	12 962	Share capital	5	18 225	20 250
				Treasury shares	5	(121 702)	(335 995)
				Additional paid-in capital		453 106	643 070
				Retained earnings		1 257 904	1 177 484
		8 890	12 962			1 607 533	1 504 809
Total assets	7	1 611 357	1 619 176	Total liabilities and shareholders' equity		1 611 357	1 619 176
Net asset value per share in CHF		96.50	92.16				

The selected explanatory notes on pages 12 to 17 are an integral part of these consolidated interim financial statements.

On October 13, 2009, BB BIOTECH AG's Board of Directors approved these consolidated interim financial statements.

**Consolidated statement of comprehensive income
for the period ended September 30**

(in CHF 1 000)

	Notes	01/01/–09/30/2009	01/01/–09/30/2008*	07/01/–09/30/2009*	07/01/–09/30/2008*
Operating income					
Gains from marketable securities	4	121 272	193 129	114 177	83 848
Interest income		168	167	30	58
Dividend income		866	895	7	–
Foreign exchange gains net		1 203	–	–	106
Other income		69	12	–	–
		123 578	194 203	114 214	84 012
Operating expenses					
Interest expenses		4 270	9 046	1 370	2 523
Foreign exchange losses net		–	2 374	523	–
Administrative expenses	6	4 362	5 636	1 583	1 882
Other expenses		4 096	4 968	1 228	1 471
		12 728	22 024	4 704	5 876
Operating income before tax	7	110 850	172 179	109 510	78 136
Tax expenses		(765)	(21)	(750)	–
Net gain for the period		110 085	172 158	108 760	78 136
Total comprehensive income for the period		110 085	172 158	108 760	78 136
Gain and diluted gain per share in CHF		6.64	9.59		
Average outstanding shares		16 580 141	17 948 120		

* not reviewed

The selected explanatory notes on pages 12 to 17 are an integral part of these consolidated interim financial statements.

**Consolidated statement of changes in equity
for the period ended September 30**

(in CHF 1 000)

	Share capital	Treasury shares	Additional paid-in capital	Retained earnings	Total
Balances at January 1, 2008	22 500	(257 479)	853 536	1 148 598	1 767 155
Dividend	–	–	–	(16 467)	(16 467)
Capital reduction	(2 250)	189 364	(187 114)	–	–
Trade with treasury shares (incl. balance change)	–	(253 567)	(20 987)	–	(274 554)
Liability from options	–	–	1 051	–	1 051
Total comprehensive income for the period	–	–	–	172 158	172 158
Balances at September 30, 2008*	20 250	(321 682)	646 486	1 304 289	1 649 343
Balances at January 1, 2009	20 250	(335 995)	643 070	1 177 484	1 504 809
Dividend	–	–	–	(29 665)	(29 665)
Capital reduction	(2 025)	169 521	(167 496)	–	–
Trade with treasury shares (incl. balance change)	–	44 772	(22 468)	–	22 304
Total comprehensive income for the period	–	–	–	110 085	110 085
Balances at September 30, 2009	18 225	(121 702)	453 106	1 257 904	1 607 533

* not reviewed

The selected explanatory notes on pages 12 to 17 are an integral part of these consolidated interim financial statements.

**Consolidated statement of cash flow
for the period ended September 30**

(in CHF 1 000)

	Notes	01/01/–09/30/2009	01/01/–09/30/2008*
Cash flows from operating activities			
Proceeds from sales of securities	4	333 596	612 735
Purchase of securities	4	(164 908)	(171 754)
Dividend receipts		866	895
Interest receipts		172	163
Interest payments		(85)	(3 082)
Payments for services		(8 123)	(11 252)
Taxes paid		(216)	(56)
Total cash flows from operating activities		161 302	427 649
Cash flows from financing activities			
Dividend payment		(29 665)	(16 467)
Interest payment convertible bond BB BIOTECH		(6 738)	(7 000)
Proceeds from sales of treasury shares and derivatives on treasury shares		53 279	90 941
Purchase of treasury shares and derivatives on treasury shares		(38 986)	(359 676)
(Repayment)/borrowing of loans		–	(133 780)
Repayment convertible bond BB BIOTECH		(100 000)	–
Total cash flows from financing activities		(122 110)	(425 982)
Foreign exchange difference		1 203	(2 374)
Increase/(decrease) in cash and cash equivalents		40 395	(707)
Cash and cash equivalents at the beginning of the year		12 454	10 873
Cash and cash equivalents at the end of the period		52 849	10 166
Liquid funds		52 849	10 166
Cash and cash equivalents at the end of the period		52 849	10 166

* not reviewed

The selected explanatory notes on pages 12 to 17 are an integral part of these consolidated interim financial statements.

1. The Company and its principal activity

BB BIOTECH AG (the Company) is listed on the SIX Swiss Exchange, in the "Prime Standard Segment" of the German Exchange as well as in the "Star Segment" of the Italian Exchange and has its registered office in Schaffhausen, Vordergasse 3. Its principal activity is to invest in companies active in the biotechnology industry. The investments are held through its wholly owned subsidiaries.

Company	Capital in CHF 1 000	Interest in capital in %
BIOTECH FOCUS N.V., Curaçao	11	100
BIOTECH INVEST N.V., Curaçao	11	100
BIOTECH TARGET N.V., Curaçao	11	100
BIOTECH GROWTH N.V., Curaçao	11	100

2. Accounting policies

The consolidated interim financial statements of the Company and its subsidiary companies (the Group) have been prepared in accordance with International Accounting Standards (IAS) 34 "Interim Financial Reporting," as well as the provisions of the rules of the SIX Swiss Exchange for Investment Companies and should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2008. The preparation of the consolidated interim financial statements requires management to make assumptions and estimates that have an impact on the balance sheet values and items of the income statement in the current financial period. In certain circumstances, the actual values may diverge from these estimates.

The consolidated interim financial statements have been prepared in accordance with the accounting policies set out in the consolidated annual financial statements, except for accounting policy changes made after the date of the annual consolidated financial statements.

The following new standards and interpretations, valid since January 1, 2009, have been applied in these consolidated interim financial statements:

- IFRS 2 (revised, effective January 1, 2009) – Share-based payments
- IFRS 3 (revised, effective July 1, 2009) – Business combinations
- IFRS 5 (revised, effective July 1, 2009) – Non-current assets held-for-sale and discontinued operations
- IFRS 7 (revised, effective January 1, 2009) – Financial instruments: Disclosure
- IFRS 8 (effective January 1, 2009) – Operating segments
- IAS 1 (revised, effective January 1, 2009) – Presentation of financial statements
- IAS 16 (revised, effective January 1, 2009) – Property, plant and equipment
- IAS 19 (revised, effective January 1, 2009) – Employee benefits
- IAS 20 (revised, effective January 1, 2009) – Accounting for government grants and disclosure of government grants
- IAS 23 (revised, effective January 1, 2009) – Borrowing costs
- IAS 27 (revised, effective July 1, 2009) – Consolidated and separate financial statements

- IAS 28 (revised, effective January 1, 2009) – Investments in associates, and consequential amendments to IAS 32 – Financial instruments: Presentation and IFRS 7 – Financial instruments: Disclosures
- IAS 29 (revised, effective January 1, 2009) – Financial reporting in hyperinflationary economies
- IAS 31 (revised, effective January 1, 2009) – Interests in joint ventures
- IAS 32 (revised, effective January 1, 2009) – Financial instruments: Presentation
- IAS 36 (revised, effective January 1, 2009) – Impairment of assets
- IAS 38 (revised, effective January 1, 2009) – Intangible assets
- IAS 39 (revised, effective January 1, 2009) – Financial instruments: Recognition and measurement
- IAS 40 (revised, effective January 1, 2009) – Investment property and consequential amendments to IAS 16
- IAS 41 (revised, effective January 1, 2009) – Agriculture
- IFRIC 13 (effective July 1, 2008) – Customer loyalty programs
- IFRIC 15 (effective January 1, 2009) – Agreements for the construction of real estate
- IFRIC 16 (effective October 1, 2008) – Hedges of a net investment in a foreign operation

There are no effects and changes in the accounting policies due to the adoption of above mentioned standards and interpretations.

The following standards, interpretations and amendments to published standards were approved, but will only be applicable for the Group on or after January 1, 2010, and were not early adopted in these consolidated interim financial statements:

- IFRS 1 (amended, effective July 1, 2009) – First time adoption of IFRS and IAS 27 (revised) – Consolidated and separate financial statements
- IAS 39 (amended, effective July 1, 2009) – Financial instruments, “Eligible hedged items”
- IFRIC 17 (effective July 1, 2009) – Distributions of non-cash to owners
- IFRIC 18 (effective July 1, 2009) – Transfers of assets from customers

The Group assessed the impact of the above mentioned new or revised standards and interpretations and concluded that there are no substantial effects and changes in the accounting policies due to the adoption of the standards and interpretations.

3. Financial risk management

The Group holds assets denominated in currencies other than the Swiss Franc, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. Since January 1, 2009, the Group uses foreign currency options to reduce the currency risk.

4. Marketable securities

A detailed breakdown of the securities held on September 30, 2009, can be found on page 7.

Change in value by investment category from January 1, 2009 to September 30, 2009

(incl. securities short, in CHF 1 000)

	Listed shares	Bonds	Derivative instruments	Total
Opening balance as at 01/01/2009 at fair values	1 586 880	–	438	1 587 317
Purchases	148 725	2 226	13 958	164 908
Sales	(314 025)	–	(19 983)	(334 009)
Reclassification ¹⁾	(691)	–	691	–
Realized gains	28 568	–	7 008	35 577
Realized losses	(10 948)	–	(1 080)	(12 028)
Unrealized gains	124 147	498	20 417	145 062
Unrealized losses	(47 339)	–	–	(47 339)
Net gains from marketable securities	93 737	498	27 037	121 272
Closing balance as at 09/30/2009 at fair values	1 515 316	2 724	21 448	1 539 488

1) Exercise (250 000) call options Genentech, USD 89, 03/20/2009, 1:1
Exercise (196 600) call options Vertex, USD 36, 07/31/2009, 1:1

5. Shareholders' equity

The share capital of the Company consists of 18.23 mn fully paid registered shares (December 31, 2008: 20.25 mn) with a par value of CHF 1 each (December 31, 2008: CHF 1).

From January 1, 2009, through September 30, 2009, 505 145 shares were purchased at an average price of CHF 68.78 and 835 788 shares were sold at an average price of CHF 68.36.

As at September 30, 2009, there exists an authorized capital of CHF 9.1 mn (December 31, 2008: CHF 10.6 mn) as well as a conditional capital of CHF 9.1 mn (December 31, 2008: CHF 10.6 mn). The conditional capital consists of a tranche of CHF 4.55 mn in order to the exercise of option bond rights and a tranche of CHF 4.55 mn in order to the exercise of convertible and option bond rights granted in the past or in future in connection with bond obligations or other financial market instruments of the Company.

At the General Shareholders' Meeting held March 30, 2009, a resolution was approved to reduce the Company's share capital by CHF 2 025 000 to a current level of CHF 18 225 000. On June 16, 2009, 2 025 000 registered shares at a par value of CHF 2 025 000 were withdrawn from the commercial register; the capital reduction has thus been completed.

Since the Company's treasury shares are already deducted from shareholders' equity at the time of redemption in accordance with the International Financial Reporting Standards (IFRS), the capital reduction will have no impact whatsoever on the net asset value of the Group.

6. Administrative expenses

(in CHF 1 000)

Administrative expenses comprise the following:

	01/01/–09/30/2009	01/01/–09/30/2008*
Fund manager		
– Fixed fees portion	3 942	5 091
Board of Directors remuneration		
– Fixed fees portion	394	509
– Social security employer's contribution	26	36
	4 362	5 636

* not reviewed

The remuneration model of BB BIOTECH AG ensures that the interests of the shareholders, the asset manager and the Board of Directors are all the same. Remuneration therefore depends on the share price and is made up of a flat fee component and a performance-related fee component. The Board of Directors receives remuneration in an amount of 10% of the remuneration of the fees paid to the asset manager.

For the end of the next quarter (December 31, 2009) the hurdle rates for payment of a performance-related fee will be as follows:

- 70.1% of the shares: CHF 112.49
- 14.4% of the shares: CHF 115.00
- 3.6% of the shares: CHF 119.17
- 6.1% of the shares: CHF 259.46
- 5.8% of the shares: CHF 267.23

On March 30, 2009, a resolution was passed at the General Shareholders' Meeting to pay out a dividend of CHF 1.80 per registered share; the payout in question was made on March 31, 2009. Subsequently, the levels at which performance-related compensation is to be paid were also adjusted downward by CHF 1.80 as at March 31, 2009.

7. Segment information

(in CHF 1 000)

The Group has one business segment only, namely the holding of investments in companies active in the biotechnology industry.

The geographical analysis of assets is as follows:

Assets	09/30/2009	12/31/2008
USA	881 286	998 189
Switzerland	629 519	589 773
Denmark	64 266	–
Germany	12 010	6 951
Ireland	11 061	9 629
France	6 738	11 594
Italy	3 264	3 040
Great Britain	2 817	–
Australia	396	–
	1 611 357	1 619 176

The geographical analysis of operating income before tax is as follows:

Operating income before tax	01/01/–09/30/2009	01/01/–09/30/2008*
USA	52 232	155 637
Switzerland	50 478	37 404
Denmark	11 807	–
France	2 190	(6 225)
Ireland	1 433	(22 141)
Great Britain	498	6 394
Australia	482	–
Italy	(51)	(10 799)
Germany	(3 070)	18 379
Curaçao	(5 149)	(6 470)
	110 850	172 179

* not reviewed

8. Assets pledged

The securities are a collateral for credit lines of CHF 350 mn (December 31, 2008: CHF 250 mn and USD 140 mn). At September 30, 2009, the Group has not claimed any credits (December 31, 2008: ditto).

9. Commitments, contingencies and other off-balance sheet transactions

The Group had no commitments or other off-balance sheet transactions open at September 30, 2009 (December 31, 2008: none).

The operations of the Group are affected by legislative, fiscal and regulatory developments for which provisions are made where deemed necessary. Management concludes that as at September 30, 2009, no proceedings existed which could have any effect on the financial position of the Group (December 31, 2008: none).

10. Significant shareholders

The Board of Directors is not aware of any major shareholders with a holding exceeding 3% of all votes as at September 30, 2009.

11. Partially mandatorily convertible bond issue

On January 6, 2009, the partially mandatorily convertible bond was repaid according to the terms of the prospectus. The repayment was made by paying CHF 100 mn in cash and by delivery of 1 172 304 registered shares BB BIOTECH AG. To cover the delivery commitment, BB BIOTECH AG exercised the outstanding call-options with a strike price of CHF 5.30 (dividend adjusted) on January 6, 2009.

12. Subsequent events

There have been no events subsequent to September 30, 2009, which would affect the consolidated interim financial statements.

**Report on the Review of
condensed consolidated interim financial information
to the Board of Directors of
BB Biotech AG
Schaffhausen**

Introduction

We have reviewed the accompanying condensed consolidated interim financial information (balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flow and selected explanatory notes, pages 8 to 17) of BB Biotech AG for the period ended September 30, 2009. The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Swiss Auditing Standard 910 and International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swiss Auditing Standards and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers AG

Thomas Romer
Audit expert
Auditor in charge

Adrian Keller
Audit expert

Zurich, October 23, 2009

Board of Directors and shareholdings of the Board of Directors

- Prof. Dr med Thomas D. Szucs (2003), Chairman (2004), Switzerland, 1 650 shares (ditto as at June 30, 2009).
- Prof. Dr David Baltimore (1993), Vice Chairman (2004), USA, no shares (ditto as at June 30, 2009).
- Dr Clive Meanwell (2004), USA, no shares (ditto as at June 30, 2009).

Asset Management

The Bellevue Asset Management Group has the mandate for fundamental analysis, portfolio management, marketing and administration of BB BIOTECH.

Auditors

PricewaterhouseCoopers AG, Zurich

A detailed Corporate Governance report is published in the annual report.

Company profile

BB BIOTECH acquires holdings in companies in the biotechnology growth market and is currently one of the world's largest investors in the sector. The focus of the holdings is on quoted companies that are concentrating on the development and marketing of innovative medicines. For the selection of holdings, BB BIOTECH relies on fundamental analysis by physicians and molecular biologists. The Board of Directors has many years of industrial and scientific experience.

Official listing and share structure as at September 30, 2009

Foundation:	November 9, 1993; Schaffhausen, Switzerland
Issue price adj. November 15, 1993:	CHF 23.76
Official listing:	December 27, 1993 in Switzerland, December 10, 1997 in Germany, October 19, 2000 in Italy
Share structure:	CHF 18.23 mn nominal, 18 225 000 registered shares with a par value of CHF 1
Authorized capital:	CHF 9.1 mn
Conditional capital:	CHF 9.1 mn
Shareholders, free float:	Institutional and private investors, 99.3% free float (0.7% treasury shares held on the second trading line)
Security number Switzerland:	3 838 999
Security number in Germany and Italy:	AONFN3
ISIN:	CH0038389992

Corporate calendar 2009/10

Press Release Portfolio as at December 31, 2009:
January 28, 2010, 7.30 AM CET

Annual Report as at December 31, 2009:
PDF: March 4, 2010, 7.30 AM CET
Hardcopy: March 12, 2010, 7.30 AM CET

Annual General Meeting 2010:
March 29, 2010, 4.00 PM CET

Quarterly Report as at March 31, 2010:
April 29, 2010, 7.30 AM CET

Interim Report as at June 30, 2010:
July 29, 2010, 7.30 AM CET

Quarterly Report as at September 30, 2010:
October 28, 2010, 7.30 PM CET

Shareholder information

The Company publishes its net asset value daily via the major stock market information services and on its website www.bbbiotech.com. The portfolio composition is published at least every three months within quarterly reports. In its monthly news, BB BIOTECH announces major events relating to its investments. In addition, we periodically hold information events for shareholders and interested members of the public. Interested? Subscribe to our mailing list by post/fax/telephone or via www.bbbiotech.com.

Quotes and reports

NAV:	in CHF	– Bloomberg: BION SW Equity NAV, BABB – Datastream: S:BINA – Reuters: BABB – Telekurs: BIO resp. 85, BB1 (Investdata) – Finanz & Wirtschaft (CH), M2: 2x weekly	in EUR	– Bloomberg: BBZA GY Equity NAV, BABB – Datastream: D:BBNA – Reuters: BABB – Frankfurter Allgemeine Zeitung (D): 2x weekly
Stock price:	in CHF (SWX)	– Bloomberg: BION SW Equity – Datastream: S:BIO – Reuters: BION.S – Telekurs: BIO	in EUR (Xetra)	– Bloomberg: BBZA GY Equity – Datastream: D:BBZ – Reuters: BION.DE
			in EUR (STAR)	– Bloomberg: BB IM Equity – Datastream: I:BBB – Reuters: BIO.MI

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