U.S. and E.U. Specialty Pharmaceutical Comparable Analysis

July 2010

Bourne Partners

Bourne Capital Partners, LLC
Healthcare Merchant Banking & Financial Advisory
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U.S. Specialty Pharmaceutical Trading Comparables (Small to Mid Cap)

$ in millions, except for per-share amounts

							LTM				2010E				
Company	Ticker	Share Price	Shares Out	Equity Value	Net Debt (Cash)	Enterprise Value	Sales	EBITDA	EBIT	EPS	Sales	EBITDA	2010E EPS	2011E EPS	Book Value
Cumberland Pharmaceuticals, Inc.	NasdaqGS:CPIX	$6.24	20.4	$127.5	($58.5)	$69.0	$44.3	$5.3	$4.5	0.22	$52.9	$7.1	0.18	0.82	$64.3
Jazz Pharmaceuticals, Inc.	NasdaqGM:JAZZ	8.72	38.5	336.1	101.6	437.6	141.5	39.7	30.4	(0.14)	156.7	43.4	0.59	0.98	NM
Questcor Pharmaceuticals, Inc.	NasdaqGM:QCOR	9.61	62.0	596.3	(78.0)	518.2	91.3	41.7	41.3	0.41	118.6	0.0	0.59	0.87	74.3
ViroPharma Inc.	NasdaqGS:VPHM	11.46	77.8	891.8	(231.5)	660.3	340.9	172.2	142.2	0.78	321.7	0.0	0.86	0.24	131.9
Inspire Pharmaceuticals, Inc.	NasdaqGM:ISPH	5.01	82.6	413.8	(75.3)	338.6	99.9	(31.6)	(34.2)	(0.36)	102.2	(52.8)	(0.65)	(0.53)	104.4
Pernix Therapeutics Holdings, Inc.	AMEX:PTX	3.77	24.7	93.0	(12.7)	80.3	29.6	11.1	10.9	0.00	NM	NM	NM	NM	3.9

				Margin Anlysis			Enterprise Value/				P/E			
Company	Ticker	FYE	Data as of	Gross Profit	EBITDA	EBIT	Sales	EBITDA (a)	EBIT (a)	Sales 10E	LTM	2010E	2011E	Price to Book
Cumberland Pharmaceuticals, Inc.	NasdaqGS:CPIX	31-Dec	14-Jul	90.4%	12.0%	10.1%	1.6 x	13.0 x	15.4 x	1.3 x	27.9 x	33.8 x	7.6 x	2.0 x
Jazz Pharmaceuticals, Inc.	NasdaqGM:JAZZ	31-Dec	14-Jul	70.4%	28.1%	21.5%	3.1 x	11.0 x	14.4 x	2.8 x	NM	14.8 x	8.9 x	NM
Questcor Pharmaceuticals, Inc.	NasdaqGM:QCOR	31-Dec	14-Jul	91.8%	45.7%	45.2%	5.7 x	12.4 x	12.6 x	4.4 x	23.6 x	16.3 x	11.0 x	8.0 x
ViroPharma Inc.	NasdaqGS:VPHM	31-Dec	14-Jul	87.6%	50.5%	41.7%	1.9 x	3.8 x	4.6 x	2.1 x	14.7 x	13.4 x	48.2 x	6.8 x
Inspire Pharmaceuticals, Inc.	NasdaqGM:ISPH	31-Dec	14-Jul	39.2%	NM	NM	3.4 x	NM	NM	3.3 x	NM	NM	NM	4.0 x
Pernix Therapeutics Holdings, Inc.	AMEX:PTX	31-Dec	14-Jul	78.3%	37.6%	36.8%	2.7 x	7.2 x	7.4 x	NM	NM	NM	NM	23.9 x

Median	82.9%	37.6%	36.8%	2.9 x	11.0 x	12.6 x	2.8 x	23.6 x	15.5 x	10.0 x	6.8 x
Mean	76.3%	34.8%	31.1%	3.1 x	9.5 x	10.9 x	2.8 x	22.1 x	19.6 x	18.9 x	8.9 x
Min	39.2%	12.0%	10.1%	1.6 x	3.8 x	4.6 x	1.3 x	14.7 x	13.4 x	7.6 x	2.0 x
Max	91.8%	50.5%	45.2%	5.7 x	13.0 x	15.4 x	4.4 x	27.9 x	33.8 x	48.2 x	23.9 x

* All estimates from Capital IQ

NA - not available

NM - not meaningful

U.S. Specialty Pharmaceutical Trading Comparables (Large Cap)

$ in millions, except for per-share amounts

							LTM				2010E				
Company	Ticker	Share Price	Shares Out	Equity Value	Net Debt (Cash)	Enterprise Value	Sales	EBITDA	EBIT	EPS	Sales	EBITDA	2010E EPS	2011E EPS	Book Value
Alcon Inc.	ACL	$156.11	300.2	$46,869.2	($2,951.0)	$43,918.2	$6,727.0	$2,629.0	$2,400.0	4.78	$7,046.2	$2,815.7	7.54	8.36	$4,962.0
Allergan Inc.	AGN	65.12	307.5	20,025.2	(470.5)	19,554.7	4,651.1	1,377.1	1,117.7	2.01	4,780.5	1,608.0	3.15	3.58	1,380.0
Biovail Corporation	BVF	19.24	158.6	3,050.3	217.8	3,268.0	866.7	387.4	224.8	0.74	862.6	356.4	1.18	1.23	(53.1)
Forest Laboratories Inc.	FRX	28.44	288.0	8,191.5	(3,322.3)	4,869.2	4,157.4	1,025.7	949.2	2.03	4,297.3	1,419.2	3.63	3.95	4,408.2
King Pharmaceuticals Inc.	KG	8.33	249.6	2,079.4	(160.0)	1,919.4	1,728.3	466.4	247.6	0.56	1,484.0	385.4	0.66	0.71	1,107.6
Medicis Pharmaceutical Corp.	MRX	24.47	60.3	1,475.2	(389.1)	1,086.0	638.6	218.3	189.3	1.47	696.1	248.4	2.10	2.25	374.1
Valeant Pharmaceuticals	VRX	51.51	75.8	3,903.8	447.7	4,351.4	884.5	374.2	285.1	1.60	1,027.7	419.4	2.76	2.95	(294.5)
Warner Chilcott plc	WCRX	23.62	252.2	5,956.2	2,274.1	8,230.4	1,951.1	984.3	549.0	0.83	2,965.5	1,271.0	3.39	3.78	(2,473.9)

				Margin Anlysis			Enterprise Value/				P/E			
Company	Ticker	FYE	Data as of	Gross Profit	EBITDA	EBIT	Sales	EBITDA (a)	EBIT (a)	Sales 10E	LTM	2010E	2011E	Price to Book
Alcon Inc.	ACL	31-Dec	14-Jul	75.4%	39.1%	35.7%	6.5 x	16.7 x	18.3 x	6.2 x	32.7 x	20.7 x	18.7 x	9.4 x
Allergan Inc.	AGN	31-Dec	14-Jul	84.3%	29.6%	24.0%	4.2 x	14.2 x	17.5 x	4.1 x	32.4 x	20.7 x	18.2 x	14.5 x
Biovail Corporation	BVF	31-Dec	14-Jul	73.2%	44.7%	25.9%	3.8 x	8.4 x	14.5 x	3.8 x	25.9 x	16.3 x	15.6 x	NM
Forest Laboratories Inc.	FRX	31-Mar	14-Jul	78.1%	24.7%	22.8%	1.2 x	4.7 x	5.1 x	1.1 x	14.0 x	7.8 x	7.2 x	1.9 x
King Pharmaceuticals Inc.	KG	31-Dec	14-Jul	64.1%	27.0%	14.3%	1.1 x	4.1 x	7.8 x	1.3 x	14.9 x	12.6 x	11.7 x	1.9 x
Medicis Pharmaceutical Corp.	MRX	31-Dec	14-Jul	90.1%	34.2%	29.7%	1.7 x	5.0 x	5.7 x	1.6 x	16.6 x	11.7 x	10.9 x	3.9 x
Valeant Pharmaceuticals	VRX	31-Dec	14-Jul	74.7%	42.3%	32.2%	4.9 x	11.6 x	15.3 x	4.2 x	32.2 x	18.7 x	17.5 x	NM
Warner Chilcott plc	WCRX	31-Dec	14-Jul	84.1%	50.4%	28.1%	4.2 x	8.4 x	15.0 x	2.8 x	28.5 x	7.0 x	6.2 x	NM
			Median	76.8%	36.6%	27.0%	4.0 x	8.4 x	14.8 x	3.3 x	27.2 x	12.6 x	13.7 x	3.9 x
* All estimates from Capital IQ			Mean	78.0%	36.5%	26.6%	3.5 x	9.1 x	12.4 x	3.1 x	24.6 x	13.8 x	13.3 x	6.3 x
NA - not available			Min	64.1%	24.7%	14.3%	1.1 x	4.1 x	5.1 x	1.1 x	14.0 x	7.0 x	6.2 x	1.9 x
NM - not meaningful			Max	90.1%	50.4%	35.7%	6.5 x	16.7 x	18.3 x	6.2 x	32.7 x	20.7 x	18.7 x	14.5 x

E.U. Specialty Pharmaceutical Trading Comparables (Small to Mid Cap)

$ in millions, except for per-share amounts

Company	Ticker	Share Price	Shares Out	Equity Value	Net Debt (Cash)	Enterprise Value	LTM Sales	LTM EBITDA	LTM EBIT	LTM EPS	Book Value
Alliance Pharma plc	AIM:APH	$0.50	232.5	$116.3	$46.9	$163.2	$50.5	$18.4	$18.2	0.05	($45.7)
Faes Farma SA	CATS:FAE	3.54	195.1	690.6	76.8	767.3	270.7	44.1	32.8	0.08	109.2
Orexo AB	OM:ORX	5.72	23.4	133.8	(7.0)	126.8	21.9	(18.6)	(19.4)	(0.37)	73.9
IS Pharma plc	AIM:ISPH	0.96	30.8	29.4	14.7	44.1	21.6	5.7	5.0	0.08	(6.3)
Sanochemia Pharmazeutika AG	XTRA:SAC	3.43	10.2	34.8	21.3	56.1	44.1	5.7	0.1	(0.88)	57.5
Eurand N.V.	NasdaqGM:EURX	9.57	47.9	458.3	(47.8)	410.5	165.7	8.5	(2.4)	(0.05)	112.5

Company	Ticker	FYE	Data as of	Margin Anlysis: Gross Profit	Margin Anlysis: EBITDA	Margin Anlysis: EBIT	Enterprise Value/ Sales	Enterprise Value/ EBITDA (a)	Enterprise Value/ EBIT (a)	Price to Book
Alliance Pharma plc	AIM:APH	31-Dec	14-Jul	58.0%	36.4%	36.0%	3.2 x	8.9 x	9.0 x	NM
Faes Farma SA	CATS:FAE	31-Dec	14-Jul	58.8%	16.3%	12.1%	2.8 x	17.4 x	23.4 x	6.3 x
Orexo AB	OM:ORX	31-Dec	14-Jul	84.5%	NM	NM	5.8 x	NM	NM	1.8 x
IS Pharma plc	AIM:ISPH	31-Mar	14-Jul	61.0%	26.3%	23.3%	2.0 x	7.8 x	8.8 x	NM
Sanochemia Pharmazeutika AG	XTRA:SAC	30-Sep	14-Jul	62.2%	12.8%	0.2%	1.3 x	9.9 x	NM	0.6 x
Eurand N.V.	NasdaqGM:EURX	31-Dec	14-Jul	46.4%	5.1%	NM	2.5 x	NM	NM	4.1 x
			Median	59.9%	16.3%	17.7%	2.7 x	9.4 x	9.0 x	2.9 x
			Mean	61.8%	19.4%	17.9%	2.9 x	11.0 x	13.7 x	3.2 x
			Min	46.4%	5.1%	0.2%	1.3 x	7.8 x	8.8 x	0.6 x
			Max	84.5%	36.4%	36.0%	5.8 x	17.4 x	23.4 x	6.3 x

*Prices converted to USD as of July 14, 2010

* All estimates from Capital IQ

NA - not available

NM - not meaningful

Bourne Partners

E.U. Specialty Pharmaceutical Trading Comparables (Large Cap)

$ in millions, except for per-share amounts

Company	Ticker	Share Price	Shares Out	Equity Value	Net Debt (Cash)	Enterprise Value	LTM Sales	LTM EBITDA	LTM EBIT	LTM EPS	Book Value
Laboratorios Almirall SA	CATS:ALM	$8.84	166.1	$1,468.5	($16.4)	$1,452.1	$1,248.2	$330.1	$243.3	0.88	$185.5
Recordati SpA	CM:REC	7.53	197.7	1,487.7	12.2	1,499.9	1,013.7	276.4	230.6	0.74	169.5
Meda AB	OM:MEDA A	7.67	302.2	2,317.5	1,641.6	3,959.2	1,762.2	602.4	389.7	0.66	(1,928.5)
Shire plc	LSE:SHP	22.40	546.4	12,239.5	486.2	12,725.7	3,006.1	882.2	650.9	0.71	(262.9)
Orion Corp.	HLSE:ORNBV	19.11	141.0	2,695.5	(94.9)	2,600.5	1,076.2	348.9	301.4	1.32	513.8

Company	Ticker	FYE	Data as of	Margin Anlysis: Gross Profit	Margin Anlysis: EBITDA	Margin Anlysis: EBIT	Enterprise Value/ Sales	Enterprise Value/ EBITDA (a)	Enterprise Value/ EBIT (a)	Price to Book
Laboratorios Almirall SA	CATS:ALM	31-Dec	14-Jul	66.5%	26.4%	19.5%	1.2 x	4.4 x	6.0 x	7.9 x
Recordati SpA	CM:REC	31-Dec	14-Jul	68.6%	27.3%	22.7%	1.5 x	5.4 x	6.5 x	8.8 x
Meda AB	OM:MEDA A	31-Dec	14-Jul	65.8%	34.2%	22.1%	2.2 x	6.6 x	10.2 x	NM
Shire plc	LSE:SHP	31-Dec	14-Jul	87.1%	29.3%	21.7%	4.2 x	14.4 x	19.6 x	NM
Orion Corp.	HLSE:ORNBV	31-Dec	14-Jul	65.7%	32.4%	28.0%	2.4 x	7.5 x	8.6 x	5.2 x
			Median	66.5%	29.3%	22.1%	2.2 x	6.6 x	8.6 x	7.9 x
			Mean	70.8%	29.9%	22.8%	2.3 x	7.7 x	10.2 x	7.3 x
			Min	65.7%	26.4%	19.5%	1.2 x	4.4 x	6.0 x	5.2 x
			Max	87.1%	34.2%	28.0%	4.2 x	14.4 x	19.6 x	8.8 x

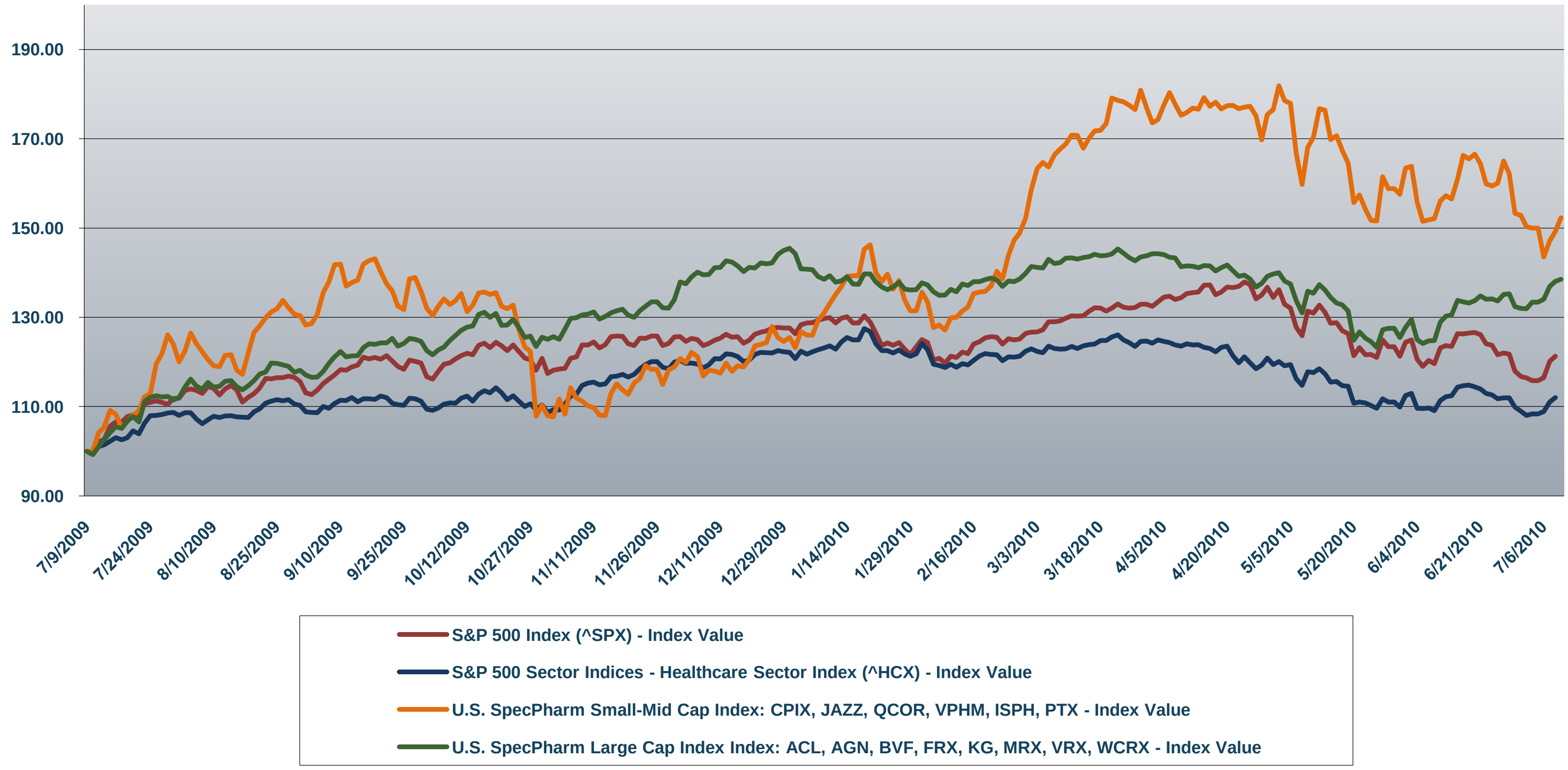
*Prices converted to USD as of July 14, 2010

* All estimates from Capital IQ

NA - not available

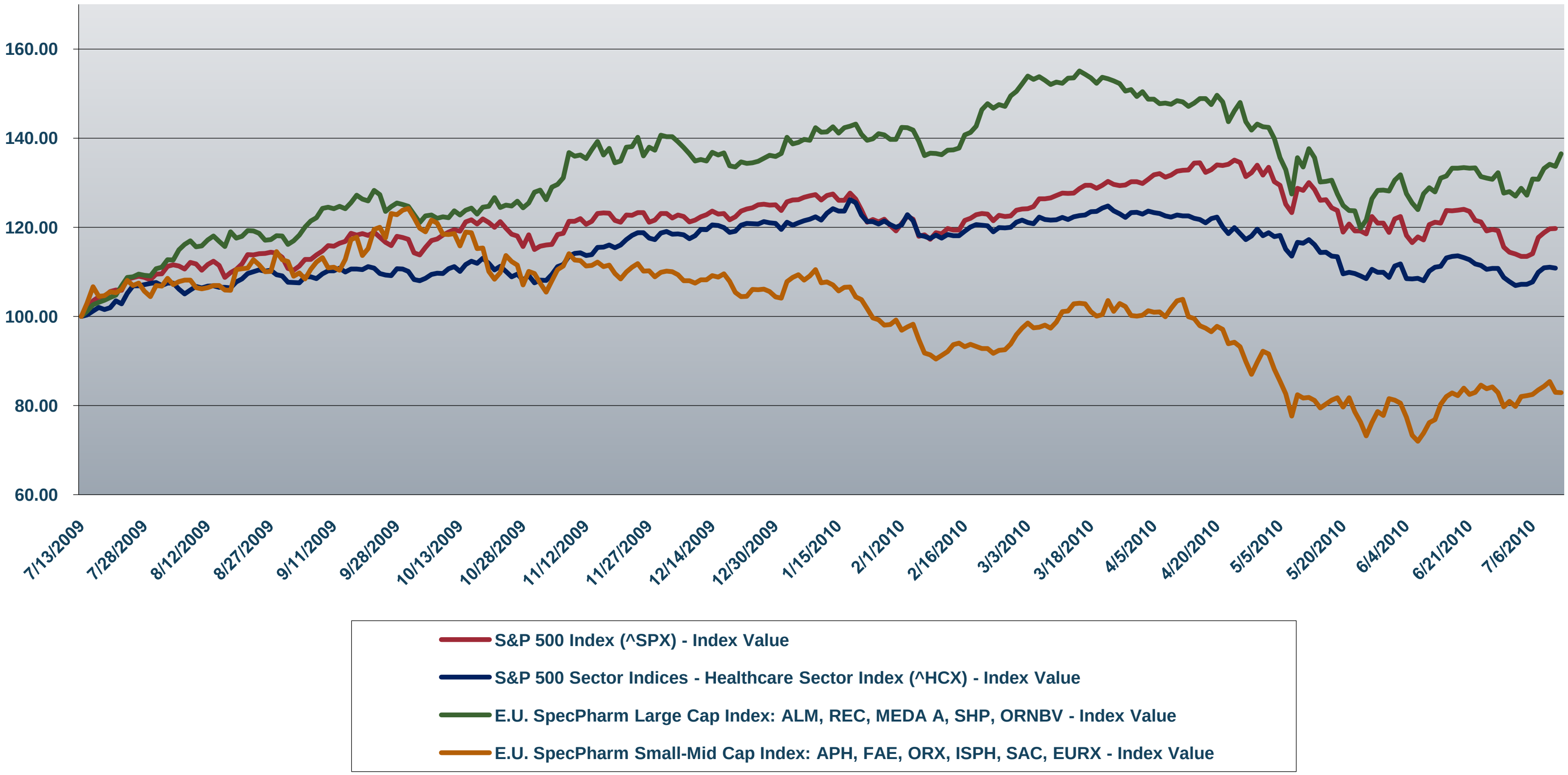
NM - not meaningful

U.S. Publicly Traded Specialty Pharmaceutical Analysis



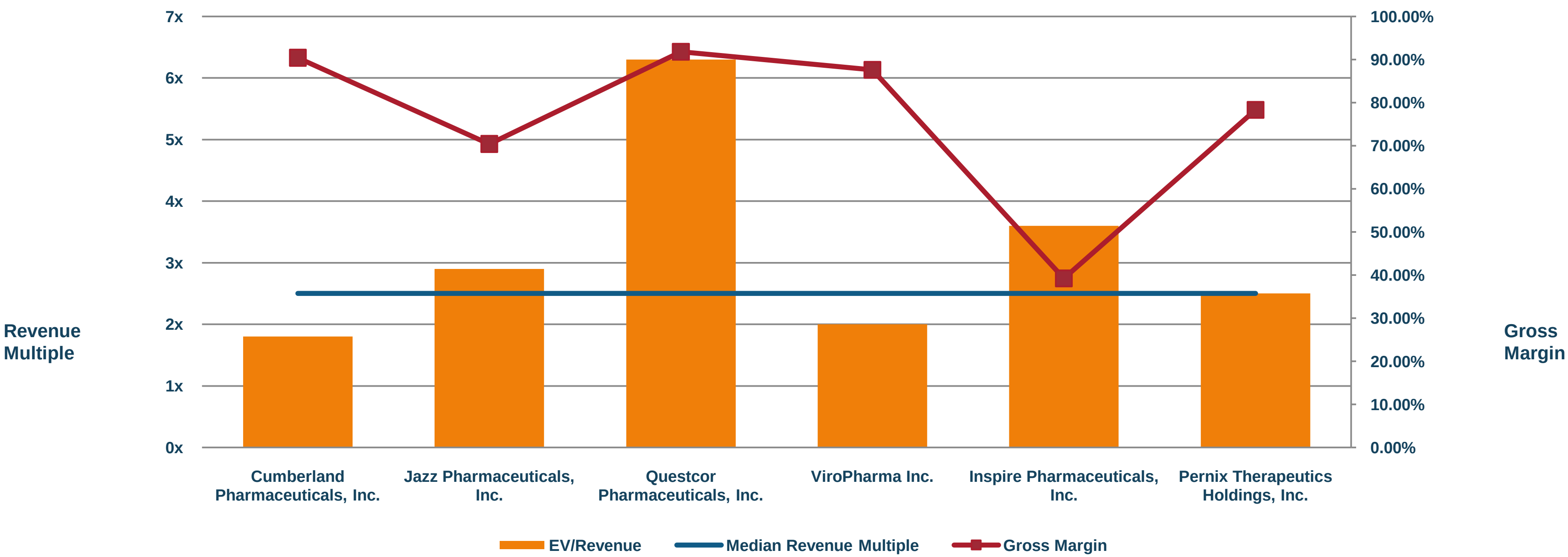
- ➢ While the S&P Healthcare Index has underperformed compared to the S&P 500, both Specialty Pharma indices have far outperformed the S&P 500 over the trailing 12 months

E.U. Publicly Traded Specialty Pharmaceutical Analysis



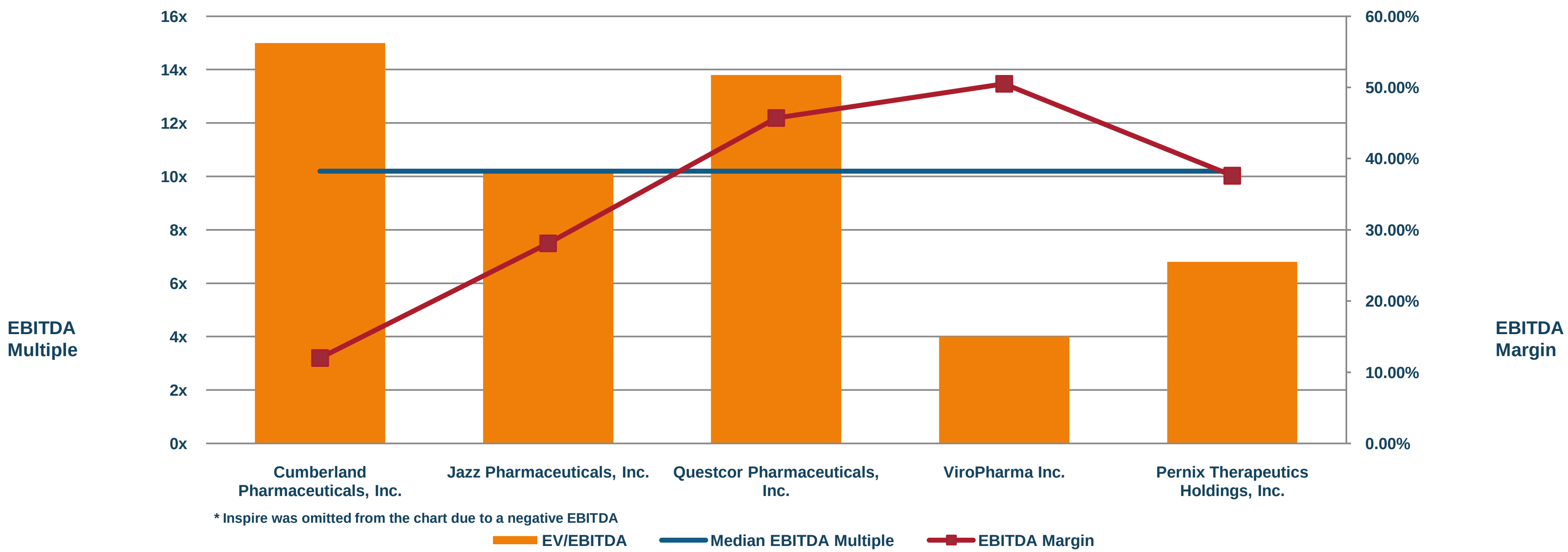
- The E.U. SpecPharm Large Cap Index has outperformed the S&P 500 while the E.U. SpecPharm Small-Mid Cap Index has underperformed over the past 12 months

U.S. Specialty Pharmaceutical Revenue Analysis (Small to Mid Cap)



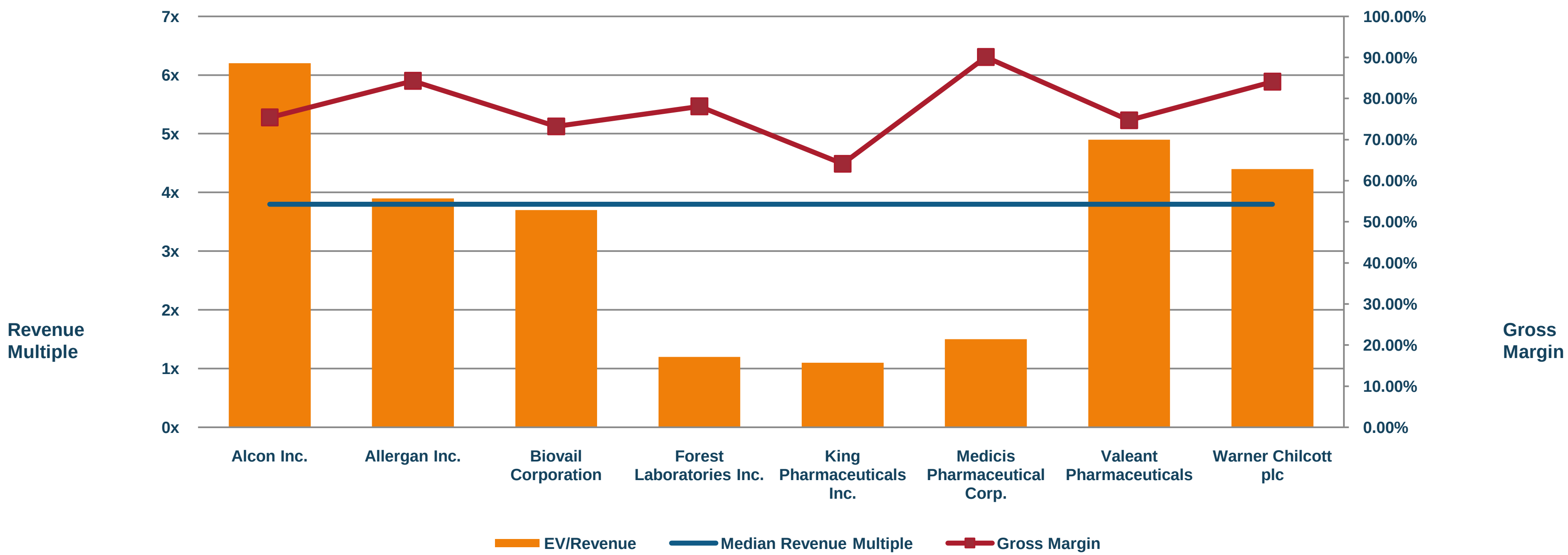
- Median EV/Revenue and Gross Margin are 2.5x and 82.9% respectively
- Questcor is trading at a significant premium due to its Orphan disease focus and value attributed to its pending September 11, 2010 PDUFA date for the sNDA of Acthar Gel in infantile spasms

U.S. Specialty Pharmaceutical EBITDA Analysis (Small to Mid Cap)*



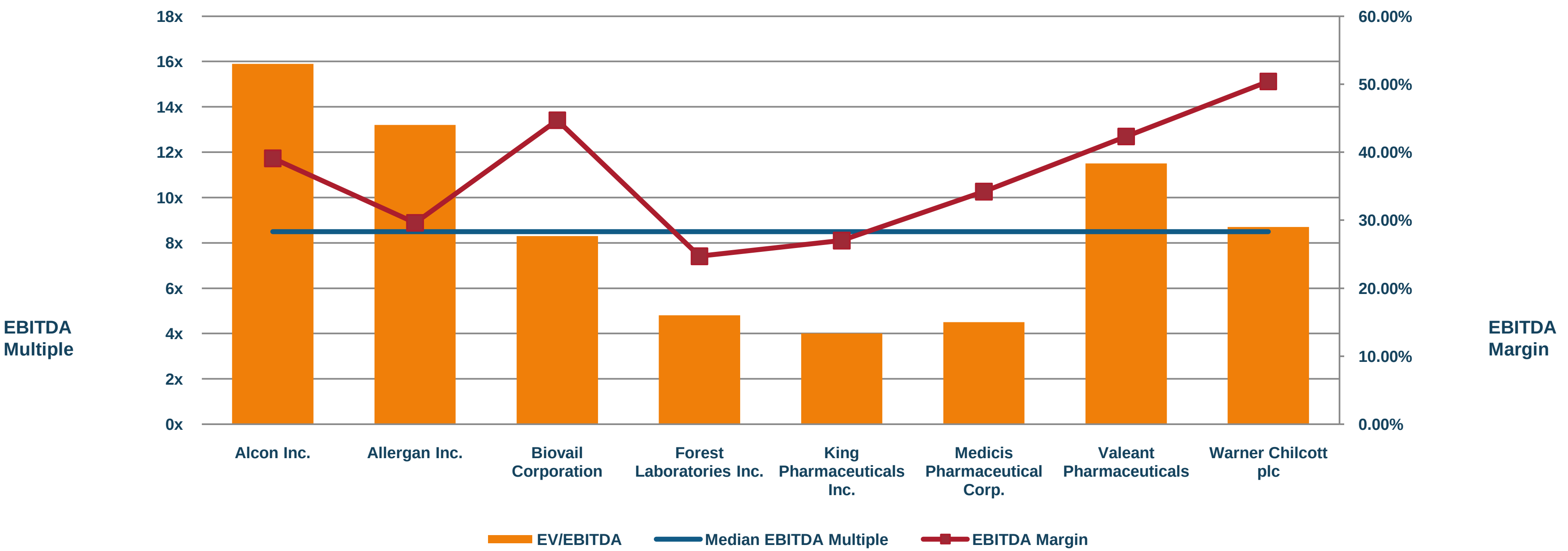
- Median EV/EBITDA and EBITDA Margin are 10.2x and 37.6% respectively
- Cumberland appears to be trading at a premium; however, this is mainly due to a lower than normal EBITDA margin as the company has bolstered its hospital sales force for the launch of Amelior®
- While ViroPharma continues to post healthy financial results, it is trading at a discount to its peers due to the pending threat of a generic Vancocin®

U.S. Specialty Pharmaceutical Revenue Analysis (Large Cap)



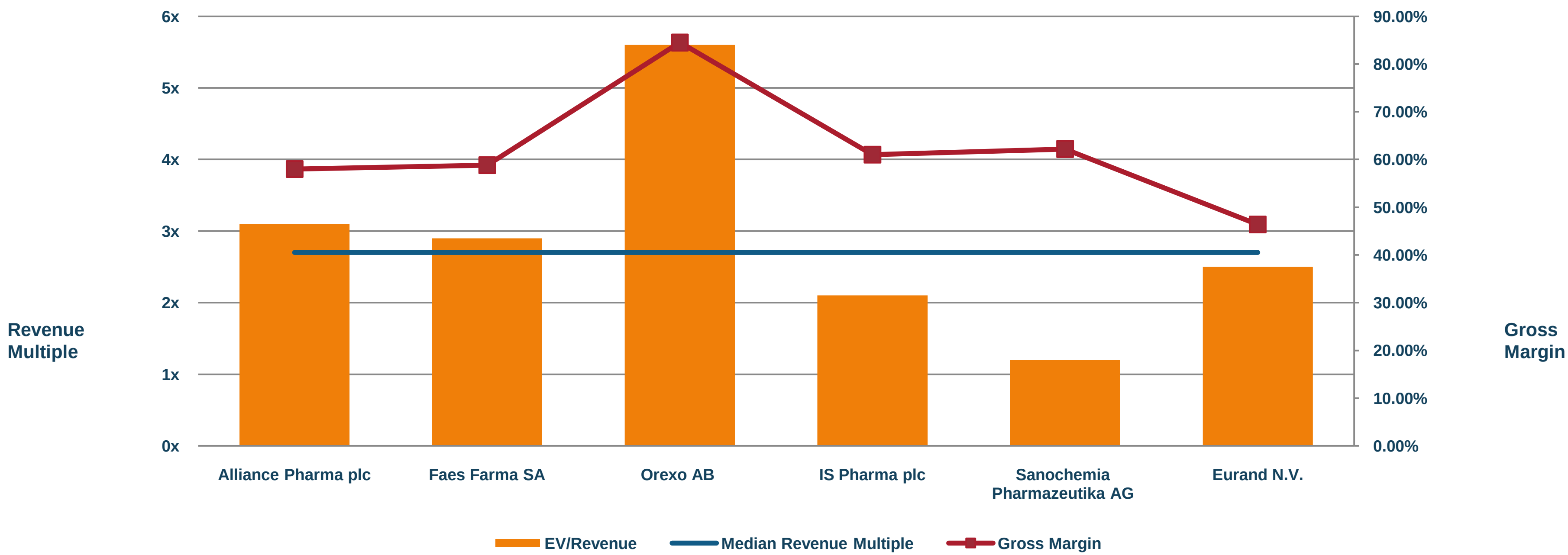
- Median EV/Revenue and Gross Margin are 3.8x and 76.8% respectively
- Medicis is trading below its peers as it reflects the discretionary nature of the cosmetic industry plus generic pressure affecting key products
- Forest and King are also trading well below their peers partly due to the loss of patent protection on key products and continuing pressures from generics which have impacted financial performance
- Alcon is trading at a premium due to its strong leadership position in the eye care market along with Novartis' pending acquisition of the remaining shares outstanding

U.S. Specialty Pharmaceutical EBITDA Analysis (Large Cap)



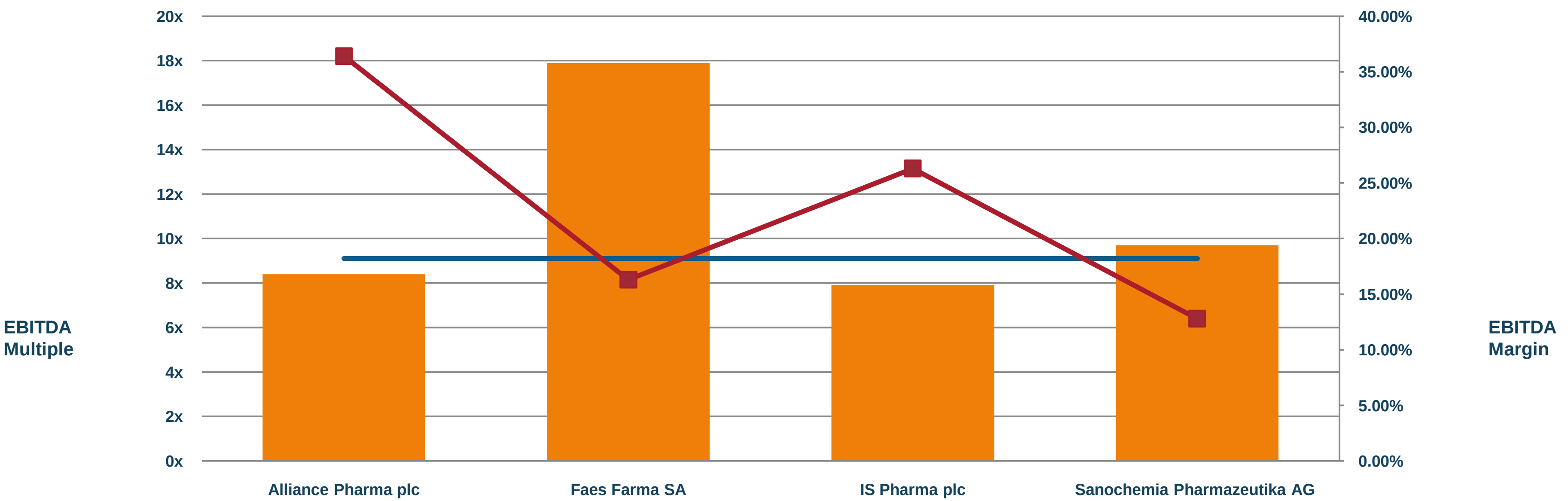
- Median EV/EBITDA and EBITDA Margin are 8.5x and 36.6% respectively
- As stated previously, market and competitive pressures have negatively impacted the value of Forest, King and Medicis
- As stated previously, market dominance and the intentions of Novartis to purchase the remaining ACL shares have been the primary drivers for Alcon's premium valuation

E.U. Specialty Pharmaceutical Revenue Analysis (Small to Mid Cap)



- Median EV/Revenue and Gross Margin are 2.7x and 59.9% respectively
- Orexo is trading at a premium due to value associated with the recent E.U. launch and anticipated U.S. approval of its lead product Abstral for breakthrough cancer pain

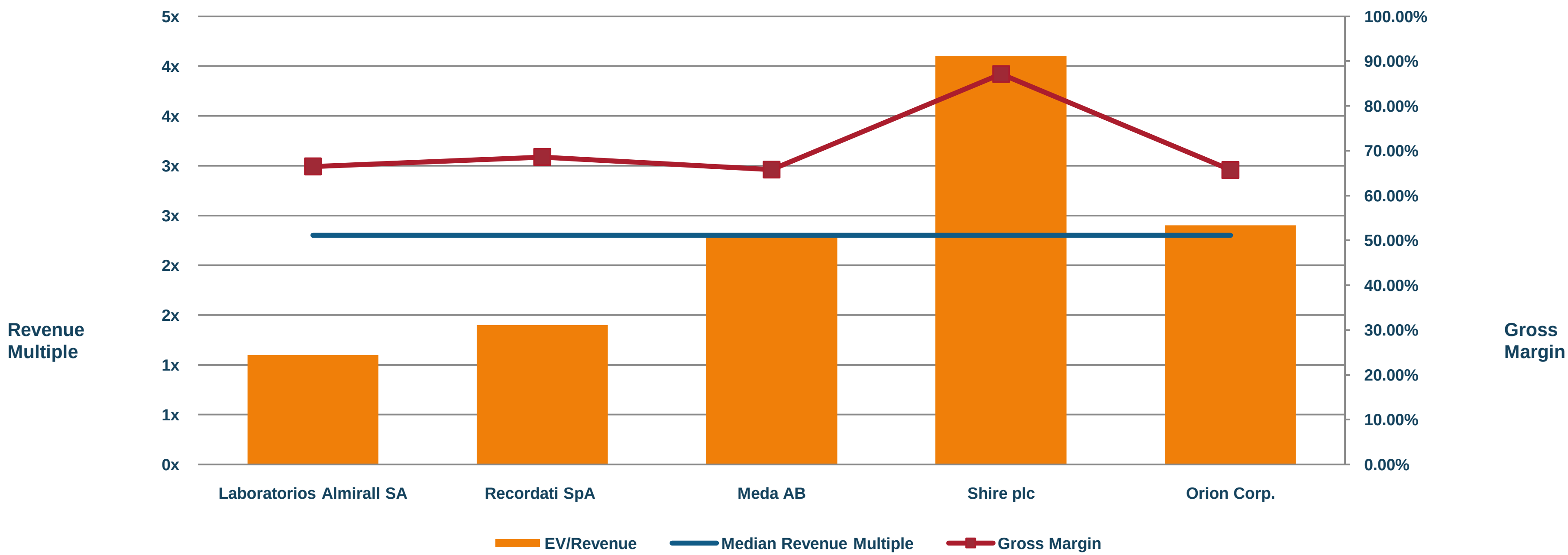
E.U. Specialty Pharmaceutical EBITDA Analysis (Small to Mid Cap)*



•Orexo was omitted from the chart due to a negative EBITDA; Eurand was omitted because data was not meaningful

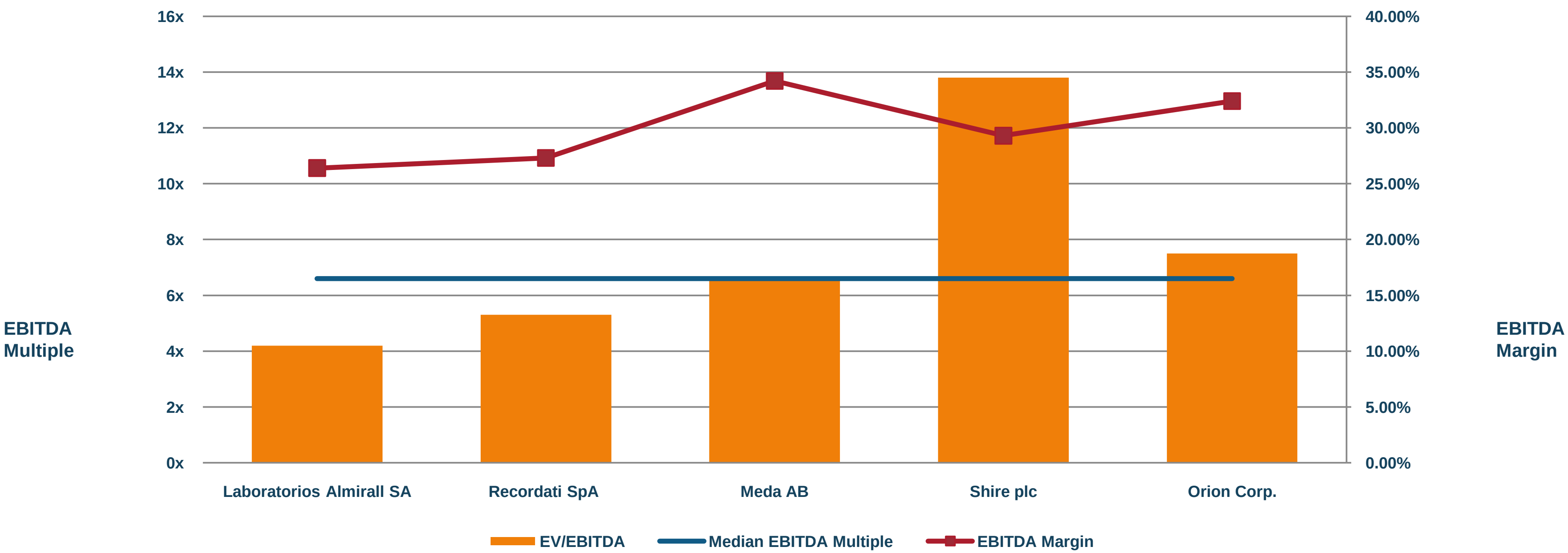
- Median EV/EBITDA and EBITDA Margin are 9.1x and 21.3% respectively
- Faes is trading at a premium to its competitors primarily due to value associated with the pending approval of it's lead program, Bilastine, a novel H1 antagonist, anti-histamine product

E.U. Specialty Pharmaceutical Revenue Analysis (Large Cap)



- Median EV/Revenue and Gross Margin are 2.3x and 66.5% respectively
- Shire trades at a significant premium due to its continued strong growth, product pipeline and recent product approvals

E.U. Specialty Pharmaceutical EBITDA Analysis (Large Cap)



- Median EV/EBITDA and EBITDA Margin are 6.6x and 29.3% respectively
- As stated previously, Shire trades at a significant premium due to its continued strong growth, product pipeline and recent product approvals

Bourne Partners Overview

- Investment banking and strategic business development support services
- Healthcare focus
- Client segmentation
  - Specialty Pharmaceuticals
  - OTC/Nutraceutical
  - Medical Device
  - Services
  - Technology
  - Distribution
  - Biotechnology
- Over $2.5 billion in debt and equity capital raised in the healthcare sector
- Over $2.5 billion executed in financial advisory (M&A) assignments in the healthcare sector
- Since 2004, Bourne Partners has advised on deals in 8 different countries:
  - U.S., Germany, Canada, Ireland, Sweden, Denmark, Brazil, and Italy

Where Bourne Adds Value

M&A Specialist Group

- Concentrate on acquisition, sale and going private assignments
- Focus on $25-$250 million transactions or licensing collaborations with product sales expectations of $20 million and above
- Strong private equity and venture capital relationships
- Focus on serving middle market companies
- Company and product M&A

Experienced in Maximizing Value

- Directly relevant experience
- Professionally structured process
- Deal team staffing a proper mix of junior and senior resources
- Memorandum and material preparation of the highest quality
- Sensitive to confidentiality issues

Depth of Resources & Relationships

- Significant industry relationships; access to key decision makers
- Deal team depth and experience
- Extensive international coverage
- Bankers and healthcare executives within the firm

Healthcare Industry Expertise

- Healthcare focus only
- Relationships with over 500 healthcare companies worldwide
- Dedicated industry research coverage
- Dedicated internal analyst coverage
- Significant transaction record

Professionals to Contact

- Banks Bourne, Senior Managing Director
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  - Investment banking with Wachovia Securities, Inc.
  - Founder and Managing Partner of Bourne Capital Partners, LLC
  - B.A. – Business Management with distinction from North Carolina State University, MBA – Wake Forest University
  - Member of Young Presidents Association (YPO)

- Jeremy Johnson, Director
  JJohnson@bourne-partners.com | 704.714.8351

  - 9 years of life sciences M&A and licensing experience
  - B.S. from Georgetown University