

# Generic Pharmaceuticals

## Sector Report

June 2009



# Generic Pharmaceuticals Market - Global

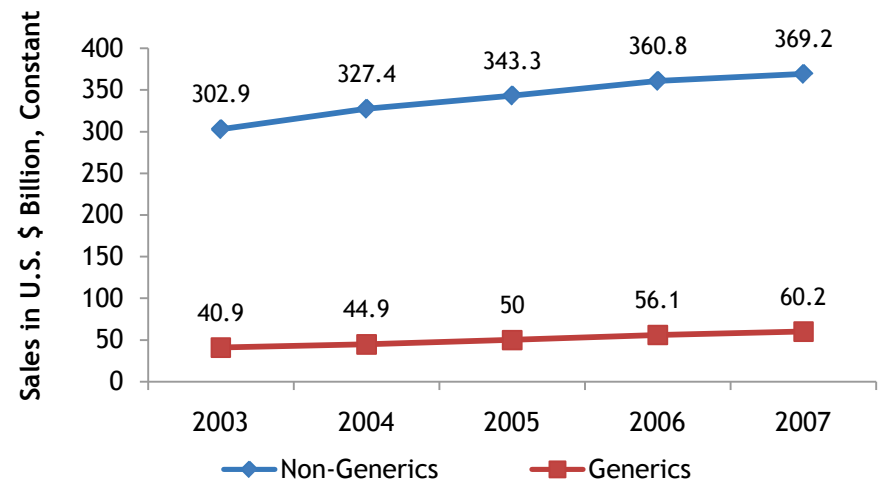
- Over the past few years the generic pharmaceutical market landscape has changed dramatically
  - Global generics market valued at approximately \$75 billion in 2007 and is estimated to reach \$120 billion by 2012<sup>1</sup>
  - Industry enjoyed 18.2% CAGR from 2001-2005 and predicted CAGR of 16% for 2005-2010<sup>2</sup>
  - Increased competition has led to consolidation of major players and lower prices
- Rising health care costs have brought on an increase in generic pharmaceutical usage
  - Consumers looking for more cost-effective treatments
  - Generic medicines cost 30% to 80% less than their branded equivalents

U.S. Top 10 Corporations by Sales and Rx of Unbranded Generics, 2007

RANK	SALES (\$ constant)	VOLUME (S.U.)
1	Teva Pharmaceuticals USA	Teva Pharmaceuticals USA
2	Sandoz (Novartis)	Mylan Laboratories
3	Mylan Laboratories	Sandoz (Novartis)
4	Watson Pharmaceuticals	Watson Pharmaceuticals
5	Greenstone (Pfizer)	Barr Laboratories
6	Par Pharmaceuticals	Mallinckrodt
7	Apotex	Greenstone (Pfizer)
8	Barr Laboratories	Qualitest Products
9	Roxane (Boehringer Ingelheim)	Actavis USA
10	Hospira	Par Pharmaceuticals

Source: IMS Health, National Sales Perspective & National Prescription Audit, Nov. 2007.

Top Eight Markets\* Brand and Generic Pharmaceutical Sales



\*United States, Canada, France, Germany, Italy, Spain, United Kingdom and Japan  
 Source: IMS Health, MIDAS, New Market Segmentation, Rx Only, Top 8 Markets Only, MAT Sept. 2007. Rx Bound: Ethical market only. Market Segmentation international definition of generics includes unbranded generics and some branded generics.

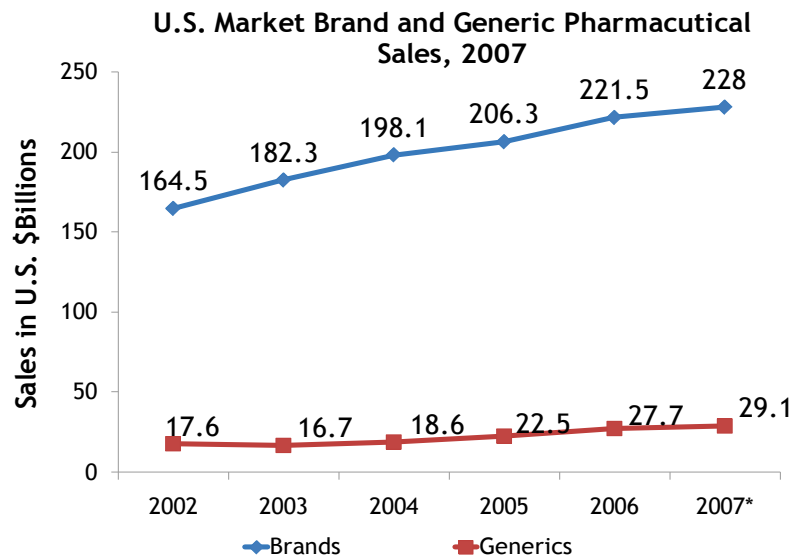
1. Teva Strategic Overview. Teva Pharmaceuticals. February 21, 2008

2. Generics: Global Industry Guide. Datamonitr, 2006

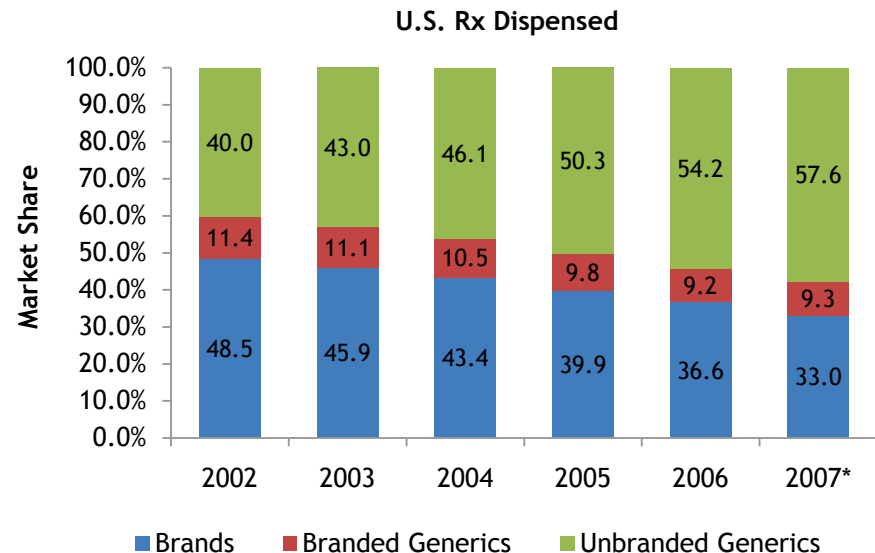


# Generic Pharmaceuticals Market – U.S.

- United States has the largest market for generics worth \$29.1 billion in 2007
- In 2007, an estimated 63% of Americans used generic pharmaceuticals
- There are currently more than 9,000 generic pharmaceuticals available in the U.S. alone
- More than \$50 billion worth of branded drugs will be coming off patent in the next few years
  - Generic pharmaceuticals cost, on average, are 71.0% less than branded pharmaceuticals<sup>1</sup>
- Generics represented 66.9% of all prescriptions dispensed and 11.3% of sales in 2007



Source: IMS National Sales Perspectives™, November 2007 \* Moving Annual Total, Nov. 2007  
 1. <http://www.oig.hhs.gov/oei/reports/oei-05-07-00130.pdf>

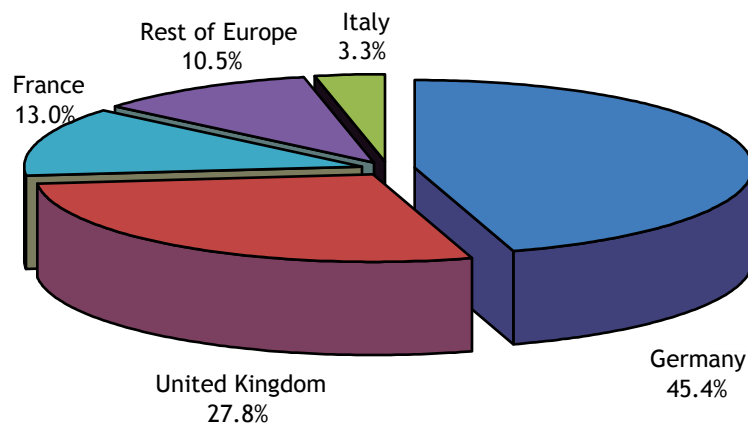


Source: IMS Health, National Sales Perspectives, Nov 2007, National Prescription Audit, Nov 2007  
 \*Moving Annual Total, Nov. 2007  
 Market Share by Total Prescriptions Dispensed

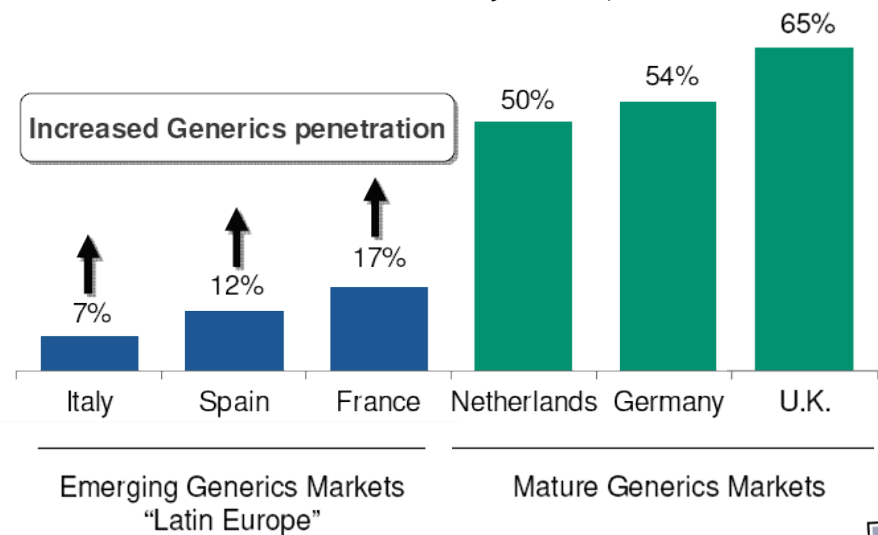
# Generic Pharmaceuticals Market – Europe

- Revenue in Europe totaled \$14.7 billion in 2007 and is expected to reach \$20.2 billion by 2012<sup>1</sup>
  - Europe accounted for 25.5% of global revenues in Generics during 2005
  - From 2001-2005, the market had a CAGR of 21.1%
- Market is predicted to have a value of \$26.6 billion by 2010
  - Expected to have a CAGR of 12.5% from 2005-2010<sup>2</sup>
- Germany is the most lucrative market in Europe, generating 45.4% of all revenues (\$6.7 billion)
- Italy, Spain, France are expected to have highest CAGRs during 2007-2012<sup>1</sup>
  - Italy: 20% ; Spain: 15% ; France: 14%
- Ethical generics accounted for \$12.3 billion, while OTC generics generated \$2.5 billion

Europe Market Segmentation, % Share by Value, 2005



Generics Market Share by Volume, 2007



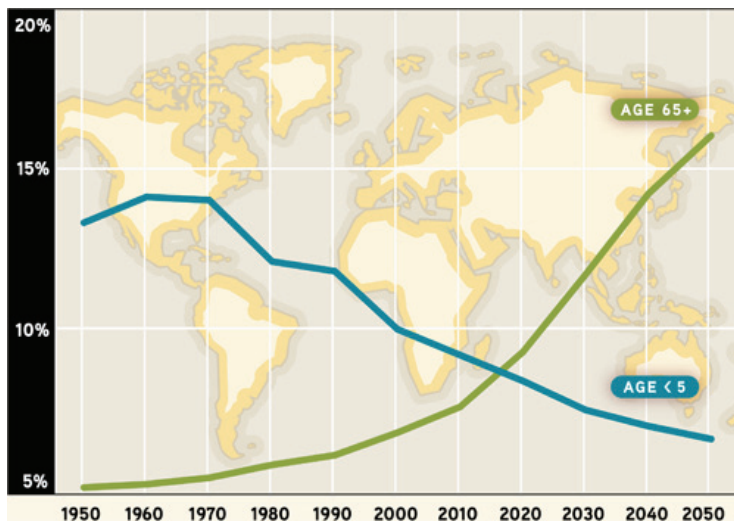
Source: Generics in Europe. DataMonitor. August, 2006  
 1. Teva Strategy Overview. Teva Pharmaceuticals. February 21, 2008  
 2. Exchange rates in \$/€. 2001: 1.136; 2002: 0.943; 2003: 1.129; 2004: 1.242; 2005: 1.243

Source: EGA 2007 Market Survey

# Generics Growth Drivers – Age

## Aging World Population<sup>1</sup>

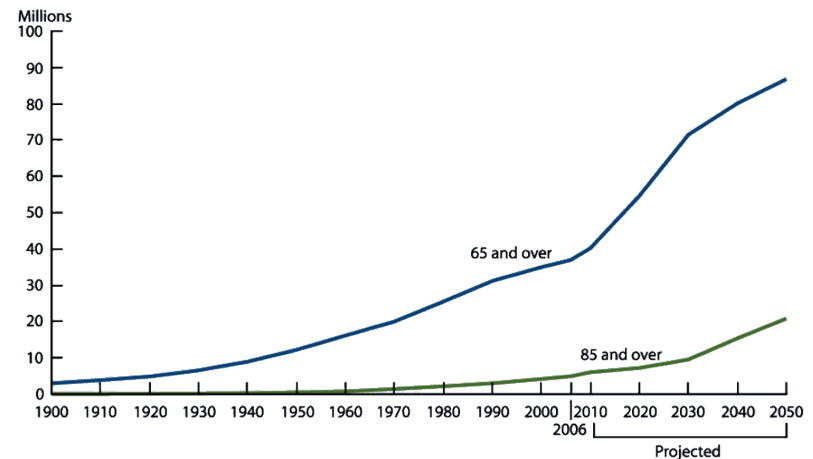
- Nearly 500 million, or 8% of people worldwide, are over the age of 65
- Expected to grow to 1 billion by 2030, accounting for 13% of the population
- Most rapid increases in elderly occurring in developing countries



World Graph Source: United Nations Department of Economic and Social Affairs, Population Division. World Population Prospects. The 2004 Revision. New York : United Nations, 2005.

## Aging U.S. Population<sup>2</sup>

- 37.1 million, or 12% of people nationwide, are over the age of 65
- Expected to grow to 71.5 million by 2030
- Over-85 population predicted to grow from 5.3 million in 2006 to 21.0 million in 2050
- Americans over 65 take an average of 2 - 7 medicines each day

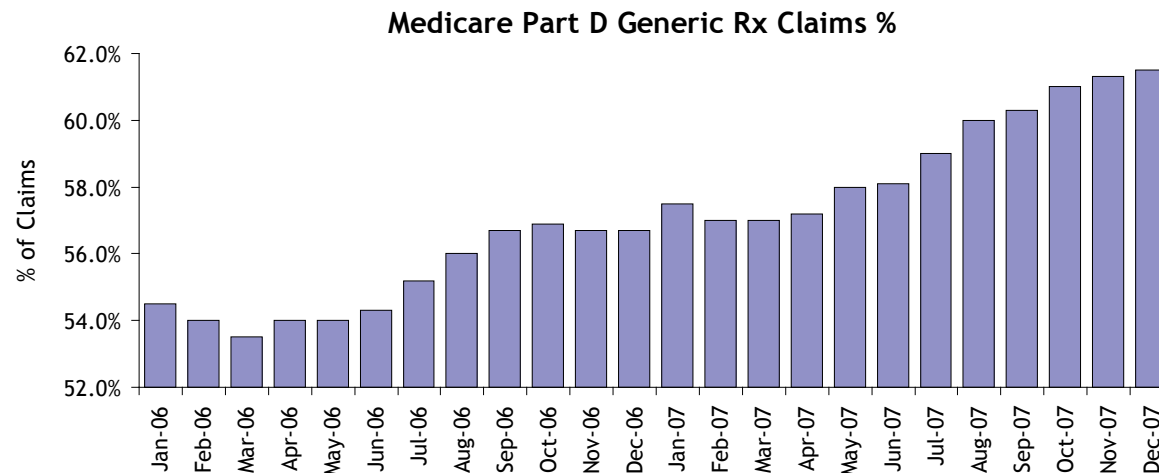


Note: Data for 2010-2050 are projections of the population.  
Reference population: These data refer to the resident population.  
Source: U.S. Census Bureau, Decennial Census, Population Estimates and Projections

1. U.S. State Department, 2008. <http://www.state.gov/g/oes/rls/or/81537.htm#1>  
2. <http://agingstats.gov/agingstatsdotnet/>

# Generics Growth Drivers – Medicare

- Medicare Part D is the U.S. program that began in 2006 responsible for subsidizing the cost of prescription drugs
  - Currently 44 million patients available for coverage
- Generic drugs represented 62.6% of all drugs prescribed through Medicare Part D in 2007
  - Increased from 56.1% in 2006 and 50.0% prior to Medicare Part D taking effect
- Coverage Gap
  - Medicare will pay 75% of prescription costs up to \$2,400 annually
  - Customers are responsible for 100% of cost between \$2,400 - \$5,451
  - Medicare will pay 95% of costs exceeding \$5,452
- 15.5% of Medicare patients entered the coverage gap in 2007
  - Increases chances of choosing generics over branded
  - Example: Lipid therapy for those in the gap averaged \$88.44 for branded therapy vs. \$16.14 for generic
- Only 6% of people in the coverage gap who discontinued their branded drugs for generics returned to branded



Source: Wolters Kluwer Health



# Generics Growth Drivers – Patent Expiration

- Over \$50 billion in branded drugs are expected to lose their patents in the next few years
- Companies recently affected by patent expirations:
  - Merck
  - GlaxoSmithKline
  - Bristol-Myers Squibb
  - Pfizer
  - AstraZeneca
  - Schering-Plough
  - Abbott Laboratories
- Notable branded prescriptions that will be coming off patent over the next few years are:
  - Depakote®
  - Lamictal®
  - Effexor®
  - Topamax®
  - Advair®

**Blockbusters Expected to Lose Exclusivity in Coming Years**

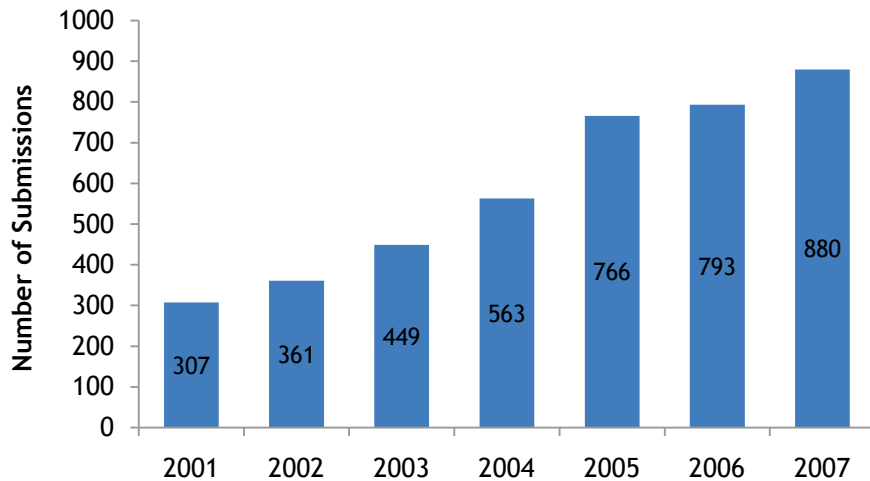
Country	2007	2008	2009	2010
U.S.	Betaloc/Toprol XL Flixotide Lamisil Norvasc Stilnox/Ambien Tazocin Zyrtec	Fosamax Lamictal Prograf Risperdal Topamax Valcote/Depakote	Alna/Flomax Arimidex Cellcept Imigran/Imitrex Keppra Ogastro/Prevacid Valtrex	Aricept Cozaar Gemzar Hyzaar Lipitor Protonix Levaquin Taxotere
France	Lamisil Lovenox Norvasc Risperdal Tazocin Voltaren Zofran	Casodex Effexor Pariet	Cozaar Gemzar Pantozol Prograf Topamax Valtrex Xalatan	Actonel Arimidex Cellcept Hyzaar Keppra Nexium Taxotere
Germany	Oxycontin Risperdal Tazocin	Effexor	Cozaar Gemzar Pantozol Prograf Topamax Valtrex Wellbutrin	Actonel Arimidex Hyzaar Keppra Nexium Taxotere Zometa
U.K.	Risperdal Tazocin Voltaren	Casodex Effexor Seretide	Cozaar Gemzar Pantozol Prograf Topamax Valtrex	Actonel Arimidex Cellcept Hyzaar Keppra Nexium

Source: IMS Health, MIDAS, MAT June 2007, New Market Segmentation Feature Taxotere



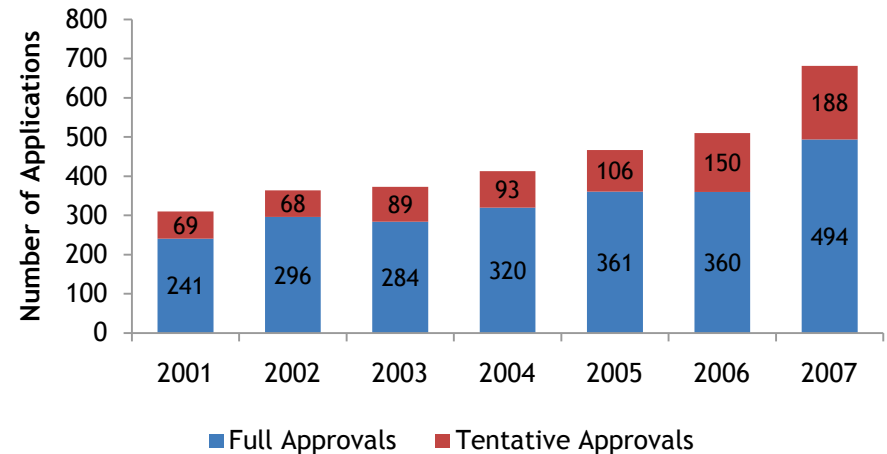
# Generic ANDA Trends

FDA Receipts of Original ANDAs



Source: FDA Office of Generic Drugs, 2007

FDA Approvals and Tentative Approvals of ANDA Applications



Source: FDA Office of Generic Drugs, 2007

- From 2002 to 2007 the number of generic drug applications increased by 187%, from 307 to 880
- The number of FDA Approvals and Tentative Approvals of ANDAs increased by 120%, from 310 to 682 over the same period
- Full approval rate fell to 56.1% in 2007 from 78.5% in 2001
- Trend shows a rapid increase in both submissions and approvals of generic drugs
- However, it also shows a trend of decreasing success rates for ANDA submissions

# Transaction Highlight

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- **Watson Pharmaceuticals to acquire Arrow Pharmaceuticals - June 16, 2009**
  - Enterprise value of \$1.7 billion, or 2.7x revenue
    - Total consideration included a cash payment of \$1.05 billion
  - Arrow shareholders will receive additional contingent payments based on sales of the authorized generic version of Lipitor
    - Market launch is anticipated in November 2011
  - Transaction grants Watson access to a promising drug candidates and new markets
  - Combined company is expected to generate \$3 billion in annual revenue

## Trends

- Most acquisitions have been positioned towards achieving vertical integration and regional expansion
- Recent high value bids from major generic pharmaceutical companies may open the door for their competitors to do the same
- Many pharmaceutical companies are looking to lessen the negative impact of losing a blockbuster patent in the coming years

# Generics Comparable Trading

\$ in millions, except for per-share amounts

Company	Ticker	Share Price 6/9/09	Shares Out	Equity Value	Net Debt (Cash)	Enterprise Value	LTM				2009E		2010E EPS (a)	Book Value	
							Sales	EBITDA	EBIT	EPS	Sales	EBITDA			2009E EPS (a)
Teva	TEVA	\$47.78	853.1	\$40,761.1	\$6,019.0	\$46,780.1	\$11,660.0	\$3,288.0	\$2,763.0	\$1.1	\$14,231.4	\$4,178.2	\$3.3	\$4.2	\$16,079.0
Mylan Labs	MYL	13.58	305.0	4,141.9	4,613.6	8,755.5	5,247.0	1,369.7	960.3	0.68	4,750.7	1,288.3	1.07	1.46	2,616.7
Watson	WPI	30.11	105.4	3,173.6	305.6	3,479.2	2,576.0	595.3	421.6	2.08	2,705.4	616.5	2.42	2.46	2,163.6
Endo	ENDP	16.75	117.2	1,963.1	40.0	2,003.1	1,305.6	481.4	427.3	2.02	1,428.6	506.4	2.64	2.84	1,251.5
Par Pharma	PRX	14.54	34.8	506.0	(75.4)	430.6	627.2	40.9	5.9	(0.93)	737.4	97.5	1.35	1.14	428.4
Perrigo	PRGO	26.26	92.2	2,421.2	693.0	3,114.2	2,065.1	326.0	253.1	1.45	2,073.7	325.3	1.83	2.01	840.8
Stada	SAZ	24.44	58.7	1,434.6	1,398.3	2,832.9	2,252.3	376.1	275.4	1.7	2,252.3	376.1	1.7	NA	1,130.3
Ranbaxy Labs	500359	5.60	420.4	2,354.2	779.6	3,133.8	1,482.3	222.8	175.8	0.3	NA	NA	0.3	NA	589.8
Dr. Reddy's Labs	500124	14.44	168.4	2,431.7	388.6	2,820.3	1,461.6	335.3	255.4	(0.6)	1,533.4	265.9	0.9	1.1	1,091.3
Sun Pharma	524715	28.09	206.0	5,786.5	-	5,786.5	899.2	386.8	366.4	1.8	899.2	386.4	1.8	NA	NA

Company	Ticker	FYE	Data as of	Margin Analysis			Enterprise Value/				P/E			Price to Book
				Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	Sales 09	LTM	2009E (a)	2010E (a)	
Teva	TEVA	12/31	6/9/09	54.8%	28.2%	23.7%	4.0 x	14.2 x	16.9 x	3.3 x	42.1 x	14.5 x	11.3 x	2.5 x
Mylan Labs	MYL	3/31	6/9/09	43.6%	26.1%	18.3%	1.7 x	6.4 x	9.1 x	1.8 x	20.0 x	12.7 x	9.3 x	1.6 x
Watson	WPI	12/31	6/9/09	42.7%	23.1%	16.4%	1.4 x	5.8 x	8.3 x	1.3 x	14.5 x	12.5 x	12.2 x	1.5 x
Endo	ENDP	12/31	6/9/09	77.5%	36.9%	32.7%	1.5 x	4.2 x	4.7 x	1.4 x	8.3 x	6.3 x	5.9 x	1.6 x
Par Pharma	PRX	12/31	6/9/09	31.3%	6.5%	0.9%	0.7 x	10.5 x	73.0 x	0.6 x	NM	10.7 x	12.8 x	1.2 x
Perrigo	PRGO	6/30	6/9/09	29.9%	15.8%	12.3%	1.5 x	9.6 x	12.3 x	1.5 x	18.1 x	14.4 x	13.1 x	2.9 x
Stada	SAZ	12/31	6/9/09	45.2%	16.7%	12.2%	1.3 x	7.5 x	10.3 x	1.3 x	14.8 x	14.8 x	NA	1.3 x
Ranbaxy Labs	500359	12/31	6/9/09	55.3%	15.0%	11.9%	2.1 x	14.1 x	17.8 x	NA	16.0 x	18.7 x	NA	4.0 x
Dr. Reddy's Labs	500124	3/31	6/9/09	52.6%	22.9%	17.5%	1.9 x	8.4 x	11.0 x	1.8 x	NM	16.2 x	13.6 x	2.2 x
Sun Pharma	524715	3/31	6/9/09	79.9%	43.0%	40.7%	6.4 x	15.0 x	15.8 x	6.4 x	15.2 x	15.2 x	NA	NA

\* Excluded from all statistical data

Mean	51.3%	23.4%	18.7%	2.2 x	9.6 x	17.9 x	2.2 x	18.6 x	13.6 x	11.2 x	2.1 x
Median	48.9%	23.0%	16.9%	1.6 x	9.0 x	11.7 x	1.5 x	15.6 x	14.4 x	12.2 x	1.6 x
Min	29.9%	6.5%	0.9%	0.7 x	4.2 x	4.7 x	0.6 x	8.3 x	6.3 x	5.9 x	1.2 x
Max	79.9%	43.0%	40.7%	6.4 x	15.0 x	73.0 x	6.4 x	42.1 x	18.7 x	13.6 x	4.0 x

(a) All estimates from Capital IQ

# Select Comparable Transactions

(\$ in millions)

Target	Acquiror	Date	Enterprise Value	Revenue	EBITDA	Enterprise Value /	
						Sales (a)	EBITDA
Arrow Pharmaceuticals Pty Ltd	Watson Pharmaceuticals, Inc.	Jun-09	1,744.3	647.0	NA	2.7 x	NA
Generic Cancer Drugs (EBEWE Pharma)	Novartis AG	May-09	1,200.0	NA	NA	NA	NA
License for Aurobindo generics	Pfizer Inc.	Mar-09	NA	200.0	NA	NA	NA
ANDA for Leucovorin Calcium tablets	CorePharma	Mar-09	NA	NA	NA	NA	NA
Minrad International, Inc.	Piramal Healthcare Ltd.	Dec-08	40.0	26.0	NA	1.5 x	NA
Generic drug portfolio (Barr)	Watson Pharmaceuticals, Inc.	Nov-08	36.0	NA	NA	NA	NA
Alpharma, Inc.	King Pharmaceuticals, Inc.	Nov-08	1,600.0	834.0	NA	1.9 x	NA
Pharma Dynamics	Lupin Ltd.	Sep-08	24.0	1.7	NA	14.3 x	NA
License for asthma/COPD product	Novartis AG	Sep-08	143.2	NA	NA	NA	NA
Zentiva N.V. (SEP:BAAZEN)	Sanofi-Aventis (ENXTPA:SAN)	Jul-08	2,600.0	630.0	228.0	4.1 x	11.4 x
BarrPharmaceuticals, Inc. (NYSE:BRL)	Teva Pharmaceuticals, Inc. (NasdaqGS:TEVA)	Jul-08	8,791.1	2,511.6	640.9	3.5 x	13.7 x
APP Pharmaceuticals (NASDAQ:APPX)	Fresenius SE (FRA:FREG)	Jul-08	6,500.0	655.0	180.1	9.9 x	36.1 x
Brunel Healthcare Limited, Over the Counter Medicine Business	Perrigo Co. (NasdaqGS:PRGO)	Jun-08	12.1	11.1	NA	1.1 x	NA
Zentiva N.V. (SEP:BAAZEN)	PPF Group N.V.	Jun-08	3,185.5	1,133.6	243.7	2.8 x	13.1 x
Ranbaxy Laboratories Ltd. (BSE:500359)	Daiichi Sankyo Company, Limited (TSE:4568)	Jun-08	6,407.2	1,547.6	240.8	4.1 x	26.6 x
AstraZeneca plc, Portfolio of 16 Prescription Drugs	Biophausia AB (OM:BIOP)	May-08	90.6	33.8	NA	2.7 x	NA
Lannett Co. Inc. (AMEX:LCI)	-	May-08	57.5	69.0	0.0	0.8 x	NM
Bentley Pharmaceuticals Inc. (NYSE:BNT)	Teva Pharmaceutical Industries Ltd. (NasdaqGS:TEVA)	Mar-08	343.8	133.3	20.0	2.6 x	17.2 x
LifeCell Corp.	Kinetic Concepts Inc. (NYSE:KCI)	Apr-08	1,716.1	202.6	49.4	8.5 x	34.8 x
FineTech Laboratories Ltd.	RxElite Inc. (OTCBB:RXEI)	Jan-08	19.2	6.0	NA	3.2 x	NA
KiwiBee	Comvita Ltd. (NZSE:CVT)	Dec-07	1.6	0.8	NA	2.2 x	NA
Midlothian Laboratories, LLC	Hi Tech Pharmacal Co. Inc. (NasdaqGS:HITK)	Dec-07	6.0	5.6	NA	1.1 x	NA
JSC Akrihin	Gedeon Richter Plc. (BUSE:RICHTER)	Nov-07	153.6	69.5	NA	2.2 x	NA
TAD Pharma GmbH	KrKa dd Novo Mesto (LJSE:KRKG)	Nov-07	142.6	86.9	NA	1.6 x	NA
NutraMax Products, Inc., First Aid Division	Derma Sciences Inc. (OTCBB:DSCI)	Nov-07	13.5	16.7	-0.7	0.8 x	NM
Zaklady Farmaceutyczne Polpharma S.A.	Gedeon Richter Plc. (BUSE:RICHTER)	Nov-07	1,307.9	373.7	105.7	3.5 x	12.4 x
Strides Latina SA	Aspen Pharmacare Holdings Ltd. (JSE:APN)	Nov-07	305.0	74.9	NA	4.1 x	NA
Morton Grove Pharmaceuticals, Inc.	Wockhardt Ltd. (BSE:532300)	Oct-07	38.0	52.0	NA	0.7 x	NA
Enaleni Pharmaceuticals Consumer Division (Proprietary) Ltd.	Marico Ltd. (BSE:531642)	Oct-07	14.1	14.5	NA	1.0 x	NA
DeltaSelect GmbH, Generic Injectable Pharmaceuticals Business	Actavis Group Hf.	Sep-07	102.5	37.2	NA	2.8 x	NA
IsoTis, Inc.	Integra LifeSciences Holdings Corp. (NasdaqGS:IART)	Aug-07	65.3	44.7	-9.3	1.5 x	NM
Synpart AG	Alltracel Pharmaceuticals plc.	Aug-07	8.6	17.9	1.6	0.5 x	5.5 x
Actavis Group Hf.	Novator Partners LLP	May-07	\$6,346.3	\$1,850.2	\$394.3	3.4 x	NA
Merck Generics Holding GmbH	Mylan, Inc. (NYSE:MYL)	May-07	6,625.7	2,435.9	453.0	2.7 x	14.6 x
Negma Lerads S.A.S	Wockhardt Ltd. (BSE:532300)	May-07	265.0	149.7	NA	1.8 x	NA
Dynamic Health Products Inc.	GeoPharma Inc. (NasdaqCM:GORX)	May-07	13.8	56.9	-0.6	0.2 x	NM
Medihoney Pty Ltd.	Comvita Ltd. (NZSE:CVT)	Apr-07	5.0	2.9	NA	1.7 x	NA
75% Stake in Eczacibasi Saglik Urunleri & EOS Eczacibasi Ozgun	Zentiva N.V. (SEP:BAAZEN)	Mar-07	606.4	264.8	NA	2.3 x	NA
GreenLife Limited	Comvita Ltd. (NZSE:CVT)	Mar-07	6.5	5.4	NA	1.2 x	NA
Darco International, Inc.	Wright Medical Group Inc. (NasdaqGS:WMGI)	Mar-07	17.0	6.0	NA	2.8 x	NA

NA. - not available

NM - not meaningful

1. APP and LifeCell multiples are excluded from Sales and EBITDA multiple analysis

2.5 x	14.3 x
2.2 x	13.4 x
0.2 x	5.5 x
14.3 x	26.6 x



# Coverage of Select Private Equity Groups within Pharmaceuticals

Bourne Partners tracks and maintains relationships with over 200 healthcare focused Private Equity and Venture Capital Groups

Group	Buyer Type	Select Portfolio Companies	Description
3i	<ul style="list-style-type: none"> <li>Private Equity</li> </ul>	<ul style="list-style-type: none"> <li>betapharm</li> <li>Jerini</li> <li>Domantis</li> </ul>	3i has €12.3 billion in assets under management, investing in 8 different sectors, including Healthcare. Their notable generics investment is in betapharm, a German manufacturer of generic drugs with a 4% market share in Germany.
Advent International Corporation	<ul style="list-style-type: none"> <li>Private Equity</li> </ul>	<ul style="list-style-type: none"> <li>Alacala Farma</li> <li>Terapia</li> <li>Fada Pharma</li> </ul>	Advent International has been investing in the Healthcare sector for over 20 years and has 25 investments worldwide. Alcala Farma is Spanish manufacturer of OTC and Generics products. Terapia is Romania's largest independent generic pharmaceutical manufacturer. Fada Pharma is Argentina's leading manufacturer of generics for the institutional market.
Apax Partners	<ul style="list-style-type: none"> <li>Private Equity</li> </ul>	<ul style="list-style-type: none"> <li>Qualitest Pharmaceuticals</li> <li>Xanodyne Pharmaceuticals</li> </ul>	Funds advised by Apax Partners total \$20 billion around the world. Apax Partners invests in large companies across five global growth sectors: Tech & Telecom, Media, Retail & Consumer, Healthcare and Financial & Business Services. Their notable generics investment is in Qualitest Pharmaceuticals, which manufactures and distributes generic pharmaceuticals in the U.S.
GTCR Golder Rauner, LLC	<ul style="list-style-type: none"> <li>Private Equity</li> </ul>	<ul style="list-style-type: none"> <li>GeneraMedix Pharmaceuticals</li> <li>Graceway Pharmaceuticals</li> <li>Ovation Pharmaceuticals</li> </ul>	GTCR manages more than \$8 billion in equity and mezzanine capital invested in a wide range of companies and industries. The firm principally invests in high-growth industries, including business services and outsourcing, consumer products and services, healthcare, technology, and transaction processing. Growth strategies are driven by industry dynamics and generally include a combination of acquisitions and internal growth.
Thoma Cressey Bravo	<ul style="list-style-type: none"> <li>Private Equity</li> </ul>	<ul style="list-style-type: none"> <li>Jazz Pharmaceuticals</li> <li>AriTech, Inc.</li> <li>Spine Wave Inc.</li> </ul>	Healthcare investing at TCB has always been a core focus area for the firm, with over 25 years of experience and investments in almost every major healthcare segment and niche. Within the healthcare sector, TCB invests in healthcare services, healthcare facilities, pharmaceuticals and medical products.

# Bourne Partners Overview

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- Investment banking and strategic business development support services
- Healthcare focus
- Client segmentation
  - Specialty Pharmaceuticals
  - OTC/Nutraceutical
  - Medical Device
  - Healthcare services
  - 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

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## 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*

## Depth of Resources and Relationships

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

## 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*

## Healthcare Industry Expertise

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

# Professionals to Contact

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- **Banks Bourne, Senior Managing Director**

[BBourne@bourne-partners.com](mailto:BBourne@bourne-partners.com)

704.315.6020

- Investment banking with Wachovia Securities, Inc.
- Founder and managing partner of Bourne Partners
- B.A. - Business Management with distinction, MBA - Wake Forest University


- **Jeremy Johnson, Vice President**

[JJohnson@bourne-partners.com](mailto:JJohnson@bourne-partners.com)


704.315.6024

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


# Select Tombstones



Desitin Arzneimittel GmbH  
Announces the license of European commercialization rights of sumatriptan DosePro™ from



The undersigned served as exclusive financial advisor to Desitin Arzneimittel GmbH in the origination and structuring of this transaction



This announcement appears as a matter of record only

AZUR PHARMA

Azur Pharma Limited  
Announces the Acquisition of




Pharmelle LLC

The undersigned served as exclusive financial advisor to Azur Pharma Limited in the origination and structuring of the transaction




This announcement appears as a matter of record only



BurnsAdler Pharmaceuticals, Inc.  
Announces the license of Garacol® from

Innocoll  
Innocoll Pharmaceuticals Ltd.

The undersigned served as financial advisor to BurnsAdler Pharmaceuticals in the origination and structuring of this transaction



This announcement appears as a matter of record only



Collimed Laboratories, Inc.  
Bourne Partners announces the formation of Collimed Laboratories, Inc., a joint venture with Innocoll Pharmaceuticals Ltd. for the commercialization of Wound Care products in the United States

Innocoll  
Innocoll Pharmaceuticals Ltd.



This announcement appears as a matter of record only




Sciele Pharma, Inc.  
Strategic Alternatives Analysis

The undersigned performed a Commercial Market Assessment of the Women's Health Sector




This announcement appears as a matter of record only



Desitin Arzneimittel GmbH  
Announces the Sale of Orfiril® long to

BiofuturaFarma S.p.A.  
(a division of Sigma-tau S.p.A.)

The undersigned served as financial advisor to Desitin Arzneimittel in the origination and structuring of this transaction



This announcement appears as a matter of record only



Theramed Corporation  
Announces the license of Sigmatorin® from




EMS Sigma Pharma Group


The undersigned served as financial advisor to Theramed Corporation in the origination and structuring of this transaction




This announcement appears as a matter of record only



SJ Strategic Investments  
Announces a private placement of 4,088,794 common shares in



Stellar Pharmaceuticals Inc.  
The undersigned served as financial advisor to Leitner Pharmaceuticals in the origination and structuring of this transaction



This announcement appears as a matter of record only