



Q3-2009 CRO INDUSTRY UPDATE

M&A UPDATE

As the publicly traded CROs continue their rebound from the past 12 months of stock-price depression, we continue to see niche transactions across the industry. While looking to streamline their service offerings, large strategic companies are still actively looking to pursue acquisitions in order to increase market share within their industry sector. Despite private equity groups remaining on the sidelines the past few quarters, we expect multiple platform investments in Q4 2009/Q1 2010 with the credit markets having loosened considerably and public valuations having resurfaced to realistic levels.

TOP STRATEGIC PLAYERS TO WATCH

- **Charles River Laboratories** (NYSE: CRL)
- **Covance, Inc.** (NYSE: CVD)
- **ICON plc.** (NasdaqGS: ICLR)
- **Kendle International** (NasdaqGS: KNDL)
- **MDS, Inc.** (NYSE: MDZ)
- **PAREXEL Intl. Corp.** (NasdaqGS: PRXL)
- **Pharmaceutical Product Development** (NasdaqGS: PPD1)
- **Cetero Research** (Privately Held)
- **PRA International** (Privately Held)
- **Quintiles Transnational Corporation** (Privately Held)

NOTEWORTHY TRANSACTIONS

Month	Acquirer	Company Acquired	Details
September 2009	BioClinica, Inc.	Tourtellotte Solutions, Inc.	BioClinica, Inc., announced that it has acquired privately-held Tourtellotte Solutions, Inc. BioClinica is purchasing substantially all of the assets of Tourtellotte for \$2.1 million in cash plus additional payments based upon achieving certain milestones. Tourtellotte generated approximately \$3.9 million in revenue in 2008.
September 2009	Correlagen Diagnostics, Inc.	Helicos Biosciences Corporation	Correlagen Diagnostics Inc., a leading provider of genetic testing for disease diagnosis, announced the acquisition of a system from and a scientific collaboration with Helicos BioSciences Corporation. Financial terms of the transaction were not disclosed.
September 2009	United BioSource Corporation	Cognitive Drug Research, Ltd.	United BioSource Corporation announced the acquisition of Cognitive Drug Research, Ltd., the leader in computerized cognitive testing for clinical trials. No financial terms of the transaction were disclosed.
September 2009	BioClinica, Inc.	CardioNow, subsidiary of Agfa HealthCare	BioClinica, Inc., a global provider of clinical trial services, announced that it has acquired the CardioNow unit of Agfa HealthCare.
August 2009	Covance	Gene Expressions Laboratory, a subsidiary of Merck	Covance announced that it has closed its transaction with Merck to provide a broad array of genomics analysis services under a five-year \$145 million contract and to acquire Merck's Seattle-based Gene Expression Laboratory. Effective August 17, 2009, Covance assumed control of the facility and the Seattle team has joined Covance.
August 2009	Sigma-Aldrich	ChemNavigator	Sigma-Aldrich has completed the acquisition of ChemNavigator, a San Diego based provider of chemistry services for drug discovery and agrochemical research. The financial terms of the transaction were not disclosed.
August 2009	Phase Forward	Covance, Inc.	Phase Forward, Inc., a provider of data management software for drug safety and clinical trials, announced that it has completed the acquisition of Covance, Inc.'s interactive voice and Web response services business for \$10 million in cash.
August 2009	PCAS	Nanosyn, Inc.	PCAS, a worldwide leader in commercial scale pharmaceutical synthesis and fine and specialty chemical manufacturing, and Nanosyn, a leading US based pharmaceutical contract research provider of preclinical chemistry and biology services, announce the signing of a joint-venture agreement to operate PCAS-NANOSYN, LLC, a cGMP kilolab in Santa Rosa, Northern California.
July 2009	ICON Plc	Veeda Laboratories Ltd.	ICON Plc has acquired Veeda Laboratories Ltd., a wholly-owned subsidiary of Veeda Clinical Research Group. The financial terms of the transaction were not disclosed.
July 2009	INC Research	MDS Pharma Services	INC Research completed its purchase of the Phase II-IV business of MDS Pharma Services, a unit of MDS, Inc. for approximately \$50 million.
July 2009	Lion Holdings	Life Sciences Research, Inc.	Lion Holdings, a holdings company established by Life Sciences Research CEO Andrew Baker, agreed to acquire Life Sciences Research, Inc. for \$8.50 per share, or \$113.1 million. The LSR Board approved the sale on July 7 th , 2009 after Baker had made his first buyout proposal in March of 2009.