



## Q4-2011 CRO INDUSTRY UPDATE

### M&A UPDATE

The year finished with the completed acquisition of Pharmaceutical Product Development by The Carlyle Group and Hellman & Friedman Capital Partners. This prominent acquisition follows the previous quarter's completed acquisitions of Kendle International by INC Research and PharmaNet by inVentiv Health. There was an increase this quarter in completed deals, a trend that will likely continue as the market continues to consolidate further. Complimenting these landmark deals, a great number of add-on acquisitions were completed. Private equity continues to acquire platforms in the space, as evidenced by Metalmark's acquisition of Bostwick Labs. Additionally, foreign acquisitions have boomed, especially those that reach across borders to expand their geographical reach. This quarter should be taken as a strong sign for the CRO sector. There is still a lot of consolidation to be done, especially within mid-sized targets, as these deals have been scarce, and deals to expand companies' geographical reach.

### SELECT CRO TRANSACTIONS

Month	Investor	Target Company	Details
December 2011	Nu Skin Enterprises	LifeGen Technologies	Nu Skin Enterprises acquired LifeGen Technologies for \$11.7m. LifeGen Technologies LLC engages in the discovery of the genes associated with aging process of humans and animals. The acquisition included substantially all of the assets of LifeGen, including its tissue bank, proprietary gene expression database, patents and intellectual property related to gene research. Further financial information for the deal was not disclosed.
December 2011	ICON Plc (NasdaqGS: ICLR)	BeijingWits Medical Consulting	ICON Plc has acquired BeijingWits Medical Consulting, a CRO in China. BeijingWits offers full-service clinical development capabilities, has expertise in Chinese regulatory processes and is a leading advocate of ICH GCP in China. The transaction is expected to close in the first quarter of 2012. Financial terms of the deal were not disclosed.
December 2011	The Carlyle Group and Hellman & Friedman Capital Partners	Pharmaceutical Product Development, Inc.	The Carlyle Group and Hellman & Friedman completed the acquisition of Pharmaceutical Product Development. Pharmaceutical Product Development, a contract research organization, provides drug discovery, development, and lifecycle management services. The company operates in two segments, Clinical Development Services and Laboratory Services. The total consideration to shareholders was \$3.8 billion in cash at \$33.25 per share. \$1.325 billion of debt was provided under a senior secured term loan facility. The trading multiples were 2.1x on LTM Revenue and 10.4X on LTM EBITDA at the time of sale.
December 2011	Schulman Associates IRB	Independent Investigational Review Board	Schulman Associates Institutional Review Board has announced the acquisition of Independent Investigational Review Board. IIRB focuses on anticipating the evolving needs for Sponsors, CROs, and Investigators in the research industry. Both companies are AAHRPP accredited and are in good standing with the Food and Drug Administration. The financial terms of the transaction were undisclosed.
November 2011	Quintiles Transnational	Advion BioServices	Quintiles Transnational acquired Advion BioServices from Advion BioSciences. Advion BioServices will join Quintiles as Advion Bioanalytical Labs, a Quintiles company. Advion BioServices offers contract research services including bioanalytical, immunoassay, sample management, metabolism, biomarker, and discovery services. The financial terms of the deal were undisclosed.
November 2011	Wuesthoff Health System	Osler Medical	Wuesthoff Health System acquired Osler Medical, a multi-specialty medical group. Osler medical provides healthcare services to patients in Florida, offering audiology, EECF therapy, imaging, laboratory, clinical research studies, sleep disorder, and somnoplasty services. Osler Medical retained their name and all employees post-transaction. The financial terms of the deal were undisclosed.
October 2011	Metalmark Capital	Bostwick Laboratories	Metalmark Capital has taken a majority stake in Bostwick Laboratories. Bostwick Laboratories is one of the largest full-service, privately owned anatomic pathology labs in the U.S., servicing over 8,000 physicians across all 50 states. CEO and Founder Dr. David G. Bostwick will remain at the head of Bostwick and continues to be a shareholder in the company. The financial terms of the deal were undisclosed.
October 2011	WuXi PharmTech (NYSE: WX)	Medkey Med-Tech Development Co.	WuXi Pharmatech has acquired MedKey Med-Tech Development Co. and its related entity Jiecheng Med-Tech Development Co., CRO facilities in Shanghai. MedKey CRO is a Full Service Contract Research Organization, focusing on providing efficient and cost-effective services of clinical trial monitoring & management and regulatory affairs consulting. David Xi, Founder and Owner of MedKey & Jiechang, will continue to manage the companies. The financial terms of the transaction were undisclosed.
October 2011	Imperial Capital Group	AIM Health Group	Imperial Capital Group has acquired AIM Health Group through its Imperial Capital Acquisition Fund IV. AIM is a fully integrated Canadian health care company that offers community based comprehensive services to individuals that are ill, injured, or disabled, and to individuals requiring lifestyle interventions to improve their quality of life. Imperial Capital Group paid \$0.25 a share for the company or a 47% premium over the company's stock price. The acquisition totals to approximately \$27.5M. Ownership of AIM Healthcare has retained a minority position in the company.
October 2011	JSS Medical Research	Venn Life Sciences	JSS Medical Research acquired the assets of Venn Life Sciences from Venn Life Sciences Holdings. Venn Life Sciences operates as an international Contract Research Organization providing support across all stages of clinical development. The acquisition only includes Canadian operations; Venn Life Sciences Holdings will continue to operate in Ireland and Internationally. Financial terms of the transaction were undisclosed.
October 2011	WuXi Pharmtech (NYSE: WX)	Abgent	WuXi PharmaTech has acquired Abgent, a provider of biological research products. The company distributes its antibody reagent products by direct sales through its web portal and small sales force and through a network of distributors around the world. In addition to manufacturing antibodies, Abgent also develops and produces peptides and proteins for research and diagnostic applications. Dr. Chun Wu, founder & CEO of Abgent, will continue to run Abgent post-acquisition. The financial terms of the transaction were undisclosed.
October 2011	Aptiv Solutions	SRA Global Clinical Development	Aptiv Solutions acquired SRA Global Clinical Development from Constella Group. SRA Global Clinical Development operates as a contract research organization managing projects for the pharmaceutical and biotechnology companies. The financial terms of the transaction were undisclosed.