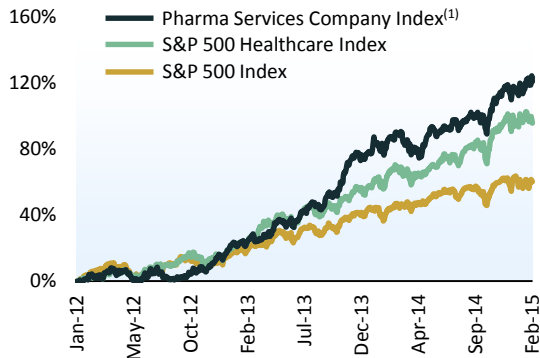


Bourne Partners is a healthcare-focused merchant bank based in Charlotte, North Carolina that invests in, advises*, and consults companies within the pharmaceutical services and specialty pharmaceutical segments. Our analysts actively track companies in the pharmaceutical services space and have seen activity in the segment pick up considerably over recent years. Companies in the space are enjoying improved valuations.

We have prepared this high level overview of the pharma services space as a resource that highlights some of the market dynamics we're seeing and that our clients have experienced. Hopefully this is helpful in getting an idea of the recent industry trends, company valuations, and merger / acquisition activity. We are happy to answer questions or provide additional details if you'd like more information on this or other healthcare sectors we follow.

Pharma Services Company Performance vs. Benchmark Market Indices

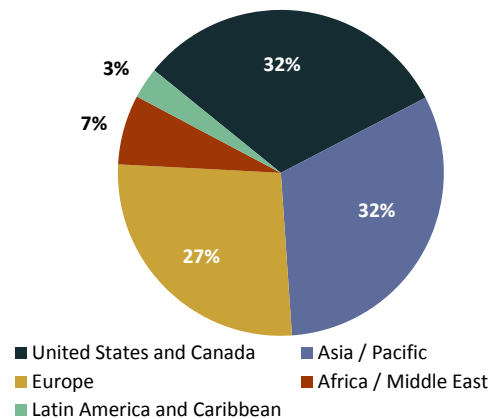


Bourne Partners tracked the equity performance of companies comprising the basket of pharma services companies against the S&P 500 Healthcare Index and the general S&P 500 Index

- Since 2012, the pharma services companies are up over 120% and have outperformed the healthcare index by 25 and the general index by 61 percentage points respectively
- Rising valuations for pharma services companies indicate a good market cycle to explore divestment options

⁽¹⁾Pharma services index comprised of companies listed below; same companies also used in the trading comps analysis on the reverse side: AmerisourceBergen Corporation (NYSE:ABC); Cardinal Health, Inc. (NYSE:CAH); Charles River Laboratories International, Inc. (NYSE:CRL); Covance Inc. (NYSE:CVDI); Koninklijke DSM N.V. (ENXTAM:DSM); Lonza Group Ltd (SWX:LONN); McKesson Corporation (NYSE:MCK); Quintiles Transnational Holdings Inc. (NYSE:Q)

Geographic Distribution of Pharma Services M&A Deals by Region Since 2012⁽¹⁾

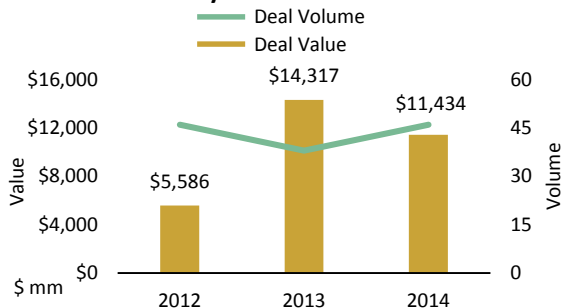


The majority of M&A activity in pharma services has taken place in either the United States and Canada or Asia / Pacific

- Since January 2012, nearly 65% of pharma services M&A has occurred in the US and Canada or Asia / Pacific
- Europe has seen just over a quarter of pharma services M&A activity
- Africa / Middle East and Latin America and Caribbean combine to make up about 10% of the total deal activity during the same time period

⁽¹⁾CapitalIQ, February 2015

Number and Volume of Pharma Services M&A Deals by Period Since 2012⁽¹⁾

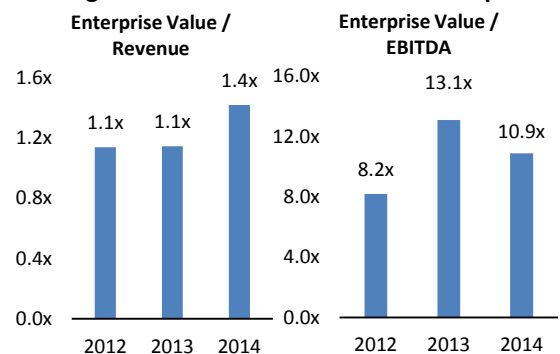


Bourne Partners screened the number of M&A transactions and total deal value over the past 3 years

- 2013 saw a significant increase in deal value (driven by multiple deals in excess of \$1 billion) despite deal volume being slightly lower

⁽¹⁾CapitalIQ, February 2015

Average Pharma Services M&A Deal Multiples⁽¹⁾



Both revenue and EBITDA multiples have increased since their 2012 level, as EBITDA multiples spiked in 2013, but returned to a more normalized level in 2014

⁽¹⁾CapitalIQ, February 2015

Comparable Companies Analysis⁽¹⁾

Company	Ticker	Share Price	Shares Out	Equity Value	Net Debt (Cash)	Enterprise Value	LTM				CYE				Book Value
							Revenue	EBITDA	EBIT	EPS	Sales	EBITDA	CYE EPS	CYE+1 EPS	
AmerisourceBergen Corporation	NYSE:ABC	\$95.80	220.1	\$21,088.1	(\$302.9)	\$20,785.2	\$123,981.4	\$1,406.9	\$1,212.7	\$3.06	\$133,238.4	\$1,933.0	\$4.58	\$5.21	8.1
Cardinal Health, Inc.	NYSE:CAH	84.40	330.1	27,863.0	1,095.0	28,958.0	93,928.0	2,441.0	1,996.0	3.28	99,366.0	2,692.9	4.35	4.88	18.5
Charles River Laboratories International, Inc.	NYSE:CRL	69.60	46.9	3,265.8	641.4	3,907.2	1,257.3	280.6	183.5	1.90	1,287.9	293.6	3.36	3.56	14.3
Covance Inc.	NYSE:CVI	106.20	57.0	6,049.0	(\$65.3)	5,983.8	2,521.0	438.9	304.4	3.26	2,630.7	461.0	4.24	4.58	29.8
Koninklijke DSM N.V.	ENXTAM:DSM	52.31	173.4	9,071.2	2,777.8	11,849.0	11,579.5	1,363.0	735.8	2.76	11,012.0	1,415.6	3.21	3.16	43.7
Lonsa Group Ltd	SWK:LONN	115.25	52.0	5,990.2	2,025.4	8,015.6	3,664.3	714.7	425.8	3.38	3,971.6	804.5	6.74	7.68	41.3
McKesson Corporation	NYSE:MCK	219.06	232.8	51,006.4	5,807.0	56,813.4	173,870.0	3,921.0	2,969.0	6.20	180,459.3	4,738.5	10.91	12.62	39.2
Quintiles Transnational Holdings Inc.	NYSE:Q	59.91	123.5	7,401.8	1,415.4	8,817.2	4,105.7	657.2	569.7	1.80	4,175.3	702.5	2.66	2.98	(4.2)

Company	Ticker	FYE	Data as of	Margin Analysis			Enterprise Value /				P / E			Price to Book		
				Gross Profit	EBITDA	EBIT	Revenue	EBITDA	Sales	EBITDA	EBIT	Sales CYE	LTM		CYE	CYE+1
AmerisourceBergen Corporation	NYSE:ABC	30-Sep-14	9-Feb-15	2.5%	1.1%	1.0%	0.2x	14.8x	0.1x	9.8x	17.1x	0.2x	31.3x	20.9x	18.4x	11.9x
Cardinal Health, Inc.	NYSE:CAH	30-Jun-14	9-Feb-15	5.7%	2.6%	2.1%	0.3x	11.9x	0.3x	9.8x	14.5x	0.3x	25.7x	19.4x	17.3x	4.6x
Charles River Laboratories International, Inc.	NYSE:CRL	28-Dec-13	9-Feb-15	36.0%	22.3%	14.6%	3.1x	13.9x	2.9x	12.2x	21.3x	3.0x	36.6x	20.7x	19.5x	4.9x
Covance Inc.	NYSE:CVI	31-Dec-13	9-Feb-15	30.8%	17.4%	12.1%	2.2x	12.5x	2.0x	11.1x	18.0x	2.1x	32.5x	25.1x	23.2x	3.6x
Koninklijke DSM N.V.	ENXTAM:DSM	31-Dec-13	9-Feb-15	26.2%	11.8%	6.4%	1.0x	8.7x	1.1x	8.7x	16.1x	1.1x	19.0x	16.3x	16.6x	1.2x
Lonsa Group Ltd	SWK:LONN	31-Dec-13	9-Feb-15	29.5%	19.5%	11.5%	2.2x	11.2x	2.0x	9.4x	18.8x	2.0x	34.1x	17.1x	15.0x	2.8x
McKesson Corporation	NYSE:MCK	31-Mar-14	9-Feb-15	6.5%	2.3%	1.7%	0.3x	14.5x	0.3x	11.5x	19.1x	0.3x	35.3x	20.1x	17.4x	5.6x
Quintiles Transnational Holdings Inc.	NYSE:Q	30-Jun-14	9-Feb-15	35.4%	16.0%	13.9%	2.1x	13.4x	2.0x	11.6x	15.5x	2.1x	33.2x	22.5x	20.1x	N/M

N/M - Not Meaningful	Median	27.8%	13.9%	9.0%	1.6x	13.0x	1.6x	10.5x	17.6x	1.5x	32.9x	20.4x	17.9x	4.6x
	Mean	21.6%	11.6%	7.9%	1.4x	12.6x	1.3x	10.5x	17.6x	1.4x	31.0x	20.3x	18.4x	4.9x
	Max	36.0%	22.3%	14.6%	3.1x	14.8x	2.9x	12.2x	21.3x	3.0x	36.6x	25.1x	23.2x	11.9x
	Min	2.5%	1.1%	1.0%	0.2x	8.7x	0.1x	8.7x	14.5x	0.2x	19.0x	16.3x	15.0x	1.2x

⁽¹⁾CapitalIQ, February 2015

Comparable Precedent Transactions Analysis⁽¹⁾

Announced Date	Target Company	Buyer Company	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Nov-14	JCL Bioassay Corporation	CMIC HOLDINGS Co., Ltd.	Japan	\$ 22.0	\$ 19.3	\$ 3.4	1.5x	10.1x
Nov-14	Covance Inc.	Laboratory Corp. of America Holdings	United States	5,677.4	2,509.7	416.5	2.2x	12.8x
Sep-14	Shasun Pharmaceuticals Ltd	Strides Arcolab Ltd.	India	306.5	213.0	26.3	1.6x	14.0x
May-14	Laurus Labs Private Limited	Warburg Pincus LLC	India	290.2	204.4	N/A	1.4x	N/A
Mar-14	Cedarburg Pharmaceuticals, Inc.	Albany Molecular Research Inc.	United States	41.0	16.2	5.5	2.5x	7.5x
Nov-13	Patheon Inc.	JLL Partners; Koninklijke DSM N.V.	United States	1,860.9	1,023.1	128.0	1.7x	13.1x
Oct-13	Celesio AG	Dragonfly GmbH & Co. KGaA	Germany	7,389.2	29,215.6	441.8	0.3x	16.7x
Sep-13	Molecular Profiles Ltd.	Columbia Laboratories Inc.	United Kingdom	25.4	9.0	N/A	2.8x	N/A
Sep-13	Haupt Pharma AG	Aenova Group GmbH	Germany	342.4	371.4	N/A	0.9x	N/A
Jan-13	BioClinica, Inc.	JLL Partners; JLL Partners VI, L.P.	United States	108.2	79.0	10.3	1.4x	10.5x
Oct-12	Metrics, Inc.	Mayne Pharma Group Limited	United States	120.0	51.6	16.1	2.3x	7.5x
Jul-12	ShangPharma Corporation	TPG Capital	China	142.2	121.9	17.3	1.1x	8.3x

N/A - Not Available	Median	\$216.2	\$163.2	\$17.3	1.6x	10.5x
N/M - Not Meaningful	Mean	1,360.4	2,819.5	118.4	1.7x	11.2x
	Max	7,389.2	29,215.6	441.8	2.8x	16.7x
	Min	22.0	9.0	3.4	0.3x	7.5x

⁽¹⁾CapitalIQ, February 2015

Market Trends & Industry Developments

Below are some recent trends and market intelligence

- The global pharmaceutical CMO and CRO markets are expected to grow at 13.6% CAGR through 2017, while the value of the global CRO market alone is expected to reach \$43 billion by the end of that time period⁽¹⁾
- Distributors are expected to benefit from the projected growth in demand for prescription pharmaceuticals due to US healthcare reform
- Advances in technology have led to efficiencies within clinical trials sub-sections as well as supply chain management for industry firms
- Recent industry consolidation has allowed niche pharma services to thrive, filling gaps left by the consolidation of larger firms

⁽¹⁾Transparency Market Research, PharmaTimes Digital: Contract research/mfrg market "set to grow 13.6% a year", October 2013

Headquartered in Charlotte, North Carolina, Bourne Partners is a healthcare-focused merchant and investment banking firm* that provides investment in, advisory, and consulting services to domestic and international pharma services and specialty pharmaceutical companies. The firm's management team is composed of healthcare executives and experienced investment professionals with broad experience and expertise in healthcare investing and business development activities. The firm also invests opportunistically in select private equity funds and in companies and products that align with the firm's strategic initiatives. For more information on market activity in the pharma



services industry or to discuss how Bourne Partners may be able to add value to your company, please contact:

Jason Colgate
 Director & Head of Business Development
 +1-704-714-8368
 jcolgate@bourne-partners.com