

SECTOR REPORT

Nutraceuticals Industry

April 2013

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Nutraceutical Tearsheet

Market Dynamics⁽¹⁾

- ❖ Global market reached \$142.1 billion in 2011
- ❖ The U.S. offers the most active market, but developing countries show signs of rapid growth
- ❖ Increased safety, regulation, and compliance requirements are increasing costs globally

Industry Outlook⁽¹⁾

- ❖ Global market expected to reach \$204.8 billion by 2017 (Anticipated CAGR of 6.4%)
- ❖ Industry consolidation is expected to continue to drive M&A growth within the industry

Trading & Transaction Comps⁽²⁾

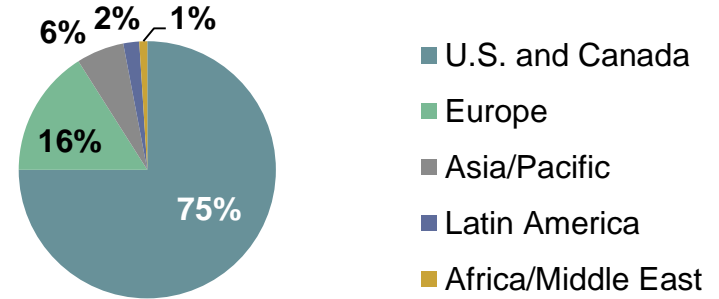
- ❖ Enterprise Value Multiples
 - Average EBITDA Multiple: 13.8x in 2012
 - Average Revenue Multiple: 2.2x in 2012
 - Total number of deals: 81 in 2012
 - Most active regions: U.S. (75%) and Europe (16%)
- ❖ Stock Performance relative to 2012 benchmarks
 - Performance relative to S&P 500: +9%
 - Performance relative to Healthcare Sector: +3%

Source:

(1) Transparency Market Research: Nutraceuticals Product Market: Global Size, Segment and Country Analysis & Forecasts (2007-2017), February 2012

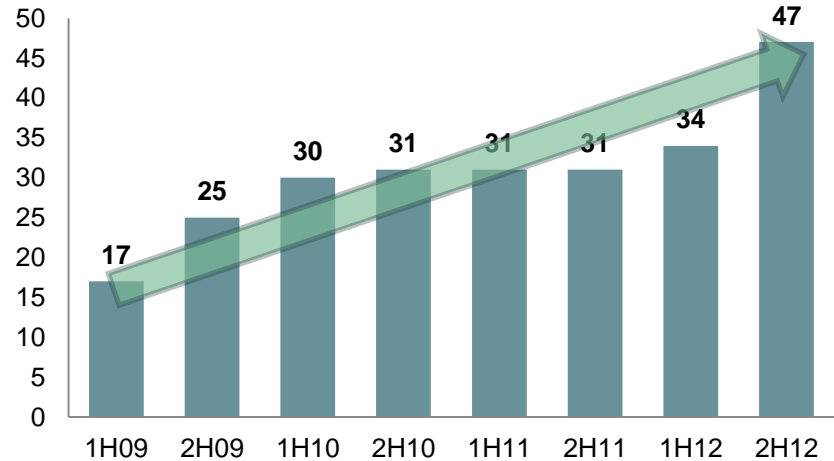
(2) Bourne Partners Proprietary Research, CapitalIQ, January 2013

Geographic Distribution of M&A Deals by Region



Source: Bourne Partners Proprietary Research, CapitalIQ, January 2013

Number of M&A Deals by Period Since 2009



Source: Bourne Partners Proprietary Research, CapitalIQ, January 2013

Market Overview

Nutraceutical Market Overview

- ❖ The nutraceutical market is comprised of foods, beverages, ingredients, and dietary supplements that have or are intended to have a health benefit to consumers.

- ❖ We've split the market into three distinct categories:
 - Functional foods/beverages (probiotic yogurts)
 - Dietary supplements (protein powders)
 - Nutraceutical ingredients (raw minerals or oils)

- ❖ Global market reached \$142.1 billion in 2011 and is expected to eclipse \$250 billion by 2018

- ❖ Global population of individuals over 60 years of age expected to reach 1 billion by 2020, 70% of which will be living in developed nations driving “Anti-aging” and “age-defying” products to higher product visibility

- ❖ Increases in global healthcare costs led more individuals to focus on preventative care, self diagnosis, and self medication.

- ❖ The nutraceutical market is being utilized to augment an increasingly robust OTC market, and growing competition among market participants has led to industry consolidation and a frothy M&A environment

- ❖ High growth rates and attractive margins have fueled interest from “Big Pharma/Food” companies, eager to enter the market through strategic acquisition

Source: Nutraceuticals: A Global Strategic Business Report, Global Industry Analysts, July 2012

Growth of Specialty Functional Foods

Industry Trends

- ❖ Consolidation within the industry expected to continue
- ❖ International growth across the industry expected to continue as developing countries increase nutraceutical consumption
- ❖ Domestic growth expected to continue as novel products and new target segments are leveraged by domestic producers, including high growth specialty foods focused on probiotics and heart health
- ❖ Continued concerns over “naturalness,” increased global regulation, and concerns about safety due to overseas manufacturing could stifle growth
- ❖ Aging global population and rising healthcare costs have shifted consumer focus to healthier living, preventative care, and secondary source diagnosis/medication

Probiotics

- ❖ Global market projected to reach \$39.6 billion by 2018
- ❖ Growth driven by:
 - Enhanced efficiency of ingredients
 - Increased application in new areas
 - Heightened consumer awareness
- ❖ Women represent the largest target market for growth within probiotics
- ❖ Increased availability in both dietary supplements and functional foods (e.g. yogurts and other dairy products) has allowed more consumers to access probiotics
- ❖ New and novel food products (from smoothies to salad dressings) currently in development to meet rising demand in the market

Heart Health

- ❖ Global market projected to reach \$15.2 billion by 2018
- ❖ Growth driven by:
 - Increase in prevalence of heart disease and health-conscious consumers
 - Growth within Asia-Pacific region expected to be nearly 15% CAGR
 - Increasing costs of prescription drugs for management of cardiovascular conditions
- ❖ Major global food companies leading the charge, but some “new” products are purely innovations in marketing and not necessarily product development
- ❖ Improved diagnostics are leading to earlier diagnosis of heart disease making patients better able to manage their conditions, with patients focusing on cholesterol reduction and management

Source: Nutraceuticals: A Global Strategic Business Report, Global Industry Analysts, July 2012

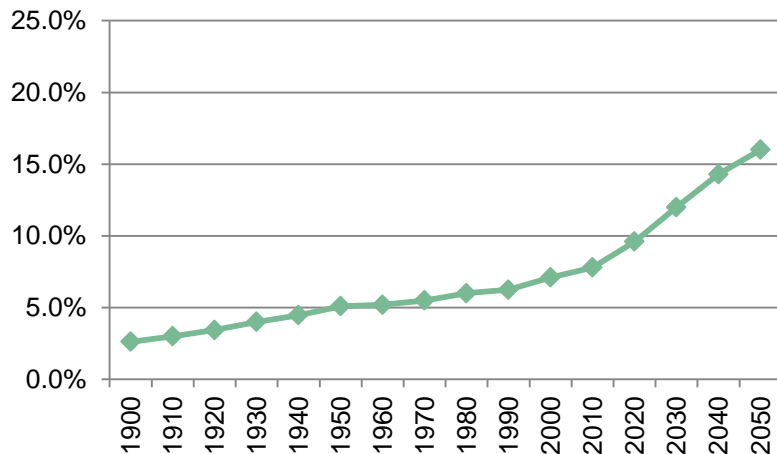
Current Market Dynamics

Global Growth Drivers

Aging World Population

- ❖ Over 500 million, or roughly 8% of people worldwide, are over the age of 65
- ❖ This age group is expected to account for 13% of the population by 2030
- ❖ Most rapid increases in elderly occurring in developing countries
- ❖ However, largest populations by number are projected to remain in developed nations

Percent of World Population over 65

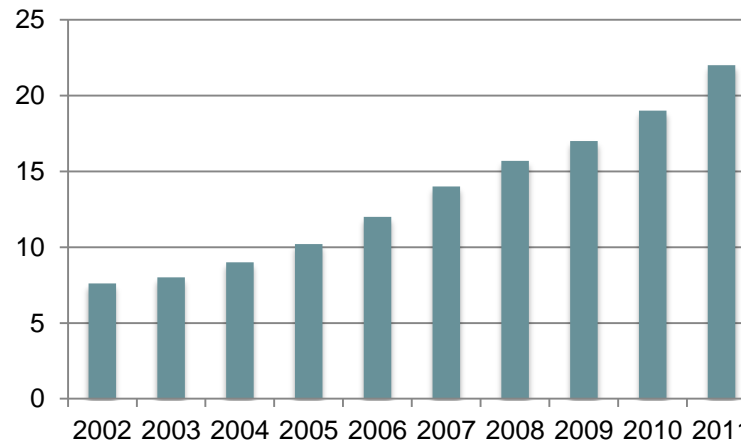


Source: U.S. State Department and United Nations Department of Economic and Social Affairs

Increases in Disposable Income

- ❖ Gradual economic recovery in the United States and across Europe has consumer sentiment rising and disposable income returning to pre-economic crisis levels
- ❖ Likewise, developing nations are experiencing rapid growth in their middle classes, which translates to increased disposable income because of typically regressive tax structures

China's Growing Disposable Income - 1,000 RMB



Source: March 2013 Enigma Report, Academy of Market Intelligence

International Market Dynamics

Europe

- ❖ Increased government regulation and arduous approval processes stifling innovation
- ❖ In lieu of introducing new ingredients, European companies are focusing on rebranding and expanding product offerings for currently approved ingredients

Latin America

- ❖ Underserved markets could spur growth in the region as disposable income increases

Asia/Pacific⁽¹⁾

- ❖ Currently the Asia/Pacific region's market share is only surpassed by the U.S. dominated North America region
- ❖ Regional market share as a whole is expected to surpass North America's market share by 2017
- ❖ **China**
 - Expected to be the largest consumer of nutraceutical ingredients by 2020
 - Growth in China expected to be fueled by the rapidly growing middle class and its disposable income
- ❖ **Japan**
 - Currently the second largest individual consumer of nutraceuticals (behind the U.S.)
 - As its middle class continues to expand, China should eclipse Japanese consumption within the next few years
- ❖ **India and Indian Subcontinent**
 - Unlike its regional neighbors, India's market share growth is not expected to come from dietary supplements
 - However, functional beverages are expected to drive growth throughout the subcontinent

Asia/Pacific Region



Source: World Nutraceutical Ingredient Industry, Freedonia, November 2011

Market Comps

Nutraceutical Trading Comps

USD in millions, except for per-share amounts

Company	Ticker	Share Price	Shares Out	Equity Value	Net Debt (Cash)	Enterprise Value	LTM				CYE			Book Value	
							Sales	EBITDA	EBIT	EPS	Sales	EBITDA	CYE EPS		CYE+1 EPS
Atrium Innovations Inc.	TSX:ATB	\$12.14	31.3	\$380.5	\$269.9	\$650.4	\$437.5	\$87.4	\$77.5	\$1.33	\$461.1	\$91.0	\$1.65	\$1.79	\$14.2
Keck Seng Malaysia Bhd	KLSE:KSENG	1.66	360.2	598.3	(244.2)	354.1	345.2	33.4	24.6	0.06	0.0	0.0	0.00	0.00	1.7
Herbalife Ltd.	NYSE:HLF	37.35	103.1	3,850.3	156.1	4,006.4	4,072.3	735.8	661.4	3.62	4,617.2	792.7	4.68	5.44	3.9
Lifevantage Corporation	NasdaqCM:LFVN	2.33	113.7	264.9	(28.5)	236.4	187.1	22.1	21.1	0.09	0.0	0.0	0.00	0.00	0.3
Medifast Inc.	NYSE:MED	22.95	13.8	316.0	(55.7)	260.3	356.7	41.4	30.2	1.39	390.1	47.8	1.77	2.11	6.6
Nature's Sunshine Products Inc.	NasdaqCM:NATR	15.18	15.8	240.0	(75.7)	164.4	367.5	38.1	34.0	1.42	0.0	0.0	0.00	0.00	7.3
Nutraceutical International Corporation	NasdaqGS:NUTR	16.98	9.7	165.4	35.3	200.6	203.5	35.8	26.7	1.58	206.1	0.0	1.71	1.81	12.7
USANA Health Sciences Inc.	NYSE:USNA	48.88	13.5	659.9	(70.8)	589.0	648.7	107.0	98.2	4.23	712.2	119.0	5.18	5.58	13.4

Company	Ticker	FYE	Data as of	Margin Analysis			Enterprise Value/				P/E			Price to Book
				Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	Sales CYE	LTM	CYE	CYE+1	
Atrium Innovations Inc.	TSX:ATB	31-Dec	1-Apr-13	51.2%	20.0%	17.7%	1.5 x	7.4 x	8.4 x	1.4 x	9.2 x	7.4 x	6.8 x	0.9 x
Keck Seng Malaysia Bhd	KLSE:KSENG	31-Dec	1-Apr-13	15.7%	9.7%	7.1%	1.0 x	10.6 x	14.4 x	NM	28.8 x	NM	NM	1.0 x
Herbalife Ltd.	NYSE:HLF	31-Dec	1-Apr-13	47.2%	18.1%	16.2%	1.0 x	5.4 x	6.1 x	0.9 x	10.3 x	8.0 x	6.9 x	9.5 x
Lifevantage Corporation	NasdaqCM:LFVN	30-Jun	1-Apr-13	81.9%	11.8%	11.3%	1.3 x	10.7 x	11.2 x	NM	26.1 x	NM	NM	7.6 x
Medifast Inc.	NYSE:MED	31-Dec	1-Apr-13	75.1%	11.6%	8.5%	0.7 x	6.3 x	8.6 x	0.7 x	16.5 x	13.0 x	10.9 x	3.5 x
Nature's Sunshine Products Inc.	NasdaqCM:NATR	31-Dec	1-Apr-13	74.6%	10.4%	9.3%	0.4 x	4.3 x	4.8 x	NM	10.7 x	NM	NM	2.1 x
Nutraceutical International Corporation	NasdaqGS:NUTR	30-Sep	1-Apr-13	49.6%	17.6%	13.1%	1.0 x	5.6 x	7.5 x	1.0 x	10.8 x	10.0 x	9.4 x	1.3 x
USANA Health Sciences Inc.	NYSE:USNA	29-Dec	1-Apr-13	82.1%	16.5%	15.1%	0.9 x	5.5 x	6.0 x	0.8 x	11.6 x	9.4 x	8.8 x	3.6 x

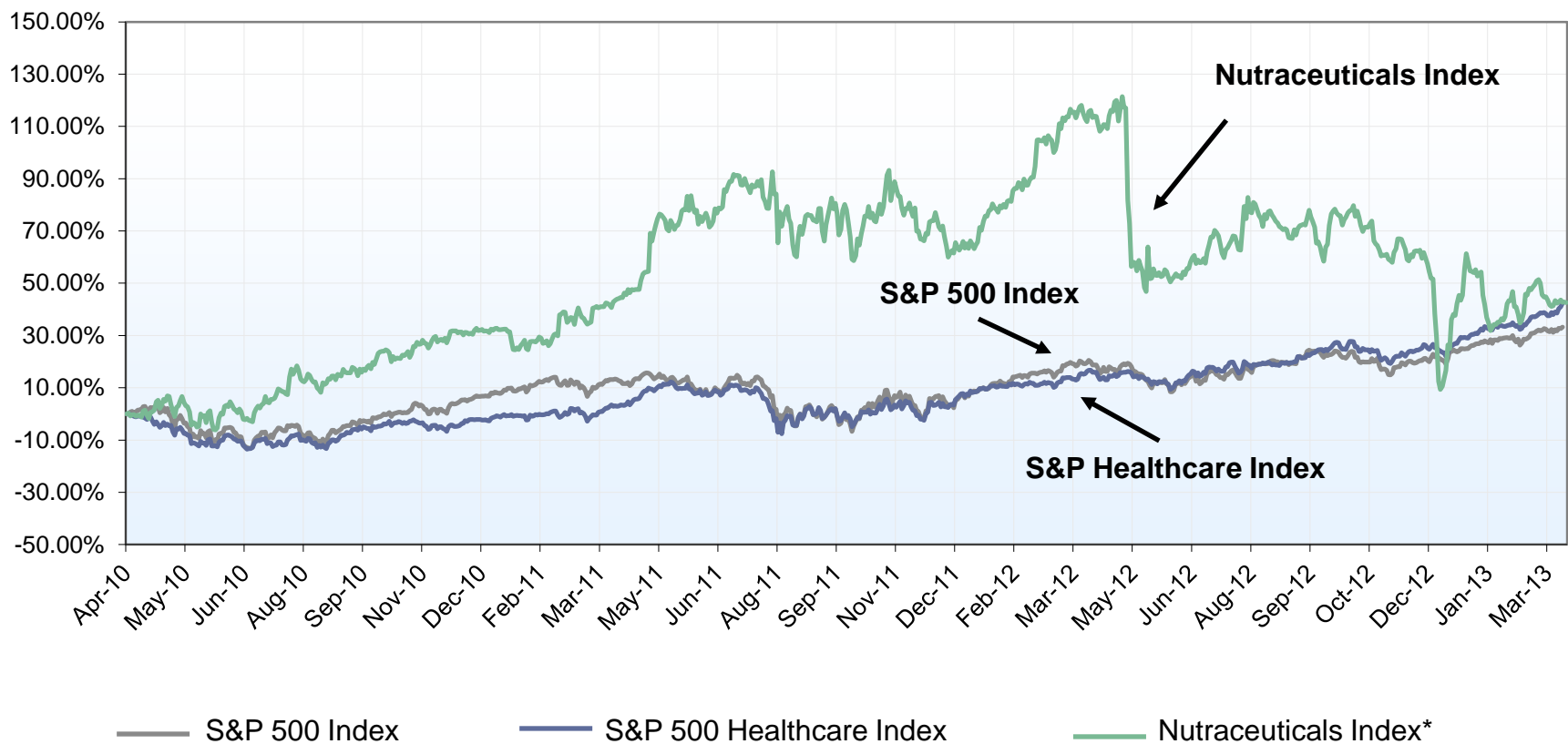
* All estimates from Capital IQ
 NM - not meaningful

Median	62.9%	14.2%	12.2%	1.0 x	5.9 x	8.0 x	0.9 x	11.2 x	9.4 x	8.8 x	2.8 x
Mean	59.7%	14.4%	12.3%	1.0 x	7.0 x	8.4 x	0.9 x	15.5 x	9.5 x	8.5 x	3.7 x
Min	15.7%	9.7%	7.1%	0.4 x	4.3 x	4.8 x	0.7 x	9.2 x	7.4 x	6.8 x	0.9 x
Max	82.1%	20.0%	17.7%	1.5 x	10.7 x	14.4 x	1.4 x	28.8 x	13.0 x	10.9 x	9.5 x

- ❖ The nutraceutical industry is extremely attractive given the relatively high gross profit margins and EBITDA margins
- ❖ The average enterprise value of the selected nutraceutical stocks indicates that the segment generally trades at 1x revenue

Source: Bourne Partners Proprietary Research, CapitalIQ, April 2013

Nutraceutical Trading Performance



- ❖ Over the last three years, publicly traded nutraceutical companies have outpaced both the S&P 500 and the S&P Healthcare Sector as a whole, most notably during the 2011 and early 2012
- ❖ The drastic plunge in the Nutraceuticals Index coincides with a dramatic plunge in the value of Herbalife stock following earning call questions made by David Einhorn regarding the companies distributors

**Nutraceuticals Index is comprised of the companies in the trading multiple basket from slide 11; Bourne Partners Internal Research, CapitalIQ, April 2013*

Nutraceutical Transaction Comps

Announced Date	Target	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Mar-13	Triarco Industries, Inc.	Innophos Holdings	United States	\$46.0	\$25.0	NA	1.8x	NA
Dec-13	Fortitech, Inc.	Royal DSM N.V. (ENXTAM:DSM)	United States	634.0	270.0	70.0	2.3x	9.1x
Nov-12	Schiff Nutrition International Inc.	Reckitt Benckiser LLC	United States	1,433.0	285.8	43.0	5.0x	33.3x
Aug-12	Avid Health, Inc.	Church & Dwight Co. Inc. (NYSE:CHD)	United States	723.3	198.5	48.6	3.6x	14.9x
Aug-12	Farma-rojeckt Sp. z o.o.	Recordati SpA (BIT:REC)	Poland	20.9	13.7	NA	1.5x	NA
Jul-12	Laboratorio Franco Colombiano Lafranscol S.A.	CFR International SpA	Colombia	562.0	200.0	NA	2.8x	NA
Jul-12	FIT-Bioceuticals Limited	Blackmores Limited (ASX:BKL)	Australia	40.9	40.0	NA	1.0x	NA
May-12	Swiss Herbal Remedies Limited	Valeant Pharmaceuticals International, Inc. (TSX:VRX)	Canada	20.6	21.2	NA	1.0x	NA
May-12	Airborne, Inc.	Schiff Nutrition Group, Inc.	United States	122.9	69.2	13.2	1.8x	9.3x
Apr-12	Pfizer Nutrition Brand	Nestle S.A. (SWA: NESN)	United States	11,850.0	2,418.4	598.5	4.9x	19.8x
Feb-12	Probioticx Laboratorios Ltd.	Valeant Pharmaceuticals International, Inc. (TSX:VRX)	Brazil	86.3	42.9	NA	2.0x	NA
Jun-11	Myprotein, Inc.	The Hut Group Ltd.	United Kingdom	95.3	25.0	NA	3.8x	NA
Jun-11	Seroyal International Inc.	Atrium Biotech Investments, Inc.	Canada	111.1	40.0	NA	2.8x	NA
Dec-10	Martek Biosciences Corporation	Royal DSM N.V. (ENXTAM:DSM)	United States	1,024.1	450.0	123.2	2.3x	8.3x
Jul-10	NBTY, Inc.	Carlyle Partners V, L.P.; The Carlyle Group (NasdaqGS:CG)	United States	3,784.6	2,826.3	480.6	1.3x	7.9x

- ❖ While enterprise value to revenue multiples are fairly consistent and average 2.5x, enterprise value to EBITDA multiples are somewhat skewed by the Schiff deal. Nevertheless, we believe that the median multiple is right in-line with typical transactions.

Median	122.9	69.2	70.0	2.3x	9.3x
Mean	1,370.3	461.7	196.7	2.5x	14.7x
High	11,850.0	2,826.3	598.5	5.0x	33.3x
Low	20.6	13.7	13.2	1.0x	7.9x

Source: Bourne Partners Proprietary Research, CapitalIQ, April 2013

NA - Not Available
NM - Not Meaningful

Select Transaction Profiles

Triarco Industries

- ❖ **Announce Date:** January 2013
- ❖ **Acquirer:** Innophos Holdings (Nasdaq: IPHS)
- ❖ **Region:** United States
- ❖ **Enterprise Value:** \$46 million
- ❖ **Revenue Multiple:** 1.8x
- ❖ **EBITDA Multiple:** N/A
- ❖ **Target Description**
 - Manufacturer of high quality custom nutraceutical ingredients for both food and beverage.
 - Specialize in botanical and enzyme based ingredients
- ❖ **Transaction Overview:**
 - Innophos subsidiary purchased all of Triarco's assets for \$45 million in cash and an additional \$1 million in equity
 - Deal includes benchmark payments for the completion of growth objectives during the first 2 years
- ❖ **Strategic Rationale:**
 - Triarco pairs well with recent Innophos acquisitions AMT (2012) and Kelatron (2011), which gives the company a full complement of nutraceutical ingredient manufacturing capabilities



Pfizer Nutrition Brand

- ❖ **Announce Date:** April 2012
- ❖ **Acquirer:** Nestle S.A. (SWX:NESN)
- ❖ **Region:** Global
- ❖ **Enterprise Value:** \$11.85 billion
- ❖ **Revenue Multiple:** 4.9x
- ❖ **EBITDA Multiple:** 19.8x
- ❖ **Target Description**
 - Pfizer's global infant nutrition business
 - Sizeable market share in developing countries including China and India
- ❖ **Transaction Overview:**
 - Nestle won out over French rival Danone in a fierce back-and-forth bidding battle that drove up transaction multiples
 - Deal involves several regulatory hurdles, which may force Nestle to sell off business units in certain regions to avoid antitrust issues
- ❖ **Strategic Rationale:**
 - The acquisition strengthens Nestles presence in Asian/Pacific markets with a combined business market share of 10% in China and nearly 30% in the Middle East.



Schiff Nutrition International

- ❖ **Announce Date:** November 2012
- ❖ **Acquirer:** Reckitt Benckiser Group (LSE:RBL)
- ❖ **Region:** United States
- ❖ **Enterprise Value:** \$1.4 billion
- ❖ **Revenue Multiple:** 5.0x
- ❖ **EBITDA Multiple:** 33.3x
- ❖ **Target Description**
 - Vitamin Supplement manufacturer
 - Brands include Move Free and MegaRed
- ❖ **Transaction Overview:**
 - Reckitt made a bid to purchase the outstanding shares of both class A and class B stock for \$42 a share (an 81% premium over pre-offer share price)
 - Reckitt will finance the purchase with cash and previously acquired credit facilities
 - Reckitt's bid exceeded a previously announced offer by Bayer AG
- ❖ **Strategic Rationale:**
 - The acquisition of Schiff helps round out Reckitt's nutraceutical portfolio, which currently includes Adams Respiratory Therapeutics products and Scholl foot products



Schiff Nutrition Acquisition

Details

- ❖ **Acquirer:** Reckitt Benckiser Group (LSE:RBL)
- ❖ **Region:** United States
- ❖ **Enterprise Value:** \$1.4 billion
- ❖ **Revenue Multiple:** 5.0x
- ❖ **EBITDA Multiple:** 33.3x

Timeline

- ❖ **October 26, 2012:** Schiff shares close at \$23.19 per share
- ❖ **October 30, 2012:** Bayer agrees to buy Schiff for \$34 a share
- ❖ **November 16, 2012:** Reckitt Benckiser makes unsolicited offer of \$42 a share
- ❖ **November 20, 2012:** Bayer informs Schiff it will not raise its bid
- ❖ **December 17, 2012:** Reckitt successfully completes purchase of Schiff

Interesting Deal Dimensions

- ❖ **All was not lost for Bayer**
 - When the initial deal was negotiated, Bayer agreed to give Schiff a 30 day window in which to accept a higher unsolicited offer
 - However, it also negotiated for a \$22 million break up fee
- ❖ **Bidding duels between potential suitors are driving multiples through the roof**
 - Reckitt paid a 24% premium over Bayer's original bid and what ultimately amounted to an 81% premium over the pre-offer share price
 - Reckitt's not the only one driving up the multiples on companies it's looking to acquire. Nestle and Danone recently went toe to toe over Pfizer Nutrition resulting in a near 20x EBITA multiple

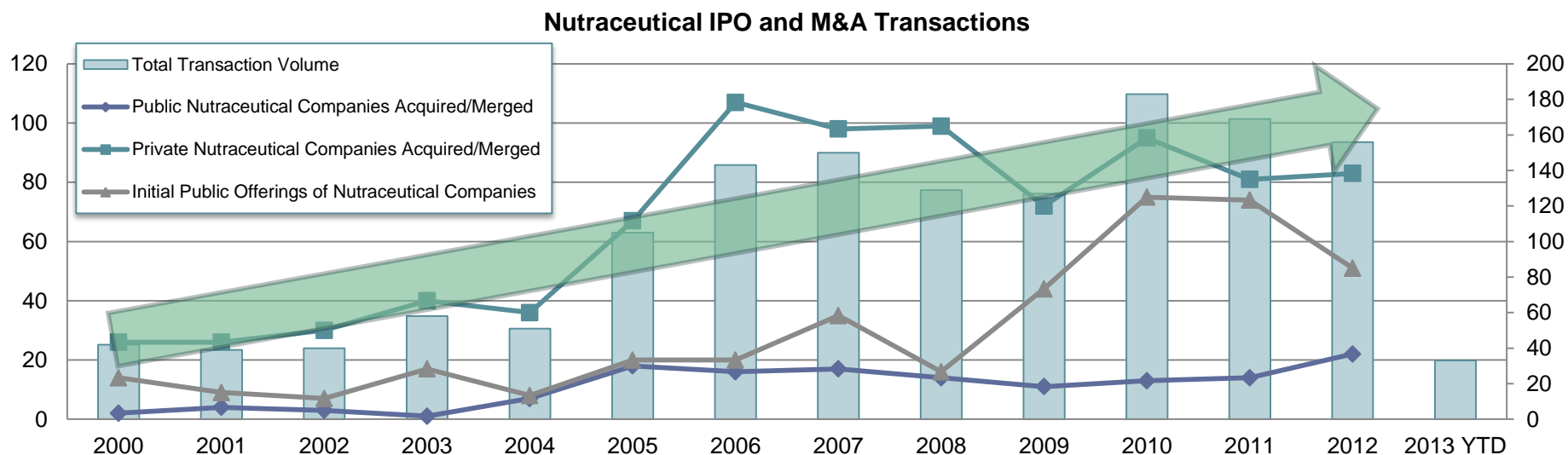


M&A Activity

Industry M&A Activity in General

- ❖ M&A has become both a viable and very popular exit strategy for capital or resource constrained private companies
- ❖ Many of the larger companies are able to leverage their balance sheets in order to enter new markets as opposed to investing time and capital into research and development
- ❖ A growing number of acquisitions have been forecast to be nearly immediately accretive, leading to rising share prices not only for the acquiree but also for the acquirer
- ❖ On a geographic basis there appears to be an increasing focus on emerging markets by U.S. and European companies seeking to enter these markets for production, sourcing, and sales

Nutraceutical IPO and M&A Activity



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 YTD
Public Nutraceutical Companies Acquired/Merged	2	4	3	1	7	18	16	17	14	11	13	14	22	10
Private Nutraceutical Companies Acquired/Merged	26	26	30	40	36	67	107	98	99	72	95	81	83	12
Initial Public Offerings of Nutraceutical Companies	14	9	7	17	8	20	20	35	16	44	75	74	51	11
Total	42	39	40	58	51	105	143	150	129	127	183	169	156	33

- ❖ Drastic increases in the mid-to-late 2000s gave way to a decline during the recession. However, increases in IPOs have fueled M&A growth and we expect transaction volume to exceed pre-recession levels in 2013

Note: 2013 YTD through March 16, 2013; Bourne Partners Internal Research

Industry Outlook

Nutraceutical Industry Outlook

- ❖ Global market is expected to eclipse \$250 billion by 2018⁽¹⁾
- ❖ Industry consolidation expected to continue as Big Pharma/Food acquire smaller industry participants in order to reduce competition and enter new market segments

Market Forces Affecting Growth

Headwinds

- ❖ Potential for increased industry regulation around the globe
- ❖ Growing concerns over product safety as production and manufacturing move overseas
- ❖ Slower growth in dominant segment of the U.S. market:
 - Herbal supplement growth waning
 - Safety concerns over some weight loss and energy boosting products may stagnate growth in more mature markets

Tailwinds

- ❖ Aging population and increase in health conscious consumers
- ❖ Asia/Pacific Growth:
 - Developing markets showing rapidly increasing consumption of functional foods and beverages
 - Increase in disposable income
- ❖ Domestic Growth:
 - Dramatic expansion of product offerings and ingredient delivery methods
 - New dietary supplement categories helping to stem declining growth in the overall segment

Source: ⁽¹⁾ Nutraceuticals: A Global Strategic Business Report, Global Industry Analysts, July 2012

Domestic Outlook

Functional Food and Beverage⁽¹⁾

- ❖ 74% of Americans believe that “natural” means “healthier”
- ❖ Functional foods:
 - Greek yogurt, coconut water, and snacking nuts
 - Increase in “free” foods – (e.g. gluten free and lactose free)
 - Omega and fatty acid fortified foods
- ❖ Functional Beverages:
 - Dramatic increase in availability and options for fruit and vegetable juice drinks
 - Market for dairy and non-dairy products fortified with probiotics shows promise for future revenue growth
 - Carbonated and non-carbonated energy drinks and shots continue to dominate the functional beverage category

Dietary Supplements⁽²⁾

- ❖ Slowdown in sales of dietary supplements that skyrocketed in the 90s has been augmented by:
 - Non-herbal supplements
 - Sports related and performance enhancing supplements
 - Weight loss and management supplements
- ❖ Currently largest segment of nutraceuticals in the U.S., but other segments rapid growth outpacing dietary supplements’

Ingredients⁽³⁾

- ❖ Ingredients alone expected to balloon to \$23.7 billion by 2015
- ❖ Proteins and peptides continue to lead ingredient growth in the U.S.

Source:

⁽¹⁾ 10 Key Trends in Food, Nutrition, and Health 2013, New Nutrition Business

⁽²⁾ Nutraceuticals: A Global Strategic Business Report, Global Industry Analysts, July 2012

⁽³⁾ World Nutraceutical Ingredient Industry, Freedonia, November 2011

In Summary

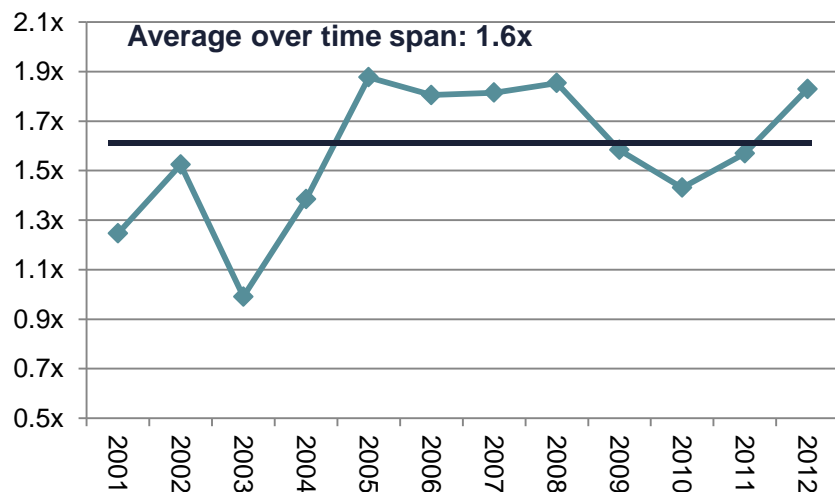
Nutraceutical Industry Summary

- ❖ As developing markets continue to expand, nutraceutical products will become a larger portion of disposal income spend (especially in the Asia/Pacific region).
- ❖ An aging world population and rising healthcare costs will continue to drive consumers to healthier and less costly alternatives to their current dietary habits and promote better health
- ❖ Larger players within both pharmaceuticals and food production will continue to snatch up unique companies in an effort to either enter new markets or augment current product offerings

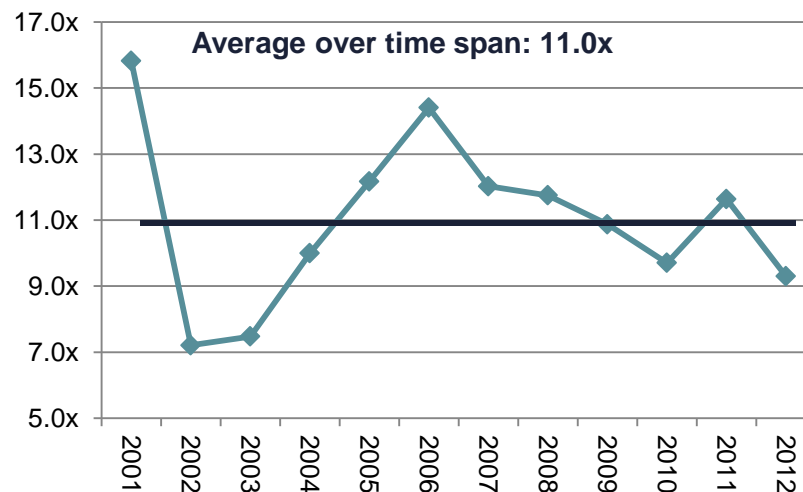
Market Attractiveness

- ❖ Revenue multiples and EBITDA multiples continue to fluctuate due to the breadth of deal size and economic downturns during the observation period. This is especially true in the past few years, which include very large outlier transactions.

Median Enterprise Value to Revenue Multiple



Median Enterprise Value to EBITDA Multiple



Source: Bourne Partners Internal Research, Capital IQ March 2013

Firm Overview

Bourne Partners Information

Life Sciences Merchant Bank

- ❖ Investment banking advisory
- ❖ Direct investing
- ❖ Operational and management consulting

Segmentation

- ❖ Healthcare services
- ❖ Specialty pharmaceuticals
- ❖ Consumer Health
- ❖ Medical technology (devices)
- ❖ Distribution

Advisory Services

- ❖ Mergers & Acquisitions
 - Company and product focus
 - Primarily sell side with select buy side assignments
 - \$10 – 250 million transaction focus
- ❖ Business Development Support Services
 - In/out-licensing of late stage and approved products
 - United States, European and Asian companies focused on partnering locally or in international markets
- ❖ Capital Raising
 - Mature spaces of healthcare (OTC, Specialty Pharmaceuticals, Generics, Medical Devices, Services)
 - \$10 - 250 million raises
 - Debt and equity
 - Active calling effort on 75+ healthcare focused private equity and venture capital groups

Geographic Coverage



Dots represent the countries where the Bourne Partners team has transaction experience

Bourne Partners Information

Direct Investing

- ❖ Enterprise values of \$10 – \$250 million
- ❖ Direct portfolio companies
- ❖ Co-invests with other sponsors
- ❖ Buyout and venture fund commitments

Senior Deal / Operations-focused Resources

- ❖ Senior level attention and involvement in every project
- ❖ Mix of investment professionals and healthcare executives
- ❖ Over \$5 billion in transactions completed globally
- ❖ Operations members provide enhanced support across investment life cycle and can fill management roles on transitional or permanent basis

Global Perspective

- ❖ Active contact and tracking of pharmaceutical and nutraceutical companies worldwide, with particular focus in the following regions:
 - United States
 - Latin America
 - Transaction experience or partner relationships in 15 countries within the region

Select Advisory Clients & Involved Parties



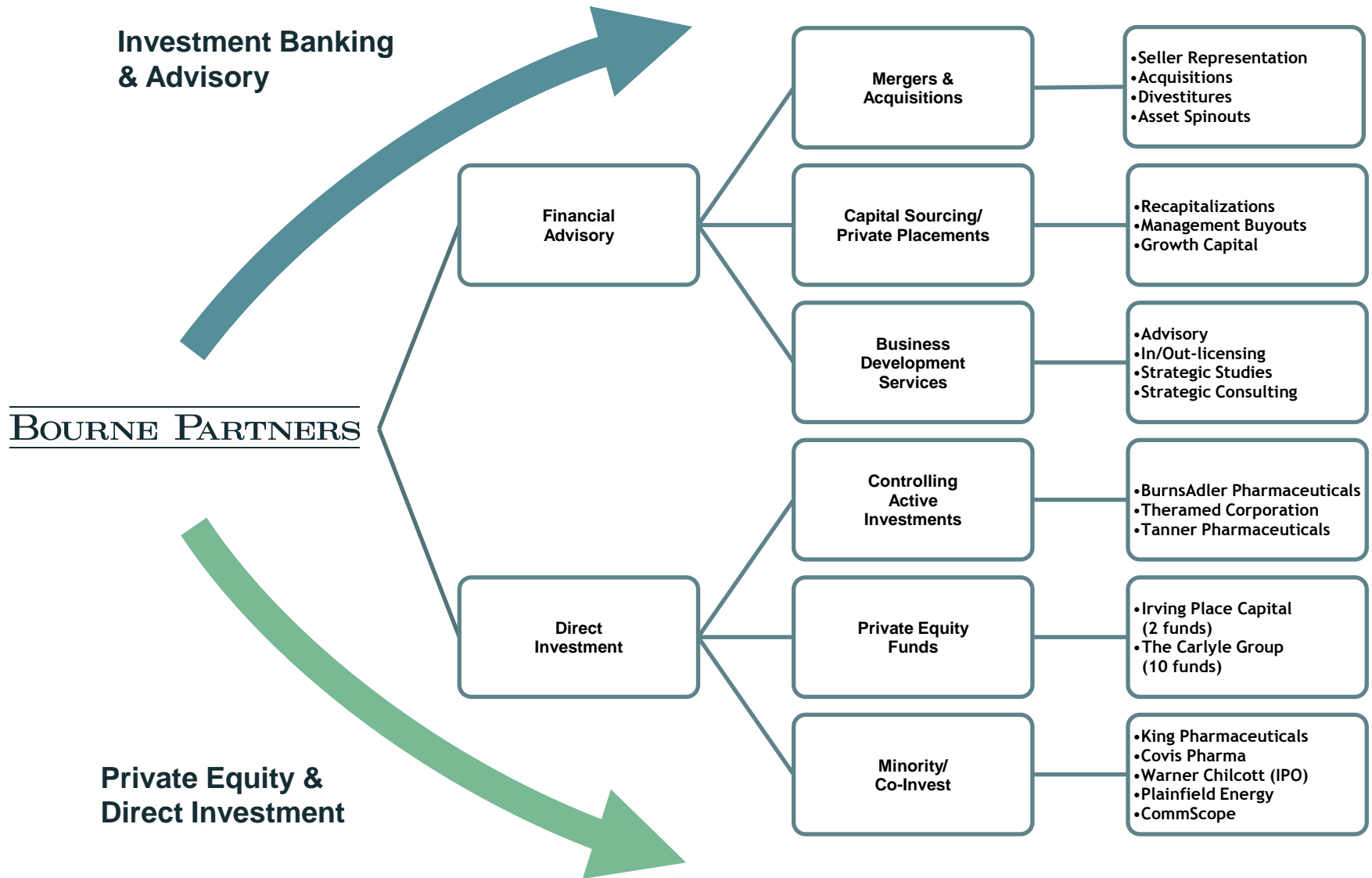
Representative Active Role Investments



Representative Passive, Fund, & Co-Investments



Bourne Partners Structure



Senior Team

Bourne Partners is comprised of experienced investment professionals, healthcare executives, and operating partners



Banks Bourne
Chief Executive Officer



Minor Hinson
Chief Investment Officer



Jeremy Johnson
Managing Director



Bill Taylor
Director of Legal Affairs



Molly Bourne
Director

- ❖ Over 50 years of combined pharmaceutical, medical device, biotechnology, and life sciences healthcare experience
- ❖ Over 60 years of combined investment banking and private equity transaction experience
- ❖ Transactions completed in more than 35 countries
 - Mergers & Acquisitions
 - Licensing Agreements
 - Product Divestitures
 - Distribution Agreements
 - Corporate Spin-offs
 - Capital Raising
 - Strategy Consulting
 - Fund Management
 - Direct Investing

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