

imaa

Institute of Mergers, Acquisitions
and Alliances

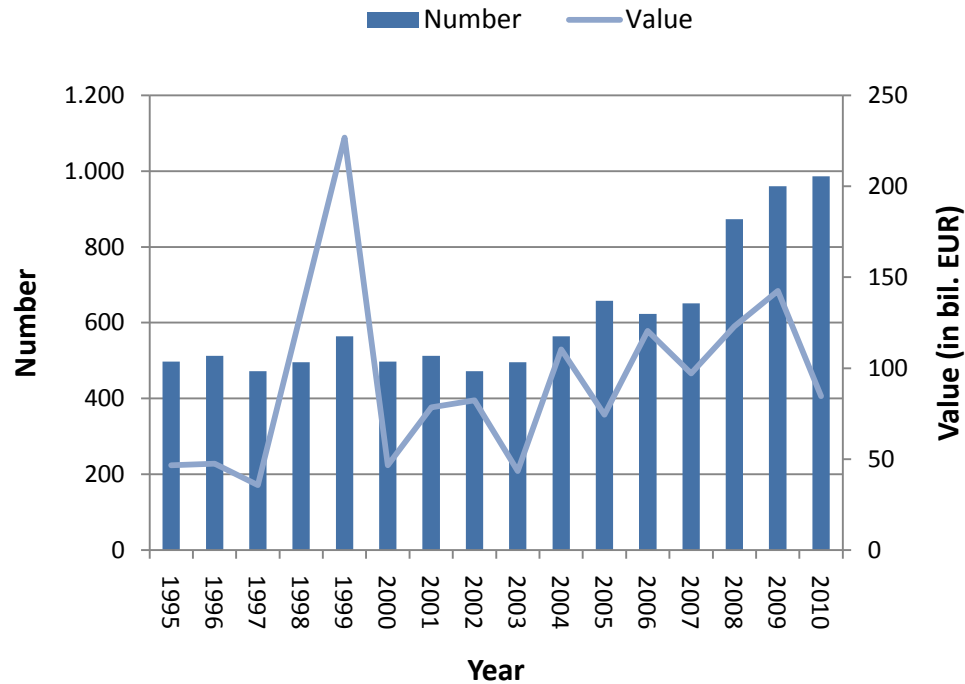
Mergers & Acquisitions Activity:
Pharmaceutical Industry
2010

Webster
UNIVERSITY

KUMMER & COMPANY

Vienna & Zurich, 01 February 2011

Pharmaceutical M&A Activity, 1995-2010



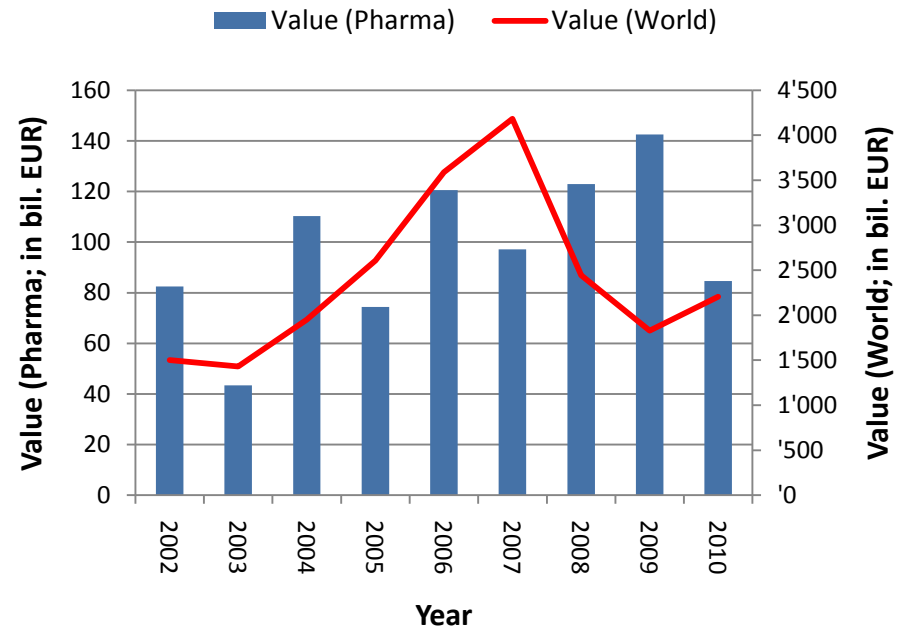
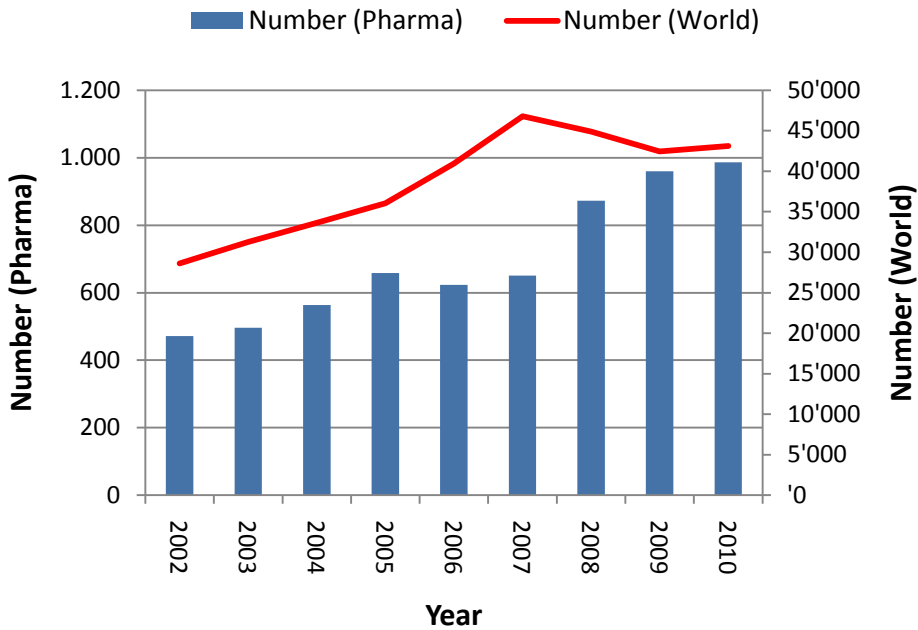
In the 2010, there have been **986 transactions** valued at **85 bil. EUR** in this sector.

The **number of M&A** have **slightly increased (+3%)**. This is the fourth consecutively increase since 2006, and a **new record** in terms of numbers of transactions. The **value** however has **decreased significantly (-40.6%)**.

Trend in Pharmaceutical & Biotechnology M&A

compared to	Number	Value
2009	+2.7%	-40.6%

M&A in 2010: Pharma vs. World



The **number of transactions** worldwide (see left figure) has increased, but the M&A in the Pharma & Biotech sector has grown a bit more, especially from a relatively high level. The **value of transactions** worldwide (see right figure) has increased by more than 20%, while the value in the Pharma & Biotech sector has decreased a lot.

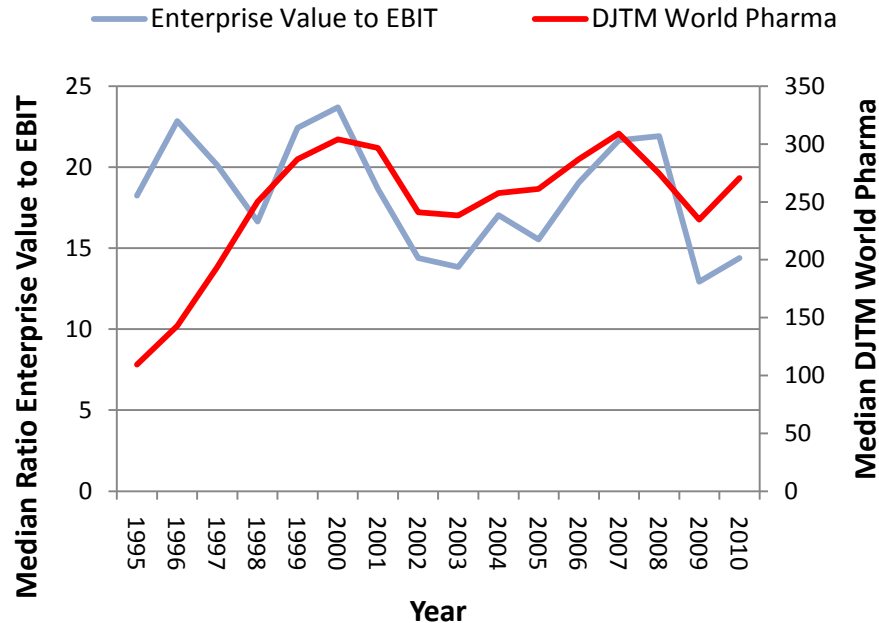
Trend in Pharma and Worldwide M&A

Region/Industry	Number	Value
Pharma & Biotech	+2.7%	-40.6%
Worldwide	+1.6%	+20.7%

Top Deals in 2010

Rank	Target Company	Target Country	Acquiror Company	Acquiror Country	Value (in bil. EUR)	Status
1	Genzyme Corp	United States	Sanofi-Aventis SA	France	14.6	Pending
2	Alcon Inc	Switzerland	Novartis AG	Switzerland	9.1	Pending
3	Millipore Corp	United States	Merck KGaA	Germany	4.5	Completed
4	Gilead Sciences Inc	United States	Gilead Sciences Inc	United States	4.0	Intended
5	Ratiopharm International GmbH	Germany	Teva Pharm Inds Ltd	Israel	3.6	Completed
6	Novo Nordisk A/S	Denmark	Novo Nordisk A/S	Denmark	3.4	Intended
7	Valeant Pharm Intl Inc	United States	Biovail Corp	Canada	3.0	Completed
8	Talecris Biotherapeutics Hldg	United States	Grifols SA	Spain	3.0	Pending
9	OSI Pharmaceuticals Inc	United States	Ruby Acquisition Inc	United States	3.0	Completed
10	Piramal Healthcare Ltd-	India	Abbott Laboratories	United States	3.0	Completed

Valuation of Pharma M&A deals, 1995-2010



Both the average (median) of the multiple (Enterprise Value to EBIT) in the pharma & biotechnology sector and the Dow Jones Total Market index for the Pharma Sector worldwide show an increase (see table on the right). **Valuation** of pharma and biotech companies **remain at a low level** with 14.4x EBIT.

Trend in Valuation

Indicator	Change
EBITDA Multiple	+11.4%
DJTM	+15.4%

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Appendix

Unless otherwise stated:

- All sources of data have been: Thomson Financial, Institute of Mergers, Acquisitions and Alliances (IMAA) analysis.
- Deals analysed have been „announced“ which is the standard of analysis for most reports. Announced means that we have included deals with the status: Completed, Unconditional, Intended, Pending Due to Regulatory Reasons, and Pending, Partially Completed, Status Unknown, and Withdrawn. This explicitly excludes the deals with the status: Seeking Buyer, Rumor, Discontinued Rumor, and Seeking Buyer.