

TM Capital Observations from the MD&M West Conference

We attended the Medical Design and Manufacturing (MD&M) West conference in Anaheim last week, and were pleased to meet again with many of the parties we had worked with in the course of the recent sale of Metrigraphics to Cirtec Medical.

We observed different perspectives from three categories of contract medical manufacturers:

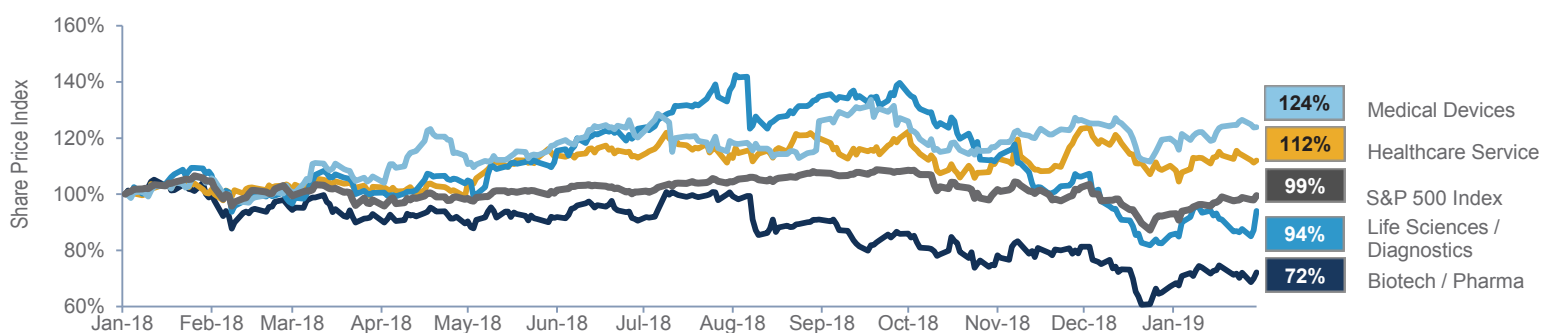
- **Independent Companies** – Founder and family-owned companies in this sector are increasingly considering sale or recapitalization transactions given the outstanding valuations available in the market and the accelerating consolidation in the sector, which is creating competitive challenges.
- **Sponsor-Owned Companies** – With the backing of private equity firms seeking additional investments in the healthcare sector, sponsor-owned contract manufacturers are aggressively targeting acquisitions that enhance the breadth of proprietary technologies they can package for major medical device customers.
- **Sector Leaders** – The largest contract medical device manufacturing platforms have expanded their technology portfolios and global manufacturing footprint, and are now seeking tuck-in acquisitions that fill gaps in their ability to produce specialized components and devices.

Healthcare Headline Transactions

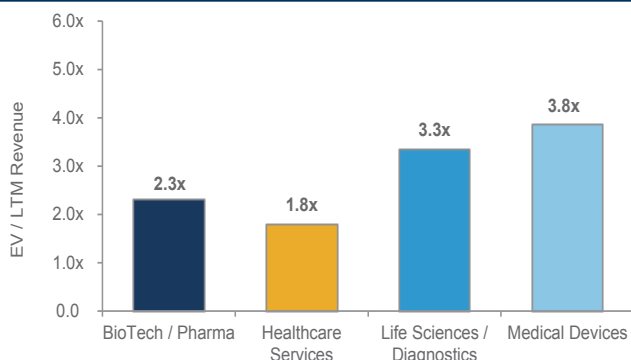
	Target	Acquiror	Acquisition Synopsis
BioTech / Pharma			<ul style="list-style-type: none"> • Bristol-Myers Squibb Company (NYSE:BMJ) entered into a definitive merger agreement to acquire Celgene Corporation (NasdaqGS:CELG) for \$72.9 billion, a 53.7% premium • Celgene Corporation develops and commercializes therapies for the treatment of cancer and inflammatory diseases worldwide • Bristol-Myers Squibb develops, licenses and distributes biopharmaceutical products worldwide • Implied Enterprise Value Multiples: 6.2x Revenue, 16.2x EBITDA
BioTech / Pharma			<ul style="list-style-type: none"> • Eli Lilly and Company (NYSE: LLY) entered into a definitive agreement to acquire Loxo Oncology (NASDAQM: LOXO) for approximately \$7.2 billion, a 68% premium • Loxo Oncology develops medicines for patients with genetically defined cancers • Eli Lilly and Company develops and markets pharmaceutical products worldwide • Implied Enterprise Value Multiples: 51.0x Revenue
Life Sciences / Diagnostics			<ul style="list-style-type: none"> • PHC Holdings Corporation signed a definitive agreement to acquire the Anatomical Pathology business from Thermo Fisher Scientific Inc. (NYSE:TMO) for \$1.1 billion • The Anatomical Pathology business produces microscope slides, instruments and consumables • PHC Holdings Corporation, formerly Panasonic Healthcare Holdings, develops medical devices, healthcare technology solutions and life science products • Implied Enterprise Value Multiples: 3.3x Revenue
Medical Devices			<ul style="list-style-type: none"> • IVD Acquisition Corporation, a wholly owned affiliate of TPG Capital, and the parent company of IMMUCOR, acquired Vastec Medical for approximately \$303 million • Vastec distributes systems for routine analysis of blood and other body fluids in health care services • TPG is a worldwide private equity firm based in the United States • IMMUCOR develops transfusion and transplantation diagnostics products for hospitals and reference laboratories worldwide

Note: All premium data calculated is based on the closing market value one day prior to announcement

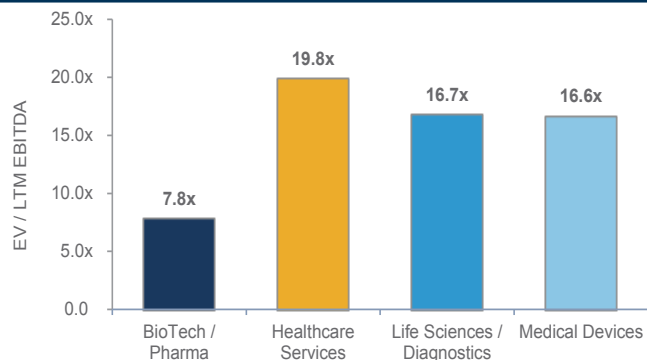
LTM Stock Price Index



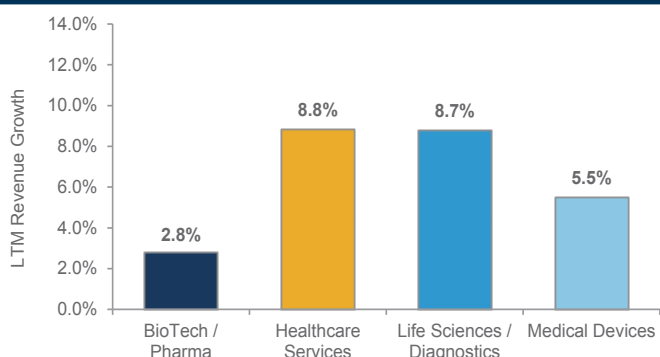
Enterprise Value / LTM Revenue



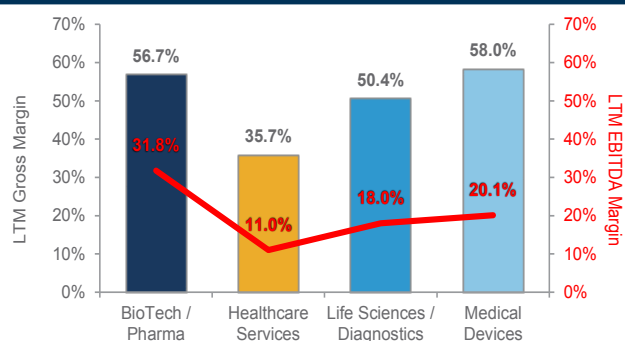
Enterprise Value / LTM EBITDA



LTM Revenue Growth



LTM Gross & EDITDA Margins



Selected Biotech. / Pharmaceutical Transactions

Target	Acquiror	Target Description
Spectrum Pharmaceuticals' Portfolio of Seven FDA-Approved Hematology / Oncology Products	Acrotech Biopharma, LLC	Portfolio of Seven FDA-Approved hematology/oncology products Transaction Value: \$160 million up front, up to \$140 million in milestones
apceth Biopharma GmbH	Hitachi Chemical Advanced Therapeutics Solutions, LLC	apceth Biopharma GmbH develops and manufactures cell-based and gene therapy products Transaction Value: \$86 million
Yong Shun Technology Development Limited	CSPC Pharmaceutical Group Limited	Yong Shun Technology Development Limited engages in research and development of monoclonal antibodies for targeting tumor antigens and immunotherapy of various kinds of cancers Transaction Value: \$37 million

Selected Healthcare Services Transactions

Target	Acquiror	Target Description
Geneva Healthcare, Inc.	BioTelemetry, Inc.	Geneva Healthcare provides remote monitoring consulting for cardiac device patients Transaction Value: \$65 million Implied EV Multiples: 10.8x Revenue
DataCeutics, Inc.	TAKE Solutions Limited	DataCeutics, Inc. provides clinical research and phase I and II-III clinical services Transaction Value: \$45 million
Aprima Medical Software, Inc.	e-MDs, Inc.	Aprima Medical Software, Inc. provides electronic health record, practice management, and revenue cycle management solutions for medical practices

Selected Life Sciences / Diagnostics Transactions

Target	Acquiror	Target Description
Biocoat, Incorporated	1315 Capital LLC	Biocoat, Incorporated offers lubricious hydrophilic coatings for coating vascular catheters, guide wires, and other medical devices
Caribou Technologies, Inc.	Resonetics, LLC	Caribou Technologies, Inc. designs and contract manufactures medical device assemblies, specialty wires and laser processing products
Marco Ophthalmic, Inc.	Lombart Brothers, Inc.	Marco Ophthalmic, Inc. manufactures vision diagnostic equipment for eye-care professionals

Selected Medical Device Transactions

Target	Acquiror	Target Description
Marco Ophthalmic, Inc.	Lombart Instrument	Marco Ophthalmic, Inc. manufactures vision diagnostic equipment for eye-care professionals
Biocoat, Incorporated	1315 Capital LLC	Biocoat, Incorporated offers lubricious hydrophilic coatings for coating vascular catheters, guide wires, and other medical devices
Caribou Technologies, Inc.	Resonetics, LLC	Caribou Technologies, Inc. designs and contract manufactures medical device assemblies, specialty wires and laser processing products

Note: All premium data calculated based on the closing market value one day prior to announcement

Selected TM Capital Healthcare Experience

 <p>HAS BEEN ACQUIRED BY</p>  <p>A PORTFOLIO COMPANY OF</p> 	 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p>  <p>A PORTFOLIO COMPANY OF</p> 	<p>\$25,600,000 SERIES B CONVERTIBLE PREFERRED STOCK</p>  <p>ANALYTICS 4 LIFE™</p>	 <p>A PORTFOLIO COMPANY OF</p>  <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p>  <p>Marksans Pharma Ltd. Health Care in Safe Hands</p>
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