

ASIAN HEALTH NEWSLETTER

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A Quarterly newsletter of developments in the pharmaceutical, medical and healthcare industries

We hope that you find the Asian Health Newsletter informative.

Business Development Asia (“BDA”) is an investment banking firm specializing in executing cross-border transactions involving Asia, including acquisitions, divestments, JVs, capital raising and restructuring. We have offices and professional staff throughout Asia, the Middle East, Europe, and the US. If you would like to learn more about how BDA is positioned to help your business

grow through acquisitions, or to achieve maximum value in a divestment or fund raising exercise, please contact us at any one of our offices.

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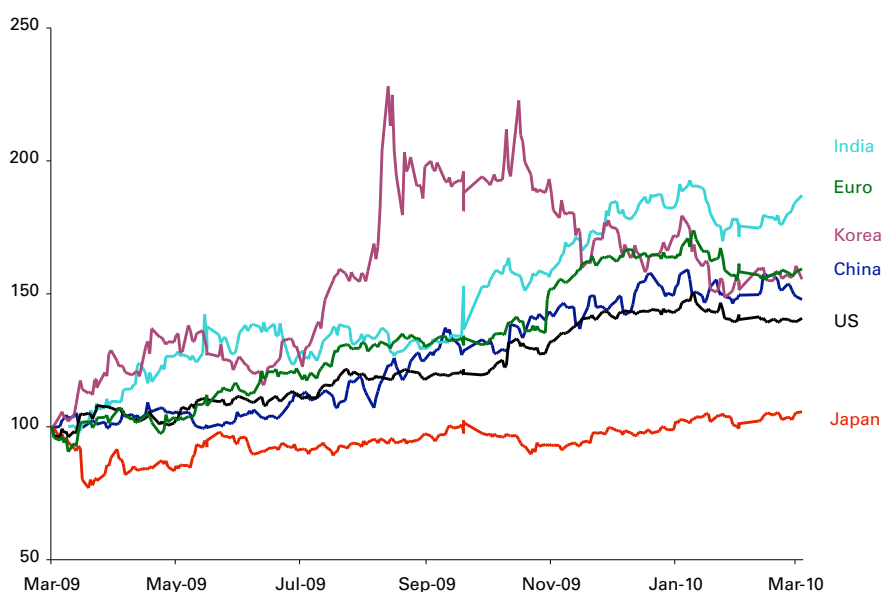
Australia

Essilor, a French manufacturer and wholesaler of ophthalmic products, acquired 70% of **Eyebiz**, an Australian manufacturer of optical lenses, from **Luxottica Group**, for US\$9m. *February 10, 2010*

Intercorp, an Australian investment company, acquired 5.9% of **Sun Biomedical**, an Australian manufacturer of drug-screening devices. *December 26, 2009*

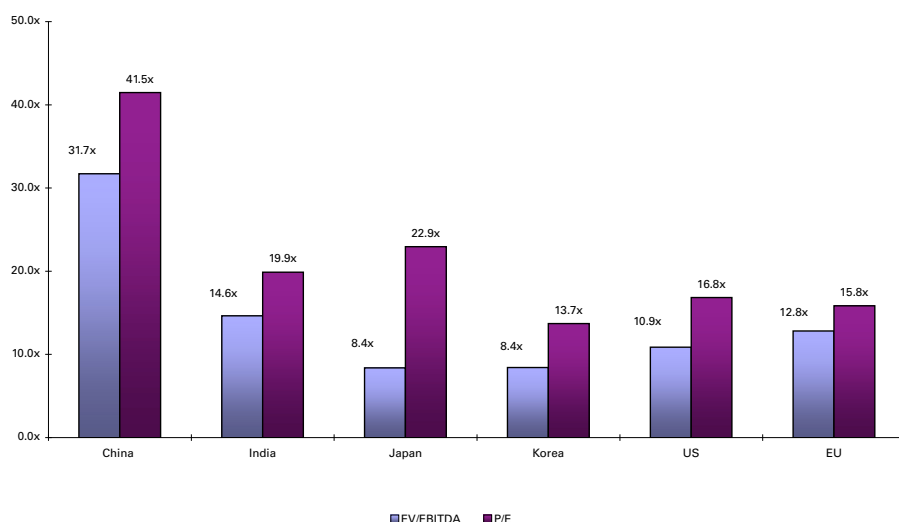
Paul Hartmann Pty, a manufacturer and wholesaler of medical products, has acquired a manufacturing facility from **Unomedical AS**, an Australian provider of medical devices. *February 17, 2010*

Healthcare Stock Indices for Selected Countries (12 months ending 15Mar10)



Source: ThomsonOne, BDA

Healthcare Trading Multiples for Selected Countries (15Mar10)



Source: ThomsonOne, BDA

Virbac SA, a French veterinary pharmaceutical manufacturer, acquired the veterinary assets of **Pfizer** for an undisclosed consideration. The transaction included a production facility in Australia. *February 2, 2010*

Wendy Syme, a private investor, has acquired 19% of **Medic Vision**, an Australian manufacturer and wholesaler of medical and diagnostic equipment, for US\$1.4m. *February 1, 2010*

China

As China's healthcare industry continues to modernize, the country's IT expenditure in this sector is expected to rise from US\$2bn in 2009 to US\$3.8bn in 2012, according to a Springboard Research report. *March 10, 2010*

Beijing Double-Crane Pharmaceutical, a listed Chinese pharma company, plans to acquire an additional 10% stake in its subsidiary **Changsha Double-Crane Medicine** from investors, **Gao Weirong** and **Zou Boshi**. *December 25, 2009*

BioMérieux, a French diagnosis systems manufacturer, has acquired **Meikang Biotech**, a Chinese manufacturer of rapid disease tests from numerous private investors. *January 14, 2010*

CCS Capital, a Canadian investment firm, has entered into a letter of intent to acquire an undisclosed stake in **Biochem Group**, a Chinese manufacturer of medical instruments. *February 23, 2010*

Guangdong Medi-World Pharmaceutical, a Chinese company and subsidiary of **Winteam Pharmaceutical Group**, a

Chinese traditional medicine company, plans to acquire 46% of **Foshan Dezhong Pharmaceutical**, from private investor **He Zhaojian**, for US\$18m. **Guangdong Medi-World** has the option to acquire the remaining 54% stake. *January 30, 2010*

HNG Chembio Pharmacy, a Chinese biopharmaceutical company, has acquired an unknown stake in **Ranbaxy Guangzhou**, a subsidiary of **Ranbaxy Laboratories**, a listed Indian pharmaceutical company. *December 29, 2009*

Inner Mongolian Baotou Steel Union, a manufacturer of non-ferrous metals, and **XinAoMDT Technology**, a Chinese manufacturer and wholesaler of intelligent digital medical equipment, will form a 60:40 JV called **Baotou Xibao Bowei Medical System**, with an investment of US\$47m. *March 3, 2010*

Medisana, a listed German healthcare company, has acquired 51% of **Gimelli Laboratories**, a Chinese dental care provider, from parent company **Gimelli Produktions**. *December 31, 2009*

Sanofi-Aventis, a French pharmaceutical company, plans to invest US\$90m to expand its Beijing plant to produce the insulin drug, **Lantus**, for the China market. *March 5, 2010*

Sinovac Biotech, a Chinese vaccine manufacturer, has acquired a medical manufacturing site and land use rights through its subsidiary, **Sinovac Beijing**, a Chinese biopharmaceutical company, for US\$18m. *February 15, 2010*

Xiang Guanglong and **Wang Chengshu**, Chinese investors, have agreed to acquire 3% of **Jiangyin Tianjiang Pharmaceutical**, a medicinal herbal granules provider from **Keda Industrial**, a Chinese healthcare equipment manufacturer, for US\$6m.

December 18, 2009

India

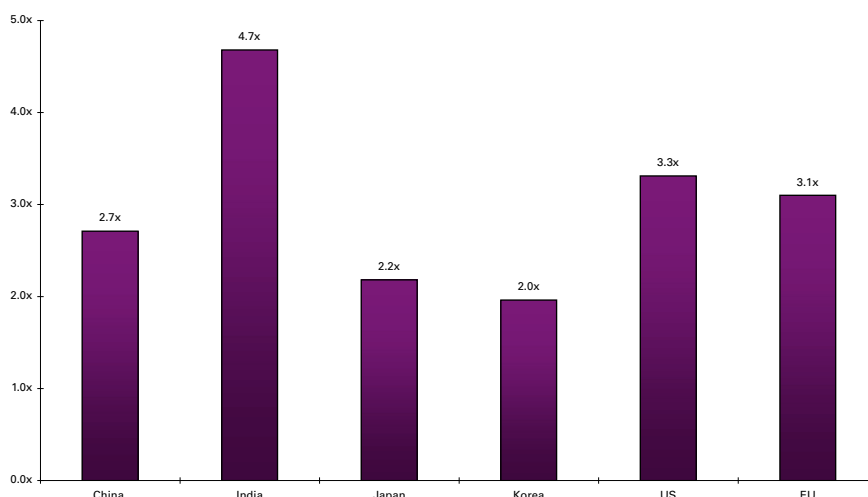
The number of medical tourists travelling to India is expected to grow at a CAGR of 17% during 2010-2012, to reach one million medical tourists, according to industry research firm RNCOS. This increase is due to high quality healthcare services and low healthcare costs. *March 10, 2010*

CBay, a US document management solutions provider, plans to acquire **Spheris India**, a provider of clinical documentation technologies, for US\$75m. *February 3, 2010*

Hospira, a US specialty pharmaceutical and medication delivery company, through its wholly-owned Indian subsidiary **Ojas Pharmaceuticals**, acquired the generic injectable pharmaceuticals business of **Orchid Chemicals & Pharmaceuticals**, an API pharmaceutical company, for US\$400m. *February 12, 2010*

Milestone Religare Investment Advisors, a 50:50 JV between two healthcare companies, **Milestone Group** and **Religare Enterprises**, will invest US\$7m in an oncology chain, **Healthcare Global Enterprises**. *February 24, 2010*

Healthcare Trading Price/Revenue Multiples for Selected Countries (15Mar10)



Source: ThomsonOne, BDA

Ranbaxy Laboratories, a listed Indian pharmaceutical company, acquired **Biovel Lifesciences**, an Indian biopharmaceutical company, for an undisclosed amount. The move will enable Ranbaxy to enter the vaccines market, estimated at US\$790m in India and \$21 billion globally. *January 19, 2010*

Ranbaxy Laboratories's share price fell as much as 6.4% after the US Food and Drug Administration rejected the Indian drugmaker's application for selling the generic version of **Flomax** to treat enlarged prostate glands. *March 3, 2010*

Japan

Astellas Pharma, a Japanese pharma manufacturer, has made an unsolicited US\$3.5bn bid to acquire US-listed biotech company, **OSI Pharmaceutical**. This deal will allow Astellas to enter the

US market. *March 2, 2010*

Benesse Holdings, an education holding company, has agreed to acquire **BonSejour**, a Japanese operator of elderly care homes, from private equity firm **J Will Partners**. *February 22, 2010*

Boehringer Ingelheim, a listed German pharmaceutical company, currently owns 60% of **SSP**, a listed Japanese pharmaceutical company, and plans to acquire the remaining 40% of outstanding shares for US\$364m. *February 10, 2010*

DVx Inc, a medical equipment manufacturer, has agreed to acquire the medical equipment wholesaler business of **Medical Project**. *February 1, 2010*

Max Co, a Japan listed industrial and office equipment manufacturer, has acquired 14% of **Kawamura Cycle**, a wheelchair manufacturer, from **Panasonic**

Electric Works, a healthcare automation subsidiary of **Panasonic**. *February 4, 2010*

Menicon, a manufacturer of contact lenses, has acquired **Tomey Co**, a Japanese manufacturer of contact lenses from **Tomeyshoji Inc**. *February 1, 2010*

Nihon Hospital Service, a majority-owned subsidiary of **Mitsubishi Corp**, has agreed to merge with **MC Medical**, a Japanese wholesaler of medical devices and **Apprecia**. *February 17, 2010*

Nishizawa Electric Meters Manufacturing, an electric meter manufacturer, has acquired **Neitz Instruments**, a Japanese manufacturer and wholesaler of medical devices and a subsidiary of **Menicon Co**. *February 16, 2010*

Sony, a listed media and technology company, has acquired **iCyt Mission Technology**, a biotech instrumentation company, for an undisclosed consideration. The purpose of the transaction for Sony was to apply its expertise and technologies to enter the flow cytometry business in the life science field. *February 10, 2010*

Teva-Kowa Pharma, a manufacturer of pharmaceutical products, plans to acquire at least 67% of **Taisho Pharmaceutical Industries**, a Japanese manufacturer of generic prescription drugs. *December 24, 2009*

Korea

Healthcare spending in Korea is projected

to expand significantly over the next five years, from US\$58.9bn in 2009 to US\$130.8bn in 2014, according to industry research. *March 10, 2010*

Hanmi Medicare, a wholesaler of medical equipment, has agreed to acquire 17% of **Hans Biomed Corp**, a Korean provider of medical and health services, from founder **Hochan Hwang** for US\$6m. *February 9, 2010*

Huons, a listed Korean pharmaceutical company, acquired an additional 21% of **HVLS**, a manufacturer of hyaluronic acid products. This transaction increased **Huons'** stake in HVLS to 29%. *January 21, 2010*

Inverness Medical Innovations, a listed medical diagnostic products manufacturer, plans to acquire **Kroll Laboratory Specialists**, a substance testing provider, from **Marsh & McLennan Companies**, a listed US-based financial company, for US\$110m. *February 3, 2010*

Inverness Medical Innovations, a listed medical diagnostic products manufacturer, acquired 76% of **Standard Diagnostics**, a Korean manufacturer of diagnostic tools, for US\$209m. *February 2, 2010*

Mecca Forum, an entertainment service provider, has agreed to acquire **Hwajin Medical**, a Korean manufacturer and wholesaler of medical instruments and a subsidiary of financial firm **Arirang Investment Advisor**, for US\$3m. *February 26, 2010*

Mora Resource, a listed Korean healthcare company, plans to acquire **LabGenomics**, a Korean clinical research institute base, from **Tong Yang Venture Capital**, an Asian investment firm, and other parties, for US\$11m. *January 4, 2010*

Stemscience, a biodiesel manufacturer, has agreed to acquire 88% of **SH Pharma Co**, a Korean manufacturer of diagnostic pharmaceuticals, for US\$4m. *February 22, 2010*

Malaysia

Kumpulan Perubatan, a Malaysian provider of hospital management services, plans to acquire 51% of **SMC Healthcare**, an operator of healthcare facilities, from **Sabah Medical Centre**, a Malaysian hospital, for US\$15m. *January 6, 2010*

Singapore

Fortis Healthcare has acquired 23.9% of **Parkway Holdings Ltd**, a Singaporean healthcare service provider, for an estimated US\$685.3m from **TPG Capital**, a private investment firm. Parkway has a network of 16 hospitals with 3,400 beds spread across six countries including India, China and Malaysia. *March 11, 2010*

Qualitas Healthcare, a Malaysian provider of outpatient medical services and a subsidiary of the **Qualitas Medical Group**, has agreed to acquire 75% of **Dr Marcus Cooney & Associates**, an owner

and operator of dental clinics from **Dr Marcus Philip Cooney** and **Angela Alice Cooney**, for US\$6m. *January 13, 2010*

Selected Asian Healthcare Transactions with Multiples (12 months ending 15Mar10)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Acquisition Type	EV / EBITDA	EV / Revenue	P/E
17-Feb-10	Solvay Pharma India	India	Abbott Capital India	UK	\$66.8	-	33.2x	7.8x	47.0x
11-Feb-10	Twilight Litaka Pharma	India	Investor Group	India	\$6.5	-	10.3x	1.0x	9.7x
10-Feb-10	SSP	Japan	Boehringer Ingelheim JP	Japan	\$358.0	-	9.2x	1.2x	46.3x
9-Feb-10	Hans Biomed Corp	Korea	Hanmi Medicare Inc	Korea	\$5.8	-	16.0x	3.0x	17.8x
1-Feb-10	Jiilin Pharmaceutical	China	Guangzhou Radio Group	China	\$46.4	19.2%	-	17.0x	-
28-Jan-10	Trident Medical Corp	Taiwan	Investor Group	Taiwan	\$8.8	62.9%	7.4x	0.6x	9.0x
27-Jan-10	Zhejiang Jingxin Pharm	China	Lv Gang	China	\$6.6	49.9%	-	2.3x	-
12-Jan-10	Medimex	Korea	COREBIT	Korea	\$4.5	-	-	11.0x	305.3x
18-Dec-09	JCR Pharmaceuticals	Japan	Glaxo Group	UK	\$31.0	-	10.7x	1.7x	22.3x
8-Dec-09	Nihon Pharmaceutical	Japan	Nippon Chemiphar	Japan	\$18.1	50.0%	-	1.0x	14.2x
10-Nov-09	Bionime Corp	Taiwan	Hua Eng Wire & Cable	Taiwan	\$15.8	17.0%	28.5x	3.4x	42.4x
29-Oct-09	Hua Han Bio-Pharm Hldg	HK	Hua Han Bio-Pharm Hldg	HK	\$22.8	-	3.7x	1.1x	12.0x
16-Sep-09	Bristol-Myers Squibb	Indonesia	Taisho Pharmaceutical	Japan	\$310.0	98.0%	16.4x	7.3x	24.4x
12-Sep-09	Yunnan Baiyao Grp	China	Chen Fa Shu	China	\$323.3	-	23.8x	2.4x	33.7x
24-Aug-09	Sihuan Pharm Hldgs Grp	China	China Pharma	China	\$315.1	99.3%	5.0x	2.8x	8.7x
20-Aug-09	Kalbe Farma Tbk PT	Indonesia	Kalbe Farma Tbk PT	Indonesia	\$161.1	-	7.3x	1.3x	15.9x
19-Aug-09	LeRoi Holdings	HK	Wai Yuen Tong Hldgs	HK	\$47.7	19.0%	-	33.8x	
12-Aug-09	Extrawell Pharm Hldgs	HK	Extrawell Pharm Hldgs	HK	\$58.2	-	524.4x	24.2x	290.1x
24-Jul-09	Golden Meditech	China	Golden Meditech	China	\$30.3	-	6.7x	3.7x	41.2x
19-May-09	Kalbe Farma Tbk PT	Indonesia	Kalbe Farma Tbk PT	Indonesia	\$102.3	0.2%	4.7x	0.8x	10.4x
15-May-09	Central Uni	Japan	Green Hospital Supply	Japan	\$38.1	45.9%	1.3x	0.0x	19.5x
23-Apr-09	China Pharmaceutical Grp	HK	China Pharmaceutical Grp	HK	\$74.7	-	3.7x	0.9x	6.2x
21-Apr-09	Sino Biopharmaceutical	HK	Sino Biopharmaceutical	HK	\$43.2	-	4.1x	1.0x	14.4x
13-Apr-09	Pfizer India	India	Pfizer Investments	Netherlands	\$151.7	29.5%	12.9x	2.7x	8.3x
10-Apr-09	Iwaken	Japan	Olympus Corp	Japan	\$52.7	100.0%	-	0.3x	41.7x
26-Mar-09	Matrix Laboratories	India	MP Laboratories	Mauritius	\$166.5	23.9%	16.5x	2.3x	108.8x
12-Mar-09	Otsuka Chemical Holdings	Japan	Otsuka Holdings	Japan	\$536.7	38.3%	-	1.5x	36.3x
3-Mar-09	Lateral Diagnostics Pty	Australia	Griols SA	Spain	\$31.5	49.0%	-	2.6x	-
27-Feb-09	Arana Therapeutics	Australia	Cephalon Intl Hldgs	US	\$164.6	80.1%	-	5.7x	
6-Jan-09	OMWELL Inc	Japan	Toho Pharmaceutical	Japan	\$150.4	100.0%	-	0.2x	28.5x

Source: ThomsonOne

Business Development Asia is an investment banking firm which assists multinational companies in expanding their businesses in Asia through JVs, acquisitions, divestments and capital raising. For further information on BDA's services or on any of the articles in this newsletter, please contact the offices listed.

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