

Quarterly Industry Update

As of June 30, 2015

Industry: Inflammation Pharma



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Inflammation Pharma industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since June 30, 2014, the median 52-week share price return of the Inflammation Pharma industry has increased by 16.5%. In the last quarter, the median price-to-earnings multiple decreased from 21.3x to 20.7x.

Comparable Public Company Key Statistics

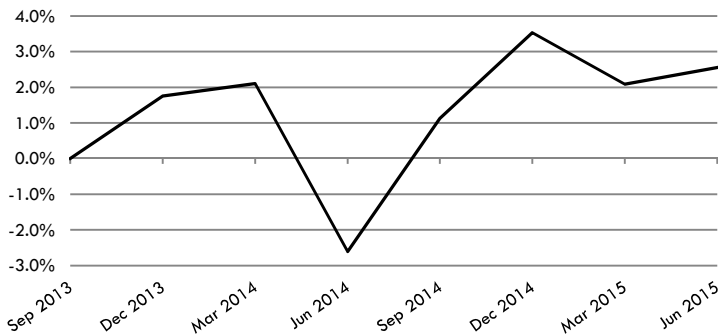
Median 52-Week Return	16.5%	Median EV/Revenue Multiple	5.7x	Median Price/Earnings Multiple	20.7x
Median 3-Year CAGR Return	17.5%	Median EV/EBITDA Multiple	12.1x	Median EV/Gross CF Multiple	15.8x

Comparable Public Company Market Price Returns (As of June 30, 2015)

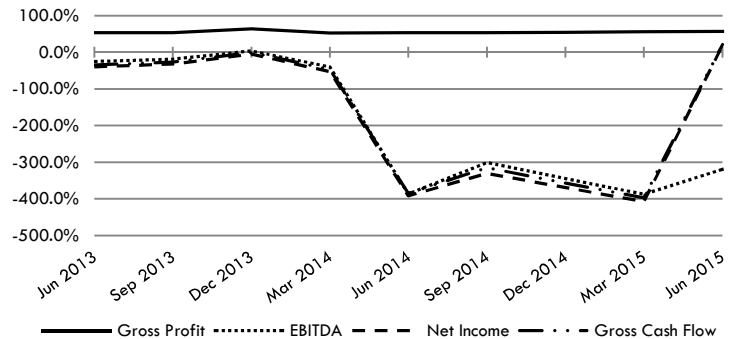
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Abbott Laboratories	9.0%	5.9%	20.0%	18.6%	-8.7%	1.0%	17.5%	-41.5%	16.5%	17.4%	-11.3%
Amgen Inc.	-3.6%	-4.0%	29.7%	24.7%	28.2%	23.9%	39.6%	32.3%	34.2%	17.0%	-3.0%
Ampio Pharmaceuticals, Inc.	-30.9%	-68.5%	-71.6%	-35.9%	-22.4%	3.6%	-51.9%	98.6%	-15.9%	77.9%	N/A
Aquinox Pharmaceuticals Inc.	-7.5%	-15.6%	-26.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Celgene Corporation	3.5%	0.4%	34.8%	40.7%	53.4%	35.4%	32.4%	115.3%	16.1%	14.3%	6.2%
Celsus Therapeutics Plc	-87.9%	-23.7%	-90.6%	-83.0%	N/A	N/A	-32.4%	N/A	N/A	N/A	N/A
Concert Pharmaceuticals, Inc.	11.8%	-1.7%	47.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gilead Sciences Inc.	24.2%	19.3%	41.2%	51.1%	65.9%	46.9%	25.5%	104.5%	79.5%	12.9%	-16.2%
Immunomedics Inc.	-15.4%	6.0%	11.2%	-13.6%	4.5%	5.6%	4.3%	57.5%	-12.3%	-7.0%	11.5%
Ocular Therapeutix, Inc.	-10.6%	-49.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Omeros Corporation	-27.4%	-18.3%	3.4%	88.9%	21.6%	19.4%	119.5%	117.5%	31.4%	-52.1%	17.4%
Pfizer Inc.	7.6%	-3.6%	13.0%	9.4%	13.4%	18.6%	1.7%	22.1%	15.9%	23.6%	-3.7%
Portola Pharmaceuticals, Inc.	60.8%	20.0%	56.1%	36.2%	N/A	N/A	10.0%	N/A	N/A	N/A	N/A
Median of Industry Public Companies	-3.6%	-3.6%	16.5%	21.7%	17.5%	19.0%	13.7%	78.1%	16.3%	15.6%	-3.0%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Inflammation Pharma Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Inflammation Pharma Industry

Date:	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
EV/Revenues Multiple	4.0x	4.9x	4.6x	6.2x	5.0x	5.7x	5.8x	5.2x	5.7x
EV/EBITDA Multiple	12.4x	12.6x	14.8x	15.8x	12.1x	13.2x	14.0x	13.0x	12.1x
Price/Earnings Multiple	16.2x	17.4x	23.0x	23.8x	18.1x	21.9x	23.5x	21.3x	20.7x
EV/Gross Cash Flows Multiple	15.0x	14.9x	17.3x	19.7x	17.1x	20.1x	21.4x	19.6x	15.8x

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Quarterly Industry Update

As of June 30, 2015

Industry: Inflammation Pharma



Industry Initial Public Offerings (dollars in millions, except share prices)

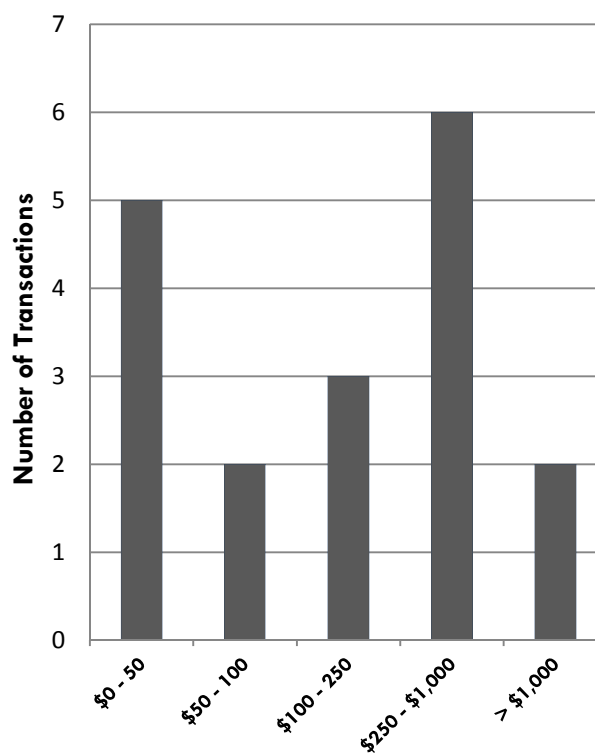
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
2/12/2014	Concert Pharmaceuticals, Inc.	\$14.00	6.0	\$84.0	\$39.8	\$15.5	\$25.4	(\$3.1)	(\$6.1)	(\$1.7)
5/21/2013	Portola Pharmaceuticals, Inc.	\$14.50	8.4	\$122.1	\$134.0	\$0.0	\$72.7	\$7.9	\$6.4	\$9.2
2/8/2010	Invin Limited	\$0.87	7.1	\$6.2	\$2.9	\$3.9	\$0.4	(\$10.4)	(\$12.3)	(\$10.2)
10/7/2009	Omeros Corporation	\$10.00	6.8	\$68.2	\$6.9	\$14.0	\$1.2	(\$21.4)	(\$21.9)	(\$20.9)
9/25/2008	Skyepharma PLC	\$2.76	5.1	\$14.1	\$202.9	\$260.6	\$100.0	(\$3.0)	(\$28.2)	\$5.2
1/16/2007	Oscotec Inc.	\$9.60	1.5	\$14.4	\$16.8	\$2.9	\$5.8	\$2.4	\$0.7	\$2.6
3/30/2005	Proximagen Group plc	\$2.78	9.8	\$27.3	\$1.7	\$0.0	\$1.1	\$0.0	\$0.0	\$0.0
Median of All IPOs		nm	nm	\$27.3	\$16.8	\$3.9	\$5.8	(\$3.0)	(\$6.1)	\$0.0

nm: not meaningful

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
5/1/2015	Cellular Dynamics	Fujifilm Medical	\$289.1	100%
4/13/2015	Innocus Medical, LLC	Cipher Pharmaceuticals	\$48.5	100%
11/18/2013	Cisbio Bioassays	Argos Soditic	\$34.0	100%
6/5/2012	ISTA Pharmaceuticals, Inc.	Bausch & Lomb	\$551.5	100%
12/29/2011	Idaman Pharma	Pharmaniaga Bhd	\$53.4	100%
6/16/2011	Biophasia AB	Medivir AB	\$117.4	100%
8/31/2009	Medarex, Inc.	Bristol-Myers Squibb	\$2,325.2	98%
4/29/2009	EMO-FARM Sp. z o.o.	ICN Polfa Rzeszów S.A.	\$28.6	100%
12/15/2008	Amgen Inc.	Biovitrum AB	\$150.3	100%
9/30/2008	Jerini AG	Shire Limited	\$396.0	84%
5/22/2008	AsiaPharm Group	MBK Partners	\$239.1	77%
12/13/2007	PRA International, Inc.	Genstar Capital, LLC	\$700.8	87%
8/2/2007	Tanox Inc.	Genentech, Inc.	\$921.7	100%
6/28/2007	Melbrosin International	Bioprogess plc	\$456.5	100%
1/31/2007	ZAO ZiO-Zdorovie	Actavis Group ehf.	\$30.8	51%
12/12/2006	Kos Pharmaceuticals, Inc.	Abbott Laboratories	\$4,190.9	100%
11/24/2006	Jaba Recordati S.A.	Recordati SpA	\$57.4	100%
7/7/2006	Scirex Corporation	Premier Research	\$37.0	100%
Median of All Transaction Targets			\$194.7	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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