

Quarterly Industry Update

As of June 30, 2015

Industry: Commercialized Oncology



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Commercialized Oncology 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 Commercialized Oncology industry has increased by 30.1%. In the last quarter, the median price-to-earnings multiple increased from 26.0x to 27.4x.

Comparable Public Company Key Statistics

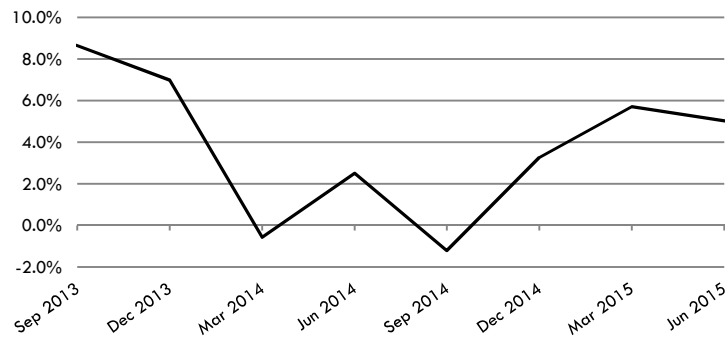
Median 52-Week Return	30.1%	Median EV/Revenue Multiple	4.9x	Median Price/Earnings Multiple	27.4x
Median 3-Year CAGR Return	17.5%	Median EV/EBITDA Multiple	14.3x	Median EV/Gross CF Multiple	23.4x

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

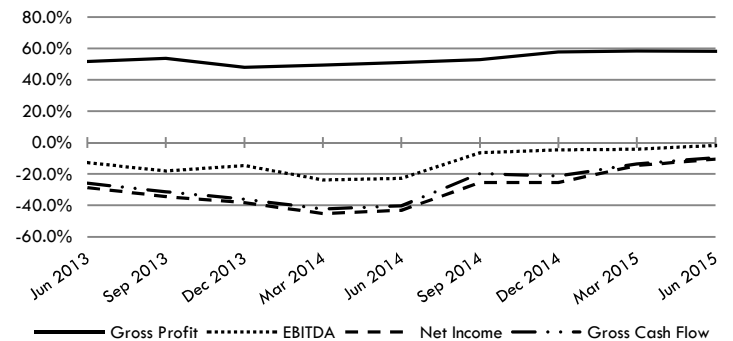
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Incyte Corporation	42.5%	13.7%	84.6%	117.6%	66.2%	56.6%	44.4%	204.8%	10.7%	-9.4%	81.8%
Vertex Pharmaceuticals Incorporated	3.9%	4.7%	30.4%	24.2%	30.2%	30.3%	59.9%	77.3%	26.2%	-5.2%	-18.2%
Seattle Genetics, Inc.	50.6%	36.9%	26.5%	24.0%	24.0%	32.2%	-19.5%	72.2%	38.6%	11.8%	47.1%
Nektar Therapeutics	-19.3%	13.7%	-2.4%	4.1%	15.7%	0.7%	36.6%	53.2%	32.4%	-56.5%	37.9%
Spectrum Pharmaceuticals, Inc.	-1.3%	12.7%	-15.9%	-4.2%	-24.0%	11.8%	-21.7%	-20.9%	-23.5%	113.0%	54.7%
SciClone Pharmaceuticals, Inc.	12.1%	10.8%	86.7%	40.7%	11.9%	29.9%	73.8%	16.9%	0.5%	2.6%	79.4%
Sequenom Inc.	-17.8%	-23.0%	-21.4%	-15.0%	-9.2%	-12.4%	58.1%	-50.3%	5.8%	-44.6%	94.0%
Ariad Pharmaceuticals Inc.	20.4%	0.4%	29.8%	-31.2%	-21.7%	24.0%	0.7%	-64.4%	56.6%	140.2%	123.7%
Sucampo Pharmaceuticals, Inc.	15.1%	5.6%	138.1%	58.0%	32.7%	36.0%	51.9%	91.8%	10.6%	15.4%	-5.0%
Merrimack Pharmaceuticals, Inc.	9.4%	4.1%	69.6%	35.4%	19.3%	N/A	112.0%	-12.5%	N/A	N/A	N/A
Median of Industry Public Companies	10.8%	8.2%	30.1%	24.1%	17.5%	29.9%	48.2%	35.1%	10.7%	2.6%	54.7%

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

Median Quarterly Revenue Growth of All Commercialized Oncology Companies



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



Median Public Company Multiples of the Commercialized Oncology 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	9.5x	3.1x	4.4x	3.0x	3.4x	2.8x	7.3x	4.8x	4.9x
EV/EBITDA Multiple	10.3x	13.3x	19.2x	12.5x	13.7x	11.4x	14.8x	15.4x	14.3x
Price/Earnings Multiple	28.7x	17.6x	40.7x	25.1x	30.3x	31.2x	32.7x	26.0x	27.4x
EV/Gross Cash Flows Multiple	23.2x	13.6x	33.8x	19.0x	23.6x	24.4x	36.3x	22.5x	23.4x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact [Steven Kam](mailto:Steven.Kam@CogentValuation.com) at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2015 Cogent Valuation. All Rights Reserved.

The disclosures and limitations of this research on page two are an integral part of this report.

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

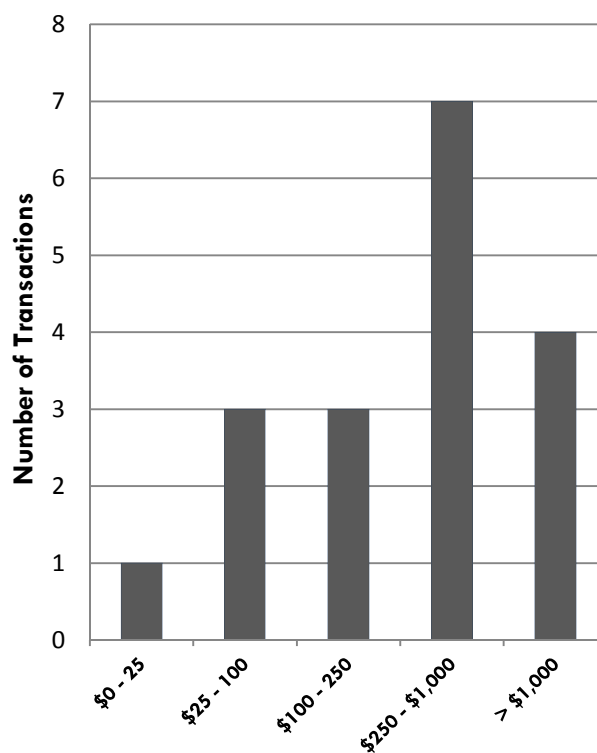
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
7/8/2014	Luye Pharma Group Ltd.	\$0.76	999.6	\$763.6	\$557.1	\$163.1	\$460.8	\$102.5	\$74.2	\$113.7
8/2/2007	Sucampo Pharmaceuticals, Inc.	\$11.50	3.8	\$43.1	\$89.1	\$0.0	\$81.6	\$20.6	\$19.4	\$20.7
5/31/2007	Jazz Pharmaceuticals Public Limited Company	\$18.00	6.0	\$108.0	\$197.9	\$77.5	\$49.1	(\$67.5)	(\$56.6)	(\$66.7)
12/6/2005	Ipsen S.A.	\$26.17	14.6	\$387.3	\$925.0	\$235.8	\$984.3	\$265.9	\$147.3	\$265.9
8/9/2005	Coley Pharmaceutical Group, Inc.	\$16.00	6.0	\$96.0	\$70.6	\$4.2	\$10.6	(\$36.3)	(\$38.2)	(\$34.7)
11/5/2003	Pharmion LLC	\$14.00	6.0	\$84.0	\$74.6	\$13.3	\$16.5	(\$47.3)	(\$49.4)	(\$46.2)
12/13/2001	Fresenius Kabi Pharmaceuticals Holding, Inc.	\$16.00	9.0	\$144.0	\$141.7	\$33.9	\$179.2	\$25.5	(\$9.7)	\$33.8
Median of All IPOs		nm	nm	\$108.0	\$141.7	\$33.9	\$81.6	\$20.6	(\$9.7)	\$20.7

nm: not meaningful

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
7/23/2015	Sigma-Tau Pharma	Baxter International Inc.	\$900.0	100%
3/20/2015	EUSA Pharma, Inc.	Essex Woodlands Health	\$34.0	100%
10/1/2014	Omega Laboratories Ltd	Sagent Pharmaceuticals	\$83.1	100%
2/28/2014	Paladin Labs Inc.	Endo Health Solutions	\$1,777.9	100%
12/4/2013	Agila Specialties	Mylan, Inc.	\$1,850.0	100%
10/24/2013	Optimer Pharmaceuticals	Cubist Pharmaceuticals	\$773.8	100%
9/2/2013	Open Stock Company	GardenHills OOO	\$215.6	52%
7/16/2013	Cipla Medpro	Cipla Limited	\$538.5	100%
6/12/2012	EUSA Pharma, Inc.	Jazz Pharmaceuticals	\$700.0	100%
1/23/2012	Ascent Pharmahealth Ltd	Watson Pharmaceuticals	\$392.7	100%
12/22/2011	Lundbeck Inc.	Oak Pharmaceuticals Inc.	\$60.0	100%
4/7/2011	Laboratorio Quimico	Amgen Inc.	\$215.0	100%
10/15/2010	Abraxis BioScience	Celgene Corporation	\$3,659.6	100%
6/7/2010	OSI Pharmaceuticals	Astellas US Holding, Inc.	\$3,946.4	100%
1/29/2010	Enzon Pharmaceuticals	Sigma-Tau Pharmaceuticals	\$330.0	100%
3/18/2009	Indevus Pharmaceuticals	Endo Pharmaceuticals	\$825.5	100%
12/15/2008	Amgen Inc.	Biovitrum AB	\$150.3	100%
5/8/2008	Jazz Pharmaceuticals	EUSA Pharma, Inc.	\$22.6	100%
Median of All Transaction Targets			\$465.6	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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