



Ferghana Partners Group

*Founded in 1992, **Ferghana Partners Group** is a Life Sciences investment banking group with companies based in London and New York.*

We specialize in initiating and executing value-enhancing strategic transactions for pharmaceutical, chemical, diagnostic and biotech companies.

“Consolidation of the Pharma & Biotech Sector in Europe”

**William J. Kridel, Jr.
Managing Director
& Prominent Guru**



Total Deals in Europe*

	2001	2002	2003 (Partial Q1)
Number of M&A Deals	14	63	7
Total \$ Value	\$320	\$5,600	\$2,400

Note: All deals are counted but some deals have an unknown value

Source: Windhover; Recap; Ferghana Partners

*** Data covers All Acquisitions: Pharma or Biotech Acquirors of European-Based Pharma or Biotech Targets (or a subsidiary), whether a Public or Private Player**

Europe Represents in 2001 (20%), 2002 (40%), and 1Q03 (30%) of the number of Global Deals Done (= Europe + North America)



What is the Nature of the Acquisition Target in Europe? – 1 (Number and \$ millions)

Buyer - Target	2001	2002	2003 (Partial Q1)
Pharma - Pharma	4 \$50	13 \$1,600	2 \$850
Biotech - Biotech	6 \$130	35 2,200	4 \$350
Pharma - Biotech	3 \$90	13 \$1,000	1 \$1,200
Biotech - Pharma	1 \$50	2 \$800	0

Source: Windhover; Recap; Ferghana Partners



What is the Nature of the Acquisition Target in Europe? – 2 (Number and \$ millions)

Buyer - Target	2001	2002	2003 (Partial Q1)
Public - Public	2 \$130	28 \$3,200	4 \$2,400
Private - Private	3 (N/A)	16 \$1,200	3 (N/A)
Public - Private	9 \$190m	17 \$850	0
Private - Public	0	2 \$350	0

Source: Windhover; Recap; Ferghana Partners



Smallish Deals Predominate in Europe

	2001	2002	2003 (Partial Q1)
>\$200m	0	11	2
<\$200m	14	52	5

Source: Windhover; Recap; Ferghana Partners

Assumption: All Deals for which Value Data is Not Available are Classified as <\$200!



Diverse Nature of Deals

- Mostly Cross Border, Intra-European Deals Dominate; then Foreign Buyers (USA, Canada); Very Few Same-Country Deals Being Done
- Overwhelmingly Deals within Same Therapeutic Sector or Enabling Technology Field: “Deeper Beats Broader”
- The Acquisition of Little Targets by other Little- or Big-Sized Acquirors about Equal in Frequency: But Twice as Many Deals for Little Targets by Mid-Sized Buyers! (Who also Merged Rather Frequently with other Mid-Sized Companies!)



Major Reasons For M&A – Now and Forever!

- Access to Cash
- Therapeutic Sector and R&D Diversification
- More Functional Expertise (Clinical, Research, Sales, Marketing, Management, Etc.)
- Access to Geographic Markets
- Integration to Create a More Complete Pharma or Biotech Company
- Bigger Company to Attract Institutional Investors!

What is Your Investee or Your Company Going to Do?