

Our Healthcare Solutions

How we support our clients in China

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InterChina



英特华

Strategy | M&A Advisory

IMAP China





By Way Of Introduction

A few words from InterChina's President, Jan Borgonjon

China is proceeding with the reform of its flawed and creaking healthcare system. While many international healthcare players continue to focus on the more advanced urban hospitals, others are now looking at opportunities in rural healthcare. Revenue growth targets above 20% per annum are the norm.

Over the past 16 years InterChina has worked with many pharmaceutical, medical device, and healthcare IT players. We have supported them address their specific challenges, often working for the same client at different points in time.

In the areas where we do most of our work, we have established a very strong base of satisfied clients and long-term client relationships. I think we can safely say that we are one of the more experienced consultancies in China's healthcare sector.

If you are facing issues similar to those described below, then we would be very happy to talk to you about how we may be able to help.

Jan Borgonjon
President





- Our Value
 - China specialist.
 - Strategy and M&A advisory
 - Sector expertise.
 - Retained 16 years experience.
- Our People
 - Bicultural partnership.
 - 50 consultants & advisors.
 - Chinese, senior, industrial, technical.
 - Located in China, EU, US offices.



- Our Clients
 - Medium-sized to Fortune 500.
 - 500 strategy projects.
 - 150 transactions (USD 3 bn).
 - 2/3 of projects are returning clients
- Our Reach: IMAP
 - Global mid-market M&A organization.
 - 44 offices, 30 countries, 400 professionals.
 - Over 200 transactions per annum.
 - Exclusive China partner since 2006.





Strategy Practice

The #1 alternative to the global consultancies, with a practical emphasis

We work with clients to capitalize on top line **growth opportunities** while also addressing long-term **profit protection**.

Development

Assessment of the opportunity and formulation of the strategy to enter new channels, value segments, application sectors and lower tier cities.

Penetration

Listening to the voice of the customer to improve customer segmentation & targeting, product & service offering, and route-to-market.

Profit Protection

Understanding of the cost curve and cost structure 5 years out, and development of the right response to protect profit margins.

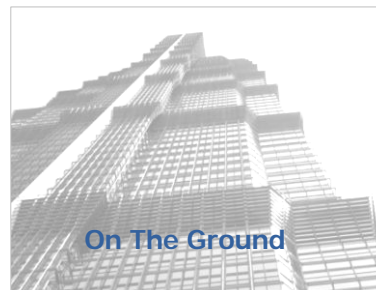
Government Affairs

Design of a modern, proactive and customized approach to government affairs and corporate social responsibility to meet business objectives.

We pride ourselves on being **practical**, developing real understanding through fieldwork, and delivering workable results to an actionable level.



- 3,000 interviews each year.
- Senior, skillful interviewers.
- In-person, in-depth discussions.
- Data gathering + ideas testing.



Our practice of 25 consultants is organized around **sector specializations** with substantial project experience.

Seniors



- 10–20 years experience.
- 80–150 projects.
- Project supervisor/manager.
- Sector specialization.
- Strategy.

Consultants



- Ex-global consultancies.
- 5–10 years experience.
- 40–80 projects.
- Workstream leader.
- Fieldwork.

Associates



- Overseas MBA.
- 3–5 years experience.
- 10–20 projects.
- Team member.
- Analysis.

M&A Advisory Practice

Working in the client's interests, and known for getting things done

We support clients on **mid-market** buy-side, sales-side, investment and capital raising mandates for both **inbound and outbound deals**.

IMAP China Partner

We are the China partner of IMAP, the global mid-market M&A organization, which gives our clients global reach.

IMAP Rankings (2010)

- 4th ranking worldwide for values up to USD 100 million.
- 4th ranking in Europe for values up to USD 200 million.
- 7th in the United States for values up to USD 100 million.
- 4th in the Latin America for values up to USD 100 million.

We conduct **~40 mandates p.a.**, providing clients with transparency and control from start to finish, with an **average rate of 4-6 closures p.a.**

Example Transactions

<p>2011</p>  <p>USD 60 million machinery sector acquisition of</p>  <p>InterChina acted as transaction advisor.</p> <p>InterChina 英特华</p>	<p>2010</p>  <p>USD 120 million strategic alliance in downstream chemicals with</p>  <p>InterChina acted as transaction advisor.</p> <p>InterChina 英特华</p>
<p>2010</p>  <p>USD 21 million fine chemicals acquisition of</p>  <p>InterChina acted as transaction advisor.</p> <p>InterChina 英特华</p>	<p>2010</p>  <p>USD 4 million bakery sector acquisition of</p>  <p>InterChina acted as transaction advisor.</p> <p>InterChina 英特华</p>

Our practice of **25 advisors** is comprised of senior Chinese negotiators with strong industrial and financial backgrounds.

Seniors



- Ex-corporate, PE.
- 10~30 years experience.
- 100~200 projects.
- Project supervisor/manager.
- Negotiation.

Advisors



- Ex-big 4 (CFA, CPA).
- 5~10 years experience.
- 50~100 projects.
- Workstream leader.
- Search, DD, valuation.

Associates



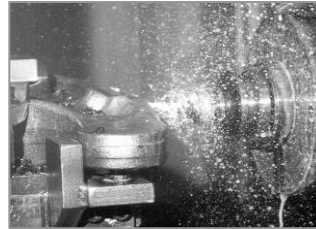
- Overseas MBA.
- 3~5 years experience.
- 25~50 projects.
- Team member.
- Analysis.

Sector Expertise

Healthcare counts for around 20% of InterChina's business volume



Energy & Infrastructure



Machinery & Equipment



Chemicals



Automotive & Components



Healthcare



Consumer & Retail
(Food & Beverage)



Healthcare: Typical Clients & Services

Accounting for ~20% of our engagements

Clients in Chemicals and Life Sciences	Typical Clients		Typical Services
<ul style="list-style-type: none"> • MNCs • Int'l players • Diversified • Product-focused • Pharma • Medical devices • Adjacent fields • From USA • From Europe • From India • From Japan 	Pharmaceuticals	<ul style="list-style-type: none"> • APIs • Rx, OTC • Generics, innovative • Biopharmaceuticals • Blood Derivatives 	<ul style="list-style-type: none"> • Market Intelligence • Competitor Benchmarking • Opportunity Assessment • Strategy Development • Company Establishment (Joint Ventures and WFOEs) • Mergers & Acquisitions • Distribution Structuring • Recruitment • General Sector Studies • Syndicated Market Intelligence
	Medical Devices	<ul style="list-style-type: none"> • Patient Monitoring • X-Ray • MRI • Reagents, analyzers • Wound care • Consumables, dressings • Dental devices • Breast implants 	
	Other	<ul style="list-style-type: none"> • Ambulances • Clinical Information Systems • Prosthetics Molds & Dies 	
	Third Party Institutions	<ul style="list-style-type: none"> • Chambers of Commerce • Sector Associations • Regional Industrial Associations • Government Bodies • Tradeshows 	



These are typical **headaches** some of our clients have in China ...

"What should be our **big picture strategy in China for the next 10 years** – adding on products, broaden our coverage, change the way-to-market, or buy companies?".

A MNC pharmaceuticals company

"We are looking for substantial growth in the next 3 – 5 years, and look for M&A opportunities, but **don't understand where the market is going** for different categories".

A diversified medical device firm

"We would like to grow via M&A, but most of the local companies are too small to make a difference in market share. **How can we grow organically in a faster way?**".

A medical device company

"We want to import value-added generics to the Chinese market, but do not know how to put the **right portfolio** together, and what the **way-to-market model** should be".

An European generic drug maker

"We plan to launch a new product in China, but are **uncertain about the real market potential** – Our commercial partners may be giving us an overly positive picture".

An innovative drugs company

"We are playing with the thought to bypass distributors and go directly to the market. **Can we do it, and how should we align our sales organization?**".

A med device (consumables) maker

"We are stuck in the top end of the market, which is just the tip of the iceberg – We need to decide whether to introduce a **2nd tier brand** to broaden our coverage".

A niche medical devices company

"We want **to grow via acquisition** in China, but we haven't come across any attractive acquisition targets – We need to systematically search and establish whether any exist".

A pharmaceuticals company

"We have been sourcing from a Chinese API supplier for a long time – We now need to assess the **benefit and feasibility of acquiring** an interest in them".

An API company

Short Profiles of InterChina's Healthcare Sector Group Members



Franc Kaiser
Swiss
Director
Shanghai



- Resident in China since 2002.
- 9 years China consulting experience.
- Fiducia Management Consultants 2002 - 2006
- Leader of InterChina's healthcare sector group.
- Manager of healthcare-related projects, incl. generic and innovative drugs, biopharma, diagnostics, dental, animal health, cosmetics.

David J. Hofmann
US
Director
Washington



- 25 years work experience in China
- Business Dev. Specialist
- Project Manager at Beijing United Hospital
- GM of Chindex Hong Kong
- Experience in ultrasound, radiology, cardiology, clinical diagnostics equipment and sterilizers.
- Moved to US 2006 to establish InterChina USA.

Yu Jingyi
Chinese
Manager
Beijing



- Project Manager, Health Policy Associates, defined strategies in China for U.S.-based clients.
- 8 years of pharma sales management and governmental affairs experience in China with Precede Medical (Oncology, antibiotics, medical devices), Takeda Pharmaceutical (all products), and Pfizer Pharmaceutical (Zithromax).

William Keller
Swiss
Advisor
Shanghai



- General Manager of Roche China Ltd and GM Shanghai Roche Pharma. Ltd., 1994 – 2003.
- GM Deputy Zhangjiang Biotech & Pharma Base
- Independent Director of FosunPharma, Nuokang Biopharma, Cathay Industrial Biotech, TaiGen Biopharmaceuticals, and Alexion Pharmaceuticals.
- Honorary President of RDPAC (since 2003)

Herman Schwietert
Dutch
Principal
Shanghai



- 9 years in China in various roles for Organon (AkzaNobel), and GM for Invida Greater China.
- Over 20 years experience in marketing and sales of Rx, OTC, and medical devices.
- Involved in building a number of very successful brands and hands-on experience with practically all facets of the Health Care Business in China.

James Wang
Canadian
Principal
Shanghai



- Responsible for a business division in Southeast China for a world leading US manufacturer of biomedical testing instrument systems and related products
- Corporate M&A responsibility in the healthcare sector with leading Chinese and US companies
- >15 years M&A experience, >50 transactions.

Jason Zhang
Chinese
Associate
Principal



- Deputy GM with B2B Int'l, Beijing, consulting fashion/consumer goods, food & beverage and healthcare clients.
- Experienced in research and strategy projects in dental equipment, blood derivatives, cosmeceuticals, F&B and retailing, including wide-ranging interviews and focus groups with practitioners and patients.

Dan Li
Chinese
Consultant
Shanghai



- 2 years R&D experience in National Institute of Health Nanomedicine Center focusing on biological motors and drug delivery
- Research analyst at Kaiser Associates (US office) management consulting
- Experienced in research and strategy projects on dairy, industrial engines, outlets et al

Tony Xu
Chinese
Advisor
Shanghai



- Resident doctor in 999 Brain Hospital
- Pharma regional sales manager for 5 years in East China with Guangdong Healthcare.
- Zuellig Pharma China 2003 - 2009, senior operation excellence manager, risk and compliance manager responsible for regional business continuity planning project cross 13 operations in Asia Pacific.



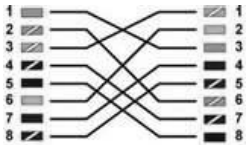
Jan Borgonjon
Belgium
President
Beijing



- China resident since over 20 years.
- Pioneered in business education as the chief-negotiator and founding president of China Europe International Business School (CEIBS).
- Founded InterChina in 1994, and built it into one of the major consulting companies in China. He is the President of InterChina.



InterChina's **healthcare experience** spans across the value-chain and different products and applications

	Supply	Production	Sales & Distribution	Customers	Users
Pharma 	API	Rx, OTC	Distributors	Hospitals	Doctors / KOLs
	Facility production / EPCM	Chemical drugs Generics, Innovatives	CSOs Marketing co's	Clinics Retail pharmacies	Veterinarians Patients
	Production equipment	Biopharmaceuticals Vaccines Blood derivatives		Laboratories	
		CRO companies Testing & Qualification			
Medical Devices 		Patient Monitoring X-Ray MRI	Distributors Sales forces	Hospitals Clinics	Patients Home-use
		Blood Typing Reagents Dental devices Medical Dressings Breast Implants Various consumables		Retail pharmacies	
Others and crossovers 	Prosthetics Molds & Dies	Dietary products	Hypermarkets	Clinical Information Systems / Hospital IT	Consumers
	Ambulances	Nutrition and ingredients	Beauty clinics Internet sales		Home-care
	Nutrition and ingredients				

Typical services and projects InterChina has delivered

Strategy

- Opportunity assessments on new customer / markets.
- Product portfolio analysis.
- China market entry strategy.
- Sales, distribution, channel restructuring strategy.
- Expansion strategy, across different cities and channels.
- Business model adaptation.

M&A / Alliances

- Search for partners or targets
- Potential partner / target evaluation
- Due diligence, valuation
- Deal negotiations
- Acquisition mandates.
- Divestiture mandates.

Value-added for our clients

- 'On-the-ground' recommendations to our clients based on sound primary research (qualitative, quantitative data).
- Extension and completion of capacity and expertise of global M&A teams.
- Application of models and concepts that have proven to work in China – or are pioneering the industry landscape.
- Independent and objective assessments and forecasts.
- Projects conducted interactively and transparently with the clients (regular updates, meetings etc.).
- Access to further channels beyond the pharma / healthcare industry (i.e. mass-retail etc.).

InterChina's Healthcare Sector Groups' recent achievements

Finished Preparations (Generics) Market Entry Strategy	Retail Pharmacies Market Development	Contraceptive preparation plant due diligence	CSO / Marketing Organization Strategy
Biotech (Cytokines / IFN / IL / IFN / HGH / CSF) Company Growth Strategy	Consumer Healthcare Channel Build-out	API plant acquisition	Divestiture of generic pharmaceuticals plant in China
Companion Animal Health (Biopharma, Chemicals) Entry Strategy	Rural Healthcare Opportunity Assessment	Vaccines technology partner search	Acquisitions of local medical devices players

IMAP – Global M&A Transaction Tombstones in Healthcare



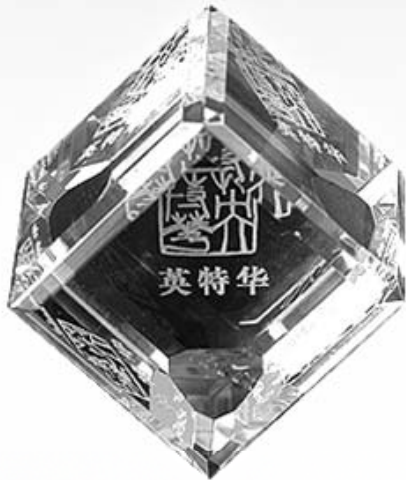
<p>Atlantic Grupa d.d. Croatia's Leading FMCG Distributor and Personal Care/Beauty Product Producer Croatia</p> <p>Acquired 100% of the shares of</p> <p>Fidifarm d.o.o. and Dietharm d.o.o. Croatia's Leading Vitamins and Food Supplements Producer Croatia</p> <p>Represented the Seller</p>	<p>Walgreen Co. United States's largest drugstore chain United States</p> <p>Acquired 100% of</p> <p>Apothearyx, LLC Chain of retail drugstores United States</p> <p>Advised the Seller</p>	<p>UTAH MEDICAL PRODUCTS INC. Supplier of feminine health medical devices United States</p> <p>Acquired 100% of the business operations of</p> <p>Femcare Group Ltd Supplier of feminine health medical devices United Kingdom</p> <p>Advised the Seller</p>	<p>HOLOGIC Healthcare equipment United States</p> <p>Acquired selected assets of the business operations of</p> <p>Microsalis Holdings Limited Medical devices for gynecology field United Kingdom</p> <p>Advised the Seller</p>	<p>DASA DASA - Diagnósticos de América S.A. Medical Diagnostics Company Brazil</p> <p>Acquired 100% of the business operations of</p> <p>MD1 Diagnósticos Medical Diagnostics Company Brazil</p> <p>Advised the Seller</p>	<p>natus Natus Medical Inc Provider of healthcare products United States</p> <p>Acquired 100% of the business operations of</p> <p>medix Medix ICSA Manufacturer of devices for newborn care Argentina</p> <p>Advised the Seller</p>	<p>White Oak Partners, LLC Mezzanine Investor United States</p> <p>Served as arranger and syndication agent for the credit facility</p> <p>Parkview Community Hospital Medical Nonprofit community hospital United States</p>	<p>H.J.G. Capital, LLC private equity firm United States</p> <p>has acquired</p> <p>Petroform Petroform Inc. manufacturer of specialty chemicals United States</p> <p>Advised the Seller</p>
<p>Pierrel Spa CRD CRD Group in pharmaceutical sector Italy</p> <p>Acquired 85% of the shares of</p> <p>IFE Europe GmbH CRD for pharma industry Germany</p> <p>Advised the Buyer</p>	<p>Omega Pharma NV Player in the global OTC market Belgium</p> <p>acquired 100% of the capital of</p> <p>Terra Sante Group CRD LP PHO brand OTC products development and distribution France</p> <p>Advised the Seller</p>	<p>HALMA Halma plc Safety, health and sensor technology group United Kingdom</p> <p>Acquired 100% of</p> <p>medicel Medicel AG Single-use Intra-Ocular lens injectors Switzerland</p> <p>Advised the Buyer</p>	<p>ACG Worldwide Producer of HCGs and associated equipment India</p> <p>Acquired 100% of shares of</p> <p>LUKIPS Lukaps d.o.o. Producer of Hard Diabetic Capsules Croatia</p> <p>Represented the Seller</p>	<p>DASA DASA - Diagnósticos de América S.A. Medical Diagnostics Company Brazil</p> <p>Purchased the Business Interest</p> <p>Corpe Medical Diagnostics Company Brazil</p> <p>Advised the Buyer</p>	<p>PARAMOUNT BIED Sun Network Corporation Subsidiary of Paramount Bio Welfare equipment rental wholesale business Japan</p> <p>Acquired 100% of</p> <p>Shibata Intech Medical equipment wholesaler Japan</p> <p>Advised the Buyer</p>	<p>Patterson Medical Distributor of rehabilitation products United States</p> <p>Acquired 100% of the business operations of</p> <p>DCC DCC Mobility & Rehab Division Supplier of mobility and rehab equipment United Kingdom</p> <p>Advised the Seller</p>	<p>India Venture Advisors Health care focused private equity fund sponsored India</p> <p>Provided Growth Funding</p> <p>Kavery Medical Centre & Hospitals Multispecialty hospital India</p> <p>Represented the Sponsor</p>
<p>HENRY SCHEIN® Henry Schein Medical, dental and veterinary distribution Melville, New York, United States</p> <p>Acquired 85% of shares</p> <p>NOVIKO a.s. Veterinary distribution Brno, Czech Republic</p> <p>Sellers were advised by</p>	<p>HEMOMATICS Haemomatics Corporation A global leader in blood processing technology United States</p> <p>Acquired a business unit of</p> <p>Haemoscope Corporation TED® Thrombelastograph® Hemostasis unit United States</p> <p>Advised the Seller</p>	<p>SANARE Sanare, LLC Provides care management solutions United States</p> <p>Acquired 100% of the business operations of</p> <p>Doctor Diabetic Supply, Inc. Distributor of diabetic testing supplies United States</p> <p>Advised the Seller</p>	<p>Metropolitan Jewish Health System Not for profit New York health system United States</p> <p>acquired</p> <p>Jacob Perlow Hospice Jacob Perlow Hospice Not for profit New York health system partner United States</p> <p>Represented the Seller</p>	<p>Univita Univita Health, Inc. Geriatric Care Management United States</p> <p>Acquired 100% of</p> <p>Atenda Healthcare Solutions, Inc. Home Health Benefits Management United States</p> <p>Advised the Seller</p>	<p>Dermapharm AG Dermapharm AG Group of generic pharmaceutical companies Germany</p> <p>Acquired 85% of the shares of</p> <p>Farmal d.d. Generic pharmaceutical producer Croatia</p> <p>Advised the Seller</p>	<p>WARBURG PINCUS Warburg Pincus Global Private Equity Fund India</p> <p>Provided Growth Funding</p> <p>Metropolis Healthcare Limited India's largest diagnostic laboratory chain India</p> <p>Represented the Sponsor</p>	<p>Vestor Capital Partners a private equity firm United States</p> <p>Acquired 100% of</p> <p>Radiation Therapy Services, Inc. a provider of healthcare services United States</p> <p>Represented the Seller</p>
<p>The Riverside Company Private equity group United States</p> <p>Acquired 100% of</p> <p>Summit Medical Limited Supplier of single use medical devices United Kingdom</p>	<p>Newca Management and private equity Bettingham, United Kingdom</p> <p>Acquired 100% of the operations of</p> <p>Hanger Orthopedic Group, Inc. Provider of orthotic and prosthetic patient care United States</p> <p>Acquired 100% of the operations of</p> <p>Accelerated Care Plus Rehabilitation technology for post-scare care United States</p> <p>Represented the Seller</p>	<p>Falck Falck AIS Assistance, Emergency, Healthcare and Training Denmark</p> <p>Acquired majority control of</p> <p>Dansk Hjemplejeservice Home Care Services Denmark</p> <p>Represented the Seller</p>	<p>INTAS Intas Pharmaceuticals Limited Generic pharma company India</p> <p>Acquired certain product rights of</p> <p>ORBUS Orbus Pharma Inc Generic pharma company Canada</p> <p>Advised the Buyer</p>	<p>Hallberg Family Investments Healthcare United States</p> <p>Acquired Majority Control of Business</p> <p>Renew Advantage Non-invasive cosmetic procedures United States</p> <p>Advised the Seller</p>	<p>WebMD Health Corp. Provider of Health Information Services United States</p> <p>Acquired 100% of</p> <p>HLTH Corporation Healthcare United States</p> <p>Represented the Buyer</p>	<p>Falck Falck (Active Care) Assistance, Emergency, Healthcare and Training Denmark</p> <p>Acquired 100 % of Business Operations</p> <p>Pleje & Omsorg Temporary Staffing - focused on Healthcare Denmark</p> <p>IMAP advised the Seller</p>	



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