

Confidential
September 2011



Project Zermatt
Presentation to potential equity co-investors

1. Investment rationale
2. Overview of Farmabios
3. Overview of PharmaZell
4. Combined Case financials
5. Combined Case financial structure & return tables
6. Co-investor proposed terms

Appendix:

- A Key financials Farmabios & PharmaZell
- B Ergon Capital Partners Overview

Project Zermatt

- Ergon Capital Partners II SA (“Ergon”) signed in September 2011 the acquisition of Pharmazell GmbH, in order to combine it with its portfolio company Farmabios SpA and create a leading player in the niche APIs sector with sales and EBITDA in excess of €100m and €20m respectively (the “Combined Company”). The transaction is subject to regulatory approvals and is expected to close in October 2011
- PharmaZell and Farmabios will operate under a common holding, Zellbios SA (currently named Farmabios International SA), controlled by Ergon and headquartered in Luxembourg
- Ergon seeks to syndicate a minority stake of the equity in the combined transaction, out of a total equity commitment of €60m
- Ergon is a mid-market private equity investment company with €775m under management backed by Groupe Bruxelles Lambert (GBL) and Parcom Capital/ING, which targets equity investments from €20m up to €75m in companies located in Benelux, France, Italy, Spain, Germany and Switzerland. Headquartered in Brussels, Ergon has offices in Paris, Milan and Madrid. Ergon’s investment philosophy is one of value creation in partnership with management, following an industrial strategy to generate long-term capital gains. Ergon deploys the industrial and conservative long-term vision of a successful family-controlled group (GBL)

- Ergon has asked Leonardo & Co. to support this process, all inquiries should be made to:

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Managing Director

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Executive Director

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Investment rationale

The combination of Farmabios and PharmaZell creates a leading player in specific API niches with superior profitability

1 | Leading European API player in specific and less competed niches

The combination of Farmabios and PharmaZell creates a leading player in specific API niches, namely steroids, HPS (high potency substances), antineoplastics, 5-ASA and cysteines with significant/dominant market share in each of these segments, providing for important barriers to entry

2 | Critical mass and broad products portfolio

The combination of Farmabios and PharmaZell creates a company of €100 m sales, giving it sufficient critical mass to maintain a strong position with innovators and large generic pharma companies; cross-selling opportunities with further scope for business expansion

3 | Optimised production footprint

The combination of Farmabios and PharmaZell leverages on four different production plants in diversified regions (Italy, Germany, India), ensuring multi-site production to its key customers. Furthermore, the combined entity benefits from a mix of sites in Europe, with significant know-how and strong regulatory position, and its position in India with access to a lower cost base for its R&D and early production steps or simple/high-volume business

4 | Strong commercial platform with intimate relationships to key customers

The combination of Farmabios and PharmaZell has privileged access to numerous blue chip customers with cross-fertilisation potential. Furthermore, the Combined Company leverages the strengths of its respective S&Ms team in most markets, has sufficient critical mass to establish a direct approach in most key markets (e.g., US), thereby rationalising the use of distributors/agents and increasing intimacy with customers

5 | Strong R&D position

Farmabios and PharmaZell enjoy a significant combined knowhow/IP basis that can be leveraged to drive future growth, with interesting pipeline (antineoplastics at Farmabios, UDCA at PharmaZell)

With sales of €100 m plus and EBITDA of €20 m plus Farmabios-PharmaZell is a significant player in the European API market focusing quasi exclusively on selected niches where it holds a dominant market position

Farmabios-PharmaZell synergies

Although both companies will retain sufficient operational freedom under the helm of a common holding company, the combination of Farmabios and PharmaZell will generate synergies at multiple levels

- 1 | Commercial**

Both companies have intimate and long-term relationships with large generics and big-pharma companies. Sharing the client bases will certainly lead to cross-selling opportunities for both companies. Furthermore, the Combined Company will have sufficient critical mass to enter some markets directly (e.g., US)
- 2 | Purchasing**

PharmaZell, through its Indian operations, has facilitated cheaper access to LCCs (i.e., India and China) where most of PharmaZell and Farmabios raw materials are sourced. The responsibility for purchasing of the Combined Company will be centralised at PharmaZell
- 3 | R&D**

Farmabios has a limited R&D team in a high cost environment, while PharmaZell has a large R&D department in India with proven development capabilities. By giving Farmabios access to the Indian development platform, Farmabios will significantly accelerate its R&D yield in steroids, HPS and antineoplastics
- 4 | Operations**

Sharing of operational best practices or technologies between both companies (e.g., PharmaZell know-how in production cycle optimisation, Farmabios experience in low volume/difficult handling molecules). However limited amount of hard cost synergies is anticipated due to the complementary nature of Farmabios and PharmaZell and the relatively thin/lean structure of both companies
- 5 | Central functions**

Cost synergies due to planned centralisation of certain corporate functions (finance, administration, regulatory, health, environment & safety, GMP & certifications, ...)

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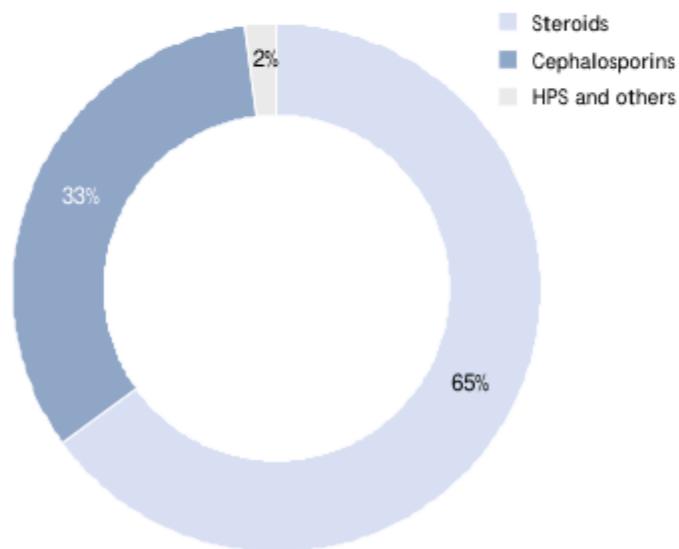
Overview of Farmabios

Farmabios at a glance

Business description

- Leading manufacturer of active pharmaceutical ingredients (APIs), mostly off-patent serving the Italian and export markets
- Amongst the top players worldwide in its niches: #2 independent producer/convertor of steroids (~10% market share) and #1 on specific sterile cephalosporins
- Additional franchise in High Potent Substances (HPS) focusing on muscular relaxant molecules and newly built plant for antineoplastics with high growth potential

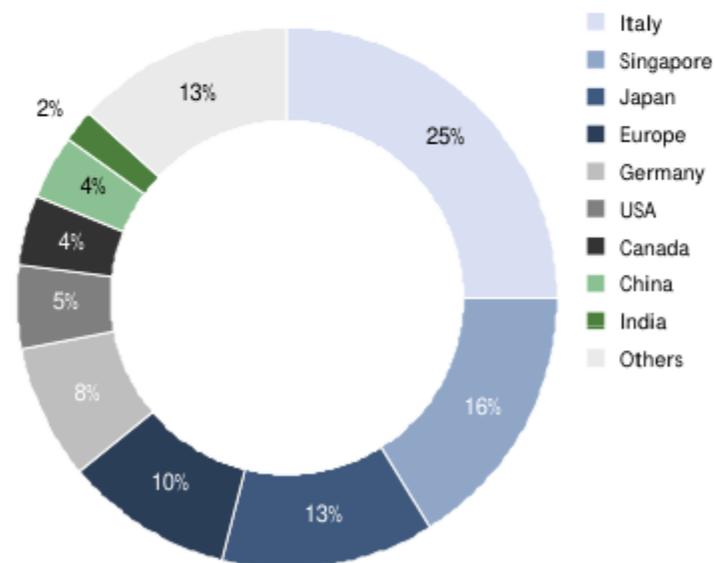
Sales breakdown by product (FY 12/2010)



Key facts

Turnover (FY 12/2010)	€ 48.5m
Employees	140 people
Headquarters	Gropello Cairoli (Pavia - Italy), 40 km south of Milan
Plant	1 production site in Gropello

Sales breakdown by region (FY 12/2010)



Farmabios' business model

Products' philosophy

- Focus on APIs characterised by **low volumes, high prices** and relatively **complex industrial activities**, requiring dedicated plants, containments and strong specialisation
- Product categories offered are

- 1 | Steroids**
Different pharmacological applications depending on the sub-class: anti-inflammatory, anti-asthmatic, dermatological, anti-allergic, fertility control, contraception
- 2 | Cephalosporins**
Niche type of antibiotics (low volumes and relatively high prices), mostly sterile form
- 3 | Highly potent substances ("HPS")**
APIs administered at very low dosages requiring strict handling precautions and specific manufacturing authorizations
- 4 | Antineoplastics (anticancer)**
Most specialized HPS products, with extreme toxicity and requiring strict handling precautions and specific manufacturing authorizations
High growth potential

Business model

- Farmabios markets APIs for three market segments

- 1 | Generics**
Drugs whose original patents have expired. Customers are generic manufacturers
- 2 | Outsourcing**
Manufacturing of mature or new/patent protected products on behalf of the originators, mostly big pharma companies
- 3 | Custom synthesis**
Originators outsourcing the synthesis of original molecules at a very early stage. High risk/high reward type of business

- Farmabios addresses the three market segments to balance its business risk. The most important market segment is still that of **generics** (80% of total sales)

Farmabios' customers base consists of over 300 global and regional generics companies and big pharma innovators



Final customers are served both directly or through distributors

Farmabios' customers base is highly fragmented (top 10 customers representing 64% of sales)

Excluding distributors, Farmabios' major client is Sankyo (Japan), which accounts for 9% of sales and its second second major customer is Chiesi (Italy), contributing 8% of sales

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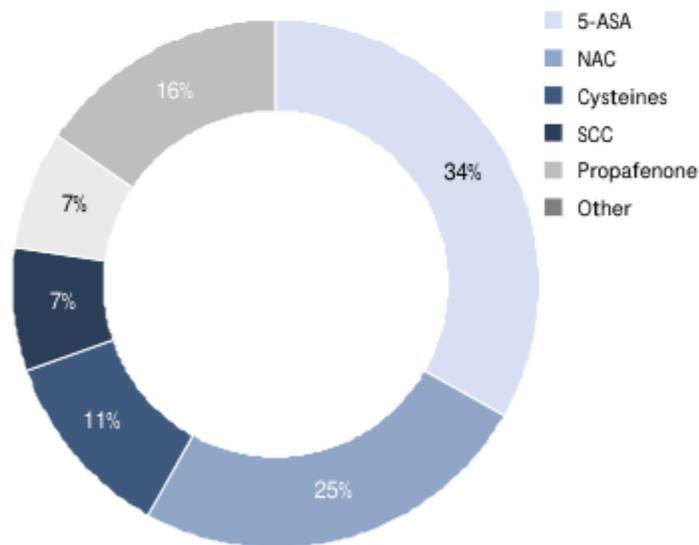
Overview of PharmaZell

PharmaZell at a glance

Business description

- Atypical player in the API space, focusing on specific molecules in relatively small niche markets, where PharmaZell holds a leading market position, thereby limiting the attractiveness to new competitors due to market size and PharmaZell's economies of scale
- Focus on niche molecules for which the total market size is limited (€4 to €15 m)
- For its 6 main products, PharmaZell is either the #1 or the #2 largest manufacturer worldwide and has a cost and/or technology leadership

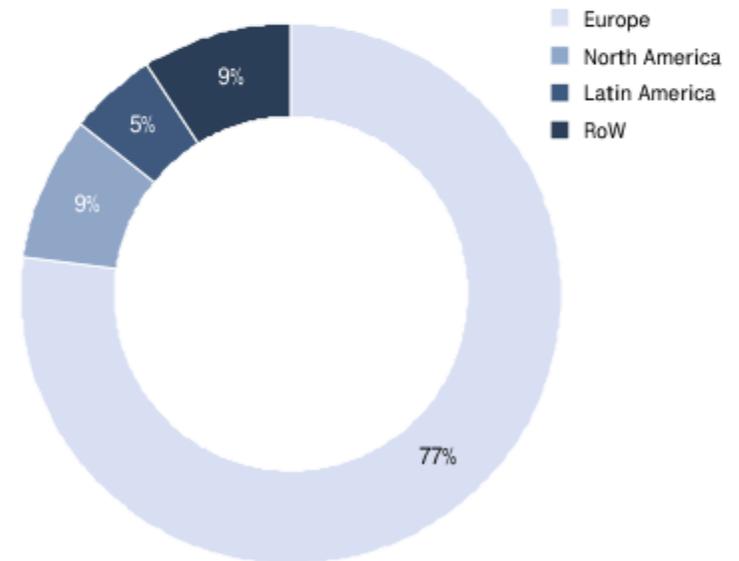
Sales breakdown by product (FY 03/2011)



Key facts

Turnover (FY 03/2011)	€ 52.4m
Employees	490 people (of which 2/3 located in India)
Headquarters	Raubling (Germany), 66 km east of Munich
Plants	1 production plant in Raubling, 2 production plants in India (Chennai and Vizag) and 1 R&D specialised unit in India (Vizag)

Sales breakdown by region (FY 03/2011)



PharmaZell focuses on differentiated generics and formulation protected originator niche products - APIs and intermediates in lab to large quantities (from KGs to MTs)

Product group	Main product	Comments
■ Standard APIs	■ 5-ASA, Propafenone, Balsalzide, Carbamazepine	■ Substances available in various physical forms or particle sizes tailored to meet the formulation requirements of customers
■ Amino Acids & Intermediates	■ NAC, SCC, L-Cysteine, EAC	■ Wide range of amino acids tailored to fit the requirements of numerous applications in the pharmaceutical, nutraceutical and personal care industry

Focus on APIs with limited annual sales volumes (of €4-€15 m) and oligopoly market structure,
limiting attractiveness for new competitors
Leading position in such API niches

PharmaZell is positioned in four segments



PharmaZell combines leadership in niches with sustainable competitive advantages - stable market niches with limited market competition (oligopoly)

Product	Direct Competitors	Competitive Advantages of PharmaZell
NAC	 	<ul style="list-style-type: none"> Nr. 1, Largest producer worldwide
5-ASA	  	<ul style="list-style-type: none"> Nr. 1, Cost and quality advantages
SCC		<ul style="list-style-type: none"> Nr. 2, Cost advantages
Propafenone		<ul style="list-style-type: none"> Nr. 1, Cost advantages
Balsalazide		<ul style="list-style-type: none"> Nr. 1 with OmniChem, easier to formulate

Focus on APIs with limited annual sales volumes (of €4-€15 m) and oligopoly market structure,
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Leading position in such API niches

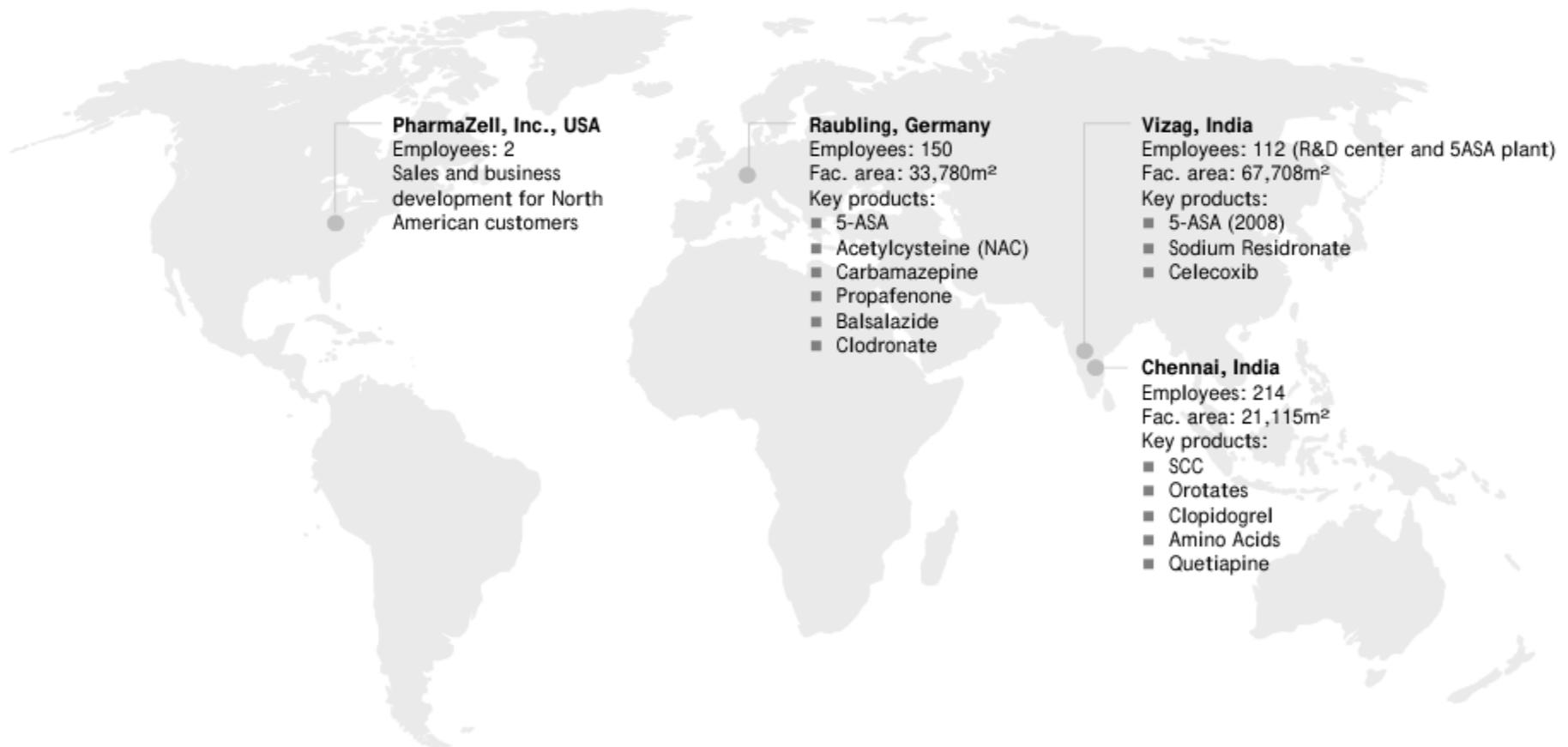
Note: Market position assessment of PharmaZell

PharmaZell's customers base consists of over 80 global and regional pharmaceutical and fine chemicals companies



Top five customers include Shire (5-ASA), Falk (5-ASA), Wacker (Cysteine), Sandoz (NAC), and Abbott (Propafenone), representing 45.5% of sales
Multi-year supply agreements with key customers provide the business with base line planning confidence

PharmaZell operates on three continents with manufacturing facilities in Germany and India



Note: Number of employees as per January 2011

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Combined Case financials

Underlying assumptions to Farmabios business plan

Sales and gross margin assumptions

The business plan prepared by management is based on a bottom-up approach, forecasting volumes, sales prices and gross margins per product

The growth of Farmabios in the business plan is based on the following assumptions:

- **Cephalosporins** – the Company expects to maintain the current contribution level from cephalosporins, by focusing on niche products that yield high margins and that are not exposed to the competition from LCC players. In the business plan, the growth of cephalosporins over the 2010-2015 period is expected to be moderate at +1.5% CAGR, due to the maturity of the product line
- **Steroids** – Farmabios' management expects to consolidate this business, by maintaining its current customer base and by trying to enter new product niches. In addition, the Company expects to develop further lines of products through the new sterile steroids facility. The business plan foresees a yearly average growth rate of 5.0% for steroids in the 2010-2015 period
- **HPS** – Farmabios will leverage on its HPS production facility in order to further develop this line of activity, which represents a logical extension to the other products of the Company, through the launch of a new molecule (tirofiban). The business plan foresees sales increase from EUR 0.7 million in 2010 to EUR 1.8 million in 2015
- **Anticancers** – following a EUR 3.1 million investment in a new anticancer plant completed in July 2011, Farmabios is currently launching new products in the generic anti-cancer APIs' niche which has favourable growth outlook. The project will start generating revenue in 2011 and it is expected to reach sales of EUR 8.0 million in 2015

The Company's gross margin is conservatively expected to decrease from 51.3% in 2010 to 47.6% in 2015, mainly driven by expected increase of raw materials prices

Costs, capex and working capital assumptions

- **Wages & salaries** – Driven by salary increases with expected average yearly growth rates of 4.0%
- **Maintenance / Global services** – Driven by inflation with expected inflation rate of 1.5%
- **Other variable costs** – Expected stable percentage of sales from 2010 to 2015
- **General & admin expenses** – Driven by cost increase with expected average yearly growth rates of 1.5%
- **Capital expenditure**
 - Replacement and extraordinary maintenance capex equal to EUR 1.5 million in 2011 increasing to EUR 2.1 million in 2015
 - Security and environmental & health capex: stable investment of EUR 0.1 million per year
 - New anticancer plant: in addition to the EUR 3.1 million already spent in the 2010-2011 period, it is envisaged an additional investment of EUR 1.3 million in 2012 in order to install a second line in the plant
 - New finishing room capex of EUR 1.6 million between 2013 and 2014
- **Working capital** – Development based on inventory days, DSOs, and DPOs. The business plan foresees a slight improvement of the working capital as percentage of sales which is expected to decrease from 27.1% in 2010 to 26.7% in 2015

Underlying assumptions to PharmaZell Management Case business plan

Assumptions for price/volume parameters in Management case

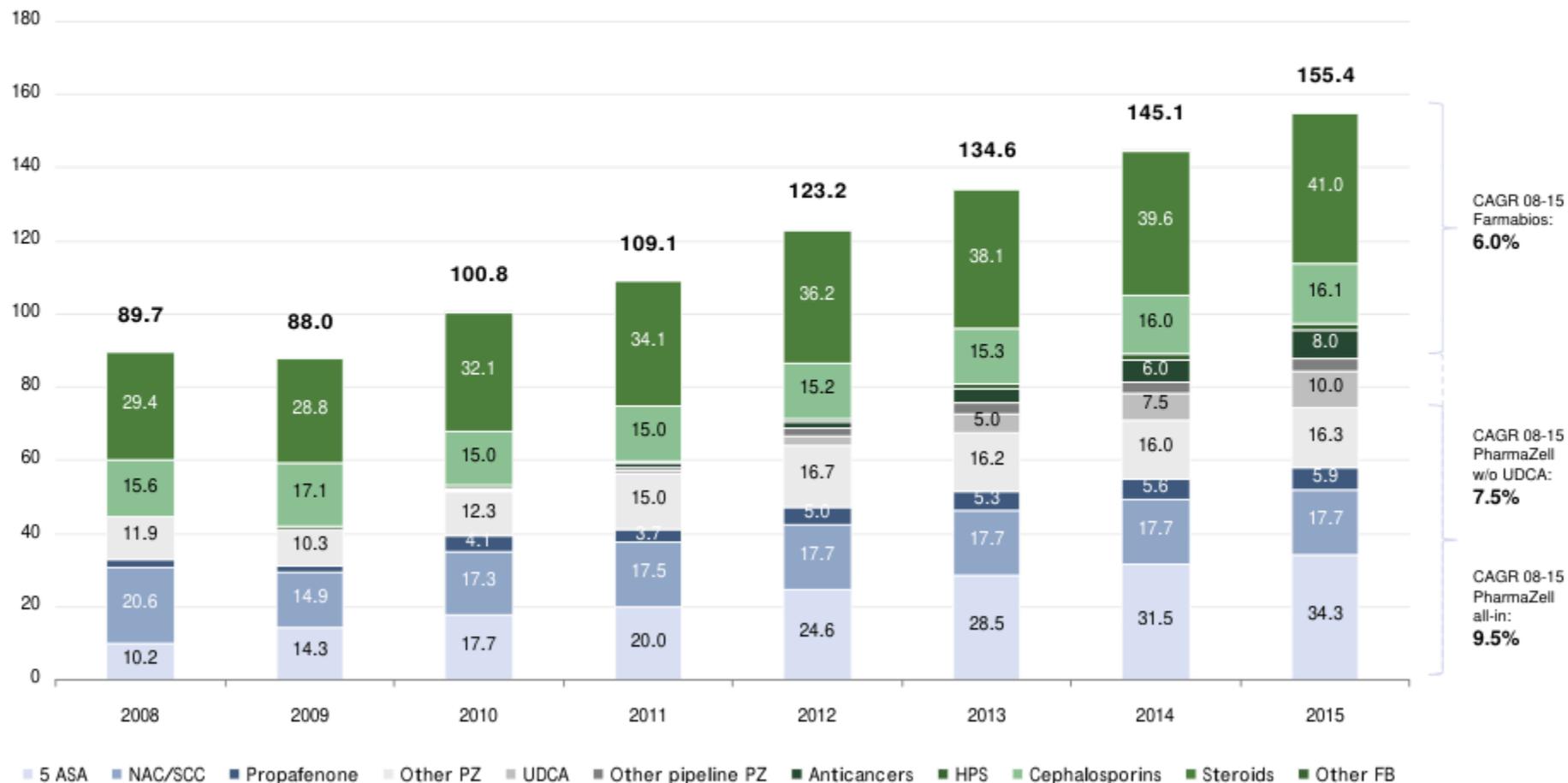
- **5-ASA** - Price for 5-ASA is expected to decrease slightly over time while volumes are planned to be more than doubled compared to 11/12. Sales volume to reach EUR 34.3m in 15/16. Expected mark-ups amount to EUR 1.0 million in each 11/12 and EUR 1.6 in 12/13
- **NAC** - Revenues from 12/13 onwards are expected to remain flat at EUR 12.9 million p.a. slightly below 11/12 level
- **Wacker Cysteine** - Prices excl. mark-ups in 11/12 expected to decrease sharply compared to 10/11 and then remain stable; volumes increase from 790t in 10/11 to 1,400t in 13/14 due to expansion project. Mark-ups on cysteine prices of EUR 0.4 million in 11/12, EUR 1.5 million in 12/13 and EUR 0.6 million in 13/14 are expected by PZ mgmt
- **UDCA** - Revenues are expected to increase linearly from EUR 0.8 million in 11/12 to EUR 10.0 million in 15/16
- **SCC** - While prices are expected to remain stable, volumes are planned to increase cumulatively by 25%; revenue is expected to reach EUR 4.8 million
- **Propafenone** - Management expects volumes to grow by a CAGR of 14% over the business plan period, while prices are expected to decrease slightly. Sales will amount to EUR 5.9 million in 15/16
- **Balsalazide** - Prices and volumes are expected to remain on the level of 10/11, revenues are planned to stay flat at EUR 1.3 million
- **Carbamezepine** - Revenues are expected to remain flat slightly below 10/11 level for the business plan period at EUR 1.1 million
- **Cysteine/Aminoacids** - Prices are expected to decrease by 7 percent in 11/12 and 12/13, volumes are planned to increase by 15%, revenue will amount to EUR 2.6 million in 12/13 and will stay flat

Assumptions for profitability and capex in Management case

- **Utilities** - Decrease of percentage of sales from 9% in 11/12 to 8.2% of sales in 15/16
- **Other variable costs** - Decrease of percentage of sales from 2.3% in 10/11 instead of decrease to 1.8% of sales in 15/16
- **Wages & salaries** - Driven by salary increases on entity basis with expected growth rates of 3.0% in Raubling, 10.0% in Chennai and 14.0% in Vizag
- **Maintenance / Global services** - Driven by inflation per entity with expected inflation rates of 1.5% in Raubling. Growth rates for maintenance of 5.5% for Chennai and 5.0% for Vizag
- **General & admin expenses** - Driven by cost increase per entity with expected growth rates of 1.5% in Raubling. Growth rates of 6.5% for Chennai and 7.0% for Vizag equal to PZ mgmt case
- **Other fixed costs** - Decrease from 4.5% in percentage of sales in 11/12 to 3.3% of sales in 15/16
- **Sales & marketing** - Decrease of 3.7% in 11/12 to 3.1% of sales in 15/16
- **Capital expenditure**
 - Maintenance capex is expected to increase from EUR 3.2 million in 11/12 to EUR 5.0 million in 15/16
 - Total capex for 5-ASA debottlenecking of EUR 8.9 million from 11/12 to 14/15
 - Total cysteine expansion capex of EUR 1.5 million from 11/12 to 13/14
 - UDCA capex of EUR 3.0 million from 11/12 to 13/14
- **Working capital**
 - Inventory is based on inventory days for each entity and assumed to be constant from 11/12 onwards at entity level
 - Trade receivables are mainly driven by Raubling and reduced by factoring agreements, which PZ mgmt assumes to be constant at EUR 2.7 million
 - Trade payables are assumed to have constant DPO per entity

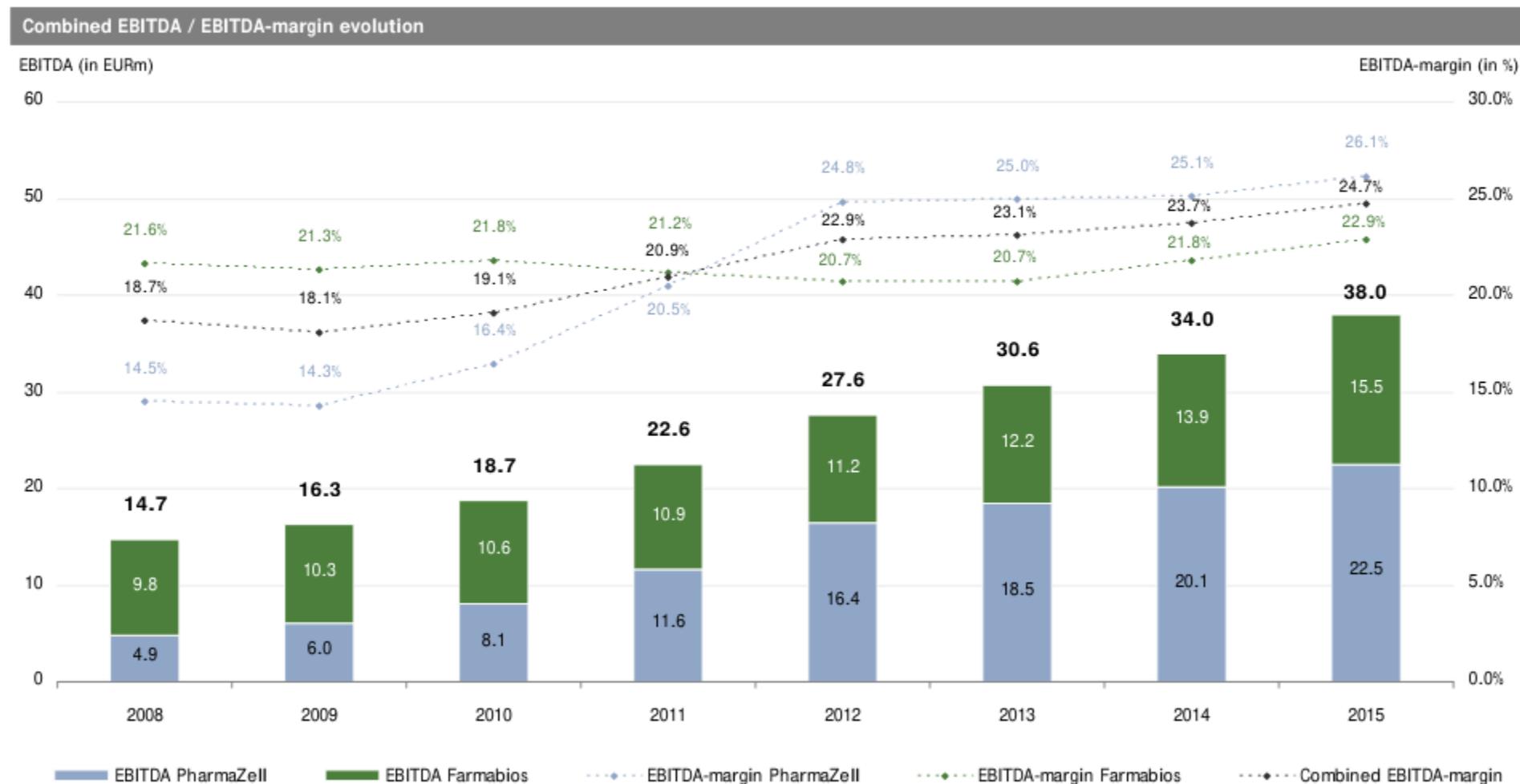
Management Case - PZ + FB combined revenue evolution by major products

Combined revenue split by major products (in €m)



Note: PZ figures are **not** calendarized; PZ management case is adjusted for latest forecasts and evidence
 Other pipeline PZ includes products which do not generate revenues before 12/13, such as Clopidogrel, NAT, Olanzapine, Pregabalin, 6-MU, Other generics

Management Case - PZ + FB combined EBITDA evolution



Note: PZ figures are calendarized
 PZ EBITDA 2008 only contain April-December due to lack in data for calendarization

Underlying assumptions to PharmaZell business plan: Ergon Case and adjustments compared to Management Case

Adjustments to price/volume parameters in Ergon Case

2011/12 – Current year performance

Adjustments of 2011/12E sales compared to PZ mgmt latest forecast provided on June 2011 and resulting from a detailed bottom-up analysis of sales forecast coverage (based on review of: YTD sales, current order book, existing sales framework agreements and confirmed forecasts provided by customers supported by written evidences):

- Management's latest forecast envisages API sales of EUR 57.0 million in 11/12
- Ergon case forecasts API sales of EUR 55.2 million (-EUR 1.8 million compared to management forecast)
- Ergon case forecasts API sales of EUR 55.2 million is backed by EUR 43.0 million (78%) of actual YTD sales plus order book plus forecasts provided by client through written evidences
- Mark ups equal to EUR 1.4 million in 11/12 as in PZ mgmt case

2012/13 – 2015/16 Business Plan

Adjustments compared to PZ mgmt case based on Arthur D. Little due diligence:

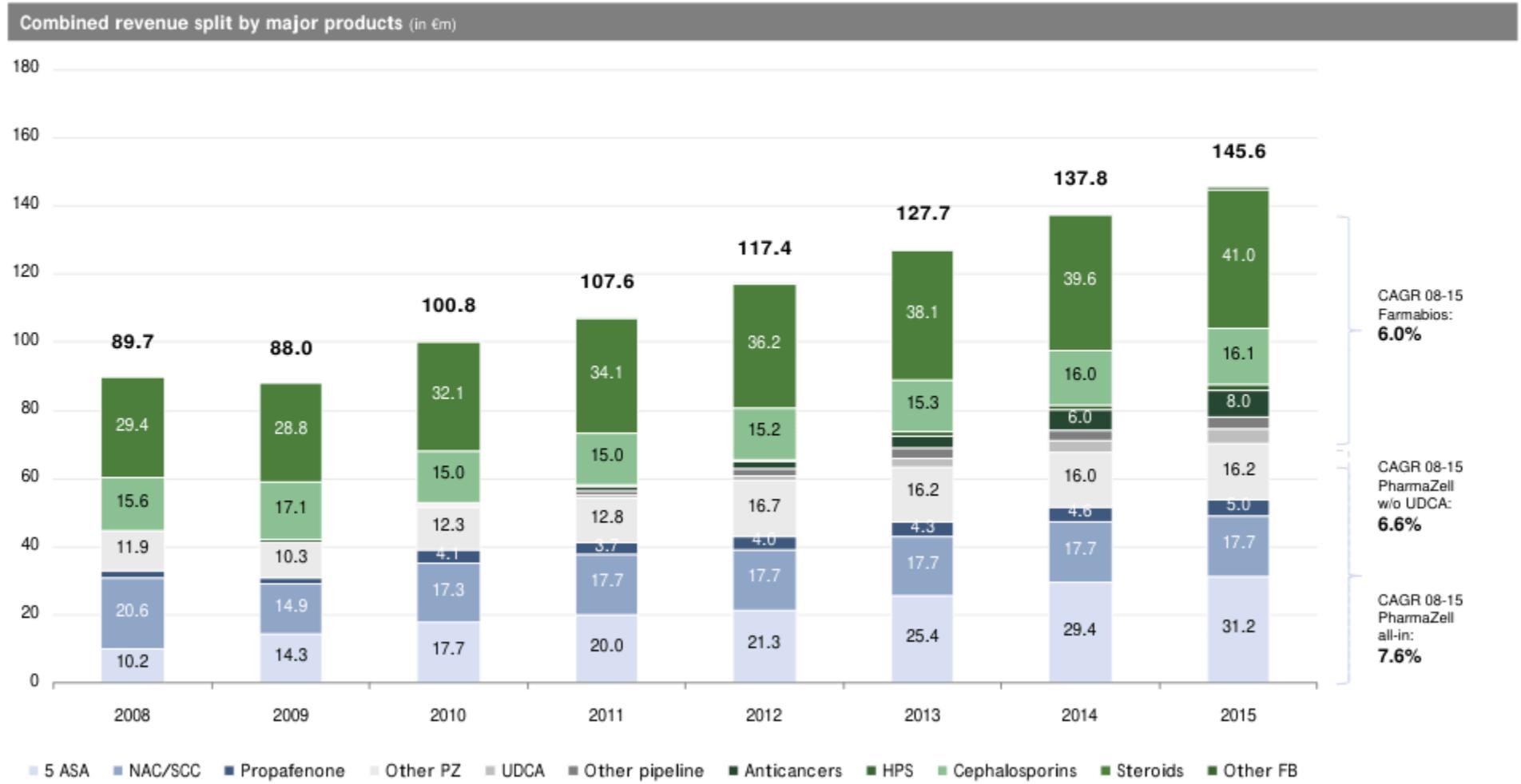
- **UDCA** – 15/16 sales of EUR 4.4 million (as per AdL adjustment) vs. EUR 10.0 million as in PZ mgmt case
- **Propafenone** – Compared to PZ mgmt case volumes are decreased by 15 tons in each year from 12/13 until 15/16 according to AdL suggestion. This results in approx. EUR 990k less sales p.a.
- **5-ASA** – Sales volume haircut as indicated by AdL resulting in a volume increase of 6.5% p.a. vs. approx. 14% p.a. as in PZ mgmt case. AdL estimated volume growth is in line with AdL estimated growth of the market and of PZ's key customer Shire. Consistently with AdL recommendation, additional sales for diverticulitis are delayed by 1 year compared to PZ mgmt case and amount to EUR 3.1 million in 13/14, EUR 5.9 million in 14/15 and EUR 6.3 million in 15/16

Note: Cost ratios have been calculated on the basis of sales excluding expansion projects

Adjustments to profitability and capex assumptions in Ergon Case

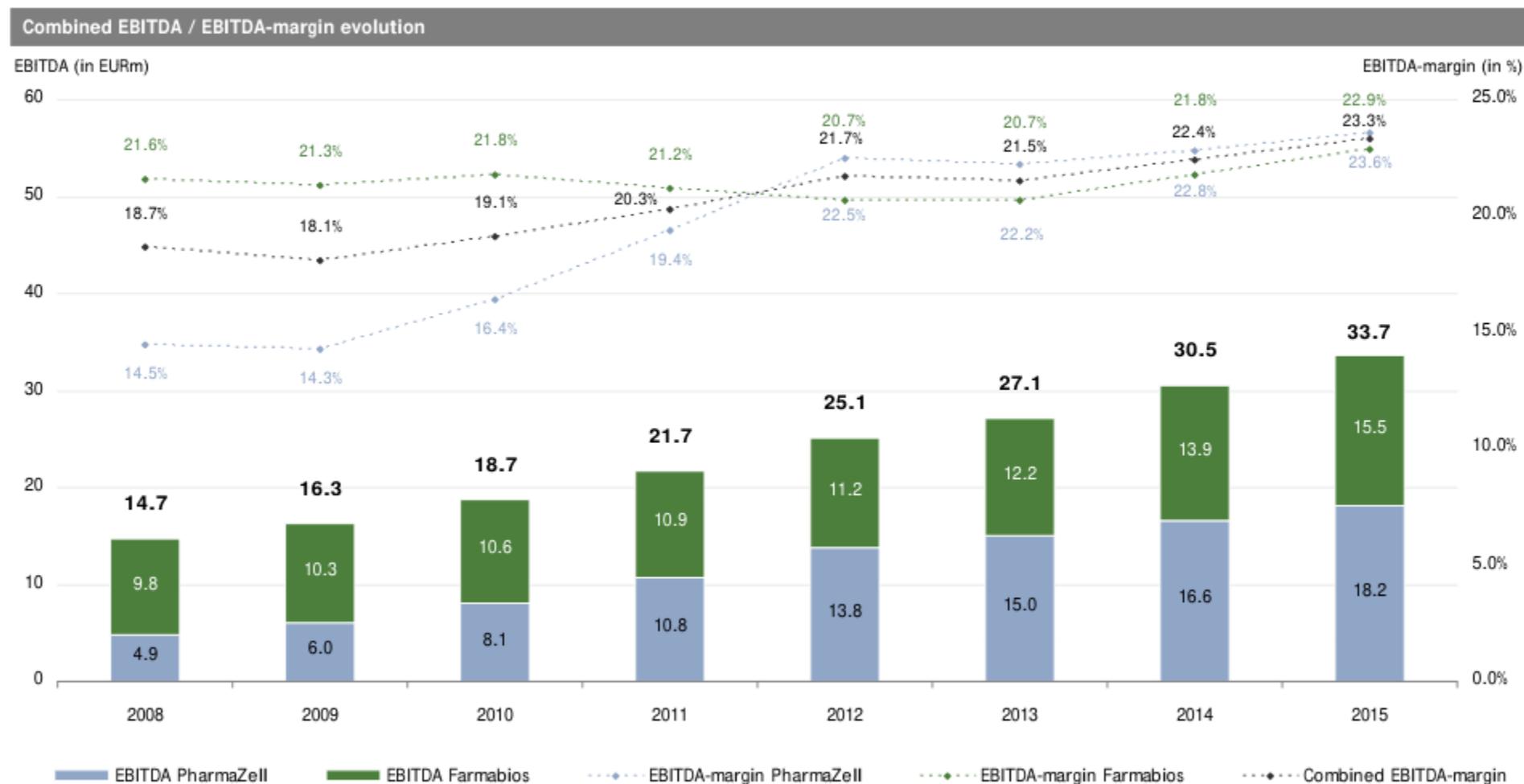
- **Utilities** – Increase of percentage of sales from 8% in 11/12 to 9% flat from 13/14 onwards instead of decrease from 9% in 11/12 to 8.2% of sales in 15/16
- **Other variable costs** – Expected stable percentage of sales from 10/11 to 15/16 of 2.3% instead of decrease to 1.8% of sales in 15/16
- **Wages & salaries** – Driven by salary increases on entity basis with expected growth rates of 3.5% in Raubling (vs. 3.0% in the Management case). Growth rates 10.0% for Chennai and 14.0% for Vizag equal to PZ mgmt case
- **Maintenance / Global services** – Driven by inflation per entity with expected inflation rates of 2.5% instead of 1.5% in Raubling. Growth rates for maintenance of 5.5% for Chennai and 5.0% for Vizag equal to PZ mgmt case
- **General & admin expenses** – Driven by cost increase per entity with expected growth rates of 3.5% instead of 1.5% in Raubling. Growth rates of 6.5% for Chennai and 7.0% for Vizag equal to PZ mgmt case
- **Other fixed costs** – Expected linear decrease from 4.5% in percentage of sales in 11/12 to 4.0% in 15/16 instead of decrease to 3.3% of sales in 15/16
- **Sales & marketing** – Expected stable percentage of sales from 11/12 to 15/16 of 3.7% instead of decrease to 3.1% of sales in 15/16
- **Capital expenditure**
 - Maintenance capex equal to PZ mgmt case assumptions
 - 5-ASA phase 1 expansion program (from 200 tons p.a. to 250 tons p.a. each in Raubling and Vizag) as per PZ mgmt plan. Phase 2 expansion (from 250 tons p.a. to 400 tons p.a.) only in Raubling and not in Vizag
 - Total 5-ASA capex of EUR 8.9 million reduced to EUR 6.3 million due to cancellation of phase 2 expansion in Vizag. 2011/12 capex as per PZ mgmt case except for EUR 0.5 million postponed to 2012/13 (as agreed with PZ CEO)
 - UDCA capex of EUR 3.0 million as in PZ mgmt case
- **Working capital** – Development based on inventory days, DSOs, and DPOs as per PZ mgmt case and therefore as a function of sales/COGS development

Ergon Case - PZ + FB combined revenue evolution by major products



Note: PZ figures are **not** calendarized
 Other pipeline PZ includes products which do not generate revenues before 12/13, such as Clopidogrel, NAT, Olanzapine, Pregabalin, 6-MU, Other generics

Ergon Case - PZ + FB combined EBITDA evolution



Note: PZ figures are calendarized
 PZ revenues 2008 only contain April-December due to lack in data for calendarization

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Combined Company financial structure & return tables

Combined Company valuation analysis

The valuation of PharmaZell consisting of a base price and earnout (based on EBITDA achievements in 03/2012), the table below summarizes the implied acquisition multiples for the Combined Company. Based on the budget for 2011, the entry multiple is below 7.0x EBITDA

Implied acquisition multiples (in EURm)								
EBITDA PZ 2011/12	9.5	10.0	10.5	11.0	11.5	12.0	12.5	13.0
EBITDA FB 2011	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9
EV Farmabios + PharmaZell	152.4	152.4	152.4	152.4	152.4	152.4	152.4	152.4
Earn-out PZ	0.0	0.0	1.8	3.5	5.3	7.0	8.9	10.5
EV Total	152.4	152.4	154.2	155.9	157.7	159.4	161.3	162.9
Implied entry-multiple EV/sales LTM	1.46x	1.46x	1.48x	1.49x	1.51x	1.53x	1.54x	1.56x
Implied entry-multiple EV/sales 2011	1.41x	1.41x	1.43x	1.45x	1.46x	1.48x	1.50x	1.51x
Implied entry-multiple EV/EBITDA LTM	8.31x	8.31x	8.41x	8.51x	8.60x	8.70x	8.80x	8.89x
Implied entry-multiple EV/EBITDA 2011	7.46x	7.29x	7.20x	7.11x	7.03x	6.96x	6.88x	6.81x
Implied entry-multiple EV/EBIT LTM	19.58x	19.58x	19.81x	20.03x	20.26x	20.48x	20.73x	20.93x
Implied entry-multiple EV/EBIT 2011	10.86x	10.49x	10.25x	10.04x	9.83x	9.64x	9.44x	9.29x
Management case combined	LTM	2011						
Sales	104.5	107.8						
EBITDA	18.3	22.6						
EBIT	7.8	13.9						

Note: Sales for calculating 2011 sales multiple are kept flat at EUR 107.8m, despite increasing EBITDA; PZ figures 2011/12 are not calendarized.
LTM is as of July 2011.
Assumption: PZ acquired in October 2011.

Combined sources & uses

Combined sources and uses of funds (in €k)					
Uses of Funds			Sources of Funds		
Purchase of 100% of PZ' equity	40,000		Unitranche	18.9%	30,000
Senior loan PZ	6,664		Senior net debt FB (Oct. 2011E)	27.5%	43,700
Mezzanine PZ	16,249		Vendor loan FB (Oct. 2011E)	10.9%	17,370
Minus: Cash PZ	(1,820)		Third parties' loan PZ	0.3%	450
Net debt PZ to be refinanced	21,094		Factoring PZ	1.3%	2,092
Third parties' loan PZ	450		PZ management - common equity	0.8%	1,300
Factoring PZ	2,092		FB management - common equity	0.4%	689
			Ergon - common equity on behalf of PZ management	0.4%	700
Total transaction costs PZ	3,900		Total equity provided by management	1.7%	2,689
Implied EV of Farmabios (as of Oct. 2011) ⁽¹⁾	88,794		Ergon & Co-investors - common equity	11.4%	18,040
			Ergon & Co-investors - preferred shares / shareholder loan	27.1%	43,118
Excess cash at closing to finance future capex	2,507		Total equity provided by Ergon & Co-investors	38.5%	61,158
			BNP - common equity in FB	0.2%	271
			BNP - shareholder loan in FB	0.7%	1,107
			Total equity provided by BNP	0.9%	1,378
Total uses at closing	158,837		Total sources at closing	100.0%	158,837
Earn out (assuming PZ will achieve 03/2012 re-forecast)	8,924		Earn out debt facility PZ		5,000
			Vendor Loan PZ		3,924
Total uses after earn out payment	167,761		Total Sources after earn out payment		167,761

Common Equity Structure		
	(€k)	Stake %
Ergon & Co-investors	18,040	85.90%
BNP	271	1.29%
Ergon on behalf of PZ mgmt	700	3.33%
PZ management	1,300	6.19%
FB management	689	3.28%
Total	21,000	100.0%

(1) Value of Farmabios based on shareholders loan plus accrued interest up to October 2011 and ordinary share value as of August 2007 (initial investment date)

Return analysis based on various exit-multiples - Co-investor returns

Management Case - Combined case IRR at exit			
Exit-multiple	Dec-2013	Dec-2014	Dec-2015
6.5x	23.5%	24.8%	25.3%
7.0x	30.8%	28.3%	26.9%
7.5x	37.2%	31.8%	29.6%
8.0x	42.8%	35.2%	32.1%
8.5x	48.1%	38.7%	34.6%

Ergon Case - Combined case IRR at exit			
Exit-multiple	Dec-2013	Dec-2014	Dec-2015
6.5x	13.1%	19.0%	20.7%
7.0x	20.2%	23.3%	23.6%
7.5x	26.9%	27.4%	25.1%
8.0x	33.2%	30.0%	27.5%
8.5x	38.6%	33.1%	29.9%

Management Case - Combined case MoM at exit			
Exit-multiple	Dec-2013	Dec-2014	Dec-2015
6.5x	1.59x	2.03x	2.57x
7.0x	1.80x	2.21x	2.71x
7.5x	2.00x	2.42x	2.96x
8.0x	2.18x	2.62x	3.21x
8.5x	2.36x	2.84x	3.47x

Ergon Case - Combined case MoM at exit			
Exit-multiple	Dec-2013	Dec-2014	Dec-2015
6.5x	1.31x	1.74x	2.20x
7.0x	1.50x	1.95x	2.43x
7.5x	1.69x	2.16x	2.55x
8.0x	1.87x	2.31x	2.77x
8.5x	2.04x	2.49x	2.99x

Note: PZ figures are calendarized
Assumption: PZ will be acquired on 24 October 2011

Management case – PZ + FB combined P&L and cash flow

Management Case – PZ + FB combined P&L (in €m)					
Combined P&L	2011	2012	2013	2014	2015
Total Revenues	107.8	120.5	132.8	143.7	153.8
<i>Growth%</i>	9.9%	11.8%	10.2%	8.2%	7.0%
Total Gross Margin	40.6	47.6	51.4	55.1	59.5
<i>Margin%</i>	37.6%	39.5%	38.7%	38.4%	38.7%
Total EBITDA	22.6	27.6	30.6	34.0	38.0
<i>Margin%</i>	20.9%	22.9%	23.1%	23.7%	24.7%
Total EBIT	13.9	18.4	20.6	23.3	27.0
<i>Margin%</i>	12.9%	15.3%	15.5%	16.2%	17.5%
Combined Amortisation	(4.6)	(5.1)	(5.7)	(5.8)	(5.8)
Combined Net Cash Interest	(4.5)	(4.5)	(4.9)	(4.8)	(4.5)
Combined PIK Interest	(2.1)	(2.7)	(2.7)	(2.7)	(2.7)
FB Extraordinary / Others	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Combined PBT	2.4	5.8	6.9	9.6	13.7

Note: Factoring is not reflected in the balance sheet, i.e. accounts receivable are shown net of factoring amount in the balance sheet.

Under the management case the vendor loan drawn in 2012 will be repaid in June 2015.

Management Case – PZ + FB combined cash flow (in €m)					
Combined Cash Flow	2011	2012	2013	2014	2015
Combined EBITDA	22.6	27.6	30.6	34.0	38.0
Combined Taxes	(3.0)	(4.0)	(4.8)	(5.9)	(7.0)
Ch. in Working Capital	(0.7)	(4.6)	(4.2)	(3.2)	(3.1)
Ch. in Other Receivables/ Payables	(1.0)	0.6	0.6	0.8	0.8
FB Extraordinary / Others	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)
Combined Operating CF	17.4	19.1	21.8	25.3	28.3
Combined Ordinary Capex	(9.5)	(12.0)	(10.6)	(9.1)	(7.5)
Combined CF Before Financing	7.9	7.1	11.2	16.2	20.7
Combined Net Cash Interest	(4.5)	(4.5)	(4.9)	(4.8)	(4.5)
Combined Debt Repayments	(1.5)	(2.0)	(2.3)	(2.4)	(5.9)
Combined Levered FCF	1.9	0.6	4.0	9.0	10.4
Capex	2011	2012	2013	2014	2015
Maintenance capex	(3.2)	(3.6)	(4.0)	(4.8)	(5.0)
UDCA capex	(0.8)	(1.0)	(1.0)	(0.3)	0.0
5-ASA expansion capex	(1.9)	(3.4)	(2.0)	(1.2)	(0.3)
Cysteine expansion capex	(0.2)	(0.9)	(0.4)	(0.1)	0.0
PZ Capex	(6.0)	(8.9)	(7.4)	(6.3)	(5.3)
FB Capex	(3.5)	(3.2)	(3.2)	(2.8)	(2.2)
Total Capex	(9.5)	(12.0)	(10.6)	(9.1)	(7.5)
Factoring	2011	2012	2013	2014	2015
Factoring line drawn	5.0	5.0	5.0	5.0	5.0

Ergon case - PZ + FB combined P&L and cash flow

Ergon Case - PZ + FB combined P&L (in €m)					
Combined P&L	2011	2012	2013	2014	2015
Total Revenues	106.7	115.8	126.2	136.5	144.6
<i>Growth%</i>	8.7%	8.5%	9.0%	8.1%	6.0%
Total Gross Margin	40.0	45.4	48.2	51.8	55.3
<i>Margin%</i>	37.5%	39.2%	38.2%	37.9%	38.3%
Total EBITDA	21.7	25.1	27.1	30.5	33.7
<i>Margin%</i>	20.3%	21.7%	21.5%	22.4%	23.3%
Total EBIT	13.1	16.0	17.5	20.2	23.2
<i>Margin%</i>	12.3%	13.8%	13.9%	14.8%	16.0%
Combined Amortisation	(4.6)	(5.1)	(5.4)	(5.5)	(5.5)
Combined Net Cash Interest	(4.4)	(4.4)	(4.9)	(4.8)	(4.5)
Combined PIK Interest	(2.0)	(2.5)	(2.5)	(2.5)	(2.6)
FB Extraordinary / Others	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Combined PBT	1.6	3.6	4.3	7.0	10.2

Ergon Case - PZ + FB combined cash flow (in €m)					
Combined Cash Flow	2011	2012	2013	2014	2015
Combined EBITDA	21.7	25.1	27.1	30.5	33.7
Combined Taxes	(2.8)	(3.5)	(4.0)	(5.0)	(5.8)
Ch. in Working Capital	(0.1)	(3.7)	(3.6)	(2.7)	(2.7)
Ch. in Other Receivables/ Payables	(1.0)	0.6	0.6	0.8	0.8
FB Extraordinary / Others	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)
Combined Operating CF	17.4	18.0	19.7	23.1	25.5
Combined Ordinary Capex	(9.1)	(12.2)	(9.5)	(7.7)	(7.0)
Combined CF Before Financing	8.3	5.8	10.2	15.4	18.5
Combined Net Cash Interest	(4.4)	(4.4)	(4.9)	(4.8)	(4.5)
Combined Debt Repayments	(1.5)	(2.0)	(2.3)	(2.4)	(2.4)
Combined Levered FCF	2.3	(0.6)	3.0	8.2	11.6

Capex	2011	2012	2013	2014	2015
Maintenance capex	(3.2)	(3.5)	(3.8)	(4.6)	(4.8)
UDCA capex	(0.8)	(1.0)	(1.0)	(0.3)	0.0
5-ASA expansion capex	(1.6)	(3.6)	(1.0)	0.0	0.0
Cysteine expansion capex	(0.2)	(0.9)	(0.4)	(0.1)	0.0
PZ Capex	(5.7)	(9.0)	(6.3)	(4.9)	(4.8)
FB Capex	(3.5)	(3.2)	(3.2)	(2.8)	(2.2)
Total Capex	(9.1)	(12.2)	(9.5)	(7.7)	(7.0)

Factoring	2011	2012	2013	2014	2015
Factoring line drawn	5.0	5.0	5.0	5.0	5.0

Note: Factoring is not reflected in the balance sheet, i.e. accounts receivable are shown net of factoring amount in the balance sheet.

In the Ergon case there is an earn-out of EUR 4,896k and no vendor loan.

Underlying assumptions LBO Unitranche financing

PharmaZell contemplated financing

Unitranche: EUR 30m + EUR 5m drawdown for earn-out payment in 12/13

- Cash spread: 500bps (400bps in FY 11/12 – 12/13)
- PIK interest: 2.0% (3.0% in FY 11/12 – 12/13)
- Warrants/Equity kicker: 2.0% of PZ exit proceeds
- Tenor: 8 years
- Repayment: scheduled repayments starting in FY 13/14

Capex facility (under Unitranche): EUR 5m

- Cash spread: 500bps (400bps in FY 11/12 – 12/13)
- PIK interest: 2.0% (3.0% in FY 11/12 – 12/13)
- Tenor: 8 years
- Repayment: amortizing of 50% of drawn amount, linear starting in year after last draw down until maturity

Vendor note: variable (EUR 5m in Management case)¹

- Issuance: June 2012
- PIK interest: 6%
- Tenor: 3 years
- Repayment: bullet

Revolving Credit Facility: EUR 5m

- Spread: 425bps
- Tenor/Repayment: Revolving

Permitted factoring line: amount to be negotiated (assumed at EUR 5.0m)

Farmabios existing financing

Term loan A: EUR 6.5m

- Spread: 175bps
- Tenor: 5.5 years
- Maturity: 08/2014
- Repayment: Semi-annual

Term loan B: EUR 37.7m

- Spread: 205bps
- Tenor: 6.5 years
- Maturity: 08/2014
- Repayment: Bullet

Revolving Credit Facility: EUR 3m

- Spread: 175bps
- Tenor/Repayment: Revolving

Permitted factoring line: EUR 5m

Permitted leasing line: EUR 2m

1) According to the SPA the earn-out amounts to EUR 10.0m assuming the company achieves its 03/2012 consolidated adjusted EBITDA reforecast of EUR 12.8m; a portion of the earn-out of up to EUR 5m will be financed by an earn-out facility, any amount in excess of EUR 5m will be treated as a vendor loan from sellers

Debt statistics PZ + FB combined

Management Case - PZ + FB combined debt statistics (in EURm)					
	2011	2012	2013	2014	2015
Unitranche C PZ	2.8	4.6	4.9	4.6	4.3
Unitranche B PZ	0.0	5.2	5.2	4.6	3.7
Unitranche A PZ	30.9	31.6	30.1	27.9	24.8
Vendor note PZ	0.0	3.1	4.3	4.6	0.0
RCF PZ	0.0	0.0	0.0	0.0	0.0
Term Loan A FB	5.7	3.7	1.7	0.0	0.0
Term Loan B FB	37.7	36.7	35.5	34.0	30.9
Earn out liabilities FB	0.0	0.2	0.0	0.0	0.0
Vendor loan FB	17.5	18.4	19.3	20.1	21.0
Other Financial Debt FB	1.9	2.1	2.1	2.1	2.1
Cash & cash equivalents	7.8	12.1	14.2	19.9	25.1
Net Debt combined	69.4	70.8	73.8	64.1	50.5
DSCR (Unlevered Cash Flow / Debt Service)	1.8x	1.4x	1.5x	2.2x	2.0x
Net Financial Debt / EBITDA	3.1x	2.6x	2.4x	1.9x	1.3x
EBITDA / Net Cash Interest Expense	5.1x	6.2x	6.2x	7.1x	8.5x
Capex	9.5	12.0	10.6	9.1	7.5

Ergon Case - PZ + FB combined debt statistics (in EURm)					
	2011	2012	2013	2014	2015
Unitranche C PZ	1.9	4.3	4.9	4.6	4.2
Unitranche B PZ	0.0	5.1	5.1	4.5	3.6
Unitranche A PZ	30.9	31.6	30.6	28.6	25.1
Vendor note PZ	0.0	0.0	0.0	0.0	0.0
RCF PZ	0.0	0.0	0.0	0.0	0.0
Term Loan A FB	5.7	3.7	1.7	0.0	0.0
Term Loan B FB	37.7	36.7	35.5	34.0	30.9
Earn out liabilities FB	0.0	0.2	0.0	0.0	0.0
Vendor loan FB	17.5	18.4	19.3	20.1	21.0
Other Financial Debt FB	1.9	2.1	2.1	2.1	2.1
Cash & cash equivalents	7.5	10.7	12.5	17.1	24.0
Net Debt combined	69.2	69.6	71.1	62.1	49.8
DSCR (Unlevered Cash Flow / Debt Service)	1.7x	1.4x	1.4x	2.1x	2.7x
Net Financial Debt / EBITDA	3.2x	2.8x	2.6x	2.0x	1.5x
EBITDA / Net Cash Interest Expense	4.9x	5.6x	5.5x	6.3x	7.5x
Capex	9.1	12.2	9.5	7.7	7.0

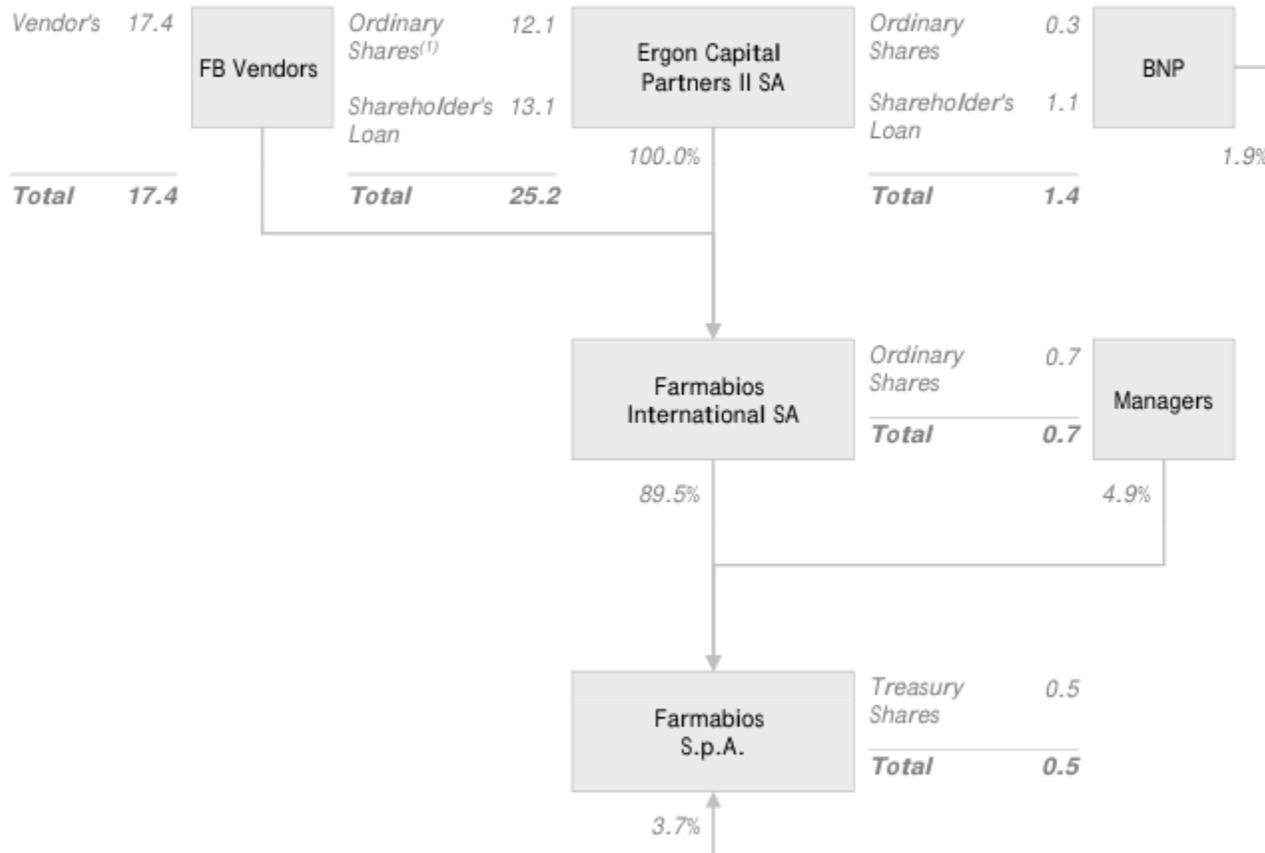
Note: Debt repayments including cash-sweep; PZ figures are calendarized

6

Co-investor proposed terms

Current legal structure of Farmabios

Current structure (in €m)



- Today Farmabios S.p.A. ("Farmabios"), the operating company, is controlled by Farmabios International S.A. ("FBI") (89.5% stake), a Luxembourg holding company which is 100% owned by Ergon Capital Partners II SA
- Farmabios management owns 4.9% of the ordinary shares
- BNP owns 1.9% of Farmabios' common equity while 3.7% of the ordinary shares are treasury shares

1) Of which € 8.5 m represented by a zero coupon non convertible bond

Pro-forma legal structure and funding of PharmaZell's acquisition

Structure of acquisition (in €m)

Ordinary Shares	5.5
Ordinary Shares on behalf of mgmt.	0.7
Preferred Shares	30.0
Total	36.2

Ergon Capital Partners II SA

Ordinary Shares	1.3
Preferred Shares	0.0
Total	1.3

PZ Management

Farmabios International SA
(to be renamed Zellbios SA)

Ordinary Shares	7.5
Preferred Shares	30.0
Total	37.5

FB Vendors ← 40.0
Transaction Costs ← 3.9

Zellbios GmbH
(German Newco)

Unitranche ← 9.0

Banks Existing Net Debt ← 21.1

PharmaZell GmbH

Unitranche ← 21.0

37.5

100.0%

100.0%

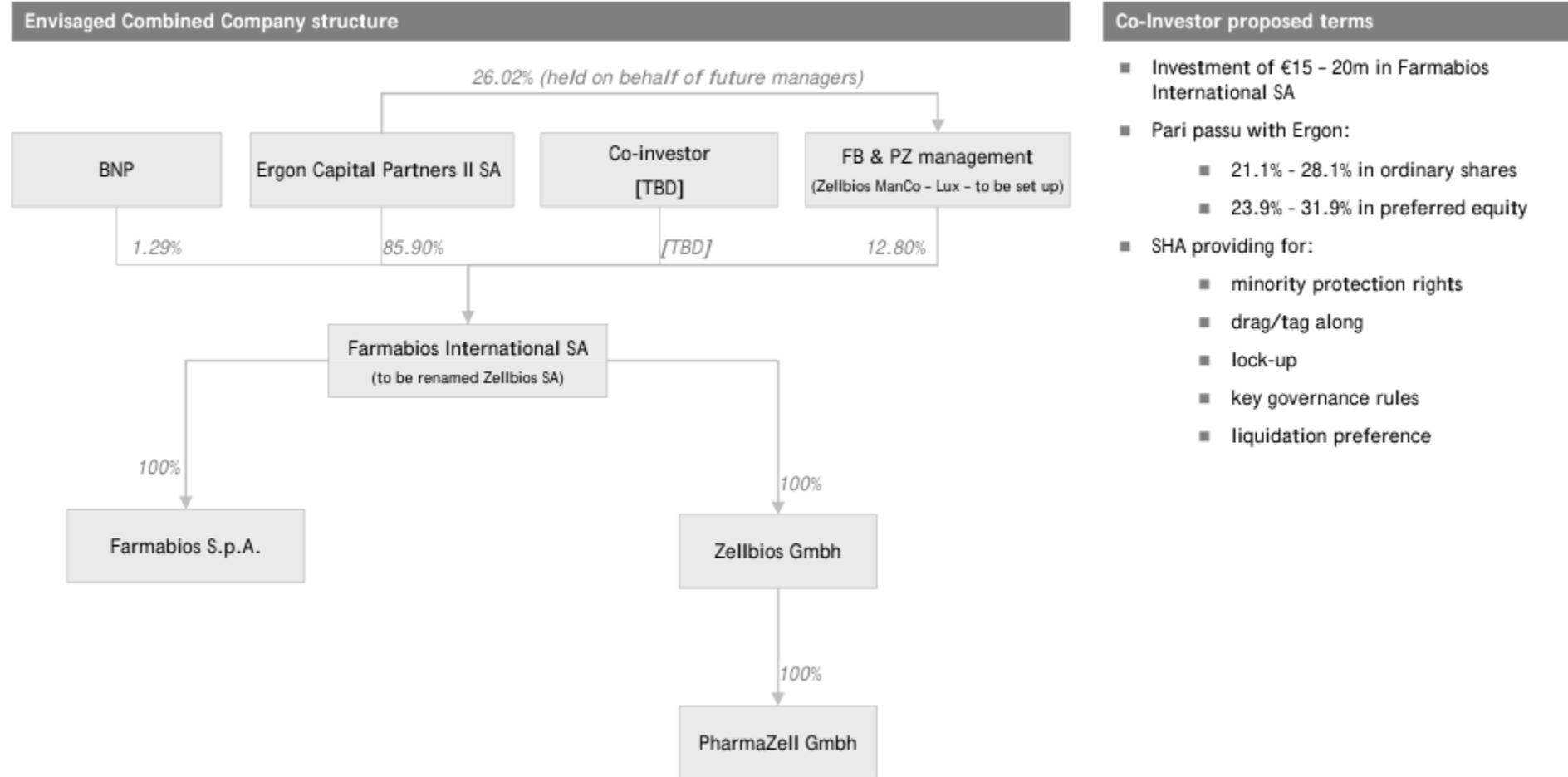
- Based on tax/legal counsel to date, PharmaZell will be acquired by a newly incorporated German vehicle ("Zellbios GmbH"), that will purchase 100% of the shares of PharmaZell requiring total funding at closing of € 67.5 m, including € 2.5 m of overfunding, provided through:
 - € 30.0 m of unitranche debt (mix of senior and mezzanine debt)
 - € 37.5 m of equity funding provided by FBI
 - The € 37.5 m equity funding required in FBI will be provided by:
 - Ergon + Co-investors for an amount of € 36.2 m: split in a € 5.5 m ordinary equity, € 0.7 m on behalf management (that could be allocated to management in the future) and € 30.0 preferred equity
 - PharmaZell managers for an initial amount of € 1.3 m (full ordinary equity contribution)
- The accrued Earn Out will be financed through a combination of unitranche debt (up to € 5.0 m) and vendor loan provided by the sellers
- Resulting FBI shareholders' structure is illustrated in the following slides

Note: Assuming PZ's net debt at Closing equal or lower to March 2011 actual value

Legal structure and Management Equity Plan

- In the context of the PharmaZell's acquisition we have offered key members of PharmaZell's management team the opportunity to acquire shares of the Combined Company. We expect PharmaZell's management to initially acquire ~6.2% of the equity of the Combined Company investing an amount of ~€1.3 million in FBI (future holding company of the Combined Company) with an envy ratio of ~3.4x (number of times management invests more favorably than Ergon). A portion up to €0.7 million will be reserved for additional investments by PharmaZell's management
- In the same context we expect that Farmabios' management and BNP's participations in Farmabios will be contributed to FBI in exchange of a 3.3% (same envy ratio as PharmaZell's management) and 1.3% participation, respectively, in the Combined Company. BNP's shareholders loan will be also transferred in FBI *pari passu* with Ergon's investment
- The envy ratio for management will be obtained by structuring FBI's equity through a combination of ordinary equity and preferred equity (accruing preferred dividend at 10% p.a.), whereby Ergon, the Co-Investors and BNP (the "Financial Investors") invest in ordinary and preferred shares, while management invests only in ordinary shares
- To further align Financial Investors' interests to those of the Combined Company's management, we have offered to both PharmaZell's and Farmabios' managers a ratchet mechanism ("Exit Ratchet") to be paid at the time of the Financial Investors' exit from the Farmabios-PharmaZell transaction. In particular, the Exit Ratchet will be distributed to management depending on the Financial Investors' fully diluted returns, as follows:
 - ✓ 10% portion of the Financial Investors' proceeds in excess of a money multiple ("MoM") of 2.0x will be allocated to management, provided that the internal rate of return ("IRR") will be higher than 17.5%
 - ✓ The Exit Ratchet will be capped at €5.0 million
- A shareholders' agreement will be put in place at the level of FBI, replicating the one currently existing at Farmabios
- The ordinary shares owned by the management team of both companies will be pooled into a Management Company ("Zellbios ManCo SA") to be setup in Luxembourg

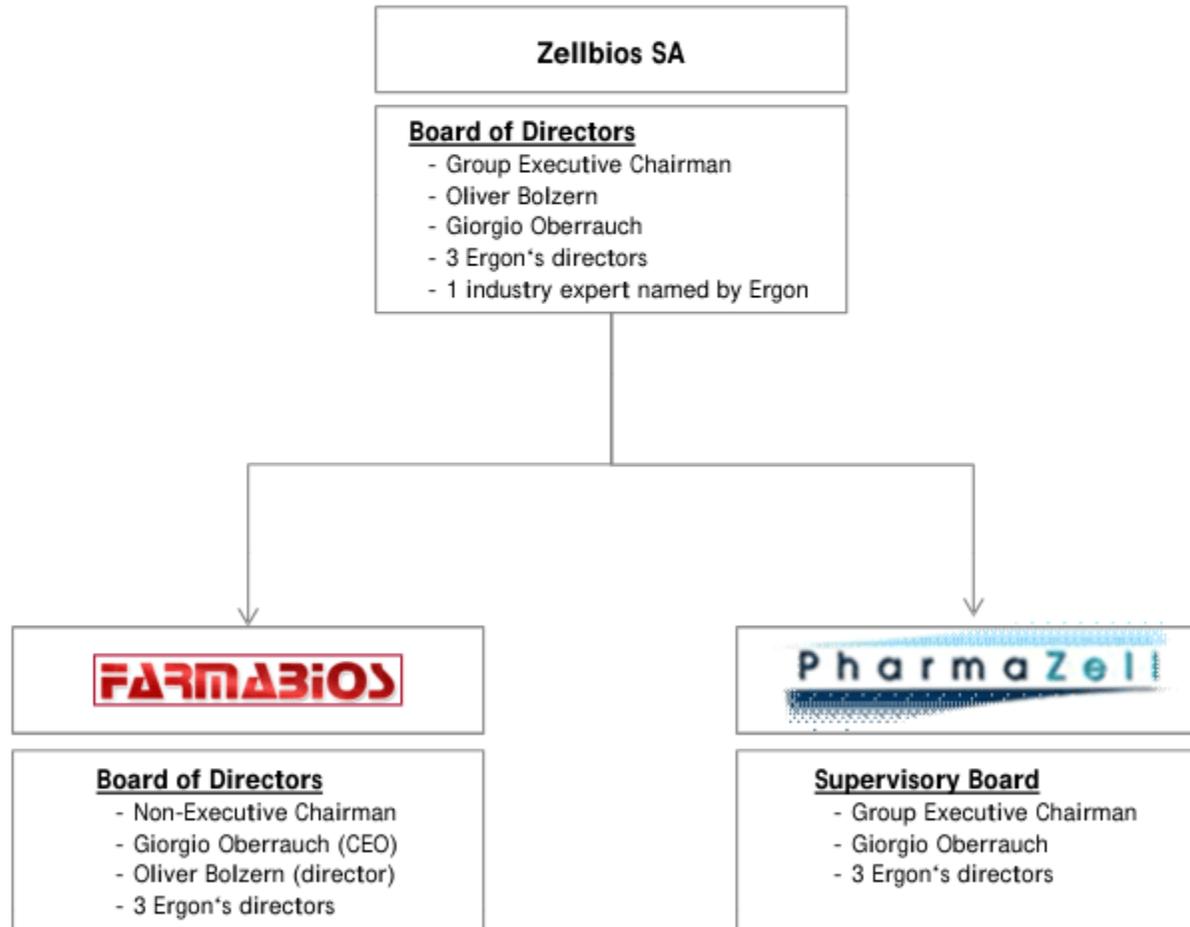
Combined Company structure at closing



Note: assuming PZ's net debt at Closing equal or lower to March 2011 actual value

Combined group governance

Envisaged governance structure



Details of group governance

- Zellbios' Board of Directors will be controlled by Ergon
- We do not foresee a complex integration process; we intend to leave both companies with sufficient operational freedom
- We will establish an Executive Committee consisting of the top managers of the two companies
 - Oliver Bolzern ("OB") in charge of Pharmazell
 - Giorgio Oberrauch ("GO") in charge of Farmabios
- The Executive Committee will be led by an Executive Chairman that we will recruit soon after PharmaZell's acquisition
- The Executive Committee will ultimately report to the Board of Directors
- In order to facilitate the integration of the two companies GO will sit in the PharmaZell's Supervisory Board and OB will become non-executive director of Farmabios
- The companies CFOs will assist and collaborate with the Executive Committee. PharmaZell's CFO will act as Group CFO

A

Appendix A

Key financials Farmabios & PharmaZell

Farmabios - P&L evolution

P&L - (€ million)	2008A	2009A	2010A	2011F	2012BP	2013BP	2014BP	2015BP
Revenues	45.4	48.3	48.5	51.2	54.4	58.8	63.7	67.7
<i>Growth%</i>		6.5%	0.3%	5.5%	6.3%	8.2%	8.2%	6.3%
Contribution Margin	24.1	24.9	24.9	24.6	26.1	27.8	30.1	32.2
<i>Margin%</i>	53.1%	51.5%	51.3%	48.0%	48.0%	47.3%	47.2%	47.6%
Labour Costs	(7.3)	(7.8)	(7.7)	(7.6)	(8.1)	(8.7)	(9.0)	(9.3)
<i>Margin%</i>	(16.1%)	(16.2%)	(15.9%)	(14.8%)	(14.9%)	(14.8%)	(14.1%)	(13.7%)
Industrial Costs	(4.9)	(4.6)	(4.5)	(4.3)	(4.8)	(4.9)	(5.0)	(5.2)
<i>Margin%</i>	(10.8%)	(9.6%)	(9.2%)	(8.4%)	(8.7%)	(8.3%)	(7.9%)	(7.6%)
General Expenses & Other	(2.1)	(2.1)	(2.1)	(1.8)	(2.0)	(2.1)	(2.2)	(2.3)
<i>Margin%</i>	(4.7%)	(4.4%)	(4.4%)	(3.5%)	(3.7%)	(3.6%)	(3.4%)	(3.3%)
EBITDA	9.8	10.3	10.6	10.9	11.2	12.2	13.9	15.5
<i>Margin%</i>	21.6%	21.3%	21.8%	21.2%	20.7%	20.7%	21.8%	22.9%
Depreciation	(3.2)	(3.2)	(3.1)	(3.3)	(3.7)	(3.5)	(3.5)	(3.2)
<i>Margin%</i>	(7.1%)	(6.5%)	(6.3%)	(6.4%)	(6.8%)	(6.0%)	(5.5%)	(4.7%)
EBITA	6.6	7.2	7.5	7.6	7.6	8.6	10.4	12.3
<i>Margin%</i>	14.5%	14.8%	15.5%	14.8%	13.9%	14.6%	16.4%	18.2%

Farmabios - Cash flow and net debt evolution

Cash Flow - (€ million)	2009A	2010A	2011F	2012BP	2013BP	2014BP	2015BP	
EBITDA	10.3	10.6	10.9	11.2	12.2	13.9	15.5	
Taxes	(1.4)	(1.3)	(1.4)	(1.5)	(1.8)	(2.4)	(2.9)	
Ch. in Working Capital	0.2	2.6	1.0	(1.9)	(1.6)	(1.2)	(1.2)	
Ch. in Other Receivables/ Payables	(0.0)	(0.7)	(0.9)	0.7	0.6	0.8	0.7	
Extraordinary / Others	(0.5)	(1.2)	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	
Operating Cash Flow	8.6	10.0	9.2	8.1	8.9	10.7	11.6	
Ordinary Capex	(2.5)	(4.0)	(3.5)	(3.2)	(3.2)	(2.8)	(2.2)	
Cash Flow Before Financing	6.1	6.0	5.7	4.9	5.7	7.9	9.4	
Net Interest	(3.5)	(3.5)	(2.9)	(1.9)	(1.9)	(1.9)	(1.8)	
Free Cash Flow	2.6	2.5	2.8	3.0	3.8	6.0	7.6	
Balance Sheet - (€ million)	2008A	2009A	2010A	2011F	2012BP	2013BP	2014BP	2015BP
Inventory	11.4	10.8	12.4	13.6	13.5	14.9	16.2	17.4
Trade Receivables	10.3	12.0	11.0	8.8	9.0	10.2	11.2	12.2
Trade Payables	(5.7)	(7.1)	(10.2)	(10.3)	(8.5)	(9.4)	(10.6)	(11.6)
Narrow Working Capital	16.0	15.7	13.1	12.1	14.0	15.6	16.8	18.1
<i>% of Revenues</i>	<i>35.2%</i>	<i>32.5%</i>	<i>27.1%</i>	<i>23.6%</i>	<i>25.7%</i>	<i>26.6%</i>	<i>26.5%</i>	<i>26.7%</i>
Other Receivables/Payables	(3.8)	(3.8)	(3.1)	(2.3)	(3.0)	(3.6)	(4.4)	(5.1)
Net Working Capital	12.2	11.9	10.0	9.8	11.0	12.0	12.4	12.9
<i>% of Revenues</i>	<i>26.8%</i>	<i>24.7%</i>	<i>20.6%</i>	<i>19.2%</i>	<i>20.3%</i>	<i>20.4%</i>	<i>19.6%</i>	<i>19.1%</i>
Net Debt / (Cash)	48.2	45.6	43.5	41.6	38.6	34.9	28.8	21.2
Vendor Loan	15.0	15.9	16.6	17.5	18.4	19.3	20.1	21.0

PharmaZell - P&L evolution - Management Case

Income Statement (in € million)	2008/09A	2009/10A	2010/11A	2011/12E	2012/13E	2013/14E	2014/15E	2015/16E
Total sales	44.7	41.2	52.4	58.1	68.8	75.7	81.5	87.7
Market contribution	25.8	22.4	29.6	33.2	40.7	43.3	46.3	50.1
<i>In % of sales</i>	57.7%	54.4%	56.5%	57.2%	59.1%	57.2%	56.9%	57.1%
Depreciation & amortization	(0.7)	(1.7)	(2.5)	(2.7)	(3.2)	(3.5)	(4.1)	(4.5)
Wages and salaries	(6.5)	(6.3)	(7.5)	(8.1)	(9.6)	(10.3)	(10.8)	(11.4)
Maintenance costs	(2.0)	(1.6)	(2.1)	(2.6)	(3.0)	(3.4)	(3.6)	(3.9)
Other fixed costs	(2.8)	(1.8)	(3.6)	(2.1)	(2.2)	(2.3)	(2.3)	(2.4)
Total fix costs	(12.0)	(11.4)	(15.7)	(15.6)	(18.0)	(19.5)	(20.9)	(22.2)
<i>In % of sales</i>	26.8%	27.6%	29.9%	26.8%	26.1%	25.7%	25.6%	25.3%
Gross margin	13.8	11.0	13.9	17.7	22.7	23.8	25.4	27.9
<i>In % of sales</i>	30.9%	26.8%	26.6%	30.4%	33.0%	31.5%	31.2%	31.9%
Research & development expenses	(3.1)	(2.6)	(2.8)	(2.4)	(2.6)	(2.7)	(2.9)	(3.0)
SG&A	(5.4)	(5.6)	(6.1)	(5.9)	(6.2)	(6.5)	(6.8)	(7.1)
Other operating income	0.0	0.0	0.0	0.2	0.2	0.1	0.1	0.1
Other operating expenses	(5.1)	(2.9)	(2.0)	0.0	0.0	0.0	0.0	0.0
EBIT	0.2	(0.0)	3.1	9.4	14.1	14.7	15.9	18.0
EBIT margin	0.5%	-0.1%	5.9%	16.2%	20.5%	19.4%	19.5%	20.5%
Total depreciation	(6.3)	(5.9)	(5.8)	(3.1)	(3.6)	(4.0)	(4.7)	(5.1)
EBITDA	6.5	5.8	8.9	12.5	17.7	18.8	20.6	23.1
<i>EBITDA margin</i>	14.5%	14.2%	17.0%	21.6%	25.7%	24.8%	25.3%	26.4%

PharmaZell - Cash flow and net debt evolution - Management Case

Cash flow statement (in € million)	2008/09A	2009/10A	2010/11A	2011/12E	2012/13E	2013/14E	2014/15E	2015/16E
EBITDA		5.8	8.9	12.5	17.7	18.8	20.6	23.1
Taxes		1.3	(0.2)	(2.1)	(2.7)	(3.1)	(3.7)	(4.2)
Change in Working capital		0.6	1.7	(2.9)	(2.6)	(2.5)	(1.8)	(1.8)
Change in other Payables / Receivables		(2.3)	(0.3)	0.4	0.2	1.3	0.0	0.4
Change in pension provision		0.2	0.1	0.0	0.1	0.1	0.1	0.1
Cash flow from operations		5.6	10.2	7.9	12.7	14.5	15.2	17.5
Capex		(3.7)	(3.1)	(7.0)	(9.5)	(6.7)	(6.2)	(5.0)
Cash flow from investing		(3.7)	(3.1)	(7.0)	(9.5)	(6.7)	(6.2)	(5.0)
Cash flow before financing		1.9	7.1	0.9	3.2	7.8	9.1	12.5
Balance Sheet (in € million)	2008/09A	2009/10A	2010/11A	2011/12E	2012/13E	2013/14E	2014/15E	2015/16E
Accounts receivable	4.1	4.8	5.3	6.6	8.4	10.1	11.1	12.3
Inventory	14.1	12.0	11.1	12.4	13.7	15.1	16.2	17.1
Accounts payable	4.6	3.8	5.1	4.7	5.2	5.8	6.1	6.4
Trade working capital	13.7	13.1	11.3	14.3	16.9	19.4	21.2	23.0
% of revenues	30.5%	31.7%	21.6%	24.6%	24.6%	25.6%	26.0%	26.3%
Other Payables / Receivables	(3.2)	(0.9)	(0.6)	(1.0)	(1.2)	(2.5)	(2.5)	(2.9)
Total working capital	10.4	12.1	10.7	13.3	15.7	16.9	18.7	20.1
% of revenues	23.3%	29.4%	20.5%	22.9%	22.9%	22.3%	22.9%	23.0%
Net debt / (Cash)				29.6	39.8	36.4	31.5	22.5

PharmaZell - P&L evolution - Ergon Case

Income Statement (in € million)	2008/09A	2009/10A	2010/11A	2011/12E	2012/13E	2013/14E	2014/15E	2015/16E
Total sales	44.7	41.2	52.4	56.6	63.0	68.8	74.1	77.9
Market contribution	25.8	22.4	29.6	32.3	36.8	38.8	41.9	44.2
<i>In % of sales</i>	57.7%	54.4%	56.5%	57.2%	58.4%	56.3%	56.5%	56.7%
Depreciation & amortization	(0.7)	(1.7)	(2.5)	(2.6)	(2.9)	(3.3)	(3.9)	(4.3)
Wages and salaries	(6.5)	(6.3)	(7.5)	(8.0)	(8.7)	(9.6)	(10.3)	(10.8)
Maintenance costs	(2.0)	(1.6)	(2.1)	(2.3)	(2.5)	(2.7)	(2.9)	(3.0)
Other fixed costs	(2.8)	(1.8)	(3.6)	(2.5)	(2.5)	(2.6)	(2.6)	(2.6)
Total fix costs	(12.0)	(11.4)	(15.7)	(15.5)	(16.7)	(18.3)	(19.8)	(20.7)
<i>In % of sales</i>	26.8%	27.6%	29.9%	27.3%	26.5%	26.6%	26.7%	26.6%
Gross margin	13.8	11.0	13.9	16.9	20.1	20.5	22.1	23.4
<i>In % of sales</i>	30.9%	26.8%	26.6%	29.8%	31.8%	29.8%	29.8%	30.1%
Research & development expenses	(3.1)	(2.6)	(2.8)	(2.4)	(2.4)	(2.5)	(2.6)	(2.7)
SG&A	(5.4)	(5.6)	(6.0)	(6.3)	(6.5)	(6.8)	(7.1)	(7.3)
Other operating income	0.0	0.0	0.0	0.2	0.2	0.1	0.1	0.1
Other operating expenses	(5.1)	(2.9)	(2.0)	0.0	0.0	0.0	0.0	0.0
EBIT	0.2	(0.0)	3.1	8.3	11.3	11.3	12.6	13.6
EBIT margin	0.5%	-0.1%	5.9%	14.7%	17.9%	16.4%	17.0%	17.4%
Total depreciation	(6.3)	(5.9)	(5.8)	(3.1)	(3.4)	(3.8)	(4.5)	(4.9)
EBITDA	6.5	5.8	8.9	11.4	14.7	15.1	17.1	18.5
<i>EBITDA margin</i>	14.5%	14.2%	17.0%	20.2%	23.3%	21.9%	23.1%	23.8%

PharmaZell - Cash flow and net debt evolution - Ergon Case

Cash flow statement (in € million)	2008/09A	2009/10A	2010/11A	2011/12E	2012/13E	2013/14E	2014/15E	2015/16E
EBITDA		5.8	8.9	11.4	14.7	15.1	17.1	18.5
Taxes		1.3	(0.2)	(1.8)	(2.1)	(2.2)	(2.8)	(2.8)
Change in Working capital		0.6	1.7	(2.1)	(1.7)	(2.1)	(1.3)	(1.5)
Change in other Payables / Receivables		(2.3)	(0.3)	0.4	0.2	1.1	(0.1)	0.5
Change in pension provision		0.2	0.1	0.0	0.1	0.1	0.1	0.1
Cash flow from operations		5.6	10.2	7.9	11.1	12.0	12.9	14.8
Capex		(3.7)	(3.1)	(6.5)	(9.9)	(5.1)	(4.9)	(4.8)
Cash flow from investing		(3.7)	(3.1)	(6.5)	(9.9)	(5.1)	(4.9)	(4.8)
Cash flow before financing		1.9	7.1	1.4	1.2	6.9	8.1	9.9
Balance Sheet (in € million)	2008/09A	2009/10A	2010/11A	2011/12E	2012/13E	2013/14E	2014/15E	2015/16E
Accounts receivable	4.1	4.8	5.3	6.2	7.4	8.7	9.6	10.6
Inventory	14.1	12.0	11.1	11.9	12.7	13.8	14.5	15.2
Accounts payable	4.6	3.8	5.1	4.6	4.9	5.4	5.6	5.8
Trade working capital	13.7	13.1	11.3	13.4	15.1	17.2	18.5	20.0
% of revenues	30.5%	31.7%	21.6%	23.7%	24.0%	24.9%	25.0%	25.6%
Other Payables / Receivables	(3.2)	(0.9)	(0.6)	(1.0)	(1.1)	(2.2)	(2.1)	(2.6)
Total working capital	10.4	12.1	10.7	12.4	14.0	15.0	16.4	17.3
% of revenues	23.3%	29.4%	20.5%	22.0%	22.2%	21.7%	22.1%	22.2%
Net debt / (Cash)				29.1	36.9	34.3	30.2	23.8

B

Appendix B Ergon Capital Partners Overview

Ergon Capital Partners Overview

- Ergon Capital Partners SA (“Ergon”) is a mid-market private equity investment company with €775 million under management backed by Groupe Bruxelles Lambert (GBL)
- Ergon makes equity investments from €10 million up to €100 million in companies located in the Benelux, Italy, Iberia, France and Switzerland
- Ergon is headquartered in Brussels (Belgium) and has offices in Milan (“Ergon Capital Advisors Italy”), Madrid (“Ergon Capital Advisors Spain”) and Paris (“Ergon Capital Advisors France”)
- Ergon is a disciplined and discreet value investor, sensitive in particular to the needs of private family companies
- Ergon represents an alternative to other types of investors (family offices, local PE funds, purely financial investors) and proposes a unique flexibility, adapted to each specific situation
 - i. speed of investment decision and execution,
 - ii. flexibility on type of investments (MBO, MBI, development capital, private/public),
 - iii. flexibility on investment horizon, and
 - iv. flexibility on investment structure (control, co-control, pivotal influence)
- Since 2005 Ergon has invested in 11 companies for a total aggregate transaction value of €2.4 billion and has completed 13 add-on acquisitions for an aggregate value of €253 million

Ergon's Differentiating Factors

An Investment Company, not a Fund



International & Powerful Reach



- Ergon's limited investor base enables it to be more flexible, and to focus exclusively on each investment's needs
- Ergon's investors are reputed, transparent and provide valuable support post-closing
- Long-term investment horizon allows for flexibility with regards to exit timing
- Ergon does not charge fees (success fees, monitoring fees,...) to its portfolio companies
- Cross-border investment approach, combining Anglo-Saxon methods with a local identity, through local dedicated teams
- Access to considerable resources: Ergon's portfolio companies have access to GBL's broad network of pan-European connections
- 4 offices throughout Europe (not taking into account investors'), with multilingual/multinational investment team

Ergon's Differentiating Factors



- Family-oriented and industrial approach: GBL's success as a family-controlled firm makes Ergon an attractive and knowledgeable partner
- Conservative leverage: Ergon's transaction structures are conceived to avoid management's distraction caused by too tight capital structures
- Business growth accelerator: buy-and-builds, roll-outs
- Ergon's small team, background and culture guarantee discretion in every investment phase
- Fast and reliable decision process: Ergon's investment decisions are taken locally with a "compact" investment committee meeting regularly
- Rapid execution capabilities in all phases, specifically pre-due diligence
- Prompt response to third parties (advisors, sellers, managers, intermediaries)
- Very focused approach

Ergon's Team

Italy



Emanuele Lembo 

Partner 13 years of fin. experience and several years in Industry

Milan Office

Prior Work Experience
- Sofipa, Barilla, Peroni

Sector Experience
- Retail/Food

Education
- Bocconi

Riccardo Collini 

Principal 12 years of fin. experience

Milan Office

Prior Work Experience
- BS Private Equity, Morgan Stanley

Sector Experience
- Manufacturing/Media

Education
- Bocconi

Fabrizio Gualdi 

Principal 11 years of fin. experience

Milan Office

Prior Work Experience
- Vestar Capital, Morgan Stanley

Sector Experience
- Industrials/Consumer

Education
- LIUC Castellanza

Tommaso Molinaro 

Associate 7 years of fin. experience

Milan Office

Prior Work Experience
- Deutsche Bank, Lazard

Sector Experience
- Utilities/Retail

Education
- Bocconi

Benelux - Switzerland



Wolfgang de Limburg 

Partner 13 years of fin. experience and several years in Industry

Brussels Office

Prior Work Experience
- Lehman Bros, Industry

Sector Experience
- Healthcare/Manufacturing

Education
- Chicago

Pieter Lambrecht 

Principal 8 years of fin. experience

Brussels Office

Prior Work Experience
- GE Capital

Sector Experience
- Manufacturing/Media

Education
- LSE

Denis Fraenkel 

Associate 4 years of fin. experience

Brussels Office

Prior Work Experience
- Morgan Stanley

Sector Experience
- Telecom/Real Estate

Education
- LSE

France



Ian Gallienne 

Partner 16 years of fin. experience

Brussels/Paris Office

Prior Work Experience
- Rhône Capital, Industry

Sector Experience
- Retail/Manufacturing

Education
- INSEAD

Serge Touati 

Partner 16 years of fin. experience

Paris Office

Prior Work Experience
- Compass Partners, Merrill Lynch

Sector Experience
- Manufacturing/Bus. Services

Education
- ESSEC

Iberia



Nicola Zambon 

Partner 16 years of fin. experience

Madrid Office

Prior Work Experience
- Investindustrial, Consulting

Sector Experience
- Retail/Healthcare

Education
- Bocconi

Ergon's team is multinational, multicultural with unique combination of young/entrepreneurial spirit with blue chip image/background

Ergon's Added-Value

- Ergon wishes to be a business growth accelerator by supporting management's objectives
- Management remains in operative control. Management proposes the business strategy, shares its views with its shareholders and manages the company on a day-to-day basis
- As a financial investor, Ergon provides the following assistance:
 - i. Active participation at the board of directors level to validate and complement management's strategy
 - ii. Support to management in corporate development matters and in its interaction with banks
 - iii. Helping "optimize" the company's organization, specifically in terms of financial reporting, budgeting procedures, IT, working capital management, etc.
 - iv. Access to Ergon's (and its backers') broad network of business connections

Ergon's Investments Since 2005

Company Name	Date	Sector	Positioning and Key Products	Investment Strategy	Revenues Breakdown 2010
 www.benito.com	Jul 2011 Spain	Niche Manufacturing	<ul style="list-style-type: none"> Leading Spanish player Urban furniture 	<ul style="list-style-type: none"> Organic development, international expansion & operational improvements 	 Sales: €70MM
 group.deboeck.com	Apr 2011 Belgium	Media	<ul style="list-style-type: none"> Leading Belgian player Educational and professional publishing 	<ul style="list-style-type: none"> Organic development and active build-up strategy 	 Sales: €41MM
 www.elitechgroup.com	Dec 2010 France	Healthcare	<ul style="list-style-type: none"> Leading player in selected niches In vitro diagnostic equipment and reagents 	<ul style="list-style-type: none"> Organic growth, bolt-on add-ons & operational improvements 	 Sales: €92MM
 www.nicotra.it www.gebhardt.de	Feb 2008 Italy	Niche Manufacturing	<ul style="list-style-type: none"> #1 in Europe Non-residential ventilation systems 	<ul style="list-style-type: none"> Organic growth, bolt-on add-ons & operational improvements 	 Sales: €124MM
 www.farmabios.net	Aug 2007 Italy	Healthcare	<ul style="list-style-type: none"> #2 in the world APIs, antibiotics & HPS 	<ul style="list-style-type: none"> Broadening of products portfolio, Pharma collaborations & selective bolt-on add-ons 	 Sales: €49MM
 www.joriside.be	Mar 2007 Belgium	Niche Manufacturing	<ul style="list-style-type: none"> #1 in Benelux, #2 in France & Eastern Europe Steel profiles, insulated panels for roofing & cladding; Purlins and other accessories 	<ul style="list-style-type: none"> Organic growth, bolt-on add-ons & operational improvements 	 Sales: €379MM
 www.aliplast.be	Jan 2007 Belgium	Niche Manufacturing	<ul style="list-style-type: none"> #1 in Europe Extruded aluminum insulated & painted profiles (for windows, doors, walls) 	<ul style="list-style-type: none"> Combination of organic growth & selective bolt-on add-ons 	 Sales: €270MM
 www.seves.it	May 2006 Italy	Niche Manufacturing	<ul style="list-style-type: none"> #1 in the world Power transmission insulators (glass, porcelain, composite) & Glass blocks for building appl. 	<ul style="list-style-type: none"> Combination of organic growth, international bolt-on add-ons & operational improvements 	 Sales: €407MM
 www.lagardenia.it	Apr 2006 Italy	Specialty Retail	<ul style="list-style-type: none"> #2 in Italy Cosmetics & perfumery retailer 	<ul style="list-style-type: none"> Combination of organic growth, local bolt-on add-ons & operational improvements 	 Sales: €133MM
 www.kingbelgium.be www.king.nl	Feb 2006 Belgium	Business Services	<ul style="list-style-type: none"> #1 in Benelux Non-food consumables and disposables (plastic cups, hygiene paper,...) 	<ul style="list-style-type: none"> Combination of organic growth & local selective bolt-on add-ons 	 2007 Sales: €125MM
 www.stroilioro.com	Jun 2005 Italy	Specialty Retail	<ul style="list-style-type: none"> #1 in Italy Low-end jewelry retailer 	<ul style="list-style-type: none"> Bolt-on acquisitions given the fragmentation of the industry 	 Sales: €176MM