

Market Overview

The contract research industry has continued to experience dynamic growth both in volume and dollars throughout 2015. The pharmaceutical industry's research and development budgets continue to touch all-time highs and fuel significant growth in the CRO space. Global pharmaceutical companies are increasingly recognizing both the cost and time saving benefits of outsourcing clinical trials to CROs, and have continued to use greater portions of R&D budgets on outsourcing some or all stages of the clinical trial process. CRO's have responded by utilizing M&A strategies to pursue vertical consolidation strategies. The sector has seen full-service CRO's expand into site management, patient recruitment, and data analytics to broaden the range of service offerings and lower costs. Consolidation continues to be fueled by groups looking to bring more services under one roof, and we continue to see private equity's commitment to the space and interest in making sizable investments in platform caliber companies. We expect to see on going consolidation in 2016 as strategic consolidators look to expand their geographic footprint and service offerings.

SELECT TRANSACTIONS:

Date	Acquirer	Target	Description
December 2015	ICON plc	PMG Research Inc.	ICON plc, a global provider of drug development solutions and services to the pharmaceutical, biotechnology and medical device industries, announced the acquisition of PMG Research, Inc., an integrated network of clinical research sites operating in 12 metropolitan areas throughout the US. The acquisition will enhance ICON's ability to access and engage with investigator sites and patients. Terms of the transaction have not yet been disclosed.
December 2015	Accelovance, Inc.	Clinquest Europe	Accelovance, Inc., a global contract research organization focusing in oncology, vaccines, and general medicine clinical research; announced it has acquired Clinquest, Inc. (US) and Clinquest Services BV (the Netherlands). Clinquest provides clinical research, datamanagement/biostatistics, medical information, and pharmacovigilance services to the pharmaceutical and biotech industries. The acquisition continues the expansion of Accelovance's existing US and European footprint. Terms of the transaction have not been disclosed.
December 2015	Sun Hung Kai Strategic Capital Lmt	WuXi PharmaTech	WuXi PharmaTech struck a binding deal to be acquired by a management buyout group for around \$3.3 billion. Shanghai-based WuXi PharmaTech provides laboratory and manufacturing services to the pharmaceutical and medical industries. The transaction is one of the largest of its kind as WuXi currently employs about 9,000 people and is expanding into biologics research and development and contract manufacturing.
November 2015	Charles River Laboratories	Oncotest GmbH	Charles River Laboratories International, Inc. acquired Oncotest GmbH, a Freiburg, Germany-based contract research organization providing discovery services for oncology. The Company specializes in in vivo pharmacology services, leveraging an extensive collection of more than 400 patient-derived xenograft (PDX) tumor models, as well as a full range of in vitro assays using both commercially available and proprietary PDX-derived cell lines. Terms of the transaction have not yet been disclosed.