



Team

Gregg Blake

Managing Partner
gblake@brocair.com
917.374.4533

Daniel Fagan, Ph.D.

Managing Director
dfagan@brocair.com
314.954.6554

Christopher Foley

Managing Director
cfoley@brocair.com
404.754.3717

Brocair Partners, founded in 2004, is a financial advisor to businesses serving the healthcare, wellness, and pharmaceutical industries. We provide mergers & acquisitions, corporate finance, and strategic advisory services to companies worldwide.

Brocair Partners clears securities transactions through Billow Butler & Company, LLC, member FINRA.

Brocair Partners LLC
Healthcare Investment Banking
317 Madison Avenue
21st Floor
New York, NY 10017
Main: 212.500.5015
Fax: 917.591.3200

Sell-Side M&A for U.S. Publicly-Traded Company

Synthetech, Inc.

November 2010
M&A Sell-Side Advisory

Our Client

Synthetech, Inc., formerly traded under the symbol "NZYM"

Industry/Sector

Healthcare: Active Pharmaceutical Ingredients (APIs) / Pharmaceutical Intermediates.

Business Description

Synthetech engages in developing and manufacturing proprietary custom chiral intermediates, amino acid derivatives, peptide fragments, and specialty amino acids and resins primarily for the pharmaceutical industry. Its products are used in the development and manufacture of therapeutic peptides and peptidomimetic small molecule drugs at various stages of a customer's clinical development pipeline, as well as ingredients in drugs for the treatment of AIDS, cancer, cardiovascular, and other diseases. The company's products also support the production of chemically-based medical devices. It serves pharmaceutical companies, contract drug synthesis firms, and biopharmaceutical and medical device

companies. Synthetech sells its products in the United States, Europe, and Asia.

Transaction

Brocair Partners acted as the exclusive M&A advisor in which Brocair ran a controlled auction and structured and negotiated the successful sale of the company to W.R. Grace & Co. (NYSE:GRA). Brocair also issued a fairness opinion to the Special Committee of the Board of Directors of Synthetech.

Brocair was retained by the board to evaluate strategic options, which included a variety of scenarios. Based on this process, the board established a Special Committee, which asked Brocair to locate a buyer for the company.

The Brocair team worked with management to

present their projected financials and to prepare blinded marketing materials to assess potential interest from possible financial and strategic buyers worldwide, while carefully preserving confidentiality. Upon bona fide interest, Brocair facilitated the execution of confidentiality agreements, and coordinated management presentations and site visits by interested parties.

Senior partners of Brocair worked closely with the Chairman and Special Committee of the Board to negotiate the price and terms of the transaction, and participated in the negotiation of commercial and financial items in the definitive agreement. Concurrently, Brocair evaluated the terms of the transactions using a variety of methodologies and used the results of these in the preparation of a fairness opinion.

Subsequent to the announcement of the definitive agreement, the Brocair deal team facilitated the confirmatory due diligence process, and saw the process through to the final shareholder vote.

Notable Aspects

Brocair, working with Synthetech's Special Committee, determined the best path to close was through a traditional cash-merger as Synthetech's shareholder base was too diffuse for a quicker, tender offer. Additionally, at the time of the acquisition, W.R. Grace & Co. was operating in bankruptcy, which added complexity to the completion of a successful transaction and required additional approvals from U.S. courts.

Brocair has had a long relationship with Synthetech, having provided advice to the board of directors on other occasions over the past few years. Brocair was able to leverage knowledge and relationships in the healthcare sector to create a competitive process allowing Synthetech shareholders to gain a significant multiple upon exit. Brocair was able to negotiate a purchase price in excess of a 158% premium over the share price.

What Difference Did We Make?

Daniel T. Fagan, Ph.D., Chairman of Synthetech, Inc. stated, "Because of Brocair's extensive knowledge of the Pharmaceutical Ingredients sector, Synthetech's Board of Directors selected them to explore a variety of options to create shareholder value. After guiding us through an extensive strategic review of our options, Synthetech decided that in the end the transaction with WR Grace delivered the best value for our shareholders. Brocair took the lead on negotiations which resulted in a significant per share premium over Synthetech's recent trading range. Brocair was instrumental in structuring and guiding this transaction through every step of the process that ultimately resulted in a successful close."