

# Summary of Incentives and Taxation Reform

Incentives (\$' mm)	Mebane	Treyburn
Local – City/County • Cash Grants	\$3.0 mm	\$1.0 mm
State • NC One Fund - Treyburn • Job Development Grant - Mebane	- \$1.4 mm	\$0.3 mm -
Golden Leaf Foundation (estimated)	\$0.3 mm	\$0.3 mm
Utilities • Electric Rate Rebate • Waste Water Rebate	\$0.2 mm \$0.1 mm	\$0.2 mm -
All Other – ( <i>In Kind</i> ) • Community College Training • Local College MBA	<u>\$0.2 mm</u>	<u>\$0.1 mm</u>
<b>Total All Incentives</b>	<b>\$5.2 mm</b>	<b>\$1.9 mm</b>

**In addition, North Carolina State is moving from Incentives approach in 2013 to improved Taxation position.** Current North Carolina Senate Tax plan (7/2/13) proposes a personal tax rate drop by ~ 2% which would result in approximately a **\$500k reduction in our shareholders annual income tax liability.**

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# Estimated Capital by Location

(\$' mm)	Mebane	Treyburn
Facility and Fit out	\$39.0	\$40.6
Process Equipment	\$9.8	\$9.8
Land	\$1.3	\$2.7
IT	\$2.9	\$2.9
Office Mezzanine	\$2.0	\$2.0
Design, Qualification, Security, Lab and Other	<u>\$7.1</u>	<u>\$7.3</u>
<b>Total</b>	<b>\$62.1</b>	<b>\$65.3</b>
Scope Changes for office Enhanced IT and partial Kit Out Offices (1)	\$1.4	\$1.4
<b>Total Capital with additional Office area</b>	<b>\$63.5</b>	<b>\$66.7</b>

(1) Allows the relocation/consolidation of IT, Supply Chain, Supplier Quality and other Tech Ops functions to the new facility. This consolidation drives operational and headcount synergies that result in an after tax payback of 1 years, 5 months on the \$1.4 mm investment.

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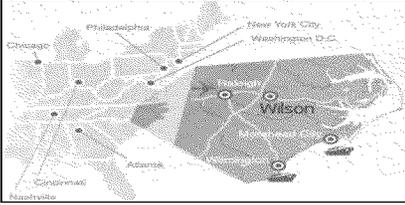
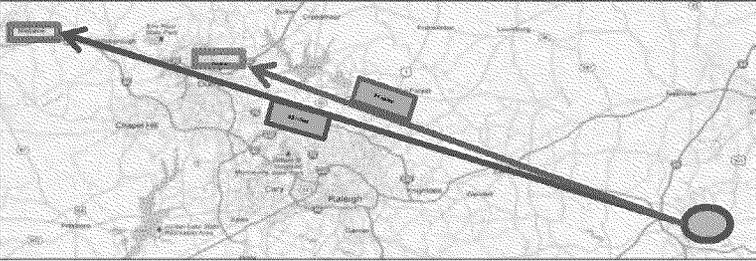
## Capital Spend, Incentives and Projected Future Asset Value

(\$' mm)	Mebane	Treyburn	Note
<b>Base Capital</b>	<b>\$62.1mm</b>	<b>\$65.3 mm</b>	Difference between Mebane and Treyburn: Facility and land preparation: \$1.6mm Land Cost: \$1.4mm. Other \$0.2mm
Capital AFTER office expansion (plus \$1.4mm- payback 1.5 years )	<b>\$63.5 mm</b>	<b>\$66.7 mm</b>	Office for relocated staff and future expansion ROI: \$1.0 mm/annum savings Positions site to do IT infrastructure back-up, (this IT capital request not included).
Total Incentives (cash, rebates and training) Note: Excluding any future tax advantages	<b>(\$5.2 mm)</b>	<b>(\$1.9 mm)</b>	Difference in incentives: \$3.3 mm
Net Capital outlay- less projected incentives	<b>\$58.3 mm</b>	<b>\$64.8 mm</b>	Mebane site is smaller and on land of less value. Plus land is already cleared
<b>Future Asset Value: Projected difference between sites</b> * Professional opinion on building ** \$1.4mm spent clearing & preparing. Plus adding new road (\$600k) will enhance sale value of Treyburn site	<b>Base</b>	<b>+\$5.9 mm</b>	<b>Greater Residual Value of Treyburn site</b> \$4.1mm greater residual value on building * \$1.4 mm value of additional land/ acreage (assumes land value remains unchanged) \$ 0.4 mm as 20% of value of clearing and preparing site, and adding road extension**

# Current Purdue Manufacturing Location: Wilson Corporate Park, Wilson, NC

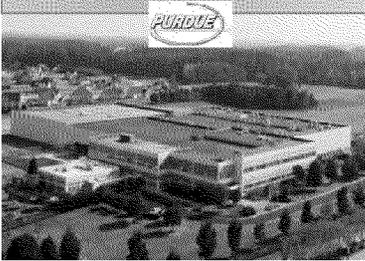
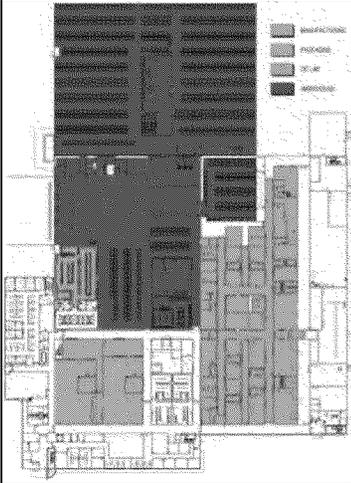
**Location**

- Wilson County - Tier 1 designation
- Situated 50 miles east of RDU airport
- 45 miles east of Raleigh, NC
- 74 miles east of Treyburn site
- 93 miles east of Mebane site

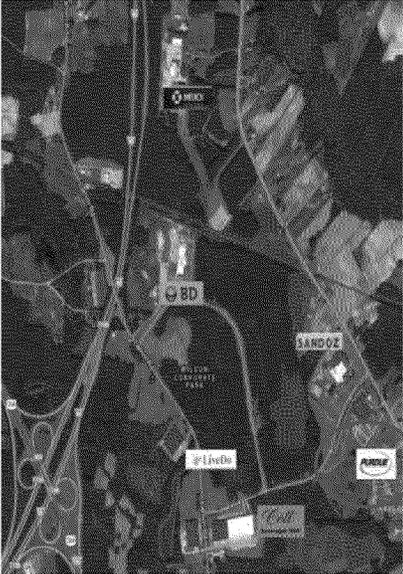
**Site**

- 50 acres (with ~25 acres available for further development)
- Manufacturing facility - 230,779 sq. feet
- Late-Stage Development, Manufacturing, Packaging, Warehousing and Distribution

**Park**

- 500 acre corporate park
- Manufacturing focus with high Pharma concentration
- Adjacent to major interstate I-95/ Highway 264

**Neighbors**

- Becton Dickinson - Injectables
- Sandoz - Generic Manufacture
- Merck - Primarily Tablet Packaging
- LiveDo - Adult Incontinence
- Cott Beverage - Soft Drink



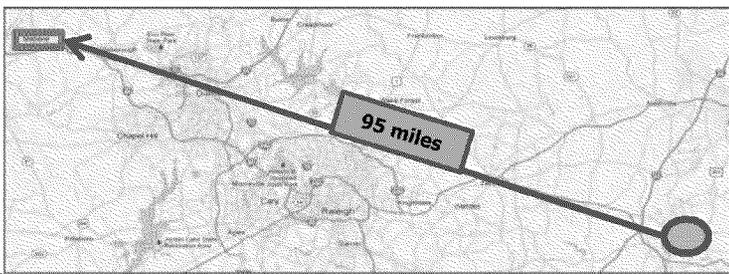
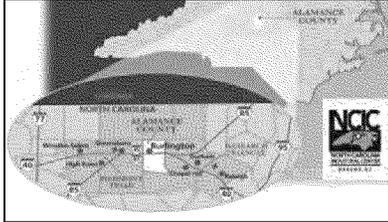




# Mebane - Alternative New Facility Location: North Carolina Industrial Center, Mebane, NC

## Location

- Alamance County - Tier 2 designation
- Distance from Wilson - 95 miles
- Situated between two international airports
- RDU (Raleigh - 40 miles)
- PTA (Greensboro - 30 miles)



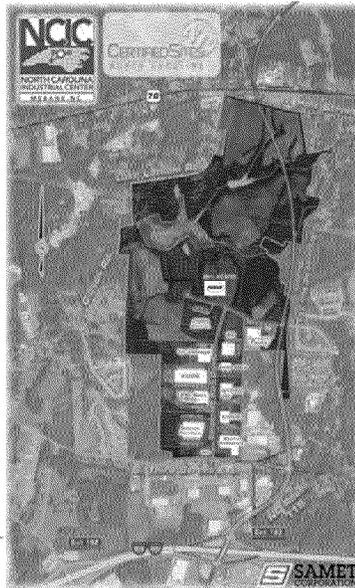
## Site

- 25 acres
- Cost \$1.19 mm (\$47.5K per acre)
- Current agricultural use
- Minimal site preparation required prior to building construction



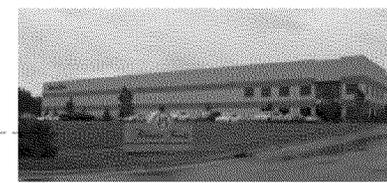
## Park

- 400 acre mixed use industrial park
- Combination of manufacturing, warehousing, distribution and assembly facilities
- Adjacent to major interstate I-85/ I-40
- Ability to develop max percentage of land area. Less stringent planning requirements
- High density land usage. Site developer would construct the



## Neighbors

- Ford Car Parts - Distribution Center
- Becton Dickinson - Diagnostics
- Nypro - Injection Molding
- Kidde - Fire Protection Equipment
- Ferraro Foods - Pizza and



# Treyburn - Proposed New Facility Location: Treyburn Corporate Park, Durham, NC

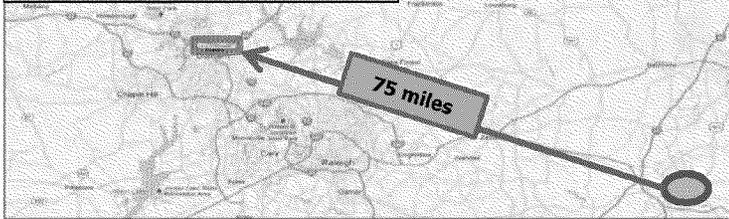
## Location

- Durham; City of Medicine with nationally ranked hospitals and scientific research
- Orange County - (Top-Tier) Tier 3 designation
- Distance from Wilson - 74 miles
- Distance to RDU Airport - 15 miles
- Adjacent to Research Triangle Park
- Close proximity to Duke, UNC - Chapel Hill and NC State Universities

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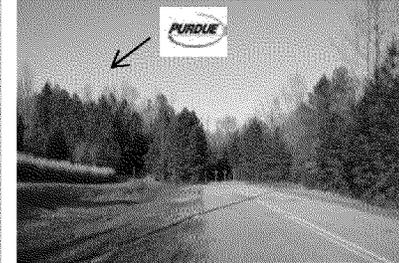


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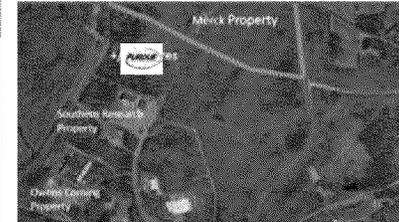


## Site

- 52.26 acres
- Cost ~ \$2.57 mm. \$49k per acre after negotiating owner rebate
- Heavily wooded lot; cul-de-sac location
- Site Masterplan supports expansion to include future corporate support activities
- Situated between Merck and Southern Research Institute properties

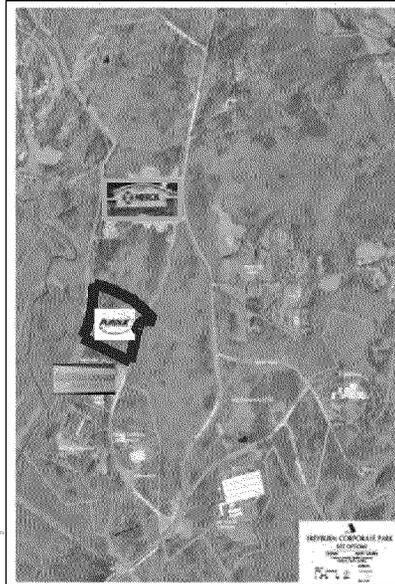


Tree-lined walkways



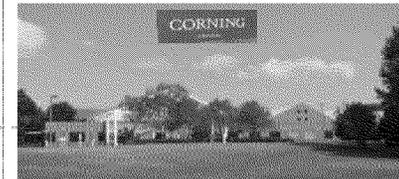
## Park

- 1,400 acre master planned business park accommodating manufacturing, R&D, and headquarter functions
- Adjacent to major interstate I-85/I-40
- Tight development controls
  - Low environmental impact; low density development
  - Established developer with strong roots in community



## Neighbors

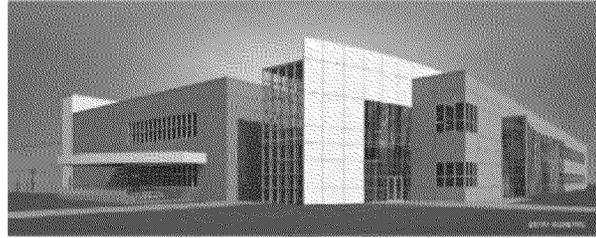
- Merck - Vaccines
- Southern Research Institute - Alternative Fuel Research and Life Sciences
- bioMerieux - Diagnostics / US Headquarters
- Corning - Life Sciences



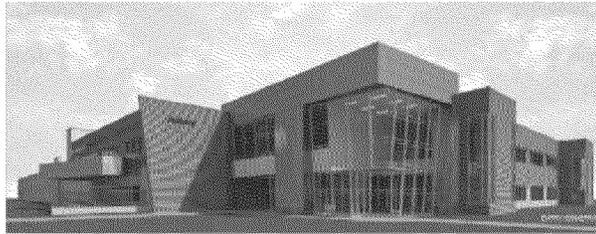
# Exterior Options

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Option A



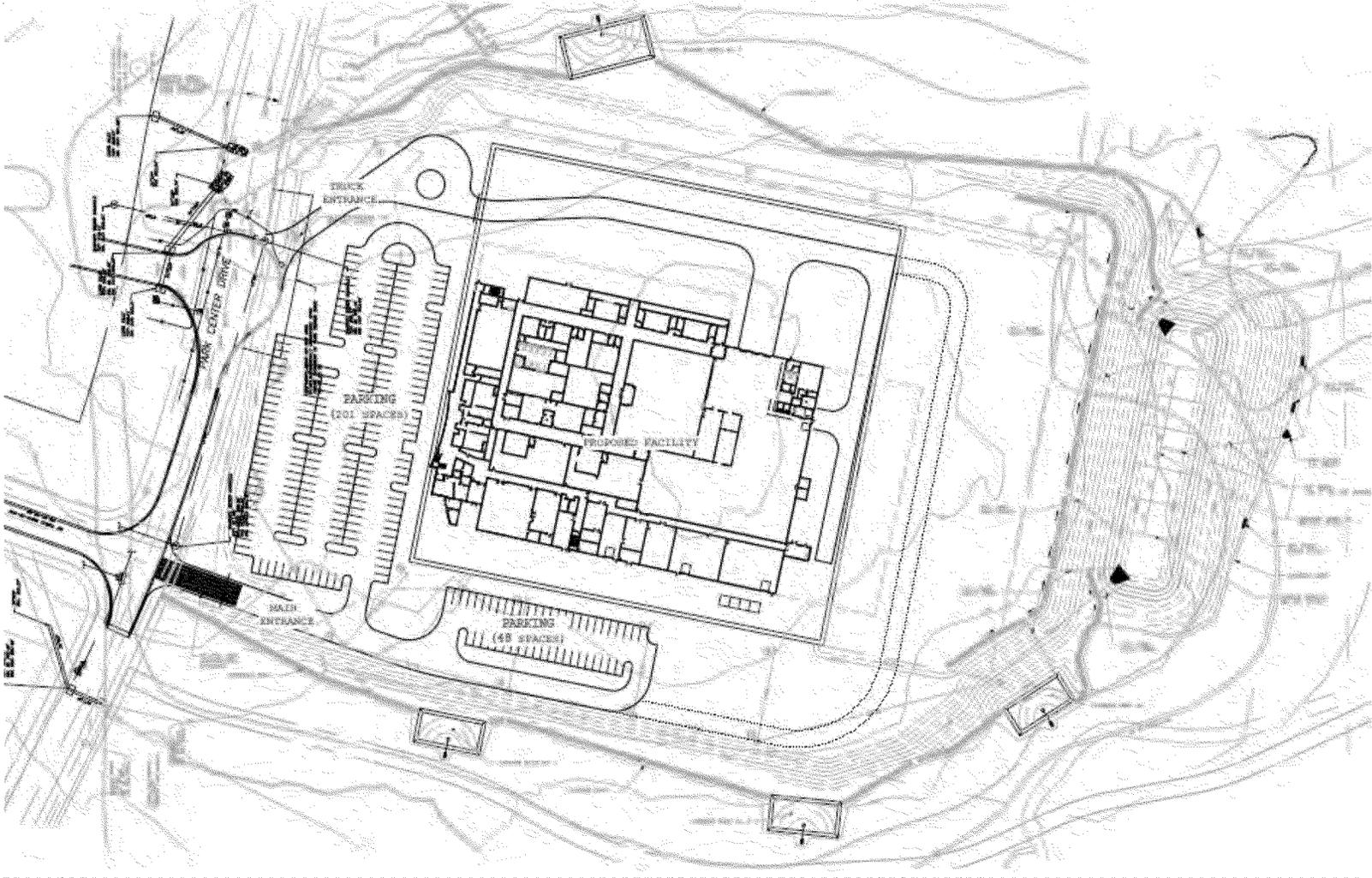
Option B



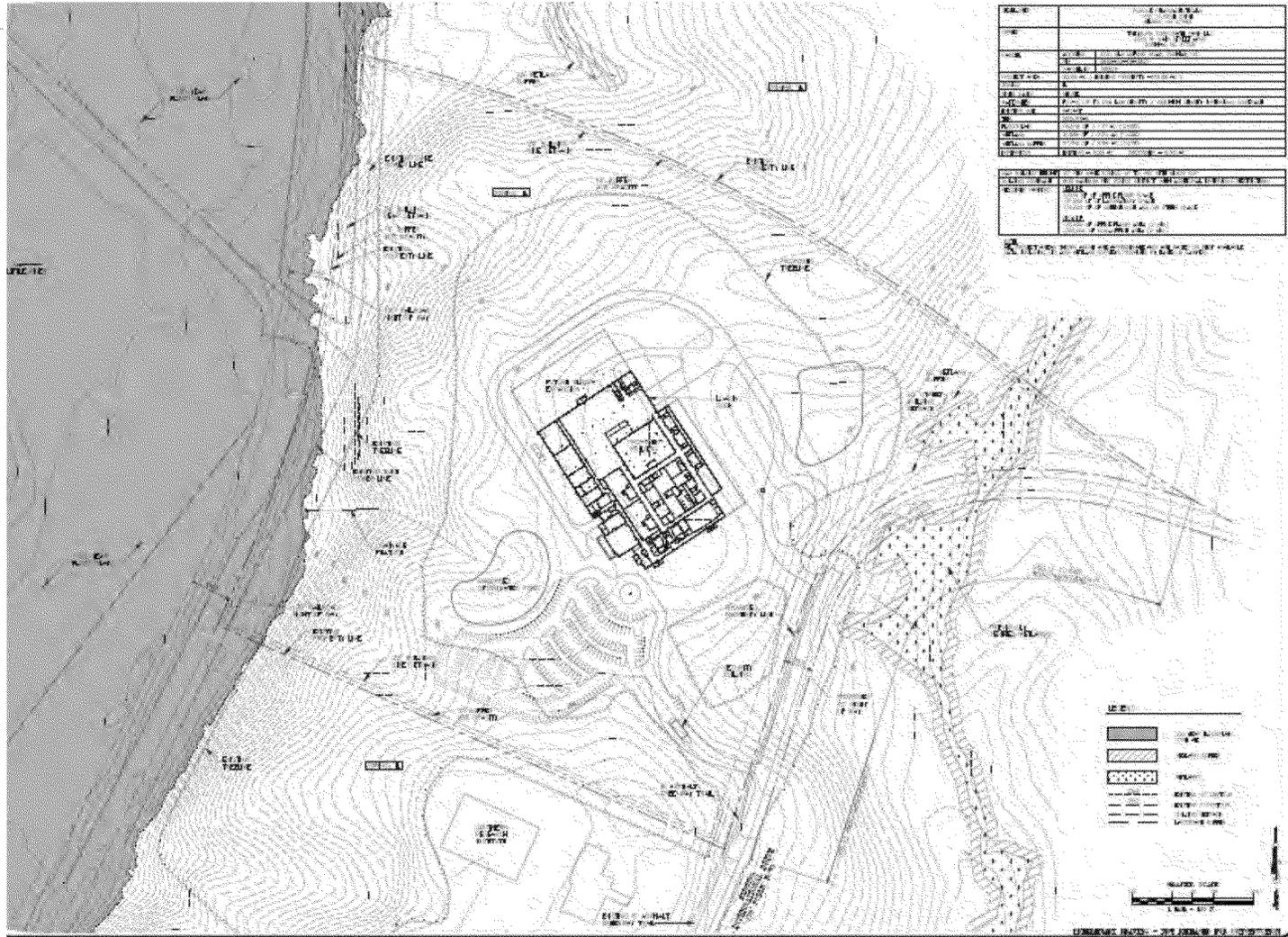
Option C



# Mebane Site Layout



# Treyburn Site Layout



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