

# The Strategic Healthcare M&A Report

A Review of Merger, Acquisition and Strategic Transactions  
in the Healthcare Industry

4th Quarter 2008, January 2009

## Highlights

1. **Annual M&A Overview** – a high elevation perspective on 2008's deal activity.
2. **2008's Top Deals** – Transactions with a value over \$100m.
3. **4Q 08 M&A Deal-by-Deal Review** -- More than 60 Transactions Analyzed -- announced or closed in Q4 08.



To review The Walden Group's new Dynamic Healthcare M&A Database online, see [www.waldenmed.com/quarterly/ma\\_db\\_quarters.htm](http://www.waldenmed.com/quarterly/ma_db_quarters.htm)

The Strategic Healthcare M&A Report analyzes important merger, acquisition and strategic transactions taking place in the healthcare industry. A complementary copy of the Report can be obtained on a regular basis by subscribing at <http://www.waldenmed.com/mailform.asp> or by contacting The Walden Group at 914.332.0020 x102 or by email [office@waldenmed.com](mailto:office@waldenmed.com), Please feel free to e-mail suggestions for future content to the address listed above.

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## 1. **Annual M&A Overview – a high elevation overview of 2008’s deal activity**

2008 ended amid uncertain general economic conditions. Tightening credit will affect leveraged transactions (i.e., private equity deals) most immediately and touches upon borrowing by operating companies in general, for nearly all purposes. Yet, many M&A deals are still getting done, especially those with a key strategic rationale or those providing a predictable growth platform. Deals will be more fitted, requiring a higher burden of proof. Some of the largest deals of the year are highlighted below by sector.

### **BioPharmaceuticals**

The largest pharmaceutical deal (\$43.7b) was **Roche's** offer, announced in the summer, for the 44% of **Genentech** it does not already own. Roche is seeking to shore up its pipeline with innovative biotech sources, but completing this deal is not certain.

Fortifying pipelines was also a driver behind **GlaxoSmithKline's** \$720b bid for **Sirtris Pharmaceuticals**, **J&J's** \$438m acquisition of **Omrrix Biopharmaceuticals** and **Bristol Myers Squibb's** \$190m bid for **Kosan BioSciences**. A common theme motivated **Eli Lilly** to outbid **Bristol Myers** in buying **ImClone** for \$6.5b and gaining access to the Erbitux cancer drug and other late stage biologics.

### **Data Management**

Previewing President-elect Obama’s healthcare IT initiatives, there were many data management transactions during the year and in Q4. Automating medical transcriptions and enhancing workflows were motivations behind **Nuance Communications’** purchases of **eScription** (\$363m) and **Philips’ Speech Recognition Systems**, as well as **GE’s** acquisition of **Agility Healthcare Solutions**.

Electronic medical records were a prime purpose of **Misys’** purchase of **Allscripts** (\$330m), **Eclipsys Corp.’s** purchase of **MediNotes** and **Perot’s** purchase of **Tellurian Networks**.

Revenue cycle management was at the heart of **MedAssets’s** \$450m bid for **Accuro Healthcare Solutions**.

### **Diagnostics**

The two largest diagnostic deals were **Invitrogen’s** \$6.4b purchase of **Applied Biosystems Group** (DNA analysis devices) and **Roche’s** \$3.4b hostile turned friendly bid for **Ventana Medical Systems** (automated diagnostic systems to determine which drugs will be most appropriate for individual patients).

**Hologic** made a \$580m purchase of **Third Wave Technologies** to gain access to diagnostic tests for cystic fibrosis hepatitis C and other conditions.

Obtaining molecular diagnostics technology was also a factor in **Abbot’s** \$175m purchase of **Ibis Biosciences**, **Pall Corporation’s** purchase of **GeneSystems** and **BioMerieux’s** acquisition of **AviaraDx, Inc.**

### Medical Devices

The largest transaction was **Novartis'** multi-stage deal for Nestle's 77% stake in **Alcon** (enterprise value -- \$38b). Here, Novartis diversifies into a complementary leading eye care franchise.

**Nordic Capital** and **Avistar Capital** bought the **ConvaTec** woundcare business for \$4.1b and will consolidate it with the Unomedical wound-care unit. Obtaining soft tissue repair biologics led **Kinetic Concepts** to pay \$1.7b for **LifeCell**.

**St. Jude** made several bids in 2008, including for **EP MedSystems** (electrophysiology catheters for atrial fibrillation), **the vascular closure business of Datascope**, **Rad Medical** (niche cardiovascular technologies) and **MedGuide** (cardiology navigation systems).

**J&J** strengthened its aesthetic business with its \$1.12b purchase of **Mentor** (breast implants).

### Medical Services

The largest deal in the sector was the Australian buyout of blood products provider **Talecris Biotherapeutics** by **CSL Ltd.**

**Blackstone** bought **Apria Healthcare**, a large home healthcare provider for \$1.6b.

**Inverness Medical** paid \$900m for **Matria Healthcare**, a provider of medical management programs. In a related area, **Walgreen's** bought **I-trax**, a worksite wellness services provider, for \$296m.

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**2. Top Deals of 2008 -- >\$100 in Transaction Value (announced or closed)**

Sector	Value (\$millions)	Acquiror	Transferring Party
Biopharmaceuticals	\$43,700	Roche Holding AG	Genentech Inc.
	\$8,960	Teva Pharmaceutical Industries Ltd.	Barr Pharmaceuticals, Inc.
	\$8,800	Takeda Pharmaceutical Company Ltd	Millennium Pharmaceuticals, Inc.
	\$6,500	Eli Lilly and Company	ImClone Systems Incorporated
	\$4,640	Fresenius Kabi	APP Pharmaceuticals, Inc.
	\$2,900	Celgene Corporation	Pharmion Corporation
	\$2,300	Reckitt Benckiser Group plc	Adams Respiratory Therapeutics Inc
	\$1,600	King Pharmaceuticals, Inc.	Alpharma Inc.
	\$880	Novartis Corp.	Speedel
	\$720	GlaxoSmithKline plc	Sirtris Pharmaceuticals, Inc.
	\$663	Ipsen, S.A.	Tercica, Inc.
	\$551	Sanofi-Aventis SA	Acambis PLC
	\$518	Shire Limited	Jerini AG
	\$443	ViroPharma Incorporated	Lev Pharmaceuticals, Inc.
	\$438	Johnson & Johnson	Omrix Biopharmaceuticals, Inc.
	\$425	Meda AB	Most of the European operations of Valeant Pharmaceuticals International
	\$400	TEVA Pharmaceutical Industries Ltd (Israel)	CoGenesys
	\$285	Valeant Pharmaceuticals International	Dow Pharmaceutical Sciences, Inc.
	\$235	Daiichi Sankyo Co., Ltd.	U3 Pharma AG
	\$190	Bristol-Myers Squibb Co.	Kosan Biosciences Inc.
\$189	Roche Holding AG	Arius Research Inc.	
\$148	Stiefel Laboratories, Inc.	Barrier Therapeutics, Inc.	
\$125	Roche Holding AG	Mirus Bio Corp.	
\$115	Novartis AG	Pulmonary delivery assets, technology, and intellectual property of Nektar Therapeutics	

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**Top Deals of 2008 (continued) -- >\$100 in Transaction Value (announced or closed)**

Sector	Value (\$millions)	Acquiror	Transferring Party
Data Management/ Healthcare IT	\$450	MedAssets Inc.	Accuro Healthcare Solutions Inc.
	\$363	Nuance Communications, Inc.	eScription
	\$330	Misys Healthcare LLC	Allscripts Healthcare Solutions
	\$287	CBaySystems Holdings Ltd.	Medquist transcription business of Philips Electronics N.V.
	\$225	General Dynamics Information Technology	The ViPS subsidiary of HLTH Corp. (formerly WebMD)
	\$121	Health Care Service Corp. of Chicago	MEDecision Inc.
Dental	\$239	Warburg Pincus	Lifecore Biomedical, Inc.
Diagnostics	\$6,400	Invitrogen Corp.	Applied Biosystems Group / Applera
	\$3,400	Roche Holding AG	Ventana Medical Systems, Inc.
	\$717	General Electric Co.	Whatman Plc
	\$580	Hologic, Inc.	Third Wave Technologies Inc.
	\$241	Bracco Diagnostics Inc.	E-Z-EM, Inc.
	\$175	Abbott	Ibis Biosciences Inc.
	\$117	Immucor, Inc.	BioArray Solutions Ltd.
Medical Devices	\$38,000	Novartis AG	Alcon Inc.
	\$4,100	Nordic Capital Fund VII and Avista Capital Partners	The ConvaTec business unit of Bristol-Myers Squibb Company
	\$1,700	Kinetic Concepts Inc.	LifeCell Corp.
	\$1,120	Johnson & Johnson	Mentor Corporation
	\$860	GE Healthcare	Vital Signs Inc.
	\$618	Getinge AB	Datascope Corp.
	\$490	Cardinal Health Inc.	Enturia Inc.
	\$380	Medtronic, Inc.	CryoCath Technologies Inc.

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**Top Deals of 2008 (continued) -- >\$100 in Transaction Value (announced or closed)**

Sector	Value (\$millions)	Acquiror	Transferring Party
Medical Devices (cont.)	\$361	MEDRAD, Inc.	Possis Medical, Inc.
	\$360	Zimmer Holdings, Inc.	The Spine business of Abbott Laboratories
	\$300	St. Jude Medical, Inc.	MediGuide Inc.
	\$250	St. Jude Medical, Inc.	Radi Medical AB
	\$202	Mindray Medical International Limited	The patient monitoring business of Datascope Corp.
	\$183	Hill-Rom	Liko Vardlyft AB
	\$150	Medicis Pharmaceutical Corporation	LipoSonix, Inc.
	\$114	Teijin Ltd	Braden Partners L.P.
Medical Services	\$3,100	CSL Ltd.	Talecris Biotherapeutics Holdings
	\$1,600	The Blackstone Group	Apria Healthcare Group
	\$900	Inverness Medical Innovations	Matria Healthcare Inc.
	\$420	MBF Healthcare Acquisitions	Critical Homecare Solutions Holdings
	\$296	Walgreen Company	I-trax, Inc.
	\$155	TowerBrook Capital Partners LP	The Broadlane unit of Tenet Healthcare Corp.
	\$147	Water Street Healthcare Partners	The ancillary care benefit management business of Gentiva Health Services, Inc.
	\$118	Allion Healthcare Inc.	Biomed America
OTC/Consumer	\$735	VSP	Marchon Eyewear Inc.
	\$436	Sanofi-Aventis	The consumer products unit of Primary Health Care
	\$170	GlaxoSmithKline	The Biotene oral health product line of Laclede Inc.

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### 3. M&A Deal-by-Deal Review -- Q4 '08

The information contained in the table below was derived from publicly available and other sources. Transaction and rationale information is inferential and not intended to be relied upon as pronouncements by the transaction participants or for any other reason. Transactions are pending or closed.

Sector	Acquiring Party	Target	Analysis
Biopharmaceuticals	<b>Eli Lilly and Company (NYSE: LLY)</b> , a major pharmaceutical company.	<b>ImClone Systems Incorporated</b> , a biopharmaceutical company focused on cancer drugs.	The deal outbid Bristol-Myers Squibb's offer. Adds late-stage biologic assets, early and mid-stage prospects, and the opportunity to generate additional value from Erbitux (approved to treat colon cancer and head and neck cancer), which generates \$1.3b in sales. Deal value -- \$6.5b.
Biopharmaceuticals	<b>GlaxoSmithKline (NYSE:GSK)</b> , a leading research-based pharmaceutical and healthcare company.	<b>Genelabs Technologies, Inc.</b> , a biopharmaceutical company focused on infectious diseases.	Strengthens GSK's effort to develop novel therapies against the hepatitis C virus (HCV). There is a high unmet need for new drugs to treat HCV infection. Deal value -- \$57m.
Biopharmaceuticals	<b>ICON plc</b> , an Ireland-based provider of outsourced development services.	<b>Prevalere Life Sciences Inc.</b> , a leading provider of bioanalytical and immunoassay laboratory services and a wholly owned subsidiary of ORS Labs Inc.	Gives ICON much greater scale in the rapidly growing market for bioanalytical and immunoassay laboratory services, as well as a highly experienced team. Deal value -- \$35m plus milestones.
Biopharmaceuticals	<b>Johnson &amp; Johnson (NYSE: JNJ)</b> , a major pharmaceutical and medical device manufacturer.	<b>Omrix Biopharmaceuticals, Inc.</b> , an Israel-based biopharmaceutical developer of biosurgical and immunotherapy products.	Strengthens Ethicon's presence in active, biologic-based hemostats to control tissue bleeding. ETHICON had exclusive distribution rights in the U.S. and the European Union for two active, biologic-based hemostats manufactured by Omrix. Deal value -- \$438m on \$78.7m (5.6x) of sales and \$10.25m (42.7x) of EBITDA. An example of Big Pharma buying biotech companies trading at discounts to bolster their pipelines.
Biopharmaceuticals	<b>King Pharmaceuticals, Inc. (NYSE: KG)</b> , a vertically integrated branded pharmaceutical company.	<b>Alpharma Inc.</b> , a global specialty pharmaceutical company with products in pain management and animal health.	After a takeover battle, King acquires Alpharma's pain drug Kadian and pain patch Flector, in addition to diversifying "cash-cow" drugs to treat animals. Alpharma also has experimental pain drug Embeda, which, together with King's own experimental pain drug Remoxy, helps King become a leader in the promising abuse-deterrent opioid market (painkillers that cannot be abused). Deal value -- \$1.6b, on \$837m of sales (1.91x) and negative EBITDA. \$50-70m of synergistic savings anticipated.

Sector	Acquiring Party	Target	Analysis
Biopharmaceuticals	<b>Ligand Pharmaceuticals Incorporated (NASDAQ: LGND)</b> , a biopharm company addressing thrombocytopenia, hepatitis C, hormone-related diseases, osteoporosis, inflammatory diseases and anemia.	<b>Pharmacopeia</b> , a clinical development stage biopharma company dedicated to small molecule therapeutics.	Ligand gains access to numerous royalty partnerships (i.e., Schering Plough, Bristol Myers Squibb, Wyeth, GlaxoSmithKline, Celgene and Cephalon), additional pipeline assets, and drug discovery resources. The pipeline addresses large untapped markets such as, muscle wasting, chronic obstructive pulmonary disease (COPD), thrombocytopenia, asthma and diabetic nephropathy, with over \$400m in potential milestone payments from existing partnerships. Deal value \$70m on sales of \$22m and negative EBTIDA.
Biopharmaceuticals	<b>Novartis AG (NYSE:NVS)</b> , a major manufacturer of pharmaceuticals and nutritional products.	<b>Pulmonary delivery assets, technology, and intellectual property of Nektar Therapeutics</b> , a biopharmaceutical company.	Enables Nektar to focus on therapeutics using its conjugate chemistry-based drug development platforms and strengthens its balance sheet. Novartis gains certain dry powder and liquid pulmonary formulations and manufacturing assets, as well as rights to the Tobramycin inhalation powder (TIP) program, already partnered with Novartis. Deal value -- \$115m.
Biopharmaceuticals	<b>Roche Holding AG</b> , a major pharmaceutical and diagnostic company based in Switzerland.	<b>Memory Pharmaceuticals Corp.</b> , a biopharmaceutical developer of drug candidates for central nervous system disorders such as Alzheimer's disease and schizophrenia.	The companies are already partnering on several clinical trials for Alzheimer's disease and schizophrenia. Buying Memory enables Roche to secure the future development of these drug candidates. Deal value -- \$50m.
Biopharmaceuticals	<b>Valeant Pharmaceuticals International (NYSE: VRX)</b> , a specialty pharmaceutical company specializing in neurology and dermatology.	<b>Dow Pharmaceutical Sciences, Inc.</b> , a topical dermatology drug company.	Significantly enhances Valeant's dermatology franchise in the U.S., by adding an R&D organization, a new Acne topical Rx and a pipeline of five dermatology products. Deal value -- \$285m on annualized revenues of \$45m.
Biopharmaceuticals	<b>ViroPharma Incorporated (Nasdaq: VPHM)</b> , a biopharmaceutical company.	<b>Lev Pharmaceuticals, Inc.</b> , a biopharmaceutical company developing a treatment for hereditary angioedema (HAE), an inflammatory disease.	Enhances ViroPharma's pipeline with Cinryze (C1 inhibitor), currently under FDA review for hereditary angioedema (HAE) -- sporadic attacks of swelling that may occur in the hands, legs, face, throat, genitals or gastro-intestinal tract. Deal value -- \$443m, plus up to additional \$173m in milestones.
Biopharmaceuticals	<b>Watson Pharmaceuticals, Inc. (NYSE: WPI)</b> , a leading specialty and generic pharmaceutical company.	<b>Certain generic pharmaceutical products of Teva Pharmaceutical Industries Limited</b> , a major generic drug manufacturer based in Israel.	The portfolio consists of 17 products, including 15 FDA-approved products and 2 development-stage products. The products complement Watson's generic portfolio and are being divested as a result of the proposed merger between Teva And Barr Pharmaceuticals, Inc. Deal value -- \$36m plus milestones.

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Sector	Acquiring Party	Target	Analysis
Data Management/ Healthcare IT	<b>Crossflo Systems, Inc.</b> , a provider of data sharing solutions to the public sector.	<b>Verras Medical, Inc.</b> , a health-care software provider.	Crossflow acquires software programs for hospitals and physician groups to assess the quality of care delivery against state and federal healthcare standards. Terms not disclosed.
Data Management/ Healthcare IT	<b>Francisco Partners Management LLC</b> , a private equity firm.	<b>API Software, Inc.</b> , a developer of labor management software and services for healthcare providers.	API offers staffing and scheduling, patient classification, payroll, human resources, and productivity management software for healthcare providers. Earlier in 2008, Francisco Partners acquired AdvancedMD, a developer of physician billing and scheduling software, and an electronics medical records product. Terms not disclosed.
Data Management/ Healthcare IT	<b>FUJIFILM Medical Systems</b> , a leading provider of diagnostic imaging products and network systems for medical applications.	<b>Empiric Systems, LLC</b> , a provider of radiology information systems.	Helps Fujifilm achieve a fully integrated, Web-based solution for the radiology department. In November 2007 the companies announced a formal reseller agreement under which Fujifilm would offer and support the Empiric PACS and radiology information systems. The deal solidifies the relationship. Terms not disclosed.
Data Management/ Healthcare IT	<b>GE Healthcare</b> , a unit of General Electric that provides medical imaging and information technologies.	<b>Agility Healthcare Solutions</b> , a provider of workflow and resource management solutions to the healthcare sector.	Agility offers a real time technology platform that tracks patient flow, assets, beds and rooms, staff, emergency department activities, surgical services processes, and other hospital resources. The deal enables GE Healthcare to expand upon its offerings to help customers grow through patient-focused service delivery and asset optimization solutions. Terms not disclosed.
Data Management/ Healthcare IT	<b>Health Systems Solutions, Inc.</b> , a provider of technology solutions, software, and consulting services to the health care industry.	<b>Emageon Inc.</b> , a developer of digital image management systems for radiologists.	Emageon develops clinical analysis and medical image management software used by medical professionals to view, manipulate, and store medical images. The deal greatly increases Health Systems' scale, significantly increases its product line, and enables it to further grow Emageon's PACS products. Deal value -- \$62m on sales of \$82m and negative EBITDA.
Data Management/ Healthcare IT	<b>Johnson &amp; Johnson (NYSE:JNJ)</b> , a major pharmaceutical and medical device manufacturer.	<b>HealthMedia, Inc.</b> , a manufacturer of web-based behavior change interventions.	Provides a wellness and prevention platform, emulating a health coach via the web for wellness, disease management, behavioral health, and medication adherence. Intended to increase compliance, reduce medical utilization, and increase productivity. Terms not disclosed. Healthmedia had sales of \$20m.
Data Management/ Healthcare IT	<b>Nobel Biocare Holding AG</b> , a leading manufacturer of hearing and dental implants based in Sweden.	<b>BioCad Medical Inc.</b> , a Canada-based developer of computer-aided software for dental prosthetics.	The companies have developed a solution to combine the leading BioCad CAD interface with Nobel Biocare's CAM manufacturing. Tooth restoration is being increasingly driven by computer-aided design and manufacturing, which are replacing traditional labor-intensive production steps. Deal value -- \$33m.

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Sector	Acquiring Party	Target	Analysis
Data Management/ Healthcare IT	<b>Nuance Communications (NUAN)</b> , a maker of speech-driven clinical documentation and communications solutions.	<b>The Speech Recognition Systems of Royal Philips Electronics</b> , a large international electronics manufacturer based in the Netherlands.	Enhances Nuances' ability to deliver speech-driven clinical documentation and communication solutions to healthcare organizations throughout Europe. An estimated \$10b is spent annually for medical transcription alone. There are significant opportunities -- and government incentives -- to automate this function. Deal value ~ \$96.1m. Expected revenue addition -- \$39m.
Data Management/ Healthcare IT	<b>Patterson Companies, Inc. (Nasdaq: PDCO)</b> , a distributor serving the dental, veterinarian and rehab markets.	<b>Dolphin Imaging Systems and Dolphin Practice Management LLC</b> , developers of software systems for specialized dental practitioners.	Patterson adds software to electronically capture and analyze imaging records, perform advanced 2D and 3D visualization, and graphically simulate treatment outcomes, as well as orthodontic practice management software to manage workflows, patient scheduling and financial systems. Terms not disclosed.
Data Management/ Healthcare IT	<b>Perot Systems Corporation (NYSE: PER)</b> , a provider of information technology services.	<b>Tellurian Networks, Inc.</b> , a leading provider of electronic medical records and practice management applications to physician groups.	Broadens Perot's reach into the physician practice group market. The EMR market is expected to reach \$4.85 billion by 2015. Tellurian provides hosting services for 94 physician clients, 565 practice locations and overall 13,000 physicians. Terms not disclosed.
Data Management/ Healthcare IT	<b>Roche Holding AG</b> , a leading pharmaceutical and diagnostics company based in Switzerland.	<b>Swisslab GmbH</b> , a leading Germany-based provider of laboratory information systems.	Enables Roche to become an international leader in software solutions for in-vitro diagnostics and laboratory information systems. The Swisslab laboratory information system (LIS) for large laboratories complements Roche's existing cobas IT 5000 solution for small and medium-sized laboratories. Consolidations among hospitals and labs make LISs increasingly important to realize efficiencies. Terms not disclosed.
Data Management/ Healthcare IT	<b>Sunquest Information Systems</b> , a diagnostic information systems provider.	<b>Anglia Healthcare Systems</b> , a UK-based company and leading provider of information systems.	Increases Sunquest's global presence by combining its laboratory information systems with a comprehensive set of laboratory connectivity, orders, reporting and messaging solutions. Anglia's customer base includes some of the largest and most advanced acute care providers in Western Europe. Terms not disclosed.
Data Management/ Healthcare IT	<b>Sunquest Information Systems, Inc.</b> , a laboratory information systems provider.	<b>The Outreach Advantage solution suite Pathology Associates Medical Laboratories</b> , a full-service reference laboratory.	The deal provides Sunquest with software for labs to more successfully outreach for business, reduce their operational costs, and enhance their ability to manage and service physician and patient relationships. Terms not disclosed.
Data Management/ Healthcare IT	<b>Toshiba Medical Visualization Systems Europe, Ltd.</b> , a global leading provider of diagnostic medical imaging systems.	<b>Advanced Visualization Imaging Division of Barco nv</b> , a Scotland-based developer of visualization products.	Toshibas acquires 3D volume rendering and advanced visualization capabilities for Toshiba modalities. For the past 10 years, Toshiba had used the 3D visualization system in its medical imaging products and Picture, Archiving and Communication Systems (PACS). Terms not disclosed.

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Sector	Acquiring Party	Target	Analysis
Diagnostics	<b>Abbott (ABT)</b> , a major pharmaceutical and diagnostics company.	<b>Ibis Biosciences Inc.</b> , a subsidiary of Isis Pharmaceuticals that developed a system for rapid identification and characterization of infectious agents.	Expands Abbott's position in molecular diagnostics for detection and surveillance of infectious diseases in hospital and clinical settings. Abbott had previously bought 19% of Ibis and now is exercising its option to purchase the remaining equity. Deal value -- \$175m, plus earnout.
Diagnostics	<b>Affymetrix Inc. (Nasdaq:AFFX)</b> , a producer of microarrays and molecular biology products.	<b>Panomics Inc.</b> , a maker of assay products for low to mid-plex genetic, protein and cellular analysis applications.	Strengthens Affymetrix' position in high-growth validation and routine-testing market segments and enables a more complete customer workflow, beginning with whole-genome Affymetrix microarray studies and then focusing on genes and proteins with the Panomics products. Panomics has an installed base of more than 5,600 instruments worldwide. Deal value -- \$72m.
Diagnostics	<b>Given Imaging Ltd. (NasdaqGM:GIVN)</b> , an Israel-based manufacturer of gastrointestinal diagnosis products.	<b>The Bravo® pH monitoring business of Medtronic Inc.</b> , a major manufacturer of cardiovascular and other devices.	The Bravo system is the only wireless, catheter-free pH test to diagnose Gastroesophageal Reflux Disease (GIRD). The system uses a disposable capsule temporarily placed in the esophagus that measures pH levels and transmits the data to an external receiver. A strategic fit with Given's PillCam platform of GI diagnostic tools. Deal value -- \$20m. Expected sales of \$12m in 08.
Distribution	<b>Liberty Healthcare Group</b> , a contract medical management organization.	<b>The direct-to-consumer diabetes supply business of Owens &amp; Minor</b> , a major distributor of healthcare products, mostly to hospitals.	Adds direct marketing capabilities to Liberty and complements its medical management services. Deal value -- \$63m. Owens & Minor sheds a non-core direct-to-consumer business.
Diagnostics	<b>Nihon Kohden Corporation</b> , Japan's leading manufacturer and distributor of medical electronic equipment.	<b>Neurotronics Incorporated</b> , a manufacturer of sleep data management programs.	Neurotronics makes sleep brain wave analysis programs to strengthen Nihon Kohden's neurology business in the growing sleep-respiratory market. The two companies have worked before and Nihon expects to increase sales via its global distribution network. Terms not disclosed.
Distribution	<b>Owens &amp; Minor (NYSE: OMI)</b> , a major distributor of medical and surgical supplies.	<b>The Burrows Company</b> , a Chicago-based regional distributor of medical and surgical supplies to the acute-care market.	Provides geographical coverage in the mid-West and permits O&M to introduce value added programs and its supply-chain management expertise to Burrow's customers. Deal value ~ \$30.2m on sales of \$603m (0.05x).
Diagnostics	<b>Quintiles Transnational Corp.</b> , a global leader in pharmaceutical and clinical trial services.	<b>Targeted Molecular Diagnostics</b> , a diagnostic laboratory company focused on oncology and drug development.	Strengthens Quintiles' in-house pathology offerings in oncology, providing strong capabilities in tissue-based testing, a critical component of the oncology drug development process, and biomarker expression analysis. Terms not disclosed.

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Sector	Acquiring Party	Target	Analysis
Diagnostics	<b>Thermo Fisher Scientific Inc. (NYSE:TMO)</b> , a global provider of analytical products and services for life science research, manufacture, and diagnostics.	<b>Raymond A. Lamb Ltd</b> , an international manufacturer of histology and anatomical pathology products.	Strengthens Thermo's anatomical pathology portfolio. Raymond Lamb focuses on systems that automate the labeling and tracking of slides and cassettes that carry patient tissue samples, reducing the possibility of errors during their processing, storage and retrieval. Sales were \$9m. Terms not disclosed.
Distribution	<b>VWR International, LLC</b> , a leading global laboratory supply company.	<b>OMNILAB AG</b> , a Swiss scientific laboratory supply distributor.	OMNILAB's core business of supplying instrumentation, consumables and services complements VWR's local expertise in chemicals, consumables and life science products. Supports VWR's further growth in Western Europe. Terms not disclosed.
Medical Devices	<b>CID Investment S.r.l.</b> , an investment group.	<b>The Vascular Therapy Business Unit of Sorin Group</b> , an Italy-based developer of medical technologies for cardiac surgery.	Allows Sorin to focus on its core cardiovascular businesses -- Heart Valves, Cardiopulmonary and Cardiac Rhythm Management.
Medical Devices	<b>Endocare, Inc.</b> , a maker of minimally invasive technologies for tissue and tumor ablation.	<b>Galil Medical Ltd.</b> , a privately-owned Israel-based developer of cryoablation products.	Combined company will focus on the development of cryoablation -- to freeze and destroy cancerous tumors. Combines complementary clinical, technological and marketing strengths of the two companies, which hope to advance cryoablation over radiation, radical prostatectomy and IMRT in the treatment of prostate cancer. Stock for stock deal with pro forma revenues of about \$55.6m.
Medical Devices	<b>Hill-Rom (NYSE: HRC)</b> , a leading manufacturer of patient support systems.	<b>Liko Vardlyft AB</b> , a Sweden-based supplier of patient lifts and slings.	Expected synergies include combining Liko's product platforms, engineering capabilities, clinical competencies and sales channels with Hill-Rom's established brands and sales and service organizations in both North America and Europe. Expands Hill-Rom's international footprint as nearly 75% of Liko's revenue is derived outside of North America, balanced among acute, extended care and home care segments. Deal value -- \$183m on \$75m of sales (2.4x).
Medical Devices	<b>Johnson &amp; Johnson (NYSE: JNJ)</b> , a major pharmaceutical and medical device manufacturer.	<b>Mentor Corporation</b> , a leading supplier of breast implants and other medical products for the global aesthetic market.	Strengthens J&J/ETHICON's presence in aesthetic and reconstructive markets, which are less sensitive to reimbursement and margin pressures. J&J recently introduced a collagen-based skin filler and some of its devices for stomach-reduction and other operations are increasingly being used in plastic surgery, including sutures, mesh implants for facelifts, and harmonic scalpels. Most of Mentor's sales are in the U.S. and J&J, with a huge global sales operation, sees an opportunity to expand the business internationally. Deal value -- \$1.1b, on sales of \$382.0m (2.9x) and EBITDA of \$83.5m (13.4x).

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Sector	Acquiring Party	Target	Analysis
Medical Devices	<b>Medline Industries, Inc.</b> , the largest independent manufacturer and distributor of health-care products in the U.S.	<b>Guardian line of walking aids and bath safety products of Sunrise Medical, Inc.</b> , a manufacturer of wheel chair and other patient mobility and rehab products.	Bolster's Medline's Durable Medical Equipment division. Terms not disclosed.
Medical Devices	<b>Medtronic, Inc. (NYSE: MDT)</b> , a major manufacturer of cardiovascular and other devices.	<b>Pabban Development, Inc.</b> , a maker of an innovative bone cement delivery system.	The bone cement delivery system will be used in Medtronic's balloon Kyphoplasty for the treatment of vertebral compression spine fractures. With this procedure, small balloons are inserted and inflated in the fractured area to help restore the height of the vertebral body. After the balloons are deflated and removed, the cavity is filled with bone cement that has been developed for this procedure, creating an internal cast. Terms not disclosed.
Medical Devices	<b>Medtronic, Inc. (NYSE: MDT)</b> , a major manufacturer of cardiovascular and other devices.	<b>The Sleep Apnea Line of Influent Medical</b> , a developer of products for sleep disorders.	Provides Medtronics' surgeon customers with another minimally invasive, low morbidity option to treat patients suffering from obstructive sleep apnea. Terms not disclosed.
Medical Devices	<b>Medtronic, Inc. (NYSE:MDT)</b> , a major manufacturer of cardiovascular and other devices.	<b>CryoCath Technologies Inc.</b> , a Canada-based maker of cryotherapy products to treat cardiac arrhythmias.	Medtronic obtains key minimally invasive cryo-balloon catheter ablation technology (Arctic Front) to treat atrial fibrillation estimated to impact 5m patients worldwide. The A-fib market is dominated by St. Jude and is regarded as an emerging \$2b market opportunity. Sold in Europe and the subject of a pivotal study in the US, Arctic Front has been used to treat approximately 3,100 patients. Deal value -- \$380m on \$40 of sales. This marks the third acquisition in the sector this year. Earlier in the year, St. Jude acquired EP Medsystems and Boston Scientific bought CryoCor.
Medical Devices	<b>Natus Medical (BABY)</b> , a provider of products used to screen, detect, treat, and monitor hearing impairment, neurological dysfunction, epilepsy, sleep disorders and newborn care.	<b>NeuroCom International</b> , a developer of computerized systems for the assessment and rehabilitation of balance and mobility disorders.	Expands Natus' neurology footprint into the growing balance and mobility assessment market and advances its goal growing revenue to a \$250m run-rate by the end of 2008. Deal value -- \$18m on sales of \$11.3.
Medical Devices	<b>One Equity Partners</b> , a private equity firm.	<b>The Professional Wound Care business of ETHICON, Inc</b> , a manufacturer of surgical products and a Johnson & Johnson subsidiary.	The Wound Care business contains such advanced wound care brands PROMOGRAN Matrix Wound Dressing, TIELLE Hydro-polymer Dressing and REGRANEX (becaplermin) Gel 0.01%, a prescription treatment for lower extremity diabetic ulcers, as well as a portfolio of general wound care products. New platform for One Equity. Revenue about \$270m; deal terms not disclosed.

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Sector	Acquiring Party	Target	Analysis
Medical Devices	<b>PAUL HARTMANN AG</b> , a Germany-based producer of wound management, incontinence management and risk prevention products.	<b>Whitestone Corp.</b> , a maker of incontinence management products for the long-term care and home care markets.	Broadens the product ranges of HARTMANN-CONCO Inc., PAUL HARTMANN's U.S. unit. Whitestone's and HARTMANN'S product lines are sold to similar call-points, with many operational synergies. The Walden Group represented Whitestone in the transaction and arranged for the sale. Terms not disclosed.
Medical Devices	<b>Renishaw plc</b> , a leading engineering technology company based in the UK.	<b>Schaerer Mayfield NeuroMate AG</b> , a France-based international manufacturer of surgical robots for neurosurgery.	Renishaw acquires a 75% interest in this manufacturer of image guided neuro-surgical systems to deepen its presence in the neurosurgical market, where it plans further expansion. To date the systems have been used in over 9,000 neurosurgical procedures.
Medical Devices	<b>Royal Philips Electronics (NYSE: PHG)</b> , a large international electronics manufacturer based in the Netherlands.	<b>Meditronics</b> , a general X-ray manufacturer based in India focused on surgery (mobile C-arms) and radiography.	Deepens Philips' reach in emerging markets. This is Philips' second acquisition in India and its fifth in emerging markets since mid 2007. Earlier acquisitions include Alpha X-Ray Technologies in India, China's Shenzhen Goldway Industrial and Dixtal Bi-omédica e Tecnologia and VMI Sistemas Medicos in Brazil. Terms not disclosed.
Medical Devices	<b>Royal Philips Electronics (NYSE:PHG)</b> , a large international electronics manufacturer based in the Netherlands.	<b>Medel SpA</b> , a manufacturer of nebulizer compressor systems.	Together with a related acquisition of a manufacturing facility in China for nebulizer compressor systems, Philips enhances its Respironics home health respiratory business and its position in China. Earlier in 2008, Philips bought China's second-largest patient monitoring company. Terms of the transactions not disclosed.
Medical Devices	<b>St. Jude Medical, Inc. (NYSE: STJ)</b> , a manufacturer of cardiovascular medical devices.	<b>MediGuide Inc.</b> , an Israel-based company developer of cardiology navigational systems.	Provides a new platform technology to enhance St. Jude Medical's atrial fibrillation growth programs. MediGuide has developed a sophisticated navigation system, using sensors mounted on needles, guidewires, and catheters to increase the accuracy and amount of information available during a catheterization or other minimally invasive procedure for cardiac rhythm management. The system has a CE Mark, but currently limited to investigational use only in the United States. Deal terms, with debt assumption -- \$300m.
Medical Devices	<b>St. Jude Medical, Inc. (NYSE: STJ)</b> , a manufacturer of cardiovascular medical devices.	<b>Radi Medical AB</b> , a Sweden-based developer of technologies for interventional cardiology.	Radi Medical Systems is the leader in two niche cardiovascular segments in which St. Jude does not participate -- physiological assessment of coronary lesions and manual compression-assist products for vascular closure. Deal value \$250m on sales of \$80m.

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Sector	Acquiring Party	Target	Analysis
Medical Devices	<b>The Orthotic Group</b> , a Canada-based foot orthotics producer and an affiliate of PNC Private Equity.	<b>The foot orthotics business of Langer, Inc.</b> , a maker of products for the prosthetics, aesthetics and personal care markets.	The Langer foot orthotics line adds a key U.S. brand to The Orthotics Group, which focuses primarily on the Canadian foot orthotic market. Deal price ~ \$4.7m. The Walden Group represented Langer and arranged for the divestiture. Three months earlier Walden represented Langer it is divestiture of its Canada-based Bi-Op Laboratories foot orthotics unit.
Medical Devices	<b>The Sorin Group</b> , an Italy- based developer of medical technologies for cardiac surgery.	<b>The Clearglide(R) endoscopic vessel harvesting product line of Datascope Inc.</b> , a manufacturer of proprietary products for interventional cardiology, radiology, cardiovascular, vascular surgery, and critical care markets.	Complements Sorin Group's Cardiopulmonary Business Unit. Endoscopic vessel harvesting (EVH) devices are less-invasive than open surgery for the harvesting of suitable vessels for use in conjunction with coronary artery bypass grafting. The transaction is contingent on the closing of the acquisition of Datascope by Getinge AB. Terms not disclosed.
Medical Devices	<b>Unilens Vision Inc.</b> , a manufacturer of specialty contact lenses.	<b>Aero Contact Lens, Inc.</b> , a gas permeable contact lens manufacturer.	Adds the Aero Contact Lens brands to offer a wider selection to independent eye care professionals throughout the U.S. Terms not disclosed.
Medical Devices	<b>Volcano Corporation (Nasdaq: VOLC)</b> , a developer of products for the diagnosis and treatment of coronary and peripheral artery disease.	<b>Axsun Technologies, Inc.</b> , a developer of lasers and optical engines used in medical Optical Coherence Tomography (OCT) imaging systems.	Volcano plans to utilize new integrated versions of Axsun's advanced tunable laser and optical engine technology in the development of new invasive imaging systems. Deal value -- \$21.5m on revenue of \$18m.
Medical Services	<b>Genstar Capital, LLC</b> , a private equity firm.	<b>Long Term Care Group, Inc. (LTCG)</b> , a leader in outsourced services to the long term care insurance industry.	LTCG offers outsourced services including application processing, underwriting, policy administration, clinical assessments, claims processing, and care management. LTCG has almost 1,000 employees and over 1 million policies under management. Terms not disclosed.
Medical Services	<b>Healthedge Investment Partners</b> , a private equity firm.	<b>Intra-Op Monitoring Services Inc.</b> , an intra-operative neurophysiological monitoring company.	Intra-Op Monitoring uses advanced electrophysiological modalities to monitor and record the functional integrity of critical neural structures (brain, nerves, and spinal cord) and organs during surgeries and prevent permanent damage. The company operates in 12 states located in the east, south and southeast regions of the U.S. Terms not disclosed.
Medical Services	<b>MTS Health Investors, LLC</b> , health-care private equity firm.	<b>DNA Diagnostics Center, Inc.</b> , a large DNA testing laboratory.	DNA Diagnostic Center is one of the largest DNA testing laboratories worldwide and a market leader in human DNA identification testing for the private sector. The Company provides a wide

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Sector	Acquiring Party	Target	Analysis
			array of DNA testing services in the fields of biological family relationships, forensics and veterinary genetics. A new platform for MTS. Terms not disclosed.
OTC/Consumer	<b>3M</b> , a diversified manufacturer with substantial offerings in consumer healthcare products.	<b>The Futuro supports and compression hosiery product line of Beiersdorf AG</b> , a diversified cosmetics company headquartered in Germany	Futuro orthopedic softgood products are sold through consumer channels including drug stores, mass merchandisers and grocers in North America, and pharmacies internationally. The deal broadens 3M's lines sold under the Nexcare brand through the same channels. 3M already sells braces for the knee, wrist, ankle and back, skin care and athletic wraps and first aid products. Terms not disclosed. Futuro employs approximately 100 people.
OTC/Consumer	<b>AliMed Inc.</b> , a manufacturer and distributor of patient care, rehabilitation, OR/critical care and diagnostic imaging, orthopedic, and ergonomic products.	<b>Interactive Therapeutics</b> , a manufacturer of speech-therapy products.	Expands AliMed's Speech & Dysphagia, general rehab and occupational health offerings. Terms not disclosed.
OTC/Consumer	<b>GlaxoSmithKline (NYSE: GSK)</b> , a leading research-based pharmaceutical and healthcare company.	<b>The Biotene oral health product line of Laclede Inc.</b> , a privately-owned OTC products company.	Extends Glaxo's portfolio in therapeutic oral healthcare and leverages its global capability with dental and medical professionals. Biotene is a leading OTC product to treat Dry Mouth, a condition known as Xerostomia, is a significant health issue associated with chronic medical conditions including diabetes, rheumatoid arthritis, Sjogren's syndrome and Parkinson's disease. Biotene's global sales in 2007 were \$50m up 17%. Deal value -- \$170m.
OTC/Consumer	<b>Joshua Partners LLC</b> , a private equity firm.	<b>Medicia Corp.</b> , a contract manufacturer of personal care products, over-the-counter (OTC) drug preparations and private label products.	Medicia manufactures a wide range of products including topical OTC, medical device products, cosmetics, skin care, hair care, health and beauty aid items, liquid soaps, as well as hydro-alcoholic products (fragrances). Terms not disclosed.
OTC/Consumer	<b>Perrigo Company (Nasdaq: PRGO)</b> , a leading manufacturer of OTC pharmaceutical and nutritional products for the store brand market.	<b>Unico Holdings</b> , a leading manufacturer of store brand pediatric electrolytes, enemas and feminine hygiene products.	Expands Perrigo's store brand product offering into new categories not offered. Deal value -- \$49m.

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