

The Strategic Healthcare M&A Report

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

2nd Quarter 2007, July '07

Highlights

1. **Quarterly M&A Overview** – a high elevation perspective on Q2 07's deal activity.
2. **Q2 07's Top Deals** – Transactions with a value over \$100m.
3. **Q2 07's Private Equity** -- Platform and add-on acquisitions by financial sponsors
4. **Quarterly M&A Deal-by-Deal Review** -- More than 85 Transactions Analyzed -- announced or closed in Q2 '07.

The Strategic Healthcare M&A Report analyzes important merger, acquisition and strategic transactions taking place in the healthcare industry. Please feel free to e-mail suggestions for future content to the address listed above.

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1. **Quarterly M&A Overview – a high elevation overview of Q2 '07's deal activity**

- Biopharmaceuticals.** Reflecting the need of pharmaceutical companies to prime their new drug pipeline and address infectious disease and cancer therapies, AstraZeneca is buying MedImmune for \$15.6b. Mylan's purchase of Merck/Germany's generic business for \$6.7b demonstrates the importance of generic drugs in light of tight reimbursement budgets and worldwide needs to address critical conditions with cost-effective solutions.
- Diagnostic.** Inverness Medical has announced 8 acquisitions in 2007, including the \$1.7b deal for Biosite, which it won over Beckman Coulter, in a bidding war. This quarter it also announced deals for Quality Assured Services (diagnostic home tests) and Cholestch (diagnostic tools for heart conditions). As a result, Inverness is becoming a force in point-of-care diagnostic testing. During Q2, Roche announced 5 acquisitions, the largest being the unfriendly tender offer for Ventana Medical (\$3b). Roche is seeking leadership in molecular diagnostics, genomics and "personalized medicine".
- Distribution.** Cardinal, while shedding its drug manufacturing business, is buying Viasys, taking advantage of its substantial distribution network for respiratory products.
- Medical Devices.** Greatbatch is diversifying its contract/component OEM manufacturing business, with its Enpath purchase (\$102m), as well as shoring up its technical capabilities with Biomec.
- Private Equity** firms continued their buying spree in healthcare deals -- Blackstone is buying Cardinal's drug manufacturing business (\$3.3b) and DJ Orthopedics (announced 7-16-07, for \$1.6b); Madison Dearborn is buying VWR (\$3.7b) from Clayton Dubilier; and Warburg Pincus is bidding for Baush & Lomb (\$3.67b). Just after the quarter ended, The Carlyle Group announced it is paying (\$6.3b) to buy Manor Care, an operator of more than 500 long-term care facilities, most of which are owned (not leased). In the past few years, there have been several buyouts of long-term care companies: Genesis HealthCare by Formation Capital and JER Partners (\$1.9b); Beverly Enterprises by Fillmore Strategic Investors (\$2.2b); and Mariner Health Care by National Senior Care Inc. (\$1.0b).

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2. Top Deals of Q2 '07 -- >\$100 in Transaction Value (announced or closed)

Biopharmaceuticals		
Acquiring Party	Transferring Party	Trans Value (\$000s)
AstraZeneca PLC (NYSE: AZN)	MedImmune, Inc.	\$15,600
Mylan Laboratories Inc. (NYSE: MYL)	The generic drug business of Merck KGaA	\$6,700
The Blackstone Group	The drug manufacturing business of Cardinal Health Inc.	\$3,300
Shire plc (LSE: SHP.L ; NASDAQ: SHPG)	New River Pharmaceuticals Inc. (NASDAQ)	\$2,600
Amgen (Nasdaq: AMGN)	Ilypsa, Inc.	\$420
Genzyme Corporation (Nasdaq: GENZ)	Bioenvision, Inc. (Nasdaq: BIVN)	\$345
Eisai Co. Ltd. (Tokyo)	Morphotek Inc.	\$325
Amgen (NASDAQ:AMGN)	Alantos Pharmaceuticals	\$300
Sciele Pharma, Inc. (NASDAQ:SCRX)	Alliant Pharmaceuticals, Inc.	\$122
Diagnostics		
Acquiring Party	Transferring Party	Trans Value (\$000s)
Hologic, Inc. (Nasdaq: HOLX)	Cytc Corporation (Nasdaq: CYTC)	\$6,200
Madison Dearborn Partners (MDP)	VWR International, Inc.	\$3,700
Roche Holding AG	Ventana Medical Systems, Inc. (NASDAQ:VMSI)	\$3,000
Quest Diagnostics Incorporated (NYSE: DGX)	Ameripath, Inc.	\$2,000
Inverness Medical Innovations, Inc. (Amex: IMA)	Biosite Incorporated (Nasdaq: BSTE)	\$1,680
QIAGEN N.V. (Nasdaq: QGEN)	Digene Corp. (Nasdaq: DIGE)	\$1,600
Roche Holding AG	BioVeris Corporation	\$600
Bio-Rad Laboratories, Inc. (AMEX: BIO)	DiaMed Holding AG	\$389
Inverness Medical Innovations, Inc. (Amex: IMA)	Cholestech Corporation (Nasdaq: CTEC)	\$326
Roche Holding AG	NimbleGen Systems, Inc.	\$273
Agilent Technologies Inc. (NYSE: A)	Stratagene Corp. (NASDAQ: STGN)	\$250
Roche Holding AG	454 Life Sciences	\$155

Distribution		
Acquiring Party	Transferring Party	Trans Value (\$000s)
TA Associates	Twin Med, LLC	\$103
Medical Devices		
Acquiring Party	Transferring Party	Trans Value (\$000s)
Warburg Pincus	Bausch & Lomb (NYSE:BOL)	\$3,670
Onex Corporation	The Healthcare Imaging Group of Eastman Kodak Company	\$2,350
Cardinal Health, Inc. (NYSE: CAH)	VIASYS Healthcare Inc. (NYSE: VAS)	\$1,500
Smith & Nephew Plc	Plus Orthopedics Holding AG	\$889
Advanced Medical Optics, Inc. (NYSE: EYE)	IntraLase Corp. (Nasdaq: ILSE)	\$808
Greatbatch, Inc. (NYSE:GB)	Enpath Medical, Inc. (Nasdaq:NPTH)	\$102
Medical Services		
Acquiring Party	Transferring Party	Trans Value (\$000s)
Formation Capital, LLC and JER Partners	Genesis HealthCare Corporation (NASDAQ: GHCI)	\$1,900
Welsh, Carson, Anderson & Stowe	United Surgical Partners International (NASDAQ:USPI)	\$1,800
Bridgepoint Capital	Gambro Healthcare	\$820
Sun Healthcare Group, Inc. (NASDAQ:SUNH)	Harborside Healthcare Corporation	\$620
Aetna (NYSE: AET)	Schaller Anderson, Inc.	\$535
TA Associates	Alere Medical Incorporated	\$175
Water Street Healthcare Partners	Physiotherapy Associates	\$150

3. Private Equity Deals of Q2 '07

<i>Biopharmaceuticals</i>		
Acquiring Party	Transferring Party	Trans Value (\$000s)
Core Oncology	Mills Biopharmaceuticals, LLC, the brachytherapy division of Coloplast A/S	not disclosed
The Blackstone Group	The drug manufacturing business of Cardinal Health Inc.	\$3,300
<i>Diagnostics</i>		
Acquiring Party	Transferring Party	Trans Value (\$000s)
Madison Dearborn Partners (MDP)	VWR International, Inc.	\$3,700
NightHawk Radiology Holdings, Inc. (Nasdaq: NHWK)	The Radlinx Group, a portfolio company of DW Healthcare Partners	\$53
Quest Diagnostics Incorporated (NYSE: DGX)	Ameripath, Inc.	\$2,000
The Gores Group	The Diagnostic Division of HealthSouth Corporation (NYSE: HLS)	\$48
<i>Distribution</i>		
Acquiring Party	Transferring Party	Trans Value (\$000s)
TA Associates	Twin Med, LLC	\$103

<i>Medical Devices</i>		
Acquiring Party	Transferring Party	Trans Value (\$000s)
Aspen Surgical	The surgical marker line of Precision Dynamics Corporation	not disclosed
Cortec Group, Inc.	The Hygenic Corporation	not disclosed
Ithaca Acquisition Corp. (OTCBB:ITHKU)	Alsius Corporation	not disclosed
Onex Corporation	The Healthcare Imaging Group of Eastman Kodak Company	\$2,350
ReAble Therapeutics, Inc. (formerly Encore Medical)	IOMED, Inc. (Amex: IOX)	\$22
Warburg Pincus	Bausch & Lomb (NYSE:BOL)	\$3,670
<i>Medical Services</i>		
Acquiring Party	Transferring Party	Trans Value (\$000s)
Bridgepoint Capital	Gambro Healthcare	\$820
Formation Capital, LLC and JER Partners	Genesis HealthCare Corporation (NASDAQ: GHCI)	\$1,900
TA Associates	Alere Medical Incorporated	\$175
Water Street Healthcare Partners	Physiotherapy Associates	\$150
Welsh, Carson, Anderson & Stowe	United Surgical Partners International (NASDAQ:USPI)	\$1,800

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4. M&A Deal-by-Deal Review -- Q2 '07

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	Transferring Party	Comments/Rationale	Date
Biopharmaceuticals	Amgen (Nasdaq: AMGN) , a major biotech company.	Ilypsa, Inc. , a developer of non absorbed, GI based drugs for renal and metabolic diseases.	Provides Amgen with a late-stage selective phosphate binder for the treatment of hyperphosphatemia in chronic kidney disease patients on hemodialysis. Deal value -- \$420m.	6/21/2007
Biopharmaceuticals	Amgen (NASDAQ:AMGN) , a major biotech company.	Alantos Pharmaceuticals , a private company developing drugs for the treatment of diabetes and inflammatory diseases.	Adds phase 2A clinical stage DPP-IV inhibitors to Amgen's portfolio of therapeutics to treat metabolic diseases, specifically osteoarthritis. Deal value -- \$300m.	6/6/2007
Biopharmaceuticals	AstraZeneca PLC (NYSE: AZN) , a major pharmaceutical company.	MedImmune, Inc. , a major biotechnology company with commercialized and pipeline drugs for infectious diseases, cancer and inflammatory diseases.	Significantly accelerates AstraZeneca's biologics strategy, creating an integrated biologics and vaccines business within the AstraZeneca Group with added critical mass in R&D, regulatory, manufacturing and global sales and marketing reach. MedImmune's '06 revenue and pretax profit were \$1.3b (12x) and \$75m (208x), respectively. Deal value -- \$15.6b.	6/18/2007
Biopharmaceuticals	Core Oncology , a developer of specialized medical products and an affiliate of Compass Capital.	Mills Biopharmaceuticals, LLC, the brachytherapy division of Coloplast A/S , the third largest domestic supplier of Iodine 125 and Palladium Pd-103 seeds for low dose prostate brachytherapy treatment.	Strengthens Core's position in the growing prostate brachytherapy market and adds critical mass to justify the deployment of resources to build sales domestically and internationally.	6/12/2007
Biopharmaceuticals	Eisai Co. Ltd. (Tokyo) , a Japanese drug maker.	Morphotek Inc. , a privately held US biotech company developing monoclonal antibodies for oncology, inflammatory and infectious diseases.	Morphotek adds two cancer drugs in early trials. Transaction value -- \$325m	4/19/2007

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Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
Biopharmaceuticals	GE Healthcare , a unit of General Electric Company (NYSE:GE).	Wave Biotech LLC , a supplier of innovative disposable manufacturing technologies for the biopharmaceutical industry.	Allows GE Healthcare to expand its offerings for the manufacture of biopharmaceuticals such as antibodies and vaccines. Terms not disclosed.	4/19/2007
Biopharmaceuticals	Genzyme Corporation (Nasdaq: GENZ) , a leading biotechnology and medical device company.	Bioenvision, Inc. (Nasdaq: BIVN) , a developer of compounds and treatments for cancer and infectious diseases.	Enhances Genzymes' oncology business by gaining exclusive, worldwide rights to clofarabine (Clolar), which was developed by both companies. Full ownership accelerates the development and commercialization of the therapy. Bioenvision also markets a treatment for post-menopausal breast cancer following relapse from initial hormone therapy, and has a pipeline to address unmet needs in autoimmune disease and infectious disease. Deal value -- \$345m on limited sales currently.	5/29/2007
Biopharmaceuticals	Inhibitex, Inc. (Nasdaq: INHX) , a biopharmaceutical company focused on infectious disease.	FermaVir Pharmaceuticals, Inc. (OTC BB: FMVR) , a company with an antiviral development-stage pipeline that includes a highly potent treatment for shingles.	Inhibitex gets the shingles drug about to enter early-stage clinical trials, as well as a series of preclinical compounds to treat human cytomegalovirus, a member of the herpes virus group, which includes viruses that cause chicken pox, mononucleosis and herpes simplex 1 and 2. Deal value ~ \$19m.	4/10/2007
Biopharmaceuticals	Mylan Laboratories Inc. (NYSE: MYL) , a leading generic pharmaceutical company.	The generic drug business of Merck KGaA , a large international drug company.	Creates a vertically and horizontally integrated generics and specialty pharmaceuticals leader with a diversified revenue base and a global footprint. Pro forma combined '06 revenues of ~ \$4.2b, EBITDA of ~ \$1.0b and about 10,000 employees, immediately making it among the top tier of global generic companies. Deal value -- \$6.7b. In '06, Merck Generics' sales were \$2.5m (2.7x) and EBITDA \$450m (14.9x).	5/14/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
Biopharmaceuticals	Sciele Pharma, Inc. (NASDAQ:SCRX) , a pharmaceutical company specializing in cardiovascular, diabetes and women's health.	Alliant Pharmaceuticals, Inc. , a specialty pharmaceutical company focused on pediatric specialty markets.	Diversifies Sciele into pediatrics, with well-know patented products and a specialized field sales force of 85 persons. Deal value \$122m plus \$55m earnout. Alliant's expected '07 revenue is \$55m.	6/12/2007
Biopharmaceuticals	Shire plc (LSE: SHP.L; NASDAQ: SHPG) , a British specialty pharmaceutical company focused on attention deficit and hyperactivity disorder (ADHD), human genetic therapies, gastrointestinal and renal diseases.	New River Pharmaceuticals Inc. (NASDAQ) , a U.S. drug maker specializing in ADHD.	Shire can now drive the launch and future development, and gain the full economic benefits, of key new ADHD drugs. Strengthens Shire's position in the growing US ADHD market, improves its operating margins, adds to its pipeline, and enhances its earnings growth potential. Deal value ~ \$2.6b.	4/20/2007
Biopharmaceuticals	The Blackstone Group , a prominent private equity firm.	The drug manufacturing business of Cardinal Health Inc. , a leading provider of products and services supporting the health-care industry.	The strong market position of Cardinal's Pharmaceutical Technologies and Services unit in contract manufacturing, drug development, and packaging and printing services provides a new platform for Blackstone's growing presence within health-care. Transaction value -- \$3.3b, on sales of \$1.8b (1.8x). Operating earnings were ~ \$304.7m (10.8x).	4/11/2007
Data Management/ Health-care IT	AssistMed, Inc. , a provider of online transcription and electronic health record application services utilized by physicians, hospitals, payers, and research organizations.	Clinication, Inc. , a provider of patient adherence management systems.	Clinication's software-based solutions instruct, remind, and reward patients, enhancing long-term compliance with medication and self-care regimens. The products can be integrated into AssistMed's online systems, broadening its patient-centric health information solutions. Terms not disclosed.	6/25/2007
Data Management/ Health-care IT	Henry Schein, Inc. (Nasdaq: HSIC) , a major provider of healthcare products to office-based practitioners in North American and European markets.	Software of Excellence International Ltd. (NZX: SOE) , a New Zealand based developer of clinical and practice management software solutions for dental professionals.	SOE serves a customer base of more than 5,000 practices in the U.K., Australia and New Zealand. The deal extends Schein's geographical reach and broadens its product line. Deal value -- \$58.0m on sales of \$19.1m (3.0x).	6/11/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
Data Management/ Health-care IT	MedAssets Inc. , a developer of integrated solutions for financial and process improvement, supply chain and clinical service line management for healthcare facilities.	MD-X Solutions, Inc. , a developer of advanced revenue cycle software solutions and services for hospitals.	Enhances MedAssets' efforts to help providers improve their financial performance - adds to its existing systems offerings and recently acquired XactiMed's revenue cycle solutions. Terms not disclosed.	6/15/2007
Dental	Dentsply International Inc. (XRAY) , a maker of prosthetics, ceramics, alloys and other products used in the dental market.	Sultan Healthcare, Inc. , a maker of dental materials, infection control and other preventive dental products.	Provides Dentsply with new consumable product lines, which can be sold over its large international sales and distribution network. Expected to add about \$45-50m in an annualized sales. Terms not disclosed.	6/21/2007
Diagnostics	Agilent Technologies Inc. (NYSE: A) , a provider of communications, electronics and life sciences technology and chemical analysis.	Stratagene Corp. (NASDAQ: STGN) , a manufacturer of specialized life science research and diagnostic products.	Strengthens Agilent's life science offerings in genomics and proteomics and provides opportunities for expanding the reach of Stratagene's portfolio of reagents and instruments. Stratagene is the largest acquisition that Agilent has made in several years. Deal value ~ \$250m.	4/9/2007
Diagnostics	Alpine Biomed Corp. , a manufacturer and distributor of intelligent diagnostic tools for use in gastroenterology and neurology.	The Gastroenterology Diagnostics Product Line of Medtronic, Inc. , a major manufacturer of cardiovascular and other devices	The acquired products complement Alpine's line focused on esophageal diagnostic testing. Alpine has been distributing the acquired line, as well as Medtronic's neurodiagnostic equipment and accessories. Terms not disclosed.	5/14/2007
Diagnostics	Bio-Rad Laboratories, Inc. (AMEX: BIO) , a manufacturer of life science research and clinical diagnostics products.	DiaMed Holding AG , manufactures and markets a complete line of reagents and instruments used in blood typing and screening	Bio-Rad buys 77.7% of DiaMed's shares for \$389.3m. DiaMed's products complementary with Bio-Rad's diagnostics business. DiaMed had sales of \$200m to hospitals, clinical laboratories, and blood banks in more than 100 countries.	5/16/2007
Diagnostics	Hologic, Inc. (Nasdaq: HOLX) , a provider of diagnostic imaging systems focused on women's health.	Cytc Corporation (Nasdaq: CYTC) , a leading provider of products for cervical cancer screening, preterm birth screening, treatment of excess-	Creates one of the largest women's health technology companies. The combined company will have direct operations in over 20 countries with ,200 sales and service people (the largest direct sales force in	5/20/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
		sive menstrual bleeding, radiation treatment of early-stage breast cancer, and radiation treatment of patients with malignant brain tumors.	women's health). Cross selling opportunities expected to generate \$75m in added revenue. Deal value -- \$6.2b on Cytoc TTM sales of \$637m (9.7x) and EBITDA of \$276m (22.5x).	
Diagnostics	Inverness Medical Innovations, Inc. (Amex: IMA) , a provider of diagnostic products for women's health and chronic disease self-management.	Biosite Incorporated (Nasdaq: BSTE) , a leading biomedical company with proprietary protein maker diagnostic technologies.	Inverness outbid Beckman Coulter in this \$1.68b deal, which significantly enhances Inverness in the fast-growing point-of-care diagnostics field, as well as other diagnostic areas. This is the 8th acquisition in '07 by Inverness.	6/29/2007
Diagnostics	Inverness Medical Innovations, Inc. (Amex: IMA) , a provider of diagnostic products for women's health and chronic disease self-management.	Quality Assured Services, Inc. , provider of diagnostic home tests and services.	Provides Inverness with an established in-home patient service and distribution network, and a key position in the prescription self-testing market, especially in coagulation monitoring. Deal value -- \$25.0m	6/18/2007
Diagnostics	Inverness Medical Innovations, Inc. (Amex: IMA) , a provider of rapid diagnostic products for women's health and chronic disease self-management.	Cholestech Corporation (Nasdaq: CTEC) , a leading provider of diagnostic tools and information for risk assessment and therapeutic monitoring of heart disease and inflammatory disorders.	Provides Inverness with the ability to assess and manage cardiac conditions, plus a large installed base of Cholestech systems in physicians' offices. Cross selling opportunities into each others customer bases, plus Cholestech synergizes with Inverness' new product pipeline of cardiac markers. Stock for stock deal value ~ \$326.3m, on sales of \$69.5m (4.7x) and EBITDA of \$14.3m (22.8x).	6/4/2007
Diagnostics	Lifecare AS , a private Norwegian company developing advanced micro and nanotechnology for the diabetes monitoring market.	Osmotex AS , a maker of patented electro-osmotic membranes and micro-pumps for the rapidly emerging microfluidic technology sector.	Lifecare AS has been developing an implantable osmotic sensor for automated, continuous glucose measurements. The deal adds advanced nano and microfluidics technology to this effort, addressing the \$11b worldwide diabetes market. Terms not disclosed.	5/21/2007
Diagnostics	Madison Dearborn Partners (MDP) , a private equity investment firm	VWR International, Inc. , a leading distributor of research and lab products to pharmaceutical, biotechnology, chemical, technology, clinical, food proc-	With \$3.1 billion in global sales, VWR sells lab products to more than 250,000 customers, primarily in North America and Europe. Madison Dearborn owns several distribution companies and is bullish on lab distri-	6/29/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
		essing and consumer product companies, and other accounts.	bution. Drugs and chemicals group Merck KGaA sold VWR to buyout firm Clayton, Dubilier & Rice in '04 for \$1.68b. Here, CD&R is selling VWR for approx. \$3.7b.	
Diagnostics	NightHawk Radiology Holdings, Inc. (Nasdaq: NHWK) , a leading provider of radiology solutions to medical groups and hospitals throughout the United States.	The Radlinx Group, a portfolio company of DW Healthcare Partners , a healthcare focused private equity firm.	Radlinx, the third largest provider of teleradiology services in the country to U.S. doctors, complements NightHawk's suite of radiology solutions and strengthens relations with radiology group customers. Radlinx's coverage of 303 hospitals increases NightHawk's customer base to over 1,300 hospitals nationwide representing 24% of all U.S. hospitals. Deal value -- \$53m on sales of roughly \$18m (2.9x).	4/11/2007
Diagnostics	Philips Medical Systems , a global medical imaging products manufacturer.	VMI-Sistemas Medicos , a Brazil-based imaging diagnostic company.	Substantially enhances Philips offerings in Brazil, especially in analogical and digital x-ray, cath-lab, mammography and ultrasound markets. VMI has extensive sales channels in Brazilian imaging markets. This is the first medical acquisition by Philips in an emerging economy. Between '03-'06, the Brazilian market for medical diagnostic imaging and monitoring equipment grew by ~ 20% per year, compared to 4-5% worldwide. Terms not disclosed.	6/21/2007
Diagnostics	QIAGEN (Nasdaq: QGEN) , a provider of sample and assay technologies for research in life sciences, applied testing and molecular diagnostics.	eGene, Inc. (Nasdaq: EGEL) , an early-stage company that has developed and is commercializing a patented sample separation and analysis technology based on capillary electrophoresis.	The combination of patented multiplex fluorescence detection designs with solid-state light sources and micro-optical collectors said to create an advantage over conventional gel-based sample separation technologies. The eGene solutions leverage QIAGEN sample and assay technologies. Deal value -- \$34m, on expected sales of approx. \$8m (4.2x).	4/16/2007
Diagnostics	QIAGEN N.V. (Nasdaq: QGEN) , a leading provider of sample and assay technologies for biological targets such as	Digene Corp. (Nasdaq: DIGE) , a leader in HPV-targeted molecular diagnostic testing products.	Creates a global leader in molecular diagnostics, outside blood screening and viral load monitoring. Combines QIAGEN's leading technology portfolio and breadth of mo-	6/3/2007

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Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
	DNA, RNA and proteins.		lecular diagnostic tests with Digene's leadership in the fast-growing HPV testing segment. Combined company estimated to have over\$350m of molecular diagnostics revenues and more than \$800 million in revenues overall in '08. Deal value ~ US\$1.6b on Digene sales of \$191.1m (8.4x) and EBITDA of \$39.0 (41.0x).	
Diagnostics	Quest Diagnostics Incorporated (NYSE: DGX) , a provider of diagnostic testing, information, and services for the healthcare industry.	Ameripath, Inc. , a leading provider of dermatopathology, anatomic pathology and esoteric testing and a portfolio company of Welsh, Carson, Anderson and Stowe IX, L.P.	Establishes a leading position in cancer diagnostics with a focus on dermatopathology, anatomic pathology and molecular diagnostics. The deal facilitates Quest's leadership mission in quality pathology disease management services. Transaction value -- \$2b on \$800m of revenue (2.5x).	5/31/2007
Diagnostics	Roche Holding AG , a leading healthcare provider of pharmaceuticals and diagnostics.	Ventana Medical Systems, Inc. (NASDAQ:VMSI) , a leading supplier of automated diagnostic systems to the anatomical pathology market.	This is an unfriendly tender offer. Ventana's technology helps to determine which drugs are most appropriate for individual patients, an emerging area known as personalized medicine. Identifying individual patient responses to certain treatments can mean more cost-efficient and targeted drug treatments. Deal value ~ \$3b, but Ventana has yet to accept Roche's takeover overtures. Ventana's revenues are \$248m (12x) and EBITDA \$67.9m (44x).	6/27/2007
Diagnostics	Roche Holding AG , a leading healthcare provider of pharmaceuticals and diagnostics.	BioVeris Corporation , a global health care and biosecurity company developing proprietary technologies in diagnostics and vaccinology.	Roche gains access to new electrochemiluminescence diagnostic technology, which makes molecules emit light. Roche plans to expand use of the ECL technology to drug development and clinical trials. Deal value -- \$600m.	6/26/2007
Diagnostics	Roche Holding AG , a leading manufacturer diagnostic and pharmaceutical products.	NimbleGen Systems, Inc. , a manufacturer of a proprietary suite of DNA microarrays, consumables, instruments and services.	Roche gains entry into the market for high-density DNA microarrays (used in pharma research to understand genetic causes of disease and predisposition factors, comparative genomic analysis and identification of potential drug targets). Complements	6/19/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
			existing Roche portfolio of genomic research tools. NimbleGen has 140 employees in three facilities -- Wisconsin, Iceland and Germany. Deal value -- \$272.5m.	
Diagnostics	Roche Holding AG , leading research-focused pharmaceutical and diagnostics company.	454 Life Sciences , a majority-owned subsidiary of CuraGen Corporation, which develops instrumentation for high-throughput DNA sequencing.	Gives Roche Diagnostics access to 454's sequencing products and in-vitro diagnostic applications. Deal value -- \$155m.	5/29/2007
Diagnostics	Roche , a leading research-focused pharmaceutical and diagnostics company.	Therapeutic Human Polyclonals, Inc. , a privately-owned biotechnology company focused on antibody research.	Builds on Roche's strength in therapeutic antibodies and adds to its R&D organization. THP developed a unique transgenic mammalian platform to create human antibodies, enhancing the efficacy of both monoclonal and polyclonal antibody therapeutics.	4/2/2007
Diagnostics	Sigma-Aldrich Corporation (SIAL) , a producer of biochemical and organic chemical products used in scientific and genomic research, biotechnology, pharmaceutical development, and diagnostics.	Molecular Medicine BioServices, Inc. , a biopharmaceutical contract manufacturing organization.	Enhances Sigma-Aldridge's biologics capabilities, with new expertise in the development of viral products, with DNA, RNA and critical active ingredients for the production of novel vaccines and gene therapies. Terms not disclosed. MMB's sales are \$12m.	5/9/2007
Diagnostics	The Gores Group , a private equity firm.	The Diagnostic Division of HealthSouth Corporation (NYSE: HLS) , one of the nation's largest providers of healthcare services with a focus in the inpatient rehabilitation.	The Diagnostic Division is comprised of a network of 54 freestanding diagnostic imaging centers in 19 states and D.C., offering MRI, CT, X-ray, ultrasound, mammography, fluoroscopy, and nuclear medicine services. Divestiture helps reposition HealthSouth as a post-acute healthcare provider, focusing on inpatient rehabilitative services. Gores gains a significant platform and geographic footprint. Deal value -- \$47.5m.	4/19/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
Distribution	MMS - A Medical Supply Company , a large independent healthcare distribution company focused on Midwest markets, with sales mostly into acute care.	Medical Innovations , a South-east based distributor primarily addressing the long term care market.	Adds a major Southeast distribution presence and strengthens MMS' long-term care coverage. Terms not disclosed.	6/29/2007
Distribution	PSS World Medical, Inc. (NASDAQ: PSSI) , a national distributor of medical products to physicians and elder care providers.	Activus Healthcare Solutions, Inc. , a California-based distributor of medical supplies to office-based physicians and ambulatory surgery centers in California, Oregon, Nevada, and Arizona.	Activus' 14-person seasoned sales team accelerates PSS' expansion in the Southwest, while PSS product offerings and marketing will benefit Activus's customer base. Activus generates \$22m in revenue. Terms not disclosed.	5/29/2007
Distribution	TA Associates , a leading private equity firm.	Twin Med, LLC , is a leading medical supplies distributor serving long-term care facilities nationally.	TA teamed with the Twin Med founders in a \$102.5m recap, which enables Twin Med to capitalize on new market growth opportunities. "The upward trend in nursing home acuity fueled by an aging population provides a significant opportunity for continued growth at Twin Med," said a TA principal.	6/25/2007
Medical Devices	3M Co. (NYSE: MMM) , a diversified manufacturer with substantial healthcare operations.	Articulos de Papel DMS Chile , a Chile-based manufacturer of disposable surgical packs, drapes, gowns and kits.	Builds on 3M's core medical business and expands its full-line of disposable drapes for infection prevention in Latin America. Terms not disclosed. DMS Chile employs approximately 100 people.	5/15/2007
Medical Devices	Advanced Medical Optics, Inc. (NYSE: EYE) , a global ophthalmic surgical and eye care products company.	IntraLase Corp. (Nasdaq: ILSE) , a manufacturer of a leading laser technology for refractive and corneal surgery.	Establishes EYE as a global refractive technology leader, with a suite of corneal and lens-based products addressing refractive vision needs. Optimizes cross-selling opportunities. Deal value -- \$808m on sales of \$131.93m (6.1x) and EBITDA of \$21.3m (37.9x).	4/3/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
Medical Devices	Aspen Surgical , a manufacturer of OEM and branded disposable medical products for surgical and general applications.	The surgical marker line of Precision Dynamics Corporation , a maker of Auto ID wristband systems for healthcare, law enforcement, and other applications.	Adds to Aspens surgical marker and OR disposable line. This is an add-on acquisition for Aspen, a portfolio company of Roundtable Healthcare Partners. Terms not disclosed. In July 07, Aspen bought Colby Manufacturing, a maker of disposable infection control products. Representing Colby, The Walden Group arranged for the transaction.	4/16/2007
Medical Devices	ATS Medical, Inc. (Nasdaq: ATSI) , a manufacturer of heart valve and other cardiac surgery products and services.	The surgical cryoablation business of CryoCath Technologies, Inc. (CYT.TO) , a manufacturer of cryotherapy and catheter products to treat cardiovascular disease..	Follows from an existing distribution agreement under which ATS successfully grew cryoblation revenue and market share. With the deal, ATS diversifies its product range and enhances its revenue and operating margins since it already has the selling, marketing and administrative infrastructure in place for CryoCath's products. The deal enables CryoCath to focus on its remaining electrophysiology line for treating atrial fibrillation and other arrhythmias. Deal value -- \$22.0m plus up to \$8.0 in contingent payments.	6/28/2007
Medical Devices	Boston Scientific Corporation (NYSE: BSX) , a major manufacturer of interventional medical devices.	Remon Medical Technologies Inc. , an Israel based development-stage company focused on communication technology for medical device applications.	Adds innovative sensor and wireless communication technology to BSX's cardiac rhythm management product line -- smart, miniature implants designed to enable physicians to assess and treat a variety of medical conditions in a non-invasive manner. Remon's technology monitorS a variety of physiological parameters, stimulateS tissues and organs or activateS other devices, creating therapeutic responses. Terms not disclosed.	6/25/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
Medical Devices	Boston Scientific Corporation (NYSE: BSX) , a major medical device manufacturer focused on cardiovascular and other interventional specialties.	Technology for treating symptomatic benign prostatic hyperplasia (BPH) from Celsion Corporation (Amex: CLN) , a developer of oncology drugs.	Since 2004, BSX has exclusively distributed the Prolieve(R)Thermodilatation System, a non-surgical, less invasive, microwave-based treatment for symptomatic BPH which is routinely performed in the physician's office. The system's transurethral catheter uses microwave heating to reduce the enlarged prostate tissue and improve urine flow. BSX had an option to buy the technology for \$60m.	6/21/2007
Medical Devices	Cardinal Health, Inc. (NYSE: CAH) , a major pharmaceutical and medical device distributor.	VIASYS Healthcare Inc. (NYSE: VAS) , a global, research-based medical technology company focused on respiratory, neurology, medical disposable and orthopedic products.	Expands Cardinal's respiratory business and adds a range of complementary products to its medical disposables business, while leveraging its hospital selling organization. VIASYS has more than 7,000 hospital customers in 100 countries and generates 40% of its revenue from customers outside the U.S., adding substantially to Cardinal international presence. Deal value -- \$1.5b, on Viasys revenue of \$610m.	5/14/2007
Medical Devices	CardioVasc, Inc. , a medical device company which focuses on interventional neuroradiology procedures.	Acta Vascular Systems, Inc. , a manufacturer of for interventional neuroradiology systems.	Combines the pioneering aneurysm treatment technology of CardioVasc with the established detachable balloon technology of Acta Vascular to serve the rapidly growing less invasive neurosurgery market known as Interventional Neuroradiology. The deal provides Nfocus (the newly named successor) with a broader presence and an immediate impact in the area of neurovascular diseases and hemorrhagic stroke. Terms not disclosed.	4/6/2007
Medical Devices	Cortec Group, Inc. , a private equity firm.	The Hygenic Corporation , a leading manufacturer of Thera-Brand and other branded consumable products for the professional therapy, rehab and wellness markets.	Hygenic represents a new platform for Cortec, which believes there are substantial growth opportunities and product line extensions. Cortec bought the interest of Baird Capital Partners. Terms not disclosed but Baird said it received > 4x its investment made in January 2004. At that	6/11/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
			time, American Capital Strategies invested \$22.75m in subordinated debt, preferred and common stock. In 2006 it invested another \$24.5m to support its acquisition of Performance Health Inc., a developer of topical analgesics to healthcare practitioners.	
Medical Devices	Datascope Corp. (NasdaqGS:DSCP) , a manufacturer of products for cardiac assist/monitoring products and interventional products/vascular grafts.	Artema Medical AB , a privately held Swedish manufacturer of proprietary gas analyzers, which identify and measure the concentration of anesthetic agents used during surgery.	Artema is the developer of a compact and power efficient side-stream gas analyzer, which is synergistic with the Datascope line. Artema's products are sold on an OEM-basis to patient monitoring companies. Its '06 revenues were approximately \$10 million, 35% higher than '05.	6/6/2007
Medical Devices	Elekta (STO:EKTA) , a Swedish-based manufacturer of advanced radiation therapy, comprehensive cancer management and non-invasive treatment of brain disorders.	3D Line Medical Systems S.r.l. , an Italy-based supplier of hardware and software for linear accelerator-based stereotactic radiosurgery and dynamic IMRT treatment.	Adds a product portfolio of advanced equipment and treatment planning software systems for performing radiation therapy with greater precision and dose distribution. Deal value -- \$13.3m on sales of \$8m (1.6x).	5/3/2007
Medical Devices	Greatbatch, Inc. (NYSE:GB) , a manufacturer of critical components used in implantable medical devices and other technically demanding applications.	BIOMEC, Inc. , a technical and engineering medical device development company.	Expands Greatbatch's ability to provide device design and engineering services to its customers, while adding new technologies that may be integrated into more complex device subsystems. Transaction value -- \$11.4m plus contingent payments.	4/9/2007
Medical Devices	Greatbatch, Inc. (NYSE:GB) , a manufacturer of critical components used in implantable medical devices and other technically demanding applications.	Enpath Medical, Inc. (Nasdaq:NPTH) , a manufacturer of disposable medical device products for the cardiac rhythm management (CRM), neuromodulation and interventional radiology markets.	Expands GB's product offerings to CRM and broadens its reach into the vascular segment with a core introducer product line, while adding several major new OEM customers and a strong management and regulatory team. Supports GB's long-term objective of customer and market diversification. Deal value -- \$102m, on '06 sales of \$37m (2.7x) and operating profit of \$2m (51x).	6/18/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
Medical Devices	Hologic, Inc. (NASDAQ: HOLX) , a leading provider of diagnostic imaging systems for women's health.	The breast cushion business BioLucent, Inc. , a manufacturer radiolucent foam cushions that covers the cold, hard surfaces of all commercially available mammography equipment and brachytherapy products.	BioLucent's patented MammoPad is designed to reduce the discomfort that inhibits many women from getting regular mammography screenings. The deal strengthens Hologic's capabilities and customer relationships in the growing mammography market. BioLucent retains its brachytherapy business. Deal value -- \$70m, plus earnouts not to exceed \$15m based on achieving revenue targets. '06 BioLucent sales were \$17m (4.1x), 42% increase over '05.	6/21/2007
Medical Devices	INBONE Technologies, Inc. , a medical innovator of surgical treatments for foot and ankle arthritis.	Reiley Orthopedic, Inc. , a maker of an innovative intramedullary fusion system.	Creates a wider surgical product line for the treatment of severe foot and ankle arthritis. The Reiley fusion system utilizes intramedullary rods and plates to fuse from within, creating a stronger construct than traditional steel screw and plate systems. Over 150 fusion implants have been installed and the results are showing faster fusion times and lower infection rates without the nerve damage that can occur with external screws and plates Terms not disclosed.	4/9/2007
Medical Devices	Integra LifeSciences Holdings Corporation (NASDAQ:IART) , a manufacturer of regenerative medical devices focused on neurosurgery, extremity reconstruction, orthopedics and general surgery.	LXU Healthcare Inc. , a leading manufacturer of fiber optic headlight systems for the medical industry through its Luxtec brand.	Luxtec's headlight systems are used by over 50,000 surgeons worldwide and provides the Jarit sales organization (part of Integra) with increased exposure and growth opportunities in the hospital and ambulatory surgery center market, including various key surgical specialties. Approximately 40% of Luxtec products are used by cardiovascular surgeons, 20% by general surgeons, 10% by neurosurgeons and 7% each by ENT and orthopedic surgeons. Transaction Value -- \$30m, on LXU revenue of \$49.4m(0.6x) and EBITDA off \$2.6m (11.6x).	5/8/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
Medical Devices	Integra LifeSciences Holdings Corporation (NasdaqGS:IART) , a manufacturer of regenerative medical devices focused on neurosurgery, extremity reconstruction, orthopedics and general surgery.	The pain management business of Physician Industries, Inc. , a producer of customized trays for spinal, epidural, nerve block, and biopsy procedures, as well as other pain management products.	Adds critical mass to Integra's existing pain management product offerings. Deal value -- \$4.0m	5/11/2007
Medical Devices	IntriCon Corporation (AMEX:IIN) , a manufacturer and distributor of miniature and micro-miniature medical and electronics products.	Tibbetts Industries, Inc. , a manufacturer of components used in hearing aids and medical devices.	Gives IntriCon access to key components that go into ear-worn communication devices used in hearing health, medical and professional audio products such as hearing aids, and ear-worn headsets and microphones. Deal value -- \$4.5m	4/23/2007
Medical Devices	Ithaca Acquisition Corp. (OTCBB:ITHKU) , a special purpose acquisition corporation (SPAC).	Alsius Corporation , a maker of proprietary products to control patient temperatures in hospital critical care settings.	The reverse SPAC merger enables Alsius to go public and Ithaca to fulfill its acquisition requirements as a "blank check" company (which raised \$48m to make acquisitions). Controlling body temperature is becoming a standard of care for surgical procedures. Alsius's products consist of a computer-controlled temperature regulation system that circulates cool or warm saline in a closed-loop circuit through balloons that surround catheters, achieving rapid and precise temperature management through contact with the patient's blood flow. Unlike conventional external temperature management products, such as cooling and warming blankets and ice packs, the intravascular products cool and warm the patient from the inside out. Alsius stock holders get Ithaca stock and additional performance shares upon the achievement of revenues of \$14.8m, \$28.0m and \$47.0m for 2007, 2008 and 2009, respectively, plus more shares for 20% additional growth.	6/25/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
Medical Devices	Medline Industries Inc. , the largest independent manufacturer and distributor of health-care products in the United States.	The Curad bandage brand and business from Beiersdorf AG of Germany , a manufacturer of Nivea and other retail skin care products.	Curad ranks second to J&J's Band-Aid brand in the wound-care industry. Medline will integrate Curad into its wound-care business. Terms not disclosed.	5/8/2007
Medical Devices	Medtronic, Inc. (NYSE:MDT) , a major manufacturer of cardiovascular and other devices.	The O-arm® Imaging System assets of Breakaway Imaging, LLC. , a maker of image guided navigational products.	The O-arm Imaging System provides orthopedic surgeons with 3-D images, as well as multi-plane 2-D, and fluoroscopic imaging. Installed in 20 locations, the system integrates with Medtronic's image guided surgical solutions. Terms not disclosed.	4/24/2007
Medical Devices	Mentor Corporation (NYSE:MNT) , a leading supplier of medical products for the global aesthetic market	Perouse Plastie SAS (Perouse) , a France-based manufacturer and distributor of silicone gel breast implants.	Strengthens Mentor in foreign markets, including emerging areas. Deal value -- \$57m.	6/28/2007
Medical Devices	Micromedics Inc. , a manufacturer of medical devices for the ear, nose and throat (ENT) market.	Medco, Inc. , a developer of over-the-counter ear protection products (i.e., ear drops, plugs, bands, etc.).	Increases Micromedics' revenue by 15% and provides a distribution channel to the over-the-counter market. Micromedics' products include biomaterial applicators and implants for ENT surgery, as well as devices for treating ear pressure and middle-ear fluid. Terms not disclosed.	6/18/2007
Medical Devices	NxStage Medical, Inc (Nasdaq: NXTM) , a manufacturer of dialysis systems to treat end-stage renal disease and acute kidney failure.	Medisystems Corporation , a maker and distributor of products for dialysis and related blood treatments.	Medisystems is a U.S. market leader in hemodialysis blood tubing sets and related disposables, including the cartridge used in xStage's portable dialysis machine. For NxStage, the deal adds scale, production control and an experienced management. Deal value ~ \$78.7m in NxState stock. Medsystems' revenues are \$65.5 million in revenues (1.2x).	6/4/2007
Medical Devices	Onex Corporation , a Canadian-based private equity firm.	The Healthcare Imaging Group of Eastman Kodak Company , a leading provider of medical imaging and health-	Onex acquires a major new platform in digital x-ray systems, molecular imaging systems and x-ray film, as well as dental imaging products, software and services.	5/1/2007

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Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
		care information technology solutions.	Permits a greater focus on this business than Kodak was willing to apply, due to declining margins and Kodak's need to reduce debt. Deal value -- \$2.35b on sales of about \$2.54b. Onex's equity investment is \$475m. if Onex realizes an IRR > 25%, Kodak will receive a payment of 25% of the excess return up to \$200m.	
Medical Devices	Pioneer Surgical Technology , a leading innovator in the design and manufacture of spinal and orthopedic implants.	Encelle, Inc. , a developer of sterile, injectable biopolymers designed to repair or regenerate diseased or damaged tissue.	Allows Pioneer to enter \$1.2b orthobiologics market. The 2 companies had an R&D collaboration for the development of a family of products to assist in the repair and regeneration of bone and soft tissue, initially focused on spinal fusion.	6/4/2007
Medical Devices	ReAble Therapeutics, Inc. (formerly Encore Medical) , a diversified rehabilitation and orthopedic device company.	IOMED, Inc. (Amex: IOX) , a leading manufacturer of pain management drug-delivery devices focused primarily on iontophoresis (drug delivery transdermally using electric current to ionize drug molecules and propel them through the skin).	This is an add-on acquisition by Blackstone, which acquired ReAble in '06. IOMED's pain management drug delivery devices complement offerings of ReAble's Empi pain management and rehab division. IOMED has a field sales force and sizeable distribution system. ReAble also distributes electrical stimulation and other orthopedic products used for pain management, orthopedic rehabilitation, physical therapy, fitness and sport performance enhancement. Deal value ~ \$22m, on sales of \$9.1m (2.4x) and negative EBTIDA.	5/18/2007
Medical Devices	Sandvik AB (STO:SAND) , a Swedish-based manufacturer of products using advanced stainless materials, special alloys, metallic and ceramic resistance materials.	Doncasters Medical Technologies division (Doncasters Group Ltd UK) , a contract manufacturer of orthopedic implants and instruments.	Doncasters' implant business -- made of high-tech alloys -- supplements Sandvik's materials technology, manufacturing, and development capabilities. The new organization advances the goal of "end-to-end" services to OEMs of medical devices and instruments (from base material to finish products). Doncasters operates from sites across Europe, the U.S. and Mexico. Terms not disclosed; Doncasters' sales are \$70m.	6/12/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
Medical Devices	Smith & Nephew plc (NYSE: SNN) Advanced Wound Management business , a global wound care and medical technology business.	BlueSky Medical Group, Inc. , a developer of negative pressure wound therapy products.	Negative pressure wound therapy ("NPWT") is the fastest growing segment of the woundcare market, estimated at \$1.2b in '06. The market was pioneered by Kinetic Concepts, Inc., against whom BlueSky won a patent infringement defense. NPWT treats chronic wounds such as diabetic ulcers, pressure sores, and post-operative and hard-to-heal wounds by applying sub-atmospheric pressure to an open wound. Deal value -- \$15m, plus up to \$95m for meeting revenue and other targets. BlueSky had revenues of approximately \$11m from its distributors in 2006 (equivalent to \$55m in sales to end users).	5/11/2007
Medical Devices	Smith & Nephew Plc , a global wound care and medical technology business.	Plus Orthopedics Holding AG , Swedish based supplier of cementless hip prosthesis in Europe.	Increases Smith & Nephew's share of the global orthopedic reconstruction market to around 12% (4th largest mfgr of hips and knees) and doubles its share of the European orthopedic reconstruction market. The Plus products are highly synergistic, leveraging the combined sales force in Europe and Asia. Estimated \$40m in cost synergies and \$45m in revenue synergies. Deal value -- \$889m on sales of \$300m (2.96x) and EBIT of \$36m (24.7x).	6/1/2007
Medical Devices	Symmetry Medical Inc. (NYSE: SMA) , a manufacturer of orthopedic products.	TNCO Inc. , a 40 year-old producer of quality engineered products for minimally invasive procedures.	Diversifies Symmetry and leverages its sales and distribution network in routing TNCO products through it. TNCO's IP portfolio and customer relationships extend Symmetry Medical's product offering. Deal value -- \$7.0m on \$7.5 of sales TNCO reported 2006 revenues of approximately \$7.5m (0.9x).	4/3/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
Medical Devices	Synovis Life Technologies, Inc. (Nasdaq: SYNO) , a maker of implantable biomaterial products, devices for microsurgery, and surgical tools for hospitals and surgeons.	Fascia Closure's 4Closure(TM) Surgical Fascia Closure System , a laparoscopic surgical closure system.	Complements Synovis' interventional offerings and saleable into its current customer base. Terms not disclosed but potential U.S. market for closure of defects in the fascia caused by laparoscopic entry is estimated at \$15m.	4/10/2007
Medical Devices	Teleflex Incorporated (NYSE:TFX) , a leading global supplier of disposable medical products, surgical instruments and medical devices.	Specialized Medical Devices, Inc. , an OEM provider of engineering and manufacturing services to medical device manufacturers.	Adds another well respected line of medical components, devices, implants and instruments used in orthopedics. Deal terms not disclosed but SMD had '06 revenue of \$14m.	5/3/2007
Medical Devices	The management team of the Vermed subsidiary , a manufacturer of a full line of medical sensors and electrodes for use in physiological measurement applications.	CardioDynamics (Nasdaq: CDIC) , a manufacturer of non-invasive impedance cardiography products and medical device electrodes.	The divestiture of Vermed enables CardioDynamics to focus on its high growth proprietary ICG business. Deal value -- \$8m.	6/26/2007
Medical Devices	Tyco International Ltd. (NYSE: TYC) , a global, diversified company with a significant medical presence.	Sorbx LLC's Absorbatack(TM) product line , using absorbable tack mesh for both inguinal and ventral hernia repair.	Complements Tyco's hernia repair line.	4/23/2007
Medical Devices	Warburg Pincus , a global private equity firm.	Bausch & Lomb (NYSE:BOL) , a major maker of contact lenses and eye medications.	Another private equity billion dollar deal -- \$3.67b. As a private company, B&L will have greater flexibility to focus on long-term strategies. As of 7-5-07, Advanced Medical Optics Inc. offered \$4.2b. AMO and B&L are competitors. AMO may need to bring on a private equity firm partner to help fund its bid. However, with contact lens fluid recalls, possible antitrust issues and a large shareholder objecting to the deal, AMO's deal may fall apart.	5/16/2007
Medical Devices	Wright Medical Group Inc. (NASDAQ: WMGI) , a global orthopedic medical device company specializing in reconstructive joint devices and bio-	The foot and ankle reconstruction business of Darco International Inc. , a leading provider of surgical, trauma and wound care solutions.	Adds to Wright's position in foot and ankle surgery sector and complements its existing lower extremity lines. Also avails of Wright's distribution system and strengthens its presence in Germany, where the	4/5/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
	logics.		majority of Darco's \$6m in sales is derived. Deal value -- \$17m (2.8x).	
Medical Devices	Wright Medical Group, Inc. (NASDAQ: WMGI) , a global orthopedic medical device company specializing in reconstructive joint devices and biologics.	The external fixation product line of R&R Medical, Inc. , a provider of external fixation devices to the foot and ankle and trauma markets.	The acquired line addresses external fixation procedures most commonly performed by foot and ankle surgeons and surgical podiatrists. Wright's U.S. sales force will be selling the line, which complements its rapidly expanding group of reconstructive and biologic products for foot surgery.	4/16/2007
Medical Services	Aetna (NYSE: AET) , a major insurance and managed care company.	Schaller Anderson, Inc. , a leading privately-owned provider of health care management services for Medicaid plans.	Improves Aetna's medical management coverage for state and federal programs in several regions and enhances its ability to manage populations with complex and expensive conditions.	5/24/2007
Medical Services	Bridgepoint Capital , a European private equity firm.	Gambro Healthcare , the dialysis care services division of Swedish Gambro Group, the global medical technology company.	Gambro is the second largest provider of dialysis care services in Europe with 155 clinics in 14 countries serving 12,000 patients and with ancillary businesses in South America and Australia. A growing business in a fragmented sector with significant potential for further growth due to increased incidence of diabetes, hypertension, obesity and other conditions. Deal value said to be more than \$820m, on expected sales of \$334m (2.4x) and EBITDA of \$65m (12.6x).	5/7/2007
Medical Services	Formation Capital, LLC and JER Partners , private equity firms.	Genesis HealthCare Corporation (NASDAQ: GHCI) , one of the nation's largest long-term care providers with over 200 skilled nursing centers and assisted living residences in 13 eastern states.	Long-term care facilities are attractive private equity acquisition targets, due to the aging population, longer life spans, and predictable patient needs and appurtenant cash flows. Deal value -- \$1.9b, reflecting an increase in consideration to obtain Genesis shareholder approval.	5/3/2007

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Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
Medical Services	Hanger Orthopedic Group, Inc. (NYSE: HGR) , a large consolidated provider of orthotic and prosthetic patient care services.	Paris O&P, Inc. , a multi-site provider of orthotic and prosthetic services in Texas and Oklahoma.	Strengthens Hanger's market position in those states. Hanger now has 619 patient care centers in 45 states and the District of Columbia, with 3,461 employees including 1,027 practitioners. Terms not disclosed.	6/21/2007
Medical Services	Spi Technologies , a subsidiary of the Philippines phone company.	Springfield Service Corp. , the 10th largest player in the medical billing and revenue cycle management market, with 383 employees operating in five U.S. locations.	The deal strengthen Spi's relationships with more than 400 hospitals, multispecialty clinics and physician practices. In August 2006, SPi acquired transcription service provider CyMed Inc. for \$35m. Outsourced medical billing is a rapidly growing \$25-billion industry. The transaction adds U.S. based critical mass to Spi's off-shore billing services. Deal value ~ \$44m on expected sales of \$30m (1.5x).	4/17/2007
Medical Services	Sun Healthcare Group, Inc. (NASDAQ:SUNH) , a provider of long-term, sub-acute and related care services at about 100 facilities in 13 states.	Harborside Healthcare Corporation , a leading nursing and long-term care company operating 76 facilities in 10 eastern states.	After acquiring Peak Medical in Dec. 05 and pruning underperforming businesses and facilities, the Harborside deal helps Sun transform itself after surviving a bankruptcy filing. Harborside's facilities are contiguous in location with Sun's. Deal value -- \$350m plus \$275m in assumed debt. \$12-15m of synergistic expense savings anticipated. Harborside's sales were \$544m (1.1x), excluding \$91m from acquired companies (full year effect).	4/19/2007
Medical Services	TA Associates , a leading buy-out and private equity firm.	Alere Medical Incorporated , a leading disease management company focused on asthma, chronic obstructive pulmonary disorder, coronary artery disease, diabetes and heart failure.	Disease management (DM) considered an important tool to drive down costs, especially by focusing on the chronic diseases that account for a disproportionately high share of healthcare costs. DM industry expects an 18% compounded annual growth rate to \$1.9 billion of revenue by 2008, according to a Boston Consulting Group report. Deal value --\$175m.	4/3/2007

Sector	Acquiring Party	Transferring Party	Comments/Rationale	Date
Medical Services	Water Street Healthcare Partners , a Chicago-based private equity firm.	Physiotherapy Associates , the outpatient physical therapy business of Stryker Corporation (NYSE: SYK).	The divestiture permits Stryker to focus on its core surgical lines. Water Street intends to accelerate Physiotherapy Associates' growth and further build its position in a fragmented market through acquisitions. Physiotherapy Associates provides outpatient physical therapy services, such as general orthopaedics, spinal care and neurological rehabilitation, through 475 clinics in 31 states. Deal value -- \$150m, on sales of \$262.6m (0.6x) and operating income of \$18.0 (8.3x).	6/4/2007
Medical Services	Welsh, Carson, Anderson & Stowe , a large private equity firm focused in information & business services, healthcare and communications.	United Surgical Partners International (NASDAQ:USPI) , founded in 1998 with Welch Carson, a manager of ambulatory surgery centers in the U.S. and private surgical hospitals in Europe.	Going private considered more opportune for growth and value creation. USPI operates 131 surgery centers and 10 private surgical hospitals. Deal value ~ \$1.8b on sales of \$578.8m (3.1x) and EBITDA of \$206.3 (8.7x).	4/19/2007
Medical Services	Zotec Solutions Inc , a leading provider of medical billing, practice management and Radiology Information Systems software and services.	Healthcare Management Partners , the 12th largest medical billing company in the United States.	Zotec Partners -- the combined company -- will hold a significant presence in the U.S. hospital-based physician billing market. Zotec's clients will gain increased resources and expertise. Zotec Partners will service over 5,500 physicians across more than 40 states this year and is the exclusive Platinum Sponsor of the Radiology Business Management Association. Terms not disclosed.	4/11/2007