The Strategic Healthcare M&A Report

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

3rd Quarter 2008

Highlights

1. ***Our Take on the Economic Crisis***
2. ***3Q 08 Overview -- High elevation summary of the quarter's major deal activity***
3. ***3Q 08's Top Deals -- Transactions with a value over $100m.***
4. ***3Q 08 M&A Deal-by-Deal Review -- More than 60 Transactions Analyzed -- announced or closed in 3Q 08.***

To review The Walden Group's new Dynamic M&A database online, see
http://www.waldenmed.com/quarterly/ma_db_quarters.htm

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1. The Economic Crisis -- Our Take

The current economic crisis certainly weighs down the healthcare sector in terms of adding general uncertainty, making it difficult to obtain financing for needed projects and overall operations, possibly slowing down collections, and increasing governmental budget pressures that drive reimbursements, among other effects. Demand for healthcare, however, cannot slow down and the current dislocations will eventually recede. During this period, companies should improve efficiencies but remain steadfast in operating their businesses based on core fundamentals.

During the macroeconomic mess, there will likely be a tendency to avoid risky and longer term initiatives. While re-assessing new projects and applying higher levels of scrutiny are beneficial, the current climate should not stifle well-thought out plans. Companies with strong balance sheets and market shares can take advantage of the current economic weakness by firming up their foundations, at the expense of the competition. When the economic crisis finally subsides, the initiatives taken during these uncertain times can lead to significant market share gains.

All this puts pressure on smaller companies that may not have the resources, product breadth and geographical diversification to prosper during hard times. Although all companies can be expected to be somewhat defensive currently, smaller companies are more likely to adopt a more conservative posture, as outside capital becomes scarce. These times can test their mettle, but smaller companies have critical advantages -- specialization, nimble decision-making and implementation, creative energy and a drive to shower customers with greater attention.

The unrelenting need and demand for healthcare by a growing population of aging adults, their desire to remain more active later in life and increased sensitivity to care in emerging markets can be expected to support the healthcare and life sciences industry for the foreseeable future. Yet, the current crisis will cause companies to sharpen their strategies and could lead undercapitalized ones to fail. All this puts a premium on innovation, product quality, efficient production and above all skillful management.

2. Quarterly M&A Overview – *a high elevation overview of 3Q 08's deal activity*

Given uncertain world economic markets, healthcare M&A activity dropped off in 3Q, especially in September when credit dried up. Although deals were still being announced and closed, there was a decline in the larger transactions and many people are distracted temporarily. A top level review of 3Q activity follows.

Biopharmaceuticals -- The sector's activity was dominated by ***Roche's*** $33.7b bid for the 44% of ***Genentech*** it doesn't own already. Given the financial crisis, Roche is discussing loans with a group of 10-15 banks and closing the deal is uncertain. The acquisition will add Genentech's biotech portfolio, pipeline and innovative R&D capacity to Roche's more established lines. Roche also paid $189mfor ***Arius Research*** (for cancer and inflammation therapies) and $125m for ***Mirus Bio Corp***. to accelerate its position in RNAi gene silencing technology. ***Teva Pharmaceutical's*** $8.9b pending purchase of ***Barr Pharmaceutical***, combining two generic drug giants, was also notable.

Data Management/Healthcare IT -- ***Philips Medical*** divested a non-core asset, the ***Medquist*** transcription business, to an investment firm, for $340m. ***MEDecision,*** a leading information technology company focused on disease and utilization management, was sold to ***Blue Cross operators*** in several states for $121m. And ***Eclipsys***, which provides healthcare information systems mostly to hospitals, expanded in the private practice market with it purchase of ***Medinotes*** for $45m.

Diagnostics **--** In its $580m deal for ***Third Wave Technologies, Hologic*** obtains diagnostic tests used for cystic fibrosis, hepatitis C, cardiovascular risk and other conditions.

Medical Devices -- ***GE*** is expanding its position in the anesthesia and critical care monitoring market and added a disposable revenue stream by purchasing ***Vital Signs*** for $860m. ***Medtronic*** is buying ***Cryocath Technologies*** for its minimally invasive cryo-balloon ablation technology (deal value $380m). It also bought ***Restore Medical*** for its implantable device to treat obstructive sleep apnea ($29m). ***Nordic Capital*** and ***Avista Capital*** continue to mold the ***ConvaTec*** wound care business it bought from ***Bristol Myers*** in combining it with Unomedical, another Nordic portfolio company. ***St. Jude*** furthered its product line to treat atrial-fibrillation with its $92m purchase of ***EP MedSystems***. St. Jude also bought the ***vascular closure business*** of ***Datascope***, before Datascope is sold to ***Getinge*** for $231m for its cardciovascular portfolio.

Medical Services -- ***Omnicare***, a provider for pharmaceutical services for the elderly is buying ***Advanced Care Scripts***, a specialty pharmacy, for $212m. ***Water Street Healthcare Partners*** are buying the health benefits management arm of ***Gentiva*** for $147m. In the largest buyout in Australian history, ***CSL*** is buying ***Teleris Biotherapeutics*** forming the second largest blood servicing company in the world (behind Baxter).

OTC/Consumer -- In another Australian deal, ***Sanofi-Aventis*** is paying $436m to buy an Australian-based vitamin maker.

2. Top Deals of 3Q 08 -- >$100m in Transaction Value (announced or closed)

See M&A Deal-by-Deal reviews for details. Deals involving private equity firms are indicated in the "PE" column.

Sector	Value ($millions)	Acquiring Party	Transferring Party	PE
Biopharmaceuticals	$43,700	Roche Holding AG	Genentech Inc.	
	$8,960	Teva Pharmaceutical Industries Ltd.	Barr Pharmaceuticals, Inc.	
	$4,640	Fresenius Kabi	APP Pharmaceuticals, Inc.	
	$880	Novartis Corp.	Speedel	
	$551	Sanofi-Aventis SA	Acambis PLC	
	$518	Shire Limited	Jerini AG	
	$443	ViroPharma Incorporated	Lev Pharmaceuticals, Inc.	
	$425	Meda AB	Most of the European operations of Valeant Pharmaceuticals International	
	$189	Roche Holding AG	Arius Research Inc.	
	$148	Stiefel Laboratories, Inc.	Barrier Therapeutics, Inc.	
	$125	Roche Holding AG	Mirus Bio Corp.	
Data Management/ Healthcare IT	$287	CBaySystems Holdings Ltd.	Medquist transcription business of Philips Electronics N.V.	Yes
	$121	Health Care Service Corp. of Chicago	MEDecision Inc.	
Diagnostics	$580	Hologic, Inc.	Third Wave Technologies Inc.	
	$117	Immucor, Inc.	BioArray Solutions Ltd.	
Medical Devices	$4,100	Nordic Capital Fund VII and Avista Capital Partners	The ConvaTec business unit of Bristol-Myers Squibb Company	Yes
	$860	GE Healthcare	Vital Signs Inc.	
	$618	Getinge AB	Datascope Corp.	
	$380	Medtronic, Inc.	CryoCath Technologies Inc.	
	$360	Zimmer Holdings, Inc.	The Spine business of Abbott Laboratories	
	$150	Medicis Pharmaceutical Corporation	LipoSonix, Inc.	Yes
	$114	Teijin Ltd	Braden Partners L.P.	
Medical Services	$3,100	CSL Ltd.	Talecris Biotherapeutics Holdings	Yes
	$147	Water Street Healthcare Partners	The ancillary care benefit management business of Gentiva	Yes
OTC/Consumer	$735	VSP	Marchon Eyewear Inc.	
	$436	Sanofi-Aventis	The consumer products unit of Primary Health Care.	

3. M&A Deal-by-Deal Review -- 3Q '08

The information contained in the table below was derived from publicly available and other sources. Transaction analysis 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	Analysis
Biopharmaceuticals	**Access Pharmaceuticals, Inc.**, an emerging biopharmaceutical company that develops and commercializes propriety products for the treatment and supportive care of cancer patients.	**MacroChem Corporation**, a specialty pharmaceutical focused on oncology, anti-infective and dermatology products.	Brings multiple late-stage oncology drug candidates into the Access pipeline, some of which are further along than Access' current assets. Deal value -- $9m.
Biopharmaceuticals	**CytRx Corporation (Nasdaq:CYTR)**, a biopharma R&D company.	**Innovive Pharmaceuticals, Inc.**, a biotech company developing drugs for oncology and hematology.	Acquired portfolio includes four clinical-stage oncology drug candidates, balancing out CytRx's near-, medium-, and long-term revenue generation. Deal price -- $1.5m in stock plus $18m of milestone earnouts.
Biopharmaceuticals	**Eli Lilly and Company (NYSE: LLY)**, a global pharmaceutical company.	**SGX Pharmaceuticals, Inc.**, a biotech company focused on targeted oncology therapeutics.	Allows Lilly to integrate SGX's 3 dimensional structure-guided drug discovery platform into its own drug discovery efforts and provides several pre-clinical oncology compounds. The deal comes after a prior collaboration using SGX's proprietary x-ray crystallography technology to analyze key Lilly drug targets. Deal value -- $64m.
Biopharmaceuticals	**Fresenius Kabi**, a $18 billion provider of infusion and nutrition products and services for hospital, dialysis and home medical care.	**APP Pharmaceuticals, Inc.**, a leading provider of hospital-based injectable pharmaceutical products.	Fresenius Kabi achieves a leading position in the US injectable generics market. With the APP platform, Fresenius Kabi can market its product range in the U.S. and provide the international resources to sell APP's products globally. Deal value -- $4.6b (with debt assumption), on sales and EBITDA of $655.2m (7.1x) and $253.0m (18.3x). Earnout potential of ~ $970m.
Biopharmaceuticals	**Meda AB**, an Swiss-based specialty pharmaceutical company.	**Most of the European operations of Valeant Pharmaceuticals International**, a multinational specialty pharmaceutical company that develops neurology and dermatology pharmaceuticals.	Combines complementary product lines in neurology and dermatology, offers integration benefits by combining organizations in Western Europe and enables Meda to offer its products in Eastern Europe and Russia. Deal value -- $425m.

Sector	Acquiring Party	Transferring Party	Analysis
Biopharmaceuticals	**Novartis Corp. (NYSE: NVS)**, a global life sciences company focused on pharmaceuticals, generics, consumer health, eyecare products and medicines, and animal health.	**Speedel**, a biopharma company focused on cardiovascular and metabolic diseases.	Follows from a collaboration on the blood pressure drug Tekturna; Novatis will save $30m in royalty payments, gain access to Speedel's drug pipeline, which includes two other direct renin inhibitors in early clinical development and an aldosterone synthase inhibitor in preclinical development for various cardiovascular diseases. Another biotech acquisition by big pharma to enhance their pipelines. Deal value $880m.
Biopharmaceuticals	**Roche Holding AG**, a leading biopharma company focused on in-vitro diagnostics, drugs for cancer and transplantation, as well as autoimmune, inflammatory and metabolic disorders.	**Arius Research Inc.**, a Canada-based biotech company focused on antibody therapeutics to treat cancer and other diseases.	Helps beef up Roche's portfolio of experimental therapies for cancer and inflammation with a platform technology for selecting antibodies -- a hot field in biotechnology--as well as a pipeline of early-stage antibody candidates. The deal came a day after Roche said it would buy Mirus Bio for $125m and two days after Roche's offer to pay $44b for the remaining shares of Genentech. Deal value -- $189.3m.
Biopharmaceuticals	**Roche Holding AG**, a leading biopharma company focused on in-vitro diagnostics, drugs for cancer and transplantation, as well as autoimmune, inflammatory and metabolic disorders.	**Genentech Inc.**, a biotech company focused on pharmaceutical products to treat patients with unmet medical needs.	Roche offers to buy the 44% of Genentech it does not own already to secure rights to Genentech's drug pipeline beyond 2015, the term of existing arrangements. The proposed deal also enhances Roche's R&D capabilities and adds synergy savings of about $850m. The weak dollar made the acquisition less expensive, although the credit crisis adds uncertainty the deal will close. Deal size ~ $43.7b for 44% of Genentech (a $99.3b valuation on sales of $11.7b, 8.5x). (Roche formerly owned 100% of Genentech but sold shares in a public offering.) Like Novartis' takeover of Chiron, this deal reflects the need of big pharma to shore up pipelines with more innovative biotech sources.
Biopharmaceuticals	**Roche Holding AG**, a leading biopharma company focused on in-vitro diagnostics, drugs for cancer and transplantation, as well as autoimmune, inflammatory and metabolic disorders.	**Mirus Bio Corp.**, a developer of nucleic acid based technologies, including a proprietary RNAi (Ribonucleic Acid interference) delivery platform.	Accelerate Roche's position in RNAi gene silencing technology, after it entered a major alliance with Alnylam Pharmaceuticals in 07. RNAi represents a potential new class of therapeutics for difficult to treat diseases. The major challenge of this promising technology has so far been the transport of RNAi molecules into the target cell. Mirus' delivery platform provides an innovative way of effectively getting RNAi therapeutics to specific disease targets. Deal value -- $125m. Part of Roche's buying spree of new technological platforms to serve as future drug sources.

Sector	Acquiring Party	Transferring Party	Analysis
Biopharmaceuticals	**Sanofi-Aventis SA**, a global pharmaceutical company focused on oncology, metabolic disorders, CNS, internal medicine and vaccines.	**Acambis PLC**, a leading vaccine development company focused on West Nile, Smallpox and other unmet medical needs.	Bolsters Sanofi's position in the vaccine market. In early 08 Acambis won a $425m, 10-yr contract to provide the U.S. government with its small pox vaccine, a mainstay of the U.S.'s stockpile. The deal follows a JV between the two companies that has been in place since 2007. Deal value -- $551m.
Biopharmaceuticals	**Sanofi-Aventis SA**, a global pharmaceutical company focused on oncology, metabolic disorders, CNS, internal medicine and vaccines.	**Zentiva NV**, a Czech generic-drug company making low-priced heart, pain and inflammation treatments.	Gives France's largest drugmaker more than 180 generic medicines, including copies of Merck & Co.'s Zocor for cholesterol, and the top spot in Turkey, Romania and Slovakia. Sanofi seeks to expand in the generics market, which is growing at twice the rate of branded medicines. Deal price -- $1.96b on ~ $133m of EBITDA (15.1x) Sanofi already owned 25% of Zentiva and the deal tops a rival bid.
Biopharmaceuticals	**Shire Limited**, a leading specialty biopharmaceutical company focused on attention deficit and hyperactivity disorder, human genetic therapies, gastrointestinal and renal diseases.	**Jerini AG**, a pharmaceutical company based in Germany focused on peptide-based drugs for rare disorders.	Facilitates the market introduction in Europe of the orphan drug Firazyr for hereditary angioedema (a rare genetic disease) and allows for marketing approval in the U.S. Expected to bring near term revenues to Shire and contribute to its longer term growth. Annual sales of Firazyr are estimated at $350 to $400m/year. Jerini received a non-approval letter from the FDA, which Shire feels can be overturned. Deal value -- $518m.
Biopharmaceuticals	**Stiefel Laboratories, Inc.**, a large independent pharmaceutical company specializing in dermatology.	**Barrier Therapeutics, Inc.**, a 6 year-old pharmaceutical company that develops and markets dermatology products.	Strengthens Stiefel's position in the global dermatology market. Deal value- $148m, on $29.7m of revenue and negative EBITDA.
Biopharmaceuticals	**Teva Pharmaceutical Industries Ltd. (Nasdaq: TEVA)**, a manufacturer of generic and active pharmaceutical ingredients.	**Barr Pharmaceuticals, Inc.**, the largest U.S. maker of oral contraceptives and the fourth largest generic drug company worldwide.	Enhances Teva's position in the U.S. and key Central and Eastern European markets; adds development resources and breadth to Teva's product portfolio and pipeline, especially in regard to Barr's women's health portfolio. Deal value ~$8.9b on sales and EBITDA of $2.6b (3.4x) and $676m (13.3x), respectively.
Biopharmaceuticals	**Valeant Pharmaceuticals International (NYSE:VRX)**, a specialty pharmaceutical company focused primarily on neurology and dermatology.	**Coria Laboratories, Ltd.**, a pharmaceutical company focused on dermatology products.	Expands Valeant's business in the U.S. and enhances its dermatology business. Deal value -- $95m on sales of ~$40m.

Sector	Acquiring Party	Transferring Party	Analysis
Biopharmaceuticals	**ViroPharma Incorporated (Nasdaq: VPHM)**, a biopharmaceutical company.	**Lev Pharmaceuticals, Inc.**, 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). HAE is caused by a genetic mutation leading to low serum levels of C1 esterase inhibitor and unchecked inflammation. Patients suffer sporadic attacks of swelling that may occur in the hands, legs, face, throat, genitals or gastro-intestinal tract. An estimated 10,000 U.S. patients have the disease, with 4 600 diagnosed cases. ViroPharma projects that one quarter of the diagnosed patients will buy its drug at an annual cost of $300 000 (meaning annual sales $345M). Such pricing is make possible by the controversial Orphan Drug Act which provides that the first company that completes a clinical trial demonstrating the efficacy of a drug against an orphan disease is granted a monopoly for that drug. ViroPharma had been losing money before it acquired the orphan drug Vancocin from Eli Lilly (LLY) for $116M and aggressively raised its price, resulting in annual revenues of $200M in 2007, and more than recouping the cost of acquisition in merely 2 years. The Lev deal value is $443m, plus up to additional $173m if Cinryze gets approved by the FDA and sales reach $600m within a decade.
Data Management/ Healthcare IT	**CBaySystems Holdings Ltd.**, an investment company.	**Medquist transcription business of Philips Electronics N.V.**, a diversified electronics manufacturer with substantial interests in medical imaging technologies.	CBay buying the 69.5% stake in Medquist owned by Philips, as Philips sheds a non-core asset. In Nov 07 Philips announced its intention to auction off Medquist. Deal value ~ $287m. Medquist 07 sales were $340.7m (1.2x).
Data Management/ Healthcare IT	**Eclipsys Corp.**, a healthcare information systems provider primarily to hospital markets.	**Medinotes**, a provider of health information technology and medical billing solutions to physician practices.	With practice management and electronic medical record (EMR) solutions in over 5,000 medical practices across the U.S, Mediinotes gives Eclipsys access and systems for the private practice market. Deal value -- $45m.
Data Management/ Healthcare IT	**Health Care Service Corp. of Chicago**, an operator of Blue Cross and Blue Shield plans in Illinois, New Mexico, Oklahoma and Texas.	**MEDecision Inc.**, a developer of health-care case management, disease management and utilization management software products for health plans.	Diversifies Health Care Services from managed care to a more proactive, nationally marketed healthcare IT function. Some of the "Blues" have been criticized for garnering too much profits and not lowering managed care pricing to patients, and this transaction may be a "strategic" use of cash. Deal value -- $121m, on sales of $45.7 and negative EBITDA.

Sector	Acquiring Party	Transferring Party	Analysis
Data Management/ Healthcare IT	**iCAD, Inc. (NASDAQ:ICAD)**, a provider of computer-aided detection (CAD) solutions for various imaging modalities.	**CAD Sciences**, another CAD company addressing CT and MRI imaging.	Provides advanced image analysis and workflow solutions for the early detection of the most cancers via MRI and CT modalities. Deal value -- $5m.
Data Management/ Healthcare IT	**Phase Forward (NASDAQ: PFWD)**, a leading provider of integrated data management software for clinical trials and drug safety.	**Clarix LLC**, an innovative provider of Web-based interactive response technology (IRT) to manage clincial trials.	The IRT market for clinical trial management is evolving from a telephone-focused model to a Web-based. Clarix's IRT systems have been translated into 55 different languages and are used by over 45,000 users in 62 countries, including clinical trial teams at 11 of the top 25 pharma companies. Deal value -- $40m on sales of $6.3m.
Data Management/ Healthcare IT	**Tripos International**, a leading provider of drug discovery informatics products and services and a portfolio company of Vector Capital.	**Pharsight Corporation**, a leading provider of software, strategic, and regulatory services designed to optimize clinical drug development.	Combines design and analysis tools from Tripos and Pharsight to enhance pharmaceutical R&D and offers new products to the customers of each company. Deal value -- $57m on revenue and EBITDA of $28.8m (2.0x) and $2.2m (25.9x), respectively.
Data Management/ Healthcare IT	**WebMD Health Corp (Nasdaq: WBMD)**, a leading provider of online health information services to consumers and physicians.	**QualityHealth.com**, a leading healthcare web portal.	Adds performance-based marketing programs to WebMD's product portfolio. QualityHealth.com delivers targeted health information and personalized programs to its consumer members based on individual need. With approximately 5.5m monthly visitors. QualityHealth's traffic will complement WebMD's reach of more than 48m monthly visitors. Deal price -- $50m, plus $25m for milestone achievements (on $21m of revenue).
Diagnostics	**BioMérieux**, a France-based in-vitro diagnostic company.	**AviaraDx, Inc.**, a manufacturer of molecular cancer diagnostic tests.	Enables BioMérieux to offer valuable diagnostic tools to classify cancers on a molecular level to assist with prognosis. BioMerieux focuses on infectious diseases and high medical-value diagnostic tests, and oncology are critical elements. Deal value -- $60m.
Diagnostics	**Eckert & Ziegler Isotope Products, Inc.**, leader in the non-therapeutic radioisotope business.	**The Non-Therapeutic Product Line of North American Scientific, Inc.**, a leader in applying radiation therapy in the fight against cancer.	Enhances E&Z's imaging business. Acquired line includes radiation sources and standards used in a variety of areas for calibration, measurement, analysis and control. Deal value (with contingencies) ~ $6 million.

Sector	Acquiring Party	Transferring Party	Analysis
Diagnostics	**Hologic, Inc. (NASDAQ:HOLX)**, a leading provider of diagnostic imaging systems for women's health.	**Third Wave Technologies Inc.**, a provider of genetic testing products for clinical applications.	Helps accelerate the growth of Hologic's diagnostics division by giving it access to diagnostic tests used for cystic fibrosis, hepatitis C, cardiovascular risk and other conditions. Deal value ~ $580m on sales of $32.8m (17.7x) and negative EBITDA.
Diagnostics	**Immucor, Inc. (NASDAQ: BLUD)**, a provider of automated instrument-reagent systems to the blood transfusion industry.	**BioArray Solutions Ltd.**, a developer of molecular diagnostic systems, especially for DNA analysis of blood and blood transfusions.	Broadens Immucor's opportunities in transplant and transfusion related applications. Deal value - $117m.
Diagnostics	**MediCult a/s**, a Denmark-based leader in assisted reproductive technologies (ART).	**MidAtlantic Diagnostics, Inc**, a provider of disposables and equipment to embryologists and andrologists.	MediCult acquires a pipeline of innovative, predominantly disposable, products to help infertile couples and enhance its ART business, especially in the U.S. Deal value -- $15.5m on sales of ~ $13.5m.
Diagnostics	**Nanogen, Inc. (NASDAQ: NGEN)**, a developer of molecular and rapid in vitro diagnostic products.	**The Elitech Group**, a global diagnostics company and the largest independent distributor of diagnostic products in France.	Creates a global provider of products to the molecular, point-of-care, clinical chemistry and microbiology diagnostics markets with expected first year revenues of more than $150m and positive EBITDA. Deal value -- $98.5m on sales of $70.4m (1.4x). Nanogen's sales are ~ $48m.
Diagnostics	**Pall Corporation (NYSE: PLL)**, a manufacturer of filtration and purification products.	**GeneSystems**, a French molecular diagnostics manufacturer.	GeneSystems rapid microbiological detection system expands Pall's fluid management capabilities in the $1b biopharm process monitoring market. Terms not disclosed.
Diagnostics	**QIAGEN N.V. (Nasdaq: QGEN)**, a provider of sample and assay technologies for research in life sciences and molecular diagnostics.	**Corbett Life Science Pty. Ltd.**, a Australia-based biotech manufacturer of life sciences instrumentation.	Corbett's system, which detects real-time polymerase chain reactions which make specific sequences of DNA and RNA targets visible through amplification and quantifiable through real-time measurement, extends QIAGEN's options to offer sample and assay solutions spanning from sample to result. Molecular testing is performed in three steps: 1) sample preparation, 2) assay setup and 3) detection (which Corbett now provides). Deal value -- $70m, with $65m of additional milestone payments.

Sector	Acquiring Party	Transferring Party	Analysis
Diagnostics	**Thermo Fisher Scientific Inc. (NYSE: TMO)**, a global provider of analytical products and services for life science research, manufacture, and diagnostics.	**Affinity BioReagents**, a leading provider of antibodies, peptides, proteins and other reagents for life science research.	Enhances Thermo's capabilities in protein research and combines Affinity's reagents with its current proteomics offerings to create end-to-end solutions for widely used protein-research applications such as Western blotting, ELISA, immunohistochemistry, flow cytometry and mass spectroscopy. Affinity's sales were $6m. Terms not disclosed.
Diagnostics	**Thermo Fisher Scientific Inc. (NYSE: TMO)**, a global provider of analytical products and services for life science research, manufacture, and diagnostics.	**FIBERLite Centrifuge, Inc.**, a supplier of lightweight carbon fiber centrifuge rotors.	Enhances Thermo Fisher's centrifugation offerings and brings additional R&D capabilities. FIBERLite's sales were $7m; terms not disclosed.
Diagnostics	**Veridex, LLC**, a J&J company dedicated to in vitro diagnostic oncology products.	**Immunicon Corp**, a maker of cancer diagnostic products.	Veridex and Immunicon entered a partnership to develop cancer diagnostic products, but when Immunicon sued Veridex for violating its "best efforts" obligation to market CellSearch, an arbitrator ruled in favor of Veridex, crippling Immunicon. Deal centers on the CellSearch system, a test to automate the detection and enumeration of circulating cancer cells that detach from solid tumors and enter the blood stream. Deal value -- $31m.
Distribution	**Owens & Minor (NYSE: OMI)**, a major distributor of medical and surgical supplies.	**The Burrows Company**, 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 cutomers. Deal value ~ $30.2m on sales of $603m (0.05x).
Medical Devices	**ConvaTec**, a manufacturer of innovative wound therapeutics and ostomy care products.	**Unomedical**, a Copenhagen-based manufacturer of diabetes infusion sets and other single-use medical devices.	The combination will create a company with $1.6 billion in annual sales with a significantly expanded global footprint. Unomedical's strong presence in hospitals and intensive care, especially deep throughout Europe, complements ConvaTec's existing strengths in community and home-based care. Until August, ConvaTec was owned by Bristol-Myers Squibb Co., which sold it to Nordic Capital and Avista Capital Partners. Unomedical had been a Nordic portfolio company. In 07 ConvaTec had sales of $1.15b, with 3,500 employees, and Unomedical had sales $367m with some 4,500 employees.
Medical Devices	**Covidien Ltd. (NYSE: COV)**, a leading global provider of healthcare products and formerly part of Tyco.	**CardioDigital Inc.**, a manufacturer of advanced signal processing techniques for patient monitoring.	Strengthens Covidien's patient monitoring business -- CardioDigital's technology complement Coviden's Nellcor pulse oximetry platform and sets the stage for similar acquisitions in the future.

Sector	Acquiring Party	Transferring Party	Analysis
Medical Devices	**Ethicon Endo-Surgery (NYSE: JNJ)**, a J&J subsidiary that develops devices for minimally invasive and open surgical procedures.	**SurgRx**, a developer of a bipolar tissue sealing system.	Provides a new platform to complement Ethicon's Harmonic line of ultrasonic medical devices -- the EnSeal bipolar tissue sealing system that creates strong vessel seals in open and laparoscopic procedures. Terms not disclosed.
Medical Devices	**GE Healthcare (GE)**, a unit of General Electric Co. that produces medical imaging, respiratory and anesthesia equipment.	**Vital Signs Inc.**, a producer of disposables for the anesthesia and respiratory/critical care markets.	Vital Signs' anesthesia disposables complement GE's anesthesia, monitoring and respiratory equipment and can be better sold via GE's global distribution network, while offering ongoing consumable revenue streams. Deal value -- $860m in sales and EBITDA of $223m (3.9x) and $50m (17x), respectively.
Medical Devices	**Getinge AB (STO:GETIB)**, a Sweden-based producer of medical technology for the cardiac and vascular surgery markets, among others.	**Datascope Corp.**, a leader in the Cardiac Assist Counterpulsation (used to improve circulation) and other cardiovascular products.	Advances Getinge's cardiovascular business worldwide with Datascope's product portfolio and sales organization. Synergies expected from product and geographic cross selling opportunities, as well as access to the interventional cardiology market to support the launch of Getinge's new cardiac assist product, Cardiohelp. Deal value adjusting for Datascope cash -- $618m, on sales and EBITDA of $231m (2.7x) and $48m (12.9x), respectively. Earlier in 08, Datascope sold its vascular closure business to St. Jude Medical for $21.0m and in 07 sold its ProGuide chronic dialysis catheter product line to Merit Medical Systems for $3m plus royalties. In 07 Getinge bought Boston Scientific's cardiac surgery and vascular divisions for $750m.
Medical Devices	**Integra LifeSciences Holdings Corporation (NasdaqGS:IART)**, a producer of tissue regenerative products and instrumentation focused on neurosurgery, aesthetics and orthopedics.	**Theken Spine, LLC, Theken Disc, LLC and Therics, LLC**, a manufacturer of spinal fixation products, a synthetic bone substitute and spinal arthroplasty products including a microelectronic artifiicanl spin disc replacement.	Deepens Integra's position in spinal surgery. Theken offers novel implant products, a technology pipeline, demonstrated R&D capacity, an established network of spinal hardware distributors and a strong management team with extensive experience in the orthopedic spine market. The combined company will benefit from a broader global platform with opportunities to leverage Integra's organizations abroad. Theken has no sales outside of the U.S., while approximately 25% of Integra's revenues are generated internationally. Transaction value -- $75m plus $125m of possible additional payments based on future revenue. Theken's revenue is $34m, after a 21% CAGR for the past two years.

Sector	Acquiring Party	Transferring Party	Analysis
Medical Devices	**Linden LLC,**, a Chicago-based private equity firm focused exclusively on leveraged buyouts in the healthcare sector.	**The Corpak MedSystems business of Cardinal Health, Inc.**, a global healthcare distributor and manufacturer serving acute care markets.	Cardinal divests of a non-core asset acquired in the Viasys transaction. Corpak makes single use enteral feeding delivery devices and systems, as well as smoke evacuation devices, serving the hospital ICU, NICU and PICU markets. Linden sees growth opportunities both in the U.S. and internationally. Terms not disclosed.
Medical Devices	**Medline Industries, Inc.**, the largest independent manufacturer and distributor of health-care products in the U.S.	**The Carrington wound care division of DelSite, Inc.**, a biopharma company focused on drug and vaccine delivery technology.	Adds to Medline's increasing wound care focus and allows DelSite to focus on its polymer drug and vaccine delivery technology. Terms not disclosed.
Medical Devices	**Medtronic, Inc (NYSE: MDT)**, a major manufacturer of cardiovascular and other devices.	**Restore Medical, Inc.**, a manufacturer of medical devices to treat sleep-disordered breathing.	Restore's Pillar Palatal Implant System is an FDA approved, minimally invasive, implantable medical device used to treat mild to moderate obstructive sleep apnea (OSA) and snoring. The Pillar System complements Medtronic's existing ENT products and provides its physician customers with another minimally invasive, low morbidity option to treat patients suffering from OSA and snoring. Deal value ~ $29m on sales of $4.4m (6.6x).
Medical Devices	**Medtronic, Inc. (NYSE:MDT)**, is the global leader in cardiovascular medical technology.	**CryoCath Technologies Inc.**, 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	**Natus Medical (BABY)**, a provider of products used to screen, detect, treat, and monitor hearing impairment, neurological dysfunction, epilepsy, sleep disorders and newborn care.	**NeuroCom International**, 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	**Natus Medical Incorporated (BABY)**, a provider of healthcare products used to treat hearing impairment, neurological	**Schwarzer GmbH's Neurology Division**, a Germany-based computer-based electrodiag-	Helps grow Natus' presence in diagnostic neurology systems in the German-speaking regions of Europe. Deal value ~ $7.2m on sales of $7.0m (1.0x).

Sector	Acquiring Party	Transferring Party	Analysis
	dysfunction, epilepsy, and sleep disorders.	nostic systems and disposable supplier.	
Medical Devices	**NDS Surgical Imaging**, a Riverside Partners affiliate that that makes visualization systems that enable imaging informatics in surgery.	**The Dome Imaging Systems unit of Planar Systems, Inc.**, a specialty display manufacturer.	The combined entity will be able to connect the realms of PACS imaging and surgical video/informatics, delivering valuable innovation to the radiology reading room and the operating room. Deal value -- $34.2m
Medical Devices	**Nordic Capital Fund VII and Avista Capital Partners**, private equity firms.	**The ConvaTec business unit of Bristol-Myers Squibb Company**, a global pharmaceutical and related health care products company.	ConvaTec is a leading producer of innovative wound therapeutics and ostomy care products. Part of BMY's divestiture strategy of refocusing on its core biopharm business. That strategy has already resulted in the $525m sale of its medical imaging unit as well as plans to sell between 10-20% of its Mead Johnson Nutritional unit. The deal will enable Nordic Capital and Avista to concentrate efforts on ConvaTec's business, without distractions from an unrelated parent. See also Convatec-Unomedical consolidation.
Medical Devices	**NuVasive, Inc. (Nasdaq: NUVA)**, a manufacturer of spinal products for minimally disruptive surgical treatments.	**The Osteocel biologics business OF Osiris Therapeutics, Inc.**, a developer of stem cell products from adult bone marrow.	Provides a new proprietary adult stem cell bone platform containing beneficial properties similar to autografts, as well as a processing facility with significant supply stream capacity. Expands NuVasive's reach in the $1.5b U.S. biologic market and adds the potential for additional revenue per procedure. Deal terms -- $35m pluse $50m in possible earnouts.
Medical Devices	**SAES Getters S.p.A.**, an Italy-based producer of vacuum systems including vacuum power tubes and thermal insulation.,	**Memry Corporation**, a manufacturer of Nitinol components (used in stents, catheters, and guidewires).	Adds nitinol technologies to SAES Getter's activities in the shape memory alloy sector and leverages its international distribution network while deepening share in the U.S. Deal value ~ $78m on sales and EBITDA of $52m (1.5x) and $6.5m (12x), respectively.
Medical Devices	Spin-off	**The Clinical and Medical Products Businesses of Cardinal Health**, a leading pharmaceutical and medical product distributor.	Brings sharper focus to the clinical and medical products side of Cardinal, which includes the Alaris® IV infusion and Pyxis® dispensing systems, AVEA and LTV® series ventilators, V. Mueller® surgical instruments, and offerings to reduce hospital-acquired infections. Sales expected to be ~ $4b.

Sector	Acquiring Party	Transferring Party	Analysis
Medical Devices	**St. Jude Medical Inc. (NYSE:STJ)**, a manufacturer of cardiovascular medical devices.	**EP MedSystems**, a developer of electrophysiology catheter systems for cardiac rhythm management.	Adds two "growth drivers" to St. Jude for atrialfibrillation and other electrophysiology catheterization procedures and expedites St. Jude's entry into the high-growth intracardiac ultrasound echocardiography market. Deal terms -- $92.1m on sales of $19.9m and negative EBITDA.
Medical Devices	**St. Jude Medical, Inc. (NYSE:STJ)**, a major manufacturer of cardiovascular medical devices.	**The vascular closure business of Datascope Corp.**, a maker of intra-aortic balloon counterpulsation and other cardiac products.	Adds to St. Jude's vascular line and completes Datascope's plan to exit the vascular closure market and phase out its Interventional Products business. In 07, Datascope sold its ProGuide chronic dialysis catheter product line to Merit Medical Systems, Inc. Deal value -- $23.7m.
Medical Devices	**Theragenics Corporation (NYSE: TGX)**, a maker of wound closure and vascular access products, as well as brachytherapy seed products to treat prostate cancer.	**NeedleTech Products, Inc.**, a privately held manufacturer of specialty needles sold mainly to OEMs.	Diversifies Theragenics, increases its breadth of offerings to its existing customers (in both its surgical and prostate segments) and expand its customer base of large OEMs. Deal value ~ $47.8m on sales of $16.9m (2.8x).
Medical Devices	**Thermage, Inc. Nasdaq: THRM**, a maker of radiofrequency-based equipment and disposable products for non-invasive treatment of wrinkles.	**Reliant Technologies Inc.**, a maker of non-surgical therapies to treat various skin conditions, including fine lines and wrinkles, acne and surgical scars.	Combines recognized brands in aesthetics with global cross selling opportunities in various markets. The combined company will have a broad global footprint, with a high consumable component in the revenue mix. Annualized cost savings expected to be ~ $14m. Deal value ~ $95.0m on sales of $72.5m (1.3x).
Medical Devices	**Tronics Microsystems SA**, a leader in custom MEMS (Micro-Electro-Mechanical Systems) components and microsystems.	**MedTech Development LLC**, a full-service design and development contact manufacturer exclusively focused on medical devices.	Increases Tronics' presence in the medical device sector, with improved access to makers of implantable and external medical devices. The combined company can offer sophisticated specialized medical devices. Terms not disclosed.
Medical Devices	**Uluru Inc. (Amex: ULU)**, a specialty pharmaceutical company focused on wound management, oral care and plastic surgery products.	**Bio Med Sciences Inc.**, a specialty wound care, burn care and scar management products company.	With Bio Med's Silon film woundcare technology, accelerates Uluru's penetration of burn and wound care markets. Enables Uluru to leverage its sales force across complementary lines, addressing burn and wound centers. Deal value - $10m.

Sector	Acquiring Party	Transferring Party	Analysis
Medical Devices	**USHIFU, LLC**, a distributor of non-invasive high intensity focused ultrasound for prostate cancer.	**Focus Surgery Inc.**, a manufacturer of image-guided acoustic ablation devices.	Accelerates USHIFU's ability to expand its technology platform, as well as gain access to new markets, such as India. Focus' unit is not yet approved for use in the U.S. USHIFU is the exclusive distributor of Focus' Sonablate 500 ablation system in the Americas and South Africa and funds clinical trials of the device. Terms not disclosed.
Medical Devices	**Wright Medical Group Inc. (NasdaqGS: WMGI)**, a major producer of reconstructive joint and biologics products.	**The foot and ankle endoscopic product line of AM Surgical**, a manufacturer of minimally invasive devices focused on the extremeties.	Involves products that treat problems of the connective tissue of the foot and ankle. Wright had been marketing the line since October 07. Seeking to be a major foot and ankle player, Wright also made a $8m purchase of foot and ankle products made by R&R Medical Inc., a $2.5m purchase of products from Houston-based Metasurg, and an acquisition of INBONE Technologies Inc. for $27.7m. AM deal value -- $2.1m with minor earnout.
Medical Devices	**Wright Medical Group, Inc. (NASDAQ: WMGI)**, a manufacturer of orthopedic, reconstructive joint devices and biologics.	**RAYHACK® Wrist Reconstruction System**, a preferred system for hand surgery.	Consists of procedure-specific bone-cutting guides and fixation plates that allow precise shortening and repositioning of the radius and ulna, the two major bones of the forearm. Adds to Wrights' extremities line. Terms not disclosed.
Medical Devices	**Zimmer Holdings, Inc. (NYSE: ZMH)**, a leading orthopedic products manufacturer.	**The Spine business of Abbott Laboratories**, a leading manufacturer of pharmaceuticals, medical devices and diagnostics.	Adds a number of innovative products to Zimmer's Spine portfolio and help it build toward critical mass in the spine segment. Also enhances Zimmer's R&D and sales coverage in the spinal area. Deal value ~ $360m on sales of $109m (3.3x).
Medical Services	**Alliance Imaging, Inc**, a national provider of outpatient diagnostic imaging services and radiation therapy services.	**Medical Outsourcing Services, LLC**, a mobile provider of positron emission tomography/computed tomography (PET/CT).	Provides Alliance with additional PET/CT operations in the Midwest and Northeast. Currently the company has 81 PET or PET/CT systems in place which can serve over 1,000 clients in 44 states. Deal value ~$20 million on sales of $22 million (0.9x).

Sector	Acquiring Party	Transferring Party	Analysis
Medical Services	**CSL Ltd.**, the world's largest manufacturer of plasma products.	**Talecris Biotherapeutics Holdings**, an Australia-based biotherapeutic company focused on immunology, pulmonology, and hemostasis.	The largest buyout of an Australian company will result in the number 2 company (behind Baxter) in the global market for blood products. After the deal CSL will command $3.7b of the $15b world plasma market. It will gain 56 plasma collection centers and two manufacturing facilities in the U.S. Talecris's Gamunex and Prolastin products are used to treat immune disorders such as lupus and multiple sclerosis. Talecris was formed in 2005 by affiliates of Cerberus Capital Management, L.P. and Ampersand Ventures, which acquired the former Bayer Plasma business from Bayer A.G. Deal value ~$3.1 billion on sales of $1.2 billion (2.6x).
Medical Services	**Hanger Orthopedic Group, Inc. (NYSE: HGR)**, a leading provider of orthotic and prosthetic patient care services.	Three orthotics and prosthetics patient facilities.	Further densifies Hanger's coverage in Florida, New York and Ohio.
Medical Services	**HealthTronics, Inc. (NASDAQ: HTRN)**, a leading provider of urology services and products.	**UroPath, LLC**, a leading provider of anatomical pathology laboratory services in the U.S.	Provides greater continuity in the handling of specimens increased communication between specialists. Labs managed by UroPath processed over 400,000 specimens, serving more than 50 urology practices with over 450 physicians across 17 states. HealthTronics will be able to market its urology services to many of UroPath's customers. Deal value - $7.5m.
Medical Services	**Omnicare, Inc. (NYSE:OCR)**, a leading provider of pharmaceutical care for the elderly.	**Advanced Care Scripts, Inc.**, a specialty pharmaceutical services provider focused on neurology and oncology.	Broadens OmniCare's offerings with a high-growth specialty pharmaceutical services business and expands its client relationships. ACS' specialty pharmacy operations dispense high-cost oral and injectable medications directly to patients and provide a range of related clinical and administrative services. ACS' sales were $212m. Terms not disclosed.
Medical Services	**TowerBrook Capital Partners L.P.**, a New York and London-based private equity firm.	**Broadlane, Inc.**, a leading provider of supply chain management and clinical workforce management services.	Towerbrook to gain a controlling interest in Broadlane (owned by Tenet), and with management retaining a significant ownership stake. Broadlane is positioned to grow as an independent company, given its wide market reach. Terms not disclosed.

Sector	Acquiring Party	Transferring Party	Analysis
Medical Services	**Water Street Healthcare Partners**, a Chicago-based private equity firm focused on the healthcare industry.	**The ancillary care benefit management business of Gentiva Health Services, Inc.**, the nation's leading provider of comprehensive home health services.	Gentiva's divesting 69% of CareCentrix, a provider of ancillary care benefit management services for major managed care organizations, enables it to focus on in its core home care and hospice provider businesses. Water Street gains a stand-alone business with significant growth prospects due to the aging population. Deal value -- $147m on sales of $309m.
OTC/Consumer	**Sanofi-Aventis (NYSE: SNY)**, a France-based global pharmaceutical company focused on oncology, metabolic disorders, CNS, internal medicine and vaccines.	**The consumer products unit of Primary Health Care**, an Australia-based pharmaceuticals manufacturer and wholesaler.	Adds vitamins to Sanofi's line, which include diabetes and cardiovascular disease treatments. Primary's consumer unit distributes to more than 3,500 health food stores and pharmacies with brands including Nature's Own, Cenovis and Bio-Organics. Sanofi already provides a range of drugs in Australia and New Zealand. Deal value ~ $436m on sales of $148m (2.9x).
OTC/Consumer	**VSP**, the nation’s largest eyecare benefits provider with 55 million members and a network of 25,000 doctors.	**Marchon Eyewear Inc.**, one of the industry’s largest manufacturers of eyewear (for Calvin Klein, Nike Coach and its own lines).	Creates an integrated eye service organization with a global distribution channel, an international portfolio of eyewear brands, eyewear design and manufacturing and vision care benefits and services. Marchon employs more than 2,500 globally. Deal value -- $735m on sales of $525m (1.4x). VSP had sales of $2.6b in 07.