

The Strategic Healthcare M&A Report

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

3rd Quarter 2009

Highlights

1. **Healthcare Reform 2009 – What to Expect**
by Michael Fine, M.D., Clinical Assistant Professor,
Brown University, and Managing Director of HealthAccessRI
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4. **Q3 09 M&A Deal-by-Deal Review -- more than 60 Transactions Analyzed -- announced or closed in Q3 09.**

Transactions analyzed include ...

Acquiring Party	Target
Abbott Laboratories	Solvay
Sanofi-Aventis	Merck & Co.'s stake in Merial Limited
Dell Inc.	Perot Systems Corporation
Warner Chilcott plc	The global prescription drug business unit of The Procter & Gamble Company
Dainippon Sumitomo Pharma Co., Ltd.	Sepracor Inc.
Bristol-Myers Squibb	Medarex, Inc.
Johnson & Johnson	Elan Corporation
Agilent Technologies Inc.	Varian, Inc.
Danaher Corporation	AB SCIEX unit of MDS Inc. and Life Technologies Corp

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

The Strategic Healthcare M&A Report analyzes important merger, acquisition and strategic transactions taking place in the healthcare industry. A complimentary copy of the Report can be obtained on a regular basis by subscribing at <http://www.waldenmed.com/mailform.asp> or by contacting The Walden Group at 914.332.9700 or by email -- office@waldenmed.com. Please feel free to e-mail suggestions for future content to the address listed above.

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1. **Healthcare Reform 2009 – What to Expect**

by Michael Fine, M.D.

The attempt to reform the US health care insurance and services market place has generated much uncertainty and confusion. There are many moving parts and the political environment is complex. This article attempts to clarify what to expect.

Background

As has been widely reported, the U.S. spends 17-18% of GDP on health services and products – about twice the average of other industrialized countries, but our outcomes rank us between 37th and 101st in the world. Although the ability of government to contain costs and improve outcomes is unknown, macroeconomic and major societal and other factors are providing the impetus to try to change how we deliver and pay for health care goods and services.

The last major attempt to legislate reforms, in 1993, focused on requiring all employers to provide health insurance, and all Americans to have health insurance, and on reforms in the health insurance industry to promote competition and make affordable insurance available to all Americans. Those reforms failed -- they were portrayed as too complex and intrusive into the lives of ordinary Americans, and many reacted negatively to the Clinton Administration's failure to work more collaboratively with Congress in developing the proposals.

As a candidate for President, Barack Obama ran *against* mandated insurance coverage. Candidate Obama's health policy focused on 4 areas: (1) investing \$10 billion a year for 5 years in electronic health information systems; (2) incentivizing primary care and prevention; (3) promoting competition among insurers and suppliers, especially pharmaceutical companies; and (4) having the federal government become the reinsurer for medical expenses greater than \$50,000. The last proposal has disappeared from discussion in the reform process, likely because of its cost to the federal government.

Reform 2009 has brought back many of the 1993 program, while diluting some of Candidate

Obama's proposals -- proving that governing is more difficult than campaigning.

How Reform Will Work – Overarching Principles

The theory underlying Healthcare Reform 2009 is that we can achieve the "triple goal" of reform – *better population health for less cost in a system that includes all Americans* – if we first change the health insurance system in the US. Policy makers believe we can improve the system by:

- a. requiring all Americans to have health insurance,
- b. requiring health insurers to accept all applicants regardless of underlying health status (without substantial premium increases), and
- c. using government subsidies to help low income people to purchase insurance.

Healthcare Reform 2009 thus is really health insurance reform and does not fundamentally address how to lower costs and improve outcomes. Many suggest the incentives of providers and patients need to be realigned so that they become more invested in the cost and benefits of care itself. Yet, some 2009 healthcare reform measures are proposed to improve efficiencies -- (a) promoting electronic health records to centralize data and make it more accessible and (b) supporting pilot "accountable care organizations" like the Cleveland Clinic and the Mayo Clinic where doctors and hospitals share the responsibilities and benefits of keeping patients healthy.

Providing all Americans with health insurance will end the shifting by hospitals and other providers of the cost of caring for the uninsured onto the insured (adding about 8% to the cost of commercial health insurance). On the other hand, community rating (a process by which all members of a community are charged the same premium for health insurance, regardless of age, gender or health status) is likely to add to the cost of insurance for young people, while it may

stabilize the costs for older people and the chronically ill.

Because the emphasis is on expanding coverage and not addressing underlying cost drivers, little in the health insurance reform process guarantees any slowing of cost increases. Advocates of a government-run plan to compete with private insurers -- the so-called Public Plan -- believe that it will help contain costs, but there is no evidence of this.

Political Dynamics

Three committees in the House of Representatives, and two in the Senate have drafted reform legislation. Legislation from the committees of each chamber must be combined into a single bill, and approved by a majority of each chamber. Approval in the Senate is more complex because 60 votes are needed to stop a filibuster. The legislation approved by each chamber is then considered together by a conference committee, which drafts compromise legislation, and then the compromise legislation goes back to each chamber for final approval. Final legislation must be signed by the President before becoming law, unless vetoed.

The President and Senate leadership are actively seeking some Republican support to provide a buffer in case of a close vote, as well as to create an aura of non-partisanship. Democrats also believe their political survival as the party in power depends on their passing health care reform legislation this year, as should they fail, they will be perceived as ineffective, and will be politically vulnerable, especially in a sluggish economy. While The Public Plan has the support of progressives in the House, there is enough opposition in the Senate to prevent passage of any bill which includes it.

The bill developed by the Senate Finance Committee chaired by Senator Max Baucus, which includes individual but not employer mandates, a very watered down tax penalty for people who go without insurance, health care insurance reforms which nudge the nation's insurers toward community rating but don't achieve that goal, health insurance purchasing cooperatives, an expansion of Community Health Centers, and an expansion of Medicaid -- but no Public Plan -- is considered closest of all proposed legislation to the final legislative product. On October 13th, it voted to approve the

bill, with Olympia Snowe, being the sole Republican supporter.

The Congressional Budget Office found that the bill would cost \$829 billion over a decade and reduce the federal budget deficit. Some of the cost-saving measures include fees or "give-ups" by certain industry sectors in recognition that their markets will grow because the number of people being insured will expand. Such proposed "give-ups" include \$80 billion by the pharmaceutical sector, \$155 billion by major hospital groups, and \$40 billion by the medical device industry. The bill also seeks a "Cadillac tax" on high cost health plans and a nonpartisan Medical budget-cutting commission. Many of these provisions are under attack by lobbyists and special interests.

Likely Outcomes

Health care reform legislation will most likely pass this year, and be signed into law, but it will disappoint advocates on the left and the right. Here is what to expect:

- Increases in the number of people covered by insurance, yet far from universal coverage. Loosening of Medicaid eligibility, alone will bring millions of the currently uninsured into Medicaid.
- Weak, confusing subsidies for lower income people to purchase insurance, with an outcome that leaves as many as 25 million people still uninsured.
- An individual but not an employer mandate, but one with low penalties, plus a mandate for inexpensive, lowest common denominator, high deductible insurance.
- Changes in Medicare that will reduce the rate of growth in Medicare costs, and the elimination or significant shrinkage of Medicare Advantage.
- Some slight movement toward community rating and a mandate that insurance allow people up to age 26 to remain on their parents' insurance policies as long as they are students or uninsured.
- Controversies about the Public Plan and about insurance for people 18-34 (the so-called Young Invincibles), who are required to have only high deductible insurance under the Senate Finance plan, and late breaking issues about voucher

systems versus tax credits, health savings accounts, and about providing primary care, which is the most effective and affordable tool to contain cost and improve quality, to all Americans. The Senate Finance Committee bill provides non-profit cooperatives backed by a government start-up fund, but Olympia Snowe has indicated she might be open to a limited public plan that may trigger in the future in states where people cannot otherwise get affordable insurance.

- Continuing public investment in electronic medical information systems, which are seen as important to health care reform by both the Administration and the Congress, regardless of party.

Implications for Health Care Products and Services

Health Care Reform 2009 will provide a mechanism to provide more people – mostly low income people – with health insurance. It will unfortunately lead to increased health insurance costs, some increased competition between insurers around cost and cost control (as opposed to benefit design), and a greater focus on controlling cost inflation under Medicare and by private insurers.

While it is widely recognized that primary care physicians need to play a more prominent role in prevention and care, there is little in the proposed legislation to meaningfully attract more primary care doctors into family practice and internal medicine. The bulk of the funding and incentives remain with the specialists.

Vendors of more expensive services that are impacted by high deductible plans – hospitals, imaging, and some equipment providers -- will be punished. Vendors of products and services that are scalable with a low unit cost, that focus on clinical effectiveness measured by meaning-

ful population health outcomes, that are intelligently marketed to low income and minority Americans who make up a significant proportion of the newly insured, that reduce global per person per year cost of care, that promote clinical integration and improve primary care efficiency, particularly in a community health center setting, are poised to do well. There will be continuing investment in health IT and electronic medical and personal health records, but progressively more focus on the effectiveness of data systems in promoting clinical integration and reducing global cost -- a focus that will replace the current race to implement some kind of electronic record, irrespective of its outcome effectiveness and its connectivity with disparate systems.

Summary and Conclusions

Congress will pass and the President will sign health care reform legislation into law in 2009. The legislation will be less than many hope for, but more than meaningless. Reform legislation will constitute a small, incremental change toward insuring more Americans, and reducing the health costs for individuals by promoting competition among insurers and providers of health care related goods and services. Marketplace winners will focus on clinical effectiveness, population health management, products that improve primary care efficiency, scalable products with low unit costs, and goods and services that define value as cost effectiveness and improvements in population health outcomes.

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2. **Quarterly M&A Overview – A high elevation overview of Q3 09's deal activity**

M&A activity for the quarter picked up a bit. Yet, credit remains tight, lenders discerning and deal capitalization conservative. The economy is no longer at the brink, but high unemployment rates, low consumer confidence, an overhang of impending commercial real estate and over-leveraged corporate deal defaults and the cloud of healthcare reform and its impacts have dampened deal activity.

Yet, we are reporting more than 60 deals this quarter vs.45 during Q2 09.

Global M&A - for all sectors - was valued at \$459.78b in Q3, compared to \$527.83b the prior quarter and \$799.46b in Q3 2008. According to Thomson Reuters, global private equity volume exceeded \$37.84b for 641 deals vs. \$15.92b for 573 deals during the previous quarter. But, according to the research firm Preqin, private equity firms raised less fund capital last quarter than in any other quarter since Q4 2003. The Q3 2009 figure was \$38b, down 45% from the \$84b raised in Q2, and 82% from the high-water mark of \$208b set in Q2 2008.

Thomson Reuters and the National Venture Capital Association reported both IPO and M&A exits declined in Q3, compared with low levels in Q2.

Some of the more notable healthcare deals of the quarter are highlighted below by sector.

Animal Health

Punctuating the growing importance of this sector, two important acquisitions were made. **Boehringer Ingelheim** bought **Pfizer's animal health business** (as part of the Wyeth antitrust divestiture plan) and **Sanofi-Aventis** is paying \$4b for **Merck's** 50% stake in **Merial Limited**.

BioPharmaceuticals

The swine flu and other pandemics have led major pharmaceutical companies to make huge investments in vaccine makers. In one deal, **Johnson & Johnson** paid \$441m for an 18% stake in Dutch biotech company **Crucell NV**, in order to jointly develop vaccines. In another **Abbott Laboratories** is paying \$6.7b for a unit of Belgian conglomerate **Solvay SA** that makes vaccine, among other drugs. Earlier in the year **Pfizer** bought **Wyeth**, one of the few big pharmaceutical companies with vaccine expertise. After leaving the market due to low prices, high costs and fear of lawsuits, big pharma has re-entered the business as prices have risen and new technologies improve production. Vaccines are especially attractive to market in developing countries where governments are seeking to protect their enormous populations from a potential flu pandemic.

Big pharma continues to pursue biotech and diversification strategies to bolster pipelines. **Bristol-Meyer Squibb** is paying \$2.1b for **Medarex**, a biopharma company focused on oncology and immunology therapeutics. **J&J** is spending \$1.5b for an 18.5% stake in **Elan Corporation**, a biopharma focused on Alzheimer medications.

Globalization, as a theme, was manifested in the \$3.1b purchase by Ireland-based **Warner Chilcott** of the prescription drug unit of **Proctor and Gamble** and the acquisition of **Sepracor** by Japan-based **Dainippon Sumitomo** (\$1.33b).

Data Management

Dell made a splash in the healthcare sector by acquiring **Perot Systems**, a major move into computer services and healthcare.

Diagnostics

Agilent is paying \$1.5b for **Varian**, deepening Agilent's presence in the life sciences. And **Danaher** is buying **AB Sciex**, a major manufacturer of mass spectrometers for proteomics research, drug development, and food and environmental safety. In addition, **Thermo Fisher Scientific** is buying Germany-based **B.R.A.H.M.S.**, a maker of in vitro diagnostic tests based on patented biomarkers (\$470m).

Medical Devices

After diving into ophthalmics with its acquisition of **AMO** earlier in the year, **Abbott** is buying **Visio-gen**, a maker of accommodating intraocular lenses to address presbyopia in cataract patients (potentially eliminating the need for reading glasses or contact lenses). **Abbott** is also buying **Evalue**, a maker of minimally invasive mitral heart valve technology. Valve replacements have traditionally been conducted in open surgery. Earlier in 2009 **Medtronic** bought **Corvalve** and **Ventor** to obtain new heart valve technologies.

3. Top Deals of Q3 09 >\$100m in Transaction Value (announced or closed)

Sector	TransValue (\$millions)	Acquiring Party	Assets Sold
Animal Health	4,000	Sanofi-Aventis	Merck & Co.'s stake in Merial Limited
Biopharmaceuticals	6,600	Abbott Laboratories	Solvay
Biopharmaceuticals	3,100	Warner Chilcott plc	The global prescription drug business unit of The Procter & Gamble Company
Biopharmaceuticals	2,600	Dainippon Sumitomo Pharma Co., Ltd.	Sepracor Inc.
Biopharmaceuticals	2,100	Bristol-Myers Squibb Company	Medarex, Inc.
Biopharmaceuticals	1,500	Johnson & Johnson	An 18.5% stake in Elan Corporation
Biopharmaceuticals	440	Johnson & Johnson Inc.	An 18% stake in Crucell NV
Biopharmaceuticals	430	Hisamitsu Pharmaceutical Co., Inc.	Noven Pharmaceuticals, Inc.
Biopharmaceuticals	310	Taisho Pharmaceutical Co., Ltd	The Asia Pacific OTC assets of Bristol-Myers Squibb
Biopharmaceuticals	288	LEO Pharma A/S	Peplin, Inc.
Biopharmaceuticals	150	Alcon, Inc.	ESBATech AG
Biopharmaceuticals	113	Lion Holdings Inc.	Life Sciences Research Inc.
Data Management/Healthcare IT	4,000	Dell Inc.	Perot Systems Corporation
Diagnostics	1,500	Agilent Technologies Inc.	Varian, Inc.
Diagnostics	1,100	Danaher Corporation	The AB SCIEX unit of MDS Inc. and Life Technologies Corp
Diagnostics	470	Thermo Fisher Scientific Inc.	B.R.A.H.M.S. AG
Diagnostics	400	Corning Incorporated	Axygen BioScience Inc
Medical Devices	400	Abbott Laboratories	Visiogen, Inc.
Medical Devices	320	Abbott Laboratories	Evalue Inc.
Medical Devices	210	Covidien	Aspect Medical Systems, Inc.
Medical Devices	142	Aurora Capital Group	The Porex segment of HLTH Corporation
OTC/Consumer	130	Abbott Laboratories	The nutrition business of Wockhardt Limited and Carol Info Services Limited

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4. M&A Deal-by-Deal Review -- Q3 '09

The information contained in the table below was derived from publicly available 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	Target	Analysis
Animal Health	Boehringer Ingelheim , a global pharmaceutical company.	The animal health business of Pfizer Inc. , a large biopharmaceutical company.	Part of divestiture aftermath of Pfizer's acquisition of Wyeth and the antitrust approval process. Boehringer Ingelheim will acquire cattle and small animal vaccines and some animal health pharmaceuticals sold into various countries. Boehringer also intends to acquire certain animal health assets in Australia, the European Union and South Africa. Terms not disclosed.
Animal Health	Sanofi-Aventis (NYSE:SNY) , a France-based global pharmaceutical company focused on oncology, metabolic disorders, CNS, internal medicine and vaccines.	Merck & Co.'s stake in Merial Limited , a leading animal health company, with 5,400 employees in more than 150 countries.	Merial is a 50/50 joint venture between Merck and Sanofi-Aventis. The combination would create a new leader in this \$19b global animal health market. The \$4b acquisition price (pegging Merial at \$8b) values Merial on the basis of 3.0 x 2008 sales and 10.2 x 2008 EBIT. Merck, Sanofi-Aventis and Schering-Plough also agreed that following the impending Merck/Schering-Plough merger, Sanofi-Aventis would have an option to combine the Intervet/Schering-Plough Animal Health business with Merial to form an animal health joint venture that would be owned equally by the new Merck and Sanofi-Aventis.
Biopharmaceuticals	Abbott Laboratories (ABT) , a \$29b manufacturer of pharmaceuticals, medical devices and diagnostics.	Solvay , a Belgian-based chemicals and pharmaceutical group.	Provides Abbott with a large portfolio of pharmaceutical products and a significant presence in key global emerging markets (Eastern Europe and Asia). Solvay's has treatments for cardiovascular disease, neuroscience and gastroenterology. Also includes Solvay's vaccines business, which will provide Abbott entry into the expanding global vaccines market, and small molecular diagnostics unit. Deal value -- \$6.6b on ~\$3.0 of sales.
Biopharmaceuticals	Absorption Systems, LP , a CRO focused small-molecule drugs.	Perry Scientific, Inc. , an in vivo toxicology and pharmacokinetics testing company.	Perry's services complement Absorption Systems' portfolio of products and services, which provide data regarding the absorption, distribution, metabolism and excretion, or ADME properties, of small molecules to help pharmaceutical companies advance their new drug candidates toward clinical testing and ultimately, regulatory approval. Perry Scientific is the oldest and largest CRO in Southern California. Terms not disclosed.
Biopharmaceuticals	Alcon, Inc. (ACL) , a \$6.19b manufacturer of surgical equipment, implantable lenses, and other eye care products.	ESBATEch AG , a clinical stage Swiss biotechnology company.	ESBATEch has proprietary single-chain antibody fragment technology for topical and local drug delivery presenting opportunities in ophthalmology. There is an advanced product candidate in Phase I and II studies relating to the treatment of inflammatory ocular diseases.

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Sector	Acquiring Party	Target	Analysis
			This biologics capability follows Alcon's recent deal with AstraZeneca pairing Alcon's ophthalmic research capability with AstraZeneca's drug libraries in a collaborative effort to treat eye diseases. Deal terms -- \$150m plus up to \$439m in contingent payments.
Biopharmaceuticals	Arcion Therapeutics, Inc. , a developer of topical treatments to provide pain relief.	Anesiva, Inc. , a development stage company focused on pain management treatments.	Takes Arcion public combining a pipeline of late-stage programs addressing neuropathic pain, moderate-to-severe osteoarthritis and post-operative pain. Stock merger. Anesiva's market cap is only about \$10m.
Biopharmaceuticals	Biovail Corporation (BVF) , a Canada-based specialty pharmaceutical company.	Santhera , a Swiss-based biotech company.	In its 3rd significant purchase for central nervous system treatments, Biovail gets a drug to treat dyskinesia in Parkinson's disease. The ailment causes sudden uncontrollable movements of limbs, face, tongue and body. Some 400,000 patients in Europe and North America are affected, with an estimated market of \$200-\$400m. Upfront payment of \$8m but \$184m for progress of the drug to market. The deal was in part precipitated by Santhera's lead drug Catena missing its main aim in a late-stage trial to treat a hereditary disease that damages the nervous system. Its stock has lost nearly 30% percent of its value since January 09.
Biopharmaceuticals	Bristol-Myers Squibb Company (BMY) , a \$21b global pharmaceutical and related health care products company.	Medarex, Inc. , a biopharma company focused on cancer, aids and other life-threatening diseases	Represents another important step in BMY's transformation to a pure biopharma company, after shedding its wound-care and medical-imaging units, and using the proceeds to build out its pipeline and product portfolio. The blood-thinner Plavix, a major BMY drug, loses patent protection in 2011 and already is meeting with new competition. Here, BMY gets the UltiMAb Human Antibody Development System, which produces high affinity, human antibodies for use in a broad range of therapeutic areas, including immunology and oncology. It also gets Medarex's new Antibody-Drug Conjugate (ADC) technology, which is a proprietary platform that could open new fields in cancer treatment. Deal value -- \$2.1b.
Biopharmaceuticals	CombinatoRx, Incorporated (CRXX) , a pioneer in the new field of synergistic combination pharmaceuticals.	Neuromed Pharmaceuticals, Inc. , a Canada-based biopharmaceutical company focused on pain medications.	Stock for stock merger which seeks savings and synergies by combining 2 drug development programs -- Neuromed's drug development expertise, with the CombinatoRx portfolio of product candidates. CombinatorRX has a market cap of \$44.5m, revenue of \$12.4m. Both companies are development stage.
Biopharmaceuticals	Dainippon Sumitomo Pharma Co., Ltd. , an Japan-based pharmaceutical company.	Sepracor Inc. , a specialty pharmaceutical company.	Accelerates DSP's plan to globalize; provides a U.S./Canada platform with an experienced management team and talented employee base; allows DSP to leverage Sepracor's expertise to develop and commercialize DSP's new product candidate to treat schizophrenia (in

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Sector	Acquiring Party	Target	Analysis
			Phase III), as well as other pipeline products; and expands the overall scale of DSP's business by expanding its markets in North America. Deal value -- \$2.6b, on \$1.33b of sales and \$307m of EBITDA.
Biopharmaceuticals	Hisamitsu Pharmaceutical Co., Inc. , leading Japan-based pharmaceutical company making OTC products.	Noven Pharmaceuticals, Inc. , a specialty prescription pharmaceutical company specializing in transdermal applications.	Expands Hisamitsu's US presence and presents the opportunity to build upon Noven's capabilities in transdermal drug development, clinical/regulatory affairs, manufacturing, and product commercialization. Also, Noven's technologies have the potential to supplement Hisamitsu's development efforts in Japan. Deal value -- \$430m.
Biopharmaceuticals	Johnson & Johnson (JNJ) , a \$61.4b pharmaceutical and medical device manufacturer.	An 18.5% stake in Elan Corporation , an Irish biotech corporation.	J&J enters the high-stakes race to find new medicines for Alzheimer's disease by paying \$1.5b for a 18.5% stake in Elan, which has had a 10-year collaboration with Wyeth to find a drug to address the build-up of amyloid plaques in the brain, one of the trademarks of Alzheimer's. The program includes a prospective vaccine for Alzheimer's. As part of the deal J&J will create a separate company and commit up to \$500m to continue the development of bapineuzumab. Elan receives a 49.9% interest in the new J&J company. By 2015, Alzheimer's could afflict as many as 6.5 million Americans; industry analysts predict a new disease-modifying medicine could generate as much as \$10b in annual sales.
Biopharmaceuticals	Johnson & Johnson Inc. (JNJ) , a \$61.4b major pharmaceutical and medical device manufacturer.	An 18% stake in Crucell NV , a Dutch-based biotechnology company.	J&J buys an 18% stake for \$440m to gain access to the development of a universal flu vaccine, made from "monoclonal antibodies" — which bind to a target protein, alerting the body's own immune system to attack it. Crucell had been awarded grants worth up to \$69m by the U.S. government in August to develop its range of monoclonal antibodies for influenza. Crucell claims the antibodies can fight any influenza, including swine flu and bird flu, and including those flu strains resistant to Tamiflu — the medicine currently most often used to slow their progression. Earlier in 2009 Wyeth entered talks to buy Crucell for \$1.35b, but it canceled the negotiations after Wyeth was bought for \$68b by Pfizer.
Biopharmaceuticals	LEO Pharma A/S , an \$1.1b Denmark-based pharmaceutical company focused on dermatology and critical care.	Peplin, Inc. , a development stage specialty pharmaceutical company.	Fortifies LEO's global dermatology position. Peplin's lead candidate, PEP005 Gel for actinic keratosis (precancerous growth on the skin), is near completion of Phase 3 trials. Deal value -- \$287.5m.

Sector	Acquiring Party	Target	Analysis
Biopharmaceuticals	Ligand Pharmaceuticals Incorporated (LGND) , a biopharm company addressing thrombocytopenia, hepatitis C, hormone-related diseases, osteoporosis, inflammatory diseases and anemia.	Neurogen Corporation , a drug development company addressing psychiatric and neurological disorders.	Ligand gains access to a partnership with Merck (for Vanilloid Receptor Subtype 1 Antagonists -- for sleep disorders), additional pipeline assets and drug discovery resources, approximately \$7 million in net cash and NOLs. Deal value -- \$11m (in stock) plus milestones.
Biopharmaceuticals	Lion Holdings Inc. , a buyout company.	Life Sciences Research Inc. , a contract research organization.	LSR provides product development services to pharmaceutical, biotechnology and agrochemical companies. This is a new platform for buyout firm Lion Holdings. Deal value -- \$113m on sales of \$242m (0.47x) and operating earnings of \$14.8m (6.8x).
Biopharmaceuticals	MediciNova Inc. (MNOV) , a biotech drug maker.	Avigen Inc. , a biotech developer of small molecule therapeutics for treating neurological conditions.	Both companies are running clinical trials of a drug candidate called ibudilast, although for different indications: Avigen for chronic nerve pain, addiction to opioids and methamphetamine, and opioid withdrawal, while MediciNova is testing it against multiple sclerosis. Deal value -- \$37m.
Biopharmaceuticals	Taisho Pharmaceutical Co., Ltd , a \$2.8b pharmaceutical company based in Japan.	The Asia Pacific OTC assets of Bristol-Myers Squibb , a global pharmaceutical and related health care products company.	This planned divestiture is a part of Bristol-Myers Squibb's strategic transformation into a more focused biopharma company. It sold its Japan OTC business to Lion Corporation in 2007. Taisho expands with formidable branded products in Asia (except China and Japan). Deal value \$310m.
Biopharmaceuticals	Valeant Pharmaceuticals International , a multi-national specialty pharmaceutical company.	Tecnofarma S.A. de C.V. , a Mexico-based producer of generic pharmaceuticals.	Complements Valeant Mexico's current market focus on the commercial branded generic market. Adds 2 well-established businesses, a new pipeline of branded generics, a 160,000 sf manufacturing facility capable of expanding to meet future demand, and a springboard to address Latin America. Tecnofarma has 80 registered products that can be introduced into the branded generic market in Mexico. Deal value ~ \$33m, on sales of \$30m, mostly to government and private label markets in Mexico.
Biopharmaceuticals	Warner Chilcott plc (WCRX) , a Ireland-based pharmaceutical company specializing in women's health and dermatology.	The global prescription drug business unit of The Procter & Gamble Company , a major branded consumer products company.	The deal includes P&G's portfolio of branded drugs, a blockbuster osteoporosis treatment and urology and gastroenterology treatments. This is a transformational move for Warner Chilcott, expanding its presence in women's health, urology in advance of its launch of an erectile dysfunction treatment, and gastroenterology. P&G is divesting to focus on its consumer health care businesses. Deal value -- \$3.1b on sales of \$2.3b, tripling Warner Chilcott's.

Sector	Acquiring Party	Target	Analysis
Data Management/ Healthcare IT	Dell Inc. (DELL) , a \$53.7b manufacturer of computer systems and services worldwide.	Perot Systems Corporation , a provider of information technology services with a significant focus on healthcare.	Marks a major move by Dell into computer services and an entry into the healthcare market in advance of Dell's introduction of its electronic medical records product. Earlier in 2009, Dell and Perot announced a strategic alliance to provide integrated IT solutions to healthcare organizations seeking to qualify for federal stimulus funding. Recently, Perot officials announced a 10-year, \$18 million contract to supply IT outsourcing and electronic health records implementation for Max Healthcare in India, the company's first IT outsourcing project in India and a significant step in the company's efforts to extend its healthcare footprint outside North America. Deal value ~ \$4b on \$2.64b of sales and \$278m of EBITDA.
Data Management/ Healthcare IT	Merge Healthcare Incorporated (MRGE) , a \$60m sales healthcare IT solutions provider.	Confirma, Inc. , a developer of computer assisted detection (CAD) software for medical imaging, especially MRI.	Confirma is the largest privately-held developer of CAD software for medical imaging. The deal brings Confirma's technologies to Merge's multiple market channels and international markets. CAD is still at an early adoption phase, but it shows significant opportunity as a tool for reducing imaging costs. Deal value -- \$22m in a stock-for-stock deal.
Data Management/ Healthcare IT	PeriGen, Inc. , a maker of OB-specific risk reduction solutions for hospitals.	LMS Medical Systems Ltd. , a Montreal-based leading provider of maternal-fetal monitoring systems.	Integrates LMS's suite of advanced fetal strip monitoring and interpretative solutions with PeriBirth's clinical decision support system. The combination will help clinicians achieve higher levels of patient safety while reducing risk and malpractice. Term not disclosed.
Data Management/ Healthcare IT	Phase Forward (PFWD) , a provider of integrated data management software for clinical trials and drug safety.	Maaguzi LLC , a provider of Web-based, electronic patient reported outcomes.	Extends Phase Forward's clinical research suite into observational studies markets. Clinical studies are progressively incorporating data reported directly by patients, and electronic methods of collecting patient input. There is growing focus on late phase, observational studies and registries that combine investigator-collected and patient-reported data. Deal value -- \$11m.
Dental	Zila Inc. , a diagnostic company dedicated to the prevention and treatment of oral cancer and periodontal disease.	The dental business of Tolmar Inc. , a private pharmaceutical company.	Combines two dental products companies focused on consumable home care products, in-office diagnostics, acute care products, and dental prevention tools. Tolmar offers a locally applied antimicrobial to treat adult periodontal disease.
Diagnostics	Agilent Technologies Inc. (A) , a \$4.8b provider of communications, electronics and life sciences technology and chemical analysis.	Varian, Inc. , a supplier of scientific instruments, vacuum technologies and consumables.	A major step in Agilent's transformation into a leading bio-analytical measurement company to augment its position in electronic measurement. Broadens its application offerings in life sciences, environmental, energy and materials. Also expands its reach into atomic and molecular spectroscopy; establishes a leading position in NMR (nuclear magnetic resonance), and vacuum technologies; and strengthens its consumables portfolio. Deal value -- \$1.5b on \$890m in sales (1.68x) and \$123.4m in EBITDA (12.2x). \$75m in annual cost

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Sector	Acquiring Party	Target	Analysis
			synergies expected, with Agilent's projecting a 20% return on invested capital within 4-5 years.
Diagnostics	Cell Biosciences, Inc. , a life sciences company focused on protein and biomarker research	Alpha Innotech Corporation , a manufacturer of digital imaging and analysis systems for the life sciences and drug discovery.	Creates a bigger protein analysis business with both traditional and novel protein analysis. Alpha makes instruments, reagents and bioinformatics software to offer integrated platforms for genomics, proteomics, and cell analysis markets. Deal value -- \$17.8m on \$17.6m in sales.
Diagnostics	Corning Incorporated , a maker of fiber-optic cable and glass for liquid-crystal displays.	Axygen BioScience Inc , a maker and distributor of laboratory liquid handling products and bench-top lab equipment.	Axygen sells high-quality plastic consumables (pipettes, pipette tips, and high-throughput screening (HTS) products) and lab equipment (centrifuges, pipette controllers, and incubators) and expands upon the general labware, cell culture, and HTS/Assay products sold by Corning. Also enhances Corning presence in France, Poland, and China. The deal comes as Corning struggles with falling glass sales stemming from customers' inventory cutbacks. Deal value -- \$400m. Axygen was a portfolio company of American Capital Ltd. (Nasdaq: ACAS) which realized a 22% IRR.
Diagnostics	Danaher Corporation (DHR) , a leading manufacturer of professional instrumentation, industrial technologies, and tools and components.	The AB SCIEX unit of MDS Inc. and Life Technologies Corp , a provider of products to develop drugs, and diagnosis and treat disease	With this and a related deal, Danaher is buying 100% ownership (from 2 sources) of AB SCIEX, a major manufacturer of mass spectrometers selling into research, applied and clinical markets. Typical applications include proteomics research, drug development, food and environmental safety testing and diagnostics testing. Customers include academic and research institutions, pharmaceutical development labs primarily supporting clinical trials, testing and reference labs and hospitals. The deal also includes Molecular Devices Corp., which supplies high-performance bio-analytical instrumentation systems and consumables that accelerate research productivity. The acquired businesses will increase Danaher's life sciences and diagnostics annual revenues to more than \$2b. Deal value -- for combined transactions is \$1.1b.
Diagnostics	Dionex, Inc. (DNEX) , a \$385m manufacturer of analytical instrumentation.	The ESA Life Sciences Tools (LST) business of Magellan Biosciences, Inc. , a clinical diagnostics company.	The sale enables Magellan to focus on clinical-diagnostic systems and tests designed for doctors. Dionex adds 3 category-leading HPLC detector families to the Dionex HPLC product portfolio, increasing its life science applications. Terms not disclosed.

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Diagnostics	ICON plc (ICLR) , an Ireland-based provider of outsourced development services to the pharmaceutical, medical device and biotech sectors.	Veeda Laboratories Ltd , a U.K based provider of laboratory services to global pharmaceutical and biotechnology industries.	Expands ICON's biomarker and immunoassay capabilities in Europe. Veeda Laboratories is a specialist provider of biomarker laboratory services to global pharmaceutical and biotechnology companies. Biomarkers of disease are assuming an ever increasing role in the discovery and development of drugs. Terms not disclosed.
Diagnostics	Millipore Corporation (MIL) , a leading bioscience products and services company.	BioAnaLab , a European-based firm specializing in the analysis of biologic drugs and vaccines.	Enables Millipore to expand its biopharmaceutical services business into Europe and further strengthens its position as a preferred out-source partner to biopharmaceutical companies. BioAnaLab was spun out of the University of Oxford in 2002 to help biotech companies better understand the safety and efficacy of biologic drugs and vaccines by providing a broad range of services to assist with evaluating and advancing these therapeutic developments to the market. Terms not disclosed.
Diagnostics	PerkinElmer, Inc. (PKI) , a leader in producer of diagnostic and photonics products.	SYM-BIO Lifescience , a Shanghai-based provider of diagnostics instrument and related reagents to hospitals in China.	SYM-BIO is a major Chinese supplier of diagnostics for infectious diseases, a major addition to PerkinElmer. The acquisition doubles PerkinElmer's access to the hospital market in China, offering a larger base from which to expand its prenatal and newborn screening business in the country and providing a significant local diagnostics manufacturing and R&D base. Deal value -- \$63.7m.
Diagnostics	QIAGEN N.V. QGEN , a \$929m global provider of sample and assay technologies for research in life sciences and molecular diagnostics.	DxS Ltd. , a UK-based manufacturer of companion diagnostic products.	QIAGEN strengthens its position in personalized healthcare (PHC). The combined company is active in over 15 collaborations with pharmaceutical companies to market and / or develop companion diagnostic products. The deal brings to QIAGEN molecular diagnostic assays and IP, as well as a pipeline of active or planned companion diagnostic partnerships in oncology with many of the leading pharmaceutical companies. These assets complement QIAGEN's existing strong portfolio of personalized healthcare diagnostic solutions and are synergistic with QIAGEN's sample and assay technologies. Deal value -- \$95m plus up to \$35m in milestones, on expected 2010 sales of \$30m.
Diagnostics	Thermo Fisher Scientific Inc. (TMO) , a \$10.5b global provider of analytical products and services for life science research, manufacture, and diagnostics.	B.R.A.H.M.S. AG , a Germany-based maker of specialized in-vitro diagnostic tests.	B.R.A.H.M.S.' specialty in-vitro diagnostic tests are based on patented biomarkers for sepsis, cardiovascular and pulmonary diseases, as well as intensive care treatments and prenatal screening. Its flagship product, Procalcitonin (PCT), has become the standard in Europe for the early diagnosis of sepsis, which is critical for patient survival, and the subsequent monitoring of treatment. The deal complements Thermo's immunoassay testing portfolio and adds a robust R&D pipeline of opportunities to commercialize new patented diagnostic tests. Deal value -- \$470m on \$100m of sales.

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Sector	Acquiring Party	Target	Analysis
Medical Devices	Abbott Laboratories (ABT) , a \$29b manufacturer of pharmaceuticals, medical devices and diagnostics.	Visiogen, Inc. , an ophthalmic medical device company.	Provides Abbott with a new accommodating intraocular lens (IOL) technology to address presbyopia for cataract patients. Visiogen's IOL is designed to deliver improved vision at all distances, potentially eliminating the need for glasses or contact lenses, reducing glare and nighttime halos, and improving contrast sensitivity. Abbott entered the vision care segment with its Feb 2009 \$1.3b acquisition of Advanced Medical Optics. The Visiogen deal puts Abbott into deeper competition with Bausch & Lomb whose Crystalens is now the only FDA-approved entry in the accommodating intraocular lens segment, which is made up of lenses that work with the eye's natural muscle. B&L got Crystalens when it bought Eyeonics Inc. Visiogen deal value - \$400m.
Medical Devices	Abbott Laboratories (ABT) , a \$29b manufacturer of pharmaceuticals, medical devices and diagnostics.	Evalve Inc. , a manufacturer of devices for minimally invasive repair of cardiac valves.	After owing 10% of Evalve, Abbott buys the entire company for its minimally invasive mitral-valve repair technology. Traditionally mitral regurgitation is treated through open heart surgery. However, only 20% of the 600,000 patients diagnosed in the U.S. and Europe each year undergo surgery. Evalve's minimally invasive catheter-based system is the first commercially available treatment option approved in Europe for non-surgical mitral valve repair for patients suffering from the effects of mitral regurgitation. The system is an investigational device in the U.S. and is in clinical trials. Earlier in 2009 Medtronic announced it would spend at least \$1.03b to buy two privately held makers of replacement heart valves (Corevalve and Ventor Technologies) that don't require major surgery. Deal value -- \$320m plus payments tied to regulatory milestones (aggregating a possible \$410m).
Medical Devices	Aurora Capital Group , a private equity firm.	The Porex segment of HLTH Corporation , a \$405m holding company which owns a majority of WebMD.	Porex produces porous plastic products used in healthcare, industrial and consumer applications. Porex does not fit with WebMD, but represents a platform for Aurora. Included in the line are plastic implants for craniofacial and orbital reconstructive surgery. Deal value - \$142m, with \$67.4m of senior secured debt paying 8.75% per annum, \$10m principal pay down for 3 years, and a final \$37.5m payment on the fourth anniversary of the closing.
Medical Devices	Cortec Group , a private equity firm.	180 Medical, Inc. , a leading distributor of disposable urologic catheters.	Represents a new platform for Cortec. 180 Medical sells over 500 types of urologic catheters directly to patients with spinal cord injuries, spina bifida, multiple sclerosis and other conditions causing incontinence. Urologists are the referral base. Terms not disclosed.

Sector	Acquiring Party	Target	Analysis
Medical Devices	Cortec Group , a private equity firm.	Katena Products, Inc. , a producer of ophthalmic surgical instruments.	Represents a new platform. Katena is a leading producer of precision hand-held surgical instruments and disposables and has been in the forefront in developing instruments for many new surgical techniques. With international coverage, Katena serves a market which is expected to grow due to the aging population, new technological advances that will require new instrument patterns and the opening of new geographical markets. The Walden Group represented Katena and its principals and arranged for the transaction. Terms not disclosed.
Medical Devices	Covidien (COV) , a \$10.25b provider of healthcare products and formerly part of Tyco.	Aspect Medical Systems, Inc. , a leader in brain monitoring technology.	Adds a market leading brain monitoring technology and expands Covidien's presence in the OR. Aspect's premier product — Bispectral Index™ — became the first clinically proven and commercially available direct measure of the effects of anesthetics and sedatives on the brain. The technology is installed in approximately 74% of U.S. operating rooms. Aspect has OEM agreements with 9 leading manufacturers of patient monitoring systems. Deal value -- \$210m on \$99m in sales.
Medical Devices	Covidien Ltd. (COV) , a \$10.25b global provider of healthcare products and formerly part of Tyco.	Power Medical Interventions, Inc. , a provider of computer-aided power surgical cutting and stapling products.	PMI's powered stapling platform, the SurgAssist, has been used in more than 45,000 procedures globally. It recently introduced wireless Intelligent Surgical Instruments™ that may expand minimally invasive surgery applications. Covidien is a leader in surgical stapling. Deal value -- \$64m on sales of \$9m. Represents an exit of sorts for a thinly traded and capitalized company, given the resources required to expand PMI's market penetration.
Medical Devices	Current Solutions, LLC , an acquisition company.	Koalaty Products, Inc. , a provider of electrical stimulation products for pain management and rehab.	In addition to innovative TENS units, Koalaty distributes electrodes, orthopedic pillows, braces, batteries and topical analgesics. Pain management regarded as a major growth area, given the aging population, longer life spans and the non-invasive nature of the product lines involved here. Terms not disclosed. The Walden Group represented Koalaty and arranged for the transaction.
Medical Devices	Davol Inc. , a subsidiary of C.R. Bard, Inc., a leader in comprehensive soft tissue reconstruction.	The hernia repair products business of Brennen Medical, LLC , a manufacturer of biomaterials.	The hernia mesh product line employs proprietary porcine dermal matrix technology for enhanced biocompatibility. The line augments Davol's existing hernia mesh line. Terms not disclosed.
Medical Devices	Embla Systems , a maker of sleep diagnostics products.	The Sleep Diagnostics product line of Covidien Ltd. , a \$10.25b provider of healthcare products and formerly part of Tyco.	The combined entity will form the world's largest company to focus entirely on sleep diagnostics, with close to 1,700 customers in North America and about 2,500 worldwide. It is estimated that close to 70% of patients who have suffered a stroke and 60% of congestive heart failure patients also suffer from sleep disordered breathing. Here,

Sector	Acquiring Party	Target	Analysis
			Covidien is reallocating resources to its faster-growing, higher-margin businesses. Terms not disclosed.
Medical Devices	ICU Medical, Inc. (ICUI) , a \$220m manufacturer of custom medical products and critical care devices.	The critical care product line of Hospira, Inc. , a specialty pharmaceutical and medication delivery company selling primarily to hospitals.	Positions ICU to improve gross margins and earnings by vertically integrating; it had been manufacturing the majority of Hospira's critical care offerings for over 4 years. Hospira is seeking simplify its product line and focus on core strategic areas of specialty injectable pharmaceuticals (SIP) and medication management systems. Deal value -- \$35m cash.
Medical Devices	Integra LifeSciences Holdings Corporation (IART) , a \$668m producer of tissue regenerative products and instrumentation focused on neurosurgery, aesthetics and orthopedics.	Innovative Spinal Technologies, Inc. , a manufacturer of spinal implant products focused on minimally invasive surgery and motion preservation techniques.	Assets acquired include a system for percutaneous lumbar fusion procedures, an anterior cervical plating system, several product development assets, and patents and patent applications. Complements Integra's Theken line. IST had 2008 revenues of \$2.2m, but ceased operations and filed for bankruptcy in 2009. Deal value -- \$9.25m.
Medical Devices	IntriCon Corporation , a manufacturer of body-worn medical and electronics products.	Datrix, Inc. , a supplier of cardiac diagnostic monitoring devices sold to OEMs.	Datrix makes Holter monitors and equipment for electrocardiograph (ECG) management systems with Wi-Fi capability. The handheld ECG stores information from as many as 15 patients and wirelessly transmits their information to a patient management system. Creates a platform to expand into other physiological monitoring markets with wireless outpatient telemetry capability. Deal value -- \$2.5m.
Medical Devices	Lake Region Medical, Ltd , a medical device company specializes in minimally invasive devices for cardiovascular, endovascular and neurovascular.	Brivant Medical , an Ireland-based manufacture of interventional OEM guidewires and medical devices.	Both companies are OEM leaders for medical device guidewires and related products for minimally-invasive cardiac surgery and other procedures. Lake Region Medical (with 1,500 employees) has been doing business in Ireland since 1994. Gives Lake Region a greater global competitive edge in the medical device and equipment market. Terms not disclosed.
Medical Devices	Natus Medical Incorporated (BA-BY) , a \$155m manufacturer of neurodiagnostic systems for use on newborns.	Alpine Biomed Holdings Corp , a manufacturer of devices for the diagnosis of neurological disorders.	Expands Natus' international presence and neurological offerings and leverages its sales force and distribution networks. Alpine has advanced electromyography systems for the diagnoses of peripheral nervous system dysfunctions as well as devices for EEG and long term epilepsy monitoring. Approximately 2/3 of Alpine's revenue is from outside the U.S. Recovering the recession, Natus expects more aggressive growth. Deal value -- \$43m, on \$35m of sales. Alpine was a portfolio company of Water Street Healthcare Partners.
Medical Devices	PuriCore (LSE: PURI) , a life sciences company focused on naturally killing infectious pathogens.	The Labcaire Systems unit of Misonix Inc. , a maker of therapeutic ultrasonic medical devices.	Labcaire is a U.K. supplier and manufacturer of endoscope disinfection equipment and air filtration systems, and fits with PuriCore's focus. Misonix seeks to concentrate on its ultrasound product lines. Deal terms -- \$4.6m plus another \$1.0 based on revenue milestones. Labcaire's revenues were ~ \$12.6m.

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Medical Devices	Royal Philips Electronics (PHG) , a large maker of electronics and health-care products based in the Netherlands.	InnerCool Therapies business of Cardium Therapeutics Inc. , an opportunistic acquiror of biomedical product lines.	Adds to Philips' emergency medicine portfolio. InnerCool manages a patient's body temperature (therapeutic hypothermia) during and after a heart attack or stroke to preserve organs such as the heart and brain. Deal terms -- \$13m.
Medical Devices	Syneron Medical Ltd. (NASDAQ:ELOS) , a \$69m maker of aesthetic systems based on radiofrequency energy and laser-based energy.	Candela Corporation , a maker of aesthetic laser and light-based systems for various cosmetic and medical conditions.	This stock merger combines two medical laser technology providers for aesthetic treatments such as hair removal, wrinkle reduction, acne treatment etc. The parties project significant cost and product synergies. Both companies have been hit by the recession and the deal will increase their collective financial strength, with more than \$240m in cash and zero debt on a pro forma basis. Deal value -- \$65m on sales of \$116m (and operating losses).
Medical Devices	Synovis Life Technologies Inc. (SYNO) , a maker of implantable biomaterials for soft tissue repair, devices for microsurgery and surgical tools.	Pegasus Biologics Inc. , a manufacturer of bioimplants for soft-tissue repair and wound care for diabetic ulcers.	Gives Synovis access to growing orthopedic and wound care markets. Synovis plans to market the new products via sales people recruited from the recently disbanded Pegasus sales force, and independent sales distribution. Failing to get new funding, Pegasus ceased operations earlier in 2009. It previously raised \$32m over three venture capital funding rounds. Deal value -- \$12.1m, on \$9m of sales.
Medical Devices	Wound Management Technologies, Inc. (WNDM.OB) , a manufacturer and distributor biomaterial wound care products.	BioPharma Management Technologies, Inc. , a biotechnology company focused on topical pain management and resorbable orthoses.	BioPharma's technologies are complementary to Wound Management's major product CellerateRx®, a collagen hydrolysate polypeptid used to manage pressure ulcers, traumatic wounds, diabetic ulcers, first and second degree burns, venous stasis ulcers, ulcers due to arterial insufficiency and superficial wounds. Stock for stock merger.
Medical Devices	Wound Management Technologies, Inc. (WNDM.OB) , a manufacturer and distributor biomaterial wound care products.	Resorbable Orthopedics LLC , a manufacturer of biomaterial orthopedic products.	Adds complementary orthopedic biomaterials products to WMT's portfolio. The target has a patented bone wax and delivery system addressing 'bone wax granuloma' and bone wound healing. A stock merger of two very small companies seeking synergies in addressing the orthopedic and wound care biomaterials market estimated at \$10b. WMT is in early stage of commercializing its products, and this is the second stock deal it announced in Q3.
Medical Services	Cardinal Health, Inc. (CAH) , a leading pharmaceutical and medical product distributor.	Biotech , an operator of positron emission tomography (PET) cyclotrons and nuclear pharmacies in the Southwestern U.S.	Cardinal already operates 160 nuclear pharmacies and 26 cyclotron-based PET radiopharmaceutical manufacturing facilities, which manufacture PET imaging agents that are used by physicians to diagnose various medical conditions. With Biotech's four nuclear pharmacies, Cardinal expands its existing U.S. PET business and expands its presence in molecular imaging new drug development.

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			Cardinal is the largest employer of nuclear pharmacists in the world, enabling it to reach >85% of all U.S. hospitals within three hours. Terms not disclosed.
Medical Services	Inverness Medical Innovations, Inc. (IMA) , a \$1.8b provider of consumer diagnostic products for women's health and chronic disease self-management.	Free & Clear, Inc. , a provider of online and phone-based coaching for company employees battling tobacco addiction, obesity, and stress.	Dovetails with Inverness' growing consumer diagnostic product line and Alere disease management unit. Deal value -- \$100m, plus \$30m of contingent payments, on \$47.1m of sales. Free & Clear was backed by Polaris Venture Partners, Three Arch Partners, and Kaiser Permanente Ventures.
Medical Services	Transcend Services Inc. (TRCR) , a \$57m provider of medical transcription services.	Medical Dictation Services, Inc. , a leading medical transcription company.	MDI has approximately 450 employees providing service to approximately 30 customers located in the mid-Atlantic region. A synergistic deal. Value -- \$16.2m on \$13.7m of sales.
OTC/Consumer	Abbott Laboratories (ABT) , a leading manufacturer of pharmaceuticals, medical devices and diagnostics, with \$27.9b in sales.	The nutrition business of Wockhardt Limited and Carol Info Services Limited , an India-based manufacturer of pediatric and adult nutrition products.	Wockhardt has a significant presence in India's pediatric and adult nutrition segments with infant formulas, weaning foods and adult protein supplements, holding the #2 position in India's pediatric nutrition category. Abbott's international nutrition business is an important growth driver for the company and has been strong in China, Southeast Asia and Latin America in recent years. The deal involves 600 employees. Abbott has approximately 1,500 employees in India across all of its businesses and has been operating in India since 1910. Deal value -- \$130m cash.