

The Strategic Healthcare M&A Report

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

4th Quarter 2007, January 2008

Highlights

1. **Annual M&A Overview** – a high elevation perspective on 2007's deal activity.
2. **2007's Top Deals** – Transactions with a value over \$100m.
3. **4Q 07 M&A Deal-by-Deal Review** -- More than 75 Transactions Analyzed -- announced or closed in Q4 07.



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 complementary copy of the Report can be obtained on a regular basis by subscribing at <http://www.waldenmed.com/mailform.asp> or by contacting The Walden Group at 914.332.0020 x102 or by email office@waldenmed.com, Please feel free to e-mail suggestions for future content to the address listed above.

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1. **Annual M&A Overview – a high elevation overview of 2007's deal activity**

2007 ended amid uncertain general economic conditions precipitated by the sub-prime and structured loan debacles. Tightening credit will affect leveraged transactions (i.e., private equity deals) most immediately and generally may cause a higher "burden of proof" by lenders and sponsors to go ahead with a deal. But, the broader indirect impacts of this mess will affect the overall interconnected world economy. Yes, the aphorism that healthcare is recession-proof still applies, but prospects for a particular sector, company or deal are very specific to the precise circumstances. Generally, 2007 M&A activity reflected adding complementary product lines that dovetail with the core business and infrastructure of the acquirer, as opposed to divergent diversification "plays". Another theme was equipping an acquirer with technology that will predictably be prominent in the near future. Some of the largest deals of the year are highlighted below by sector.

BioPharmaceuticals

Astra Zeneca strengthened its biologics and vaccine strategy with its \$15.6b purchase of **MedImmune**. **Schering-Plough** also added to its biologics (as well as neurological and women's health) capabilities with its \$14.6b purchase of **Organon BioSciences**. Both of these transactions, and others effected in 07, demonstrate forward-looking strategies to develop bio-pharmaceutical products that will become more widespread in the future. On the private equity side, **Blackstone** bought **Cardinal's** pharmaceutical contract manufacturing drug development business for \$3.3b.

Diagnostics

Quest Diagnostics expanded its diagnostic testing franchise by acquiring **Ameripath**, a leading provider of dermatopathology, anatomic pathology and esoteric testing and a portfolio company of Welsh, Carson (\$2b), and **HemoCure**, Sweden-based manufacturer of point-of-care testing products and technology (\$420m).

Siemens AG bought **Dade Behring** for \$7b and the **Bayer Diagnostic Unit** for \$5.3b. With its 06 purchase of **Diagnostic Products Corp.** (\$1.9b), these deals make Siemens one of the largest providers of clinical diagnostic products and services in the world and positions it for cutting edge R&D and new products.

Roche made several acquisitions (including **BioVeris** - \$600m, **NimbleGen** - \$272.5m, 454 **Life Sciences** - \$155m, in addition to its pending \$3b **Ventana Medical Systems**), substantially adding to Roche's genomic and "personalized medicine/diagnostic" capabilities.

Inverness Medical made more than 10 acquisitions in 07. Among them was a \$1.68b acquisition of **Biosite Incorporated**, outbidding **Beckman Coulter**, and the purchase of **ParadigmHealth** (\$230m). Inverness is expanding its point-of-care diagnostic footprint into adjacent product and service areas, covering a wide spectrum of markets from acute-care to home care. ParadigmHealth is a disease management services company, complementing Inverness' \$302m purchase of **Alere Medical**, a disease management firm focused on home chronic heart failure. Biosite is a large U.K. distributor of point of care and lab products.

Private equity firm **Madison Dearborn Partners**, also saw substantial growth potential in the diagnostic market, buying **VWR International**, a large distributor of lab products, for \$3.7b.

Distribution

The largest deals included **Amerisource Bergen's** purchase of Bellco Health (\$232m), McKesson's purchase of Oncology Therapeutics Network (\$575m) and Owens & Minors purchase of McKesson's Acute Care medical business (\$169m).

Medical Devices

Phillips' recent \$5.1b bid for **Respironics** continues Phillips' push into home market diagnostics and reflects the growing needs of the aging population. **Cardinal's** \$1.5b purchase for **Viasys** also reflected expected growth in the respiratory and sleep disorder market. **Medtronic** extended its reach into spinal surgery with the \$3.9b purchase of Kyphon.

On the private equity front, **Blackstone, Goldman Sachs** and others are acquiring **Biomet** (\$10.9b); **Warburg Pincus** purchased **Bausch & Lomb** (\$3.7b); and **Onex Corporation** bought Kodak's healthcare imaging group for \$2.35b.

Medical Services

Private equity deals were even more pronounced in medical services: **Carlyle** bought **Manor Care** (\$6.3b); **CCMP and a Goldman Sachs** group took over **Triad Hospital** (\$6.4b); **Formation Capital** bought **Genesis Healthcare** (\$1.9b) and **Vestar Capital** acquired **Radiation Therapy Services** (\$1.1b).

2. Top Deals of 2007 -- >\$100 in Transaction Value (announced or closed)

Biopharmaceuticals			Biopharmaceuticals (Cont.)		
Acquiring Party	Transferring Party	(\$millions) TransValue	Acquiring Party	Transferring Party	(\$millions) TransValue
Allergan, Inc.	Esprit Pharma Holding Company, Inc.	\$370	Hospira, Inc. (NYSE: HSP)	Mayne Pharma Limited (ASX: MYP)	\$2,000
Almirall, S.A.	A portfolio of dermatology, pain and other products of Shire PLC	\$213	Ikaria Inc.	INO Therapeutics	\$670
Amgen	Alantos Pharmaceuticals	\$300	Meda AB	MedPointe Inc.	\$520
Amgen	Ilypsa, Inc.	\$420	Meda AB	3M's (NYSE:MMM) European pharmaceutical business.	\$860
AstraZeneca PLC (NYSE: AZN)	MedImmune, Inc.	\$15,600	Merck & Co., Inc.	NovaCardia, Inc.	\$366
AstraZeneca PLC (NYSE: AZN)	Arrow Therapeutics Ltd.	\$150	Mylan Laboratories Inc. (NYSE: MYL)	The generic drug business of Merck KGaA	\$6,700
Biotest Pharmaceuticals Corporation	Biologics business unit of Nabi Biopharmaceuticals Corporation	\$185	Novator	Actavis	\$3,100
Bristol-Myers Squibb Company	Adnexus™ Therapeutics	\$430	Noven Pharmaceuticals Inc.	JDS Pharmaceuticals, LLC	\$145
Eisai Co. Ltd. (Tokyo)	Morphotek Inc.	\$325	Nycomed International Management GmbH	Bradley Pharmaceuticals, Inc.	\$346
Evotec AG	Renovis, Inc.	\$152	Schering-Plough Corporation (SGP)	Organon BioSciences N.V.	\$14,400
Forest Laboratories, Inc. (NYSE: FRX)	Cerexa, Inc.	\$494	Sciele Pharma, Inc. (NASDAQ:SCRX)	Alliant Pharmaceuticals, Inc.	\$122
Galenica Group	Aspreva Pharmaceuticals Corporation	\$915	Shire plc (LSE: SHP.L ; NASDAQ: SHPG)	New River Pharmaceuticals Inc. (NASDAQ)	\$2,600
Genstar Capital LLC	PRA International	\$790	The Blackstone Group	The drug manufacturing business of Cardinal Health Inc.	\$3,300
Genzyme Corporation	Bioenvision, Inc.	\$345			

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Data Management/Healthcare IT		
Acquiring Party	Transferring Party	(\$millions) TransValue
Cognizant Technology Solutions Corporation	marketRx, Inc.	\$135
Firstsource Solutions Limited	MedAssist Holding, Inc.	\$330
McKesson Corp.	Per-Se Technologies	\$1,800
Royal Philips Electronics	VISICU, Inc.	\$430

Diagnostics		
Acquiring Party	Transferring Party	(\$millions) TransValue
Agilent Technologies Inc. (NYSE: A)	Stratagene Corp. (NASDAQ: STGN)	\$250
AMETEK, Inc.	CAMECA SAS	\$112
Avista Capital Partners	The Medical Imaging unit of Bristol-Myers Squibb Company	\$525
Bio-Rad Laboratories, Inc.	DiaMed Holding AG	\$389
Bracco Diagnostics Inc.	E-Z-EM, Inc.	\$241
Celera Group	Berkeley HeartLab, Inc.	\$195
Cytoc Corporation (Nasdaq: CYTC)	Adeza Biomedical Corporation (Nasdaq:ADZA)	\$452
Eppendorf Group	New Brunswick Scientific Co., Inc.	\$110
Hologic, Inc.	Cytoc Corporation	\$6,200
Illumina, Inc. (NASDAQ: ILMN)	Solexa, Inc. (NASDAQ: SLXA)	\$600
Inverness Medical Innovations, Inc.	ParadigmHealth, Inc.	\$230
Inverness Medical Innovations, Inc.	HemoSense, Inc.	\$165
Inverness Medical Innovations, Inc.	Cholestech Corporation	\$326

Diagnostics (cont.)		
Acquiring Party	Transferring Party	(\$millions) TransValue
Inverness Medical Innovations, Inc.	BBI Holdings Plc	\$170
Inverness Medical Innovations, Inc.	Biosite Incorporated (Nasdaq: BSTE)	\$1,680
Madison Dearborn Partners	VWR International, Inc.	\$3,700
MDS Inc.	Molecular Devices Corp.	\$615
PerkinElmer Inc.	ViaCell Inc.	\$300
QIAGEN N.V.	Digene Corp.	\$1,600
Quest Diagnostics Incorporated (NYSE: DGX)	Ameripath, Inc.	\$2,000
Quest Diagnostics Incorporated (NYSE: DGX)	HemoCue	\$420
Roche Holding AG	NimbleGen Systems, Inc.	\$273
Roche Holding AG	BioVeris Corporation	\$600
Roche Holding AG	454 Life Sciences	\$155
Roche Holding AG	Ventana Medical Systems, Inc.	\$3,000
Siemens AG	The clinical diagnostic products and services division of Dade Behring Holdings, Inc.	\$7,000
Siemens AG	The Bayer Diagnostic Unit of Bayer AG	\$5,300

Distribution		
Acquiring Party	Transferring Party	(\$millions) TransValue
AmerisourceBergen Corporation (NYSE:ABC)	Bellco Health Corp.	\$235
McKesson Corporation	Oncology Therapeutics Network	\$575
Owens & Minor (NYSE: OMI)	McKesson's Acute-Care Medical and Surgical Supply Distribution Business (NYSE: MCK)	\$169
TA Associates	Twin Med, LLC	\$103

Medical Devices		
Acquiring Party	Transferring Party	(\$millions) TransValue
Advanced Medical Optics, Inc. (NYSE: EYE)	IntraLase Corp. (Nasdaq: ILSE)	\$808
Avista Capital Partners	The Fluid Management and Venous Access Businesses of Boston Scientific Corp.	\$425
C.R. Bard, Inc.	The LifeStent peripheral vascular product line of Edward Lifesciences Corporation	\$140
Cardinal Health, Inc. (NYSE: CAH)	VIASYS Healthcare Inc. (NYSE: VAS)	\$1,500
China Medical Technologies (NASDAQ:CMED)	The fluorescent in situ hybridization ("FISH") business of Supreme Well Investments Limited and Molecular Diagnostics Technologies Limited	\$137
Ecolab Inc.	Microtek Medical Holdings, Inc.	\$274
ev3 Inc.	FoxHollow Technologies, Inc.	\$780
Fresenius Medical Care AG & Co. KGaA	Renal Solutions, Inc.	\$160
Getinge AB	The cardiac surgery and vascular surgery divisions of Boston Scientific Corp.	\$750
Greatbatch, Inc. (NYSE:GB)	Precimed, Inc.	\$125
Greatbatch, Inc. (NYSE:GB)	Enpath Medical, Inc. (Nasdaq:NPTH)	\$102
Hoya Corporation	Pentax Corporation	\$771

Medical Devices (cont.)		
Acquiring Party	Transferring Party	(\$millions) TransValue
Johnson & Johnson (JNJ)	Conor Medsystems Inc. (CONR)	\$1,400
Kyphon Inc. (NASDAQ: KYPH)	St. Francis Medical Technologies, Inc.	\$525
Medtronic, Inc.	Shandong Weigao Group Medical Polymer Company Limited	\$221
Medtronic, Inc.	Kyphon Inc.	\$3,900
Olympus Corp.	Gyrus Group Plc	\$1,920
Onex Corporation	The Healthcare Imaging Group of Eastman Kodak Company	\$2,350
ReAble Therapeutics, Inc. (formerly Encore Medical)	DJO Incorporated	\$1,500
Royal Philips Electronics	Respironics, Inc.	\$5,100
Smith & Nephew Plc	Plus Orthopedics Holding AG	\$889
Teleflex Incorporated	Arrow International, Inc.	\$2,000
The Blackstone Group, Goldman Sachs Capital Partners, Kohlberg Kravis Roberts & Co. and TPG	Biomet, Inc.	\$10,900
Warburg Pincus	Bausch & Lomb (NYSE:BOL)	\$3,670

Medical Services		
Acquiring Party	Transferring Party	(\$millions) TransValue
Aetna	Schaller Anderson, Inc.	\$535
Apollo Health Street	Zavata Inc.	\$170
Apria Healthcare Group Inc.	Coram Inc.	\$350
Bridgepoint Capital	Gambro Healthcare	\$820
Carlyle Group	Manor Care Inc.	\$6,300
CCMP Capital Advisors and GS Capital Partners	Triad Hospitals, Inc. (NYSE: TRI)	\$6,400
Crestview Partners, L.P.	Symbion Surgery Centers	\$637
Formation Capital, LLC and JER Partners	Genesis HealthCare Corporation	\$1,900
HAPC, Inc.	The InfuSystem Inc. unit of I-Flow Corporation	\$100
Humana Inc.	KMG America Corporation	\$188
Inverness Medical Innovations, Inc.	ALERE Medical Incorporated	\$302
Medco Health Solutions, Inc.	PolyMedica Corporation	\$1,500
Royal Philips Electronics NV	Raytel Cardiac Services	\$110
Sonic Healthcare Ltd.	Sunrise Medical Laboratories Inc.	\$148

Medical Services (cont.)		
Acquiring Party	Transferring Party	(\$millions) TransValue
Sun Healthcare Group, Inc. (NASDAQ:SUNH)	Harborside Healthcare Corporation	\$620
TA Associates	Alere Medical Incorporated	\$175
Texas Pacific Group (TPG)	The Surgical Services Division of HealthSouth Corporation	\$920
Vestar Capital Partners	Radiation Therapy Services Inc.	\$1,100
Walgreen Company	Option Care, Inc.	\$850
Water Street Healthcare Partners	Physiotherapy Associates	\$150
WellPoint, Inc.	American Imaging Management	\$300
Welsh, Carson, Anderson & Stowe	United Surgical Partners International (NASDAQ:USPI)	\$1,800
OTC/Consumer		
Acquiring Party	Transferring Party	(\$millions) TransValue
First Quality Enterprises, Inc.	The Retail Products business of Covidien Ltd.	\$335

3. M&A Deal-by-Deal Review -- Q4 '07

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

Sector	Acquiring Party	Transferring Party	Analysis
Biopharmaceuticals	Allergan, Inc. (NYSE:AGN) , a specialty pharmaceutical company focused on ophthalmology, aesthetics and other specialty markets.	Esprit Pharma Holding Company, Inc. , a privately-owned pharmaceutical company with expertise in the genitourinary (GU) market.	Allergan gains an overactive bladder treatment portfolio and establishes a new genitourinary division. Esprit markets an anti-cholinergic approved for the treatment of overactive bladder (OAB), with symptoms of urge urinary incontinence, urgency and urinary frequency. OAB affects approximately 33 million Americans. Deal value ~ \$370m.
Biopharmaceuticals	Almirall, S.A. , a global pharmaceutical company based in Spain.	A portfolio of dermatology, pain and other products of Shire PLC , a U.K.-based pharmaceutical firm.	Strengthens Almirall in dermatology, inflammatory diseases, pain and gastrointestinal, and spurs its international expansion. Almirall obtains the associated sales network in the UK. Deal value -- \$213m.
Biopharmaceuticals	Amarin Corporation PLC (NASDAQ: AMRN) , a developer of therapeutic products for neurological disorders.	Ester Neurosciences Ltd. , a Israel-based R&D company focused on cholinergic neuromodulation.	Adds to Amerin's pipeline a unique mRNA platform technology. Deal value -- \$15m in cash plus up to \$17m in contingent payments.
Biopharmaceuticals	Galenica Group , a Swiss-based pharmaceutical manufacturer.	Aspreva Pharmaceuticals Corporation , a Canada-based specialty pharmaceutical company focused on R&D and commercialization of new therapeutic indications for existing drugs.	Complementary product lines and adds a new drug pipeline that synergizes with Galenica's. Also allows Galenica to possibly extend product indications of its existing drugs, while penetrating new markets. Deal value -- \$915m, on sales of \$237m (3.9x) and EBITDA of \$129.4 (7.1x).
Biopharmaceuticals	Genzyme Corporation (Nasdaq:GENZ) , a leading biotechnology and medical device company.	Bioenvision, Inc. , a developer of compounds and treatments for cancer and infectious diseases.	Enhances Genzymes' oncology business by gaining exclusive, worldwide rights to clofarabine (Clolar), which was developed by both companies. Full ownership accelerates the development and commercialization of the therapy. Bioenvision also markets a treatment for post-menopausal breast cancer following relapse from initial hormone therapy, and has a pipeline to address unmet needs in autoimmune disease and infectious disease. Deal value -- \$345m on limited sales currently.

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Sector	Acquiring Party	Transferring Party	Analysis
Biopharmaceuticals	Mylan Laboratories Inc. (NYSE:MYL) , a leading generic pharmaceutical company.	The generic drug business of Merck KGaA , a large international drug company.	Creates a vertically and horizontally integrated generics and specialty pharmaceuticals leader with a diversified revenue base and a global footprint. Pro forma combined '06 revenues of ~ \$4.2b, EBITDA of ~ \$1.0b and about 10,000 employees, immediately making it among the top tier of global generic companies. Deal value -- \$6.7b. In '06, Merck Generics' sales were \$2.5b (2.7x) and EBITDA \$450m (14.9x).
Biopharmaceuticals	Nycomed International Management GmbH , a Germany-based pharmaceutical company focused on dermatology.	Bradley Pharmaceuticals, Inc. , a manufacturer of branded prescription and OTC drugs and other products relating to dermatological and respiratory therapy.	Both Nycomed and Bradley have a dermatology focus and are active in branded and generic areas. Provides Nycomed US with additional branded dermatologics to build on its PharmaDerm division and the opportunity to enhance its platform for acquisition, in-licensing and co-promotion. Deal value -- \$346m, on sales of \$141.2m (2.5x) and EBITDA of \$25.7m (13.5x). Deal resulted from an auction.
Biopharmaceuticals	Pioneer Surgical Technology Inc. , a manufacturer of spinal and orthopedic implants.	Angstrom Medica, Inc. , a developer of nanocrystalline calcium phosphate technology -- NanOss™.	Angstrom is the first company to obtain FDA approval for a nanotechnology device that can remodel over time into human bone. NanOss has potential application in trauma, spine and general orthopedic markets. Also in 2007, PST acquired Encelle, Inc., which develops tissue regeneration products. Terms not disclosed.
Data Management/Healthcare IT	Cognizant Technology Solutions Corporation (NASDAQ:CTSH) , a major provider of global IT and business process outsourcing services.	marketRx, Inc. , a provider of analytics and related software services to pharmaceutical, biotech and medical device companies.	Expands Cognizant's Life Sciences industry offerings. marketRx provides web-based solutions for sales management, brand marketing and product management and market research, with the 20 largest pharmaceutical companies and 4 out of the top 5 biotech companies as customers. Deal value -- \$135m.
Data Management/Healthcare IT	GE Healthcare, a unit of General Electric Company (NYSE:GE) , a large diversified manufacturer with substantial medical imaging operations.	Dynamic Imaging, LLC , a provider of web-based imaging and information management systems.	The acquisition of advanced Web-based Picture Archiving and Communication Systems (PACS) and integrated RIS/PACS allows GE Healthcare to expand its information technologies across all radiology-based healthcare segments. Terms not disclosed.
Data Management/Healthcare IT	Iron Mountain Incorporated (NYSE:IRM) , a major provider of information protection and storage services.	RMS Services - USA, Inc. , a records management company and provider of outsourced file room solutions for hospitals.	Both companies provide file-room and film-library management solutions to hospitals and large healthcare systems and promote electronic medical records. Many synergies and integration benefits. Terms not disclosed. RMS' sales are \$27m.

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Sector	Acquiring Party	Transferring Party	Analysis
Data Management/ Healthcare IT	Omniceil, Inc. (NASDAQ:OMCL) , a provider of software solutions for pharmaceutical management, patient safety and operational efficiency in healthcare facilities.	Rioux Vision, Inc. , a manufacturer of mobile cart technology, a point-of-care medication management	With the addition of mobile cart technology, Omnicell can deliver a closed-loop medication management, administration and dispensing system that greatly reduces the risk of medication errors, boosts staff efficiency and advances patient safety.
Data Management/ Healthcare IT	Royal Philips Electronics (NYSE:PHG; AEX:PHI) , a large international electronics manufacturer with substantial interests in medical imaging, patient monitoring and diagnostics.	VISICU, Inc. , a provider of patient monitoring IT systems for hospitals' intensive care units.	Gives Philips a stronger presence in more hospitals. VISICU's technology, installed in some 180 hospitals, allows one caregiver to monitor as many as 100 patients at the same time. With the technology linked via telemedicine computer monitors, care teams are able to use software alerts to track patient vital trends and intervene earlier—before complications occur. This deal comes only two weeks after Philips announced it would acquire Emergin, a clinical IT company that specializes in medical alarm software. Deal value-- \$430m on sales and operating profit run rates of \$40.4m (10.7x) and \$14.4m (30x), respectively.
Data Management/ Healthcare IT	Royal Philips Electronics (NYSE:PHG) , a large international electronics manufacturer with substantial interests in medical imaging, patient monitoring and diagnostics.	Emergin, Inc. , a software vendor of software utilized to rapidly transmit medical alarm signals throughout hospitals.	Enables Philips to integrate the functionality of Emergin's software directly into its current and future patient monitoring products. Terms not disclosed.
Dental	3M Co. (MMM) , a large diversified manufacturer with substantial medical operations.	Lingualcare Inc. , a maker of orthodontic appliance systems.	Lingualcare makes an new system called iBraces, which adheres on the tongue side of the teeth. The company will be added to 3M's Unitek division, which offers more than 14,000 orthodontic products.
Dental	AstraTech , a Sweden-based medical subsidiary of AstraZeneca.	Atlantis Components, Inc. , a US based maker of custom milled dental implant abutments.	Complements Astra's dental implant business and allows it to offer a broader portfolio of restorative products. Deal value -- \$71m. Shareholders of Atlantis include American Bailey Ventures, Danaher, VIMAC Ventures, Signet Healthcare Partners, CID Equity Capital, and Heron Capital.
Dental	Integra LifeSciences Holdings Corporation (Nasdaq:IART) , a manufacturer of neuro and plastic surgical products.	Precise Dental Family Companies , a manufacturer of endodontic materials and dental accessories with production operations in Mexico.	Expands Integra's dental business within its Miltex unit. Deal value -- \$10m.

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Sector	Acquiring Party	Transferring Party	Analysis
Diagnosics	Avista Capital Partners , a private equity firm.	The Medical Imaging unit of Bristol-Myers Squibb Company , a global manufacturer of pharmaceuticals and other healthcare-related products.	Divestiture is part of BMY's plan to focus on Biopharma. Avista acquires a key supplier of medical imaging products for nuclear and ultrasound cardiovascular diagnostic imaging procedures. Adds to Avista's growing healthcare portfolio. Deal value -- \$525m. Defying the rocky structured debt climate, a few days before, Avista agreed to buy Boston Scientific's fluid management and venous access businesses for \$425m.
Diagnosics	Beckman Coulter Inc. (NYSE: BEC) , a manufacturer of biomedical testing instrument systems, tests and supplies.	The flow cytometry instrumentation business of Dako Denmark A/S , a cancer diagnostics company.	Fortifies Beckman's flow cytometry capabilities, used to analyze cells in blood and other fluids for both research applications and diagnosis of diseases such as leukemia, lymphoma and HIV. Terms not disclosed.
Diagnosics	Bio-Rad Laboratories, Inc. (AMEX: BIO) , a manufacturer of life science research and clinical diagnostics products.	DiaMed Holding AG , a manufacturer of reagents and instruments used in blood typing and screening.	DiaMed's products complement Bio-Rad's diagnostics business. DiaMed had sales of \$200m to hospitals, clinical laboratories, and blood banks in more than 100 countries. Bio-Rad buys 77.7% of DiaMed's shares for \$389.3m.
Diagnosics	Bracco Diagnostics Inc. , an Italy-based integrated health care company with contrast media operations.	E-Z-EM, Inc. , a manufacturer of contrast agents for gastrointestinal radiology.	E-Z-EM manufactures one of Bracco's oral imaging products and Bracco represents E-Z-EM in Italy as distributor; there are significant synergies. Deal value -- \$241m, on sales of \$137.4m (1.8x) and EBITDA of \$13.6m (17.7x). E-Z-EM had put itself at auction, searching for strategic options.
Diagnosics	Celera Group (NYSE: CRA) , a molecular diagnostics business.	Atria Genetics, Inc. , a maker of bone marrow testing products.	Atria's human leukocyte antigen (HLA) testing products are used for identifying potential donors in the matching process for bone marrow transplantation. Gives Celera access to the tissue typing in transplantation and the bone marrow registry markets; Celera will seek to exploit the potential for "next generation" HLA sequencing. Deal value -- \$33m. Celera is part of Applera Corp.
Diagnosics	Celera Group (NYSE: CRA) , a molecular diagnostics developer.	Berkeley HeartLab, Inc. , a cardiovascular healthcare company with a broad portfolio of CLIA certified tests and disease management services for the secondary prevention market.	Provides Celera with CLIA-certified laboratory and infrastructure to commercialize its portfolio of new molecular diagnostic tests that predict risk and individualize treatment in cardiovascular disease. The personalized cardiovascular disease management market is growing at more than 10% per year. The deal is expected to accelerate Celera's path to profitability (BHL's EBITDA margins were 17% in 06). Deal value ~ \$195m.

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Sector	Acquiring Party	Transferring Party	Analysis
Diagnostics	Genzyme Corp. (Nasdaq:GENZ) , a global biotechnology company.	The diagnostics division of Diagnostic Chemicals Limited , a manufacturer of medical diagnostic products.	Genzyme acquires more than 50 formulated clinical chemistry reagents, with \$21m 07 revenue. Deal value -- \$57m (2.7x).
Diagnostics	Hologic, Inc. (Nasdaq:HOLX) , a provider of diagnostic imaging systems focused on women's health.	Cytoc Corporation , a leading provider of products for cervical cancer screening, preterm birth screening, and other women's health matters.	Creates one of the largest women's health technology companies. The combined company will have direct operations in over 20 countries with more than 3,300 employees, including 1,200 sales and service people (the largest direct sales force in women's health). Cross selling opportunities expected to generate \$75m in added revenue. Deal value -- \$6.2b on Cytoc TTM sales of \$637m (9.7x) and EBITDA of \$276m (22.5x).
Diagnostics	Inverness Medical Innovations, Inc. (Amex: IMA) , a US based manufacturer of rapid point-of-care diagnostics focused on infectious disease, cardiology, oncology, drugs of abuse and women's health.	Panbio Ltd. , an Australian based manufacturer of diagnostic tests including test diagnosing flaviviruses and other arthropod-based viruses.	Panbio's position in the dengue fever diagnostic market helps Inverness respond to the recent spread of the disease throughout South America and elsewhere. Also strengthens Inverness existing Australian business. Deal value ~ \$37m.
Diagnostics	Inverness Medical Innovations, Inc. (Amex:IMA) , a provider of diagnostic products for women's health and chronic disease self-management.	HemoSense, Inc. , a manufacturer of handheld blood coagulation monitoring systems for use by patients and healthcare professionals in the management of warfarin medication.	Provides point-of-care testing and fits well with Biosite and QAS, 2 other Inverness acquisitions. Deal value ~ \$165m, on revenue of \$28.1m (5.9X) and negative EBITDA.
Diagnostics	Inverness Medical Innovations, Inc. (AMEX:IMA) , a provider of diagnostic products for women's health and chronic disease self-management.	ParadigmHealth, Inc. , a provider of care and disease management services for health plans and employers.	ParadigmHealth's focus on integrating care and disease management services for acutely ill and complex patients compliment the services of other Inverness acquisitions -- Alere and QAS. Deal value -- \$230m, on sales of \$30m (7.6x).
Diagnostics	Inverness Medical Innovations, Inc. (AMEX:IMA) , a provider of diagnostic products for women's health and chronic disease self-management.	BBI Holdings Plc , a UK-based manufacturer of non-invasive in vitro diagnostic tests, such as OTC pregnancy tests.	BBI's capabilities in developing novel rapid in vitro diagnostic products and high performance reagents and biological materials for use in those products complement Inverness' existing business. Inverness had a preexisting minority stake. Deal value -- \$170m. Inverness, which has been on a corporate buying spree, recently acquired ParadigmHealth Inc., a provider of disease management services for \$230m., among other companies.

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Sector	Acquiring Party	Transferring Party	Analysis
Diagnostics	Inverness Medical Innovations, Inc. (AMEX:IMA) , a provider of diagnostic products for women's health and chronic disease self-management.	Redwood Toxicology Laboratory , a distributor of (and toxicology lab for) drugs of abuse diagnostic tests.	A portfolio company of American Capital Strategies Limited, Redwood is Inverness' largest single distributor of drugs of abuse testing products. The deal helps grow the FirstCheck home drug testing business acquired earlier in 08. Deal value -- \$99m on sales of \$44m (2.2x).
Diagnostics	Natus Medical Incorporated (Nasdaq:BABY) , a provider of products for hearing impairment, neurological dysfunction, and newborn care.	Excel-Tech Ltd. (XLTEK) , a developer of computer-based electro diagnostic systems for neurologic and sleep disorders.	Broadens Natus' product offerings in neurology and advances a goal of achieving a \$250m annual run-rate by the end of 08. Excel-Tech's products include long-term EEG patient monitoring system for the diagnosis of epilepsy, EMG systems, used in the diagnosis of neuropathies and myopathies, and intra-operative monitoring systems, used during surgical procedures in the OR. Leverages the combined direct sales channels in the U.S. and Canada, and provide new distribution for XLTEK products through the Natus international distribution organization, now operating in over 80 countries. Deal value ~ \$63.6m, on sales \$32.8m (1.94X).
Diagnostics	PerkinElmer Inc. (NYSE:PKI) , a manufacturer of scientific instruments, consumables and services.	ViaCell Inc. , a developer of umbilical cord preservation technology and other therapeutic products for cancer, cardiac disease, and diabetes.	Umbilical cord blood is believed to be effective in treating dozens of diseases including blood cancers and certain genetic diseases. Adds to PerElmer's neonatal, prenatal and genetic screening offerings. Deal value -- \$300m on \$59m of revenue (5.08X) and negative EBITDA.
Diagnostics	Siemens AG (NYSE:SI) , a large diversified manufacturer with substantial healthcare interests.	The clinical diagnostic products and services division of Dade Behring Holdings, Inc. , a maker of clinical diagnostic instruments, reagents, and consumable supplies and services, addressing clinical laboratories worldwide.	Combined company will become one of the largest providers of clinical diagnostic products and services in the world. Dade represents one of the last large general lab diagnostic companies. Siemens has about 12% market share; Dade and rival Beckman each have about 11-12%; and Roche has about 18%. Diagnostic market is growing at 6-7% annually. Reflecting other activity in the diagnostics sector, after terminating its \$8.1b deal for Abbott, GE said it would continue to seek acquisitions there. Deal value -- \$7b, on sales of \$1.78b (3.9x) and EBITDA of \$407.4m (17.2x). Recently, Siemens also made a \$1.86b acquisition of Diagnostic Products Corp and a \$5.4b purchase of Bayer Diagnostics.
Diagnostics	SpectraScience, Inc. (OTC BB: SCIE.OB) , a development stage producer of scanning systems to diagnose tissue to determine if it is normal, pre-cancerous, or cancerous.	The LUMA(TM) Cervical Imaging System of Luma Imaging Corporation , a developer of non-invasive diagnostic imaging systems for cervical cancer detection.	Gives SpectraScience two FDA approved devices for the early detection of colon and cervical cancers. It hopes to launch other applications, such as early detection of lung cancer, using the optical technology in the near future. Exchange of shares.

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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.	NanoDrop Technologies, LLC , a manufacturer of micro-volume ultraviolet visible (UV-Vis) instrumentation.	Strengthens Thermo Fisher's portfolio of UV-Vis spectrophotometry instruments for applications involving small sample volumes. Micro-volume samples are used in emerging life sciences research that involves measurement of DNA and proteins. Terms not disclosed. NanoDrop's revenues are \$35m.
Diagnostics	Varian, Inc. (VARI) , a supplier of scientific instruments, vacuum technologies and specialized contract electronics manufacturing services.	Analogix, Inc. , a producer of consumables and instrumentation for automated compound purification, using flash chromatography, for the pharmaceutical industry.	Grows Varian's applications based laboratory consumables products and broadens its offerings to the pharmaceutical industry in the area of drug discovery. Deal value -- \$11m plus assumed debt plus \$4m in earnouts.
Diagnostics	Volcano Corporation (Nasdaq:VOLC) , a provider of intravascular ultrasound and functional measurement products to diagnose and treat heart disease.	CardioSpectra, Inc. , a developer of innovative Optical Coherence Tomography (OCT) technology.	Volcano will integrate the acquired OCT high resolution functionality directly into its s5i imaging suite of products. The OCT system allows fast, easy imaging of stent expansion, vessel wall defects, intra-luminal thrombus and stent struts. Deal value -- \$25m.
Distribution	AmerisourceBergen Corporation (NYSE:ABC) , a large pharmaceutical services company.	Bellco Health Corp. , a major pharmaceutical distributor in New York City, mostly serving independent retail pharmacies, plus dialysis centers nationally.	Givess AmeriSource a strong position in the Metro New York City area, the largest US independent retail pharmacy market, plus nationwide sales of dialysis products and services. Deal value ~ \$235m on revenue of about \$2.0b (0.1x).
Distribution	Inverness Medical Innovations (Amex:IMA) , a US based manufacturer of rapid point-of-care diagnostics focused on infectious disease, cardiology, oncology, drugs of abuse and women's health.	Bio-Stat Healthcare Group , a distributor of laboratory and point of care diagnostic testing products in the UK.	Further penetrates Inverness in the UK and funnels Inverness products through Bio-Stat. Deal value -- \$33.4m plus earnout up to \$14.6m based on Bio-Stat's 07 results. Sales are \$29.5 (1.1x).
Distribution	McKesson Corporation (NYSE:MCK) , a national pharmaceutical distributor and healthcare services company.	Oncology Therapeutics Network , a US distributor of specialty oncology pharmaceuticals.	OTN is one of the nation's largest distributors of specialty drug products, serving > 3,500 oncologists, 1,500 rheumatologists and other providers. Distribution of specialty drugs is a growth area. Deal value ~ \$575m on sales of ~ \$3b (0.2x reflecting the high volume/low margin nature of the business).
Distribution	Varian Medical Systems (VARI) , a supplier of scientific instruments, vacuum technologies and specialized contract electronics manufacturing services.	Pan-Pacific Enterprises, Inc. , a distributor of medical X-ray tubes in China.	Significantly enhances the Varian's sales channels for X-ray tubes and flat panel image detectors in China. Deal value -- \$2m plus earnout.

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Medical Devices	Agilent Technologies, Inc. (NYSE:A) , a provider of communications, electronics and life sciences technology and chemical analysis.	Velocity11 , a leader in automated liquid handling and laboratory robotics for the life science market.	Enables Agilent to offer its pharmaceutical and genomics customers automated high throughput packages that will automate processes from the initial liquid handling stages to work and analysis procedures. Terms not disclosed.
Medical Devices	Avista Capital Partners , a private equity firm.	The Fluid Management and Venous Access Businesses of Boston Scientific Corp. , a manufacturer of medical device products for interventional medical specialties.	Part of Boston Scientific's plan to divest non-strategic assets. The fluid management and venous access businesses serve as a key high growth platform for Avista. Deal value -- \$425m. Avista also agreed to the Medical Imaging unit of Bristol-Myers for \$525, making 2 big PE deals amid a difficult credit environment.
Medical Devices	BSN Medical , a Germany-based multinational healthcare supplier and a portfolio company of Montagu Private Equity.	FLA Orthopedics, Inc. , a leading U.S. manufacturer of orthopaedics soft goods and bracing products and a portfolio company of The Riverside Company.	Represents an expansion of BSN's product range in the orthopedics softgoods and bracing market. FLA's distribution channels are home medical equipment retailers, independent pharmacies and DME dealers. This is 3rd add-on deal since BSN was bought by Montague in 06. In 06, BSN acquired M-PACT, a U.S. manufacturer of fracture management products, and Cognon-Morin, a leading French compression hosiery manufacturer. Riverside bought FLA in 04 and, with this exit, generated an IRR of 86% and a gross cash-on-cash return of 6.4 times, with an increase in sales of 70% (together with 2 add-on acquisitions).
Medical Devices	C.R. Bard, Inc. (NYSE: BCR) , a manufacturer of vascular, urological and surgical products.	The LifeStent peripheral vascular product line of Edward Lifesciences Corporation , a leading producer of advanced cardiovascular products.	A significant strategic addition to Bard's portfolio of non-coronary stent and stent graft products. Enables Edwards to increase investment in its heart valve and critical care businesses. Retaining the business would have required substantial additional investment in order to become a market leader and operating losses were projected to continue despite sales growth. Deal value -- \$140m (including \$65m of potential milestone payments) on '07 sales of \$30m (4.6x).
Medical Devices	Coloplast A/S , a Denmark-based manufacturer of products for ostomy care, urology and incontinence, and wound and skin care.	The Levera male incontinence line of Caldera Medical, Inc. , a producer of male incontinence mesh sling products.	A key element in the continued expansion of Coloplast's surgical portfolio for men's health. The Levera line is in the final stages of development of a minimally invasive surgical procedure that will improve upon the results of the first-generation male slings. Terms not disclosed.
Medical Devices	Covidien Ltd. (NYSE: COV) , a leading global provider of healthcare products and formerly part of Tyco.	Scandius Biomedical Inc. , a developer of implantable devices for sports-related surgeries.	Adds to Covidien's sports-related surgery line, including soft tissue repair devices and access products. Acquired assets include instruments and both non-absorbable and bioabsorbable polymer implants. Terms not disclosed.

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Medical Devices	Derma Sciences Inc. , a manufacturer of advanced wound care products.	The First Aid Division of NutraMax , a manufacturer of a variety of health related products.	Acquired lines have a # 2 market share position in private label adhesive strips, a \$86m market with notable growth. The deal is expect to increase Derma Sciences' annual revenues to over \$50m and significantly enhance its base of manufacturing in the wound care field. Deal value -- \$13m on sales of \$17m, with expected 08 cash flow contribution of \$3.5m.
Medical Devices	Dixtal Medical, Inc. , a Brazilian based manufacturer of multi-parameter monitoring products.	The Novamatrix pulse oximetry product line of Respironics, Inc. , a major manufacturer of products and programs that serve the global sleep and respiratory markets.	Novamatrix was acquired by Respironics in 02, but has since determined it is not a core technology. Dixtal Medical is dedicated to expanding the Novatmatrix pulse oximetry products. Terms not disclosed.
Medical Devices	Edwards Lifesciences Corporation (NYSE:EW) , a developer of advanced cardiovascular disease products.	The CardioVations product line of Ethicon, Inc. , a unit of Johnson & Johnson.	Edwards picks up systems for minimally invasive heart valve surgery such as soft-tissue retractors, tubes for use in veins and arteries, catheters, and reusable instruments. Edwards, which is conducting clinical trials on catheter-based replacements for heart valves, predicted today that it will sell more than \$2m of CardioVations products in 2008. Deal value -- \$27m.
Medical Devices	Essex Woodlands Health Ventures, Inc. , a healthcare venture capital firm.	Bledsoe Brace , a manufacturer of rigid orthopedic braces.	This majority equity acquisition to strengthen and grow Bledsoe which had been in Chapter 11 over patent infringement litigation. A principal in the deal is the founder and senior executive at two of the leading orthopedic bracing companies, DonJoy, Inc. (now DJO) and BREG, Inc (now a subsidiary of Orthofix). Terms not disclosed.
Medical Devices	Exactech, Inc. (NASDAQ:EXAC) , a manufacturer of orthopedic implant devices, related surgical instruments and biologic materials and services.	Altiva Corporation , a maker of spinal products with a focus on spinal fusion.	Exactech invested in Altiva in 03 while Altiva was in its formative stage. Since then, Altiva has combined acquisitions of intellectual property with various distribution agreements to assemble a strong spinal products portfolio, which expands upon Exactech's orthopedic implant line and adds a specialized spinal management team. The \$25m deal value was based on a pre-determined multiple-of-sales formula. 07 sales were \$13m (1.9x), on a break-even basis.
Medical Devices	Foot Levelers , a manufacturer of custom-made orthotics addressing primarily chiropractors.	FootMaxx Holdings Inc. , a Canada-based maker of custom and non-custom foot orthotics, with operations in the U.S. too.	Combines FootMaxx's foot diagnostic systems with Foot Levelers' coverage of the chiropractic market, where FL is considered the leading foot orthotic maker. With a field sales force, Footmaxx also addresses orthopedic surgeons, physiotherapists, sports medicine specialists, physiatrists, podiatrists, chiropodists,

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			orthotists, pedorthists, as well as rehab and diabetes centers. FootMaxx was losing money due to a heavy debt load and softening sales. Transaction value -- \$16.34m, on sales of \$13.53m (1.2x) and EBIDA of ~ \$1.6 (10.2x). A reported \$16.8m of obligations were assumed, the funded debt of which would add to the transaction value and make the multiples significantly higher.
Medical Devices	Fresenius Medical Care AG & Co. KGaA , a global provider of dialysis products and services.	Renal Solutions, Inc. , a provider of sorbent dialysis therapy.	As the innovator in the sorbent technology field, RSI holds key patents and other IP for purifying tap water to dialysate quality and allowing dialysate to be regenerated. This reduces the water volume requirement for a typical hemodialysis treatment, a step toward the development of a "wearable kidney". Fresenius sees the current market size of the home peritoneal dialysis and hemodialysis markets at about \$2b, with the potential to double in the next 10 years. Deal value -- 160m plus \$30m in possible milestone payments.
Medical Devices	Getinge AB , a Sweden-based global provider of equipment and systems used in surgery and intensive care.	The cardiac surgery and vascular surgery divisions of Boston Scientific Corp. , a large manufacturer of cardio-vascular devices and treatments.	Getinge seeks to build a major global presence in cardiovascular surgery and intensive care. BSX acquired the cardiac surgery unit as part of its \$2b acquisition of Guidant. The 450-employee cardiac surgery unit makes technologies to aid in heart surgery and generated \$189m of revenue in 06. The vascular surgery unit, acquired by BSX in 1995, makes grafts and patches for repair of abdominal aortic aneurysms, had 06 revenue of \$86m. Deal value -- \$750m, corresponds to an EV/EBIT 2006 multiple of 10.4, excluding synergies. But Getinge said the structure of the transaction will enable favorable goodwill tax deductibility and given the present value of those tax (~\$120m), the adjusted EV/EBIT 2006 multiple is closer to 8.8x, calculated on the current year's profits (excluding synergies).
Medical Devices	Greatbatch, Inc. (NYSE:GB) , a manufacturer of critical components used in implantable medical devices.	Quan Emerteq LLC , a manufacturer of catheters, lead-wires, micro components and other disposables for the vascular, cardiac rhythm management and neurostimulation markets.	Adds critical mass to Greatbatch's recently acquired Enpath business in the growing vascular market and expands its presence into the peripheral, coronary and neurovascular markets. Deal value --\$55m, on sales of \$22m.
Medical Devices	Greatbatch, Inc. (NYSE:GB) , a manufacturer of critical components used in implantable medical devices.	Precimed, Inc. , a maker of instrumentation for hip & knee replacement, trauma and spine, sold	Establishes Greatbatch as a leading supplier of orthopedic OEM component products (implantables) and diversifies its market focus, extending to cardiac rhythm management, vascular, and neurostimulation, in addition to orthopedic. With operations

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		worldwide to leading orthopedic OEM customers.	in several U.S. and international locations. Precimed makes innovative products in growing market segments such as minimally invasive surgery, resurfacing, and computer-aided surgery. The orthopedic market is seen as a \$20b industry growing at approximately 10% annually. Deal value -- \$125m, plus up to \$10m earnout based on 08 revenues. This is the fourth medical acquisition for Greatbatch in 07.
Medical Devices	Hansen Medical (Nasdaq:HNSN) , a developer of products using robotics for controlling catheters and catheter-based technologies.	AorTx, Inc. , an early stage developer of “percutaneous” or catheter-based valve technology.	Leverages Hanson’s Sensei™ Robotic Catheter system, which is currently marketed for electrophysiology procedures, into the rapidly developing market for percutaneous heart valve therapy. With only \$6m in sales and a market cap of more than \$600m, Hansen seeks to augment its core technology. Deal value -- \$4.2m in stock, \$4.5m cash, and cancellation of \$1m of AorTx liabilities. Also milestones payment of \$15m in stock and another \$15m in cash upon achieving certain regulatory clearances and performance levels.
Medical Devices	Hoya Corporation (TYO:7741) , a Japanese based major manufacturer of optical glass and active in electro-optics, photonics, vision care, health-care and crystal products.	Pentax Corporation , a US based manufacturer of cameras and imaging products.	Makes Hoya and Pentax more competitive in the digital imaging field against rivals Olympus and Konica Minolta. This deal manifests increasingly tough competition, with both camera makers like Pentax and Nikon struggling against electronics giants like Sony and Samsung. Falling prices have lowered margins, spurring M&A activity. Here, Hoya and Pentax can leverage their respective competitive R&D and other attributes. In late 04, Pentax bought minimally invasive instrument maker Microlin for \$48m and endoscope manufacturer Kay Elemetrics in 2005 for an undisclosed amount. These strategies failed to keep it independent. Deal value -- \$771m, on ~ \$663M in sales (1.2x).
Medical Devices	I-Flow Corp. (NASDAQ: IFLO) , a manufacturer of pain management and infusion therapy drug delivery systems.	AcryMed Inc. , a privately-owned developer of infection control and wound healing products.	AcryMed has patented technology in the woundcare area, developed the proprietary nanoparticle treatment process for the silver coating on I-Flow’s ON-Q SilverSoaker™ Catheters, and treated these catheters since 05. In addition to those inherent synergies, the deal expands I-Flow’s strategic focus to include general surgical site care management, wound care and infection control, in addition to regional anesthesia for post-surgical pain management. Deal value \$25m.

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Medical Devices	InaVein LLC , an investor group.	The vascular business of Smith & Nephew Endoscopy , a global medical technology company, specializing in endoscopy, orthopaedics and advanced wound care.	Includes systems for minimally invasive removal of varicose veins. This is a non-core asset of S&N. Terms not disclosed. Sales less than \$5m.
Medical Devices	Integra LifeSciences Holdings Corp. (Nasdaq:IART) , a manufacturer of neuro and plastic surgical products.	IsoTis Inc. , a manufacturer of bone graft substitutes and medical devices focusing on the orthobiologics market.	Enhances Integra's orthobiologics portfolio, broadens its international presence in the regenerative medicine market and increases its sales capacity in neurosurgery, spine and extremity reconstruction markets. Integra expects annual cost savings of about \$10m for 08. Deal value ~ \$51m on \$44.6m of revenue (1.2x) and negative EBITDA.
Medical Devices	Medtronic, Inc. (NYSE:MDT) , a major manufacturer of cardio-vascular, orthopedic, spinal and other medical devices.	Kyphon Inc. , a developer of diagnostic and minimally invasive technologies for the treatment of spinal conditions.	Accelerates the growth of Medtronic's spinal business by offering minimally invasive spinal treatments that are simpler and less invasive than many traditional surgical treatments. Medtronic's spinal surgery focus has been on younger patients suffering from scoliosis and degenerative disc disease in the cervical and lumbar spine; Kyphon's focus has been on older patients suffering from vertebral compression fractures and spinal stenosis. While Medtronic primarily serves orthopedic and neurological surgeons who specialize in spinal surgery, Kyphon adds new call points: interventional radiologists and interventional neuroradiologists. Deal value ~ \$3.9b, on revenue of \$444.5m (8.8X) and EBITDA of \$111.2 (35X).
Medical Devices	Medtronic, Inc. (NYSE:MDT) , a major manufacturer of cardio-vascular, orthopedic, spinal and other medical devices.	Biophan Technologies, Inc. , a developer of technology to make implantable devices safe for diagnostic imaging.	Medtronic acquires patents to make medical devices, like pacemakers, safe for use with an MRI. Deal value -- \$11m.
Medical Devices	Medtronic, Inc. (NYSE:MDT) , a major manufacturer of cardio-vascular, orthopedic, spinal and other medical devices.	Shandong Weigao Group Medical Polymer Company Limited , a China-based supplier of products for the hip, shoulder, spine and trauma.	A joint venture to market in China products in the spine and orthopedics sector, plus Medtronic to buy a 15% equity interest in Weigao. Medtronic gets 51% of the JV. An expansion of Medtronic's China strategy.
Medical Devices	Merit Medical Systems, Inc. (Nasdaqgs:MMSI) , a manufacturer of proprietary disposable products sold primarily to radiology and cardiology call	Certain cardiac and peripheral catheter platform technology from Micrus Endovascular Corporation , a manufacturer of im-	Adds to Merit's cardiac catheter line, while Micrus seeks to focus on the treatment of hemorrhagic and ischemic stroke. Deal value -- \$3m.

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Sector	Acquiring Party	Transferring Party	Analysis
	points.	plantable and disposable devices used for neurovascular diseases.	
Medical Devices	NeuroMetrix, Inc. (Nasdaq: NURO) , a developer of devices to diagnose and treat neurological conditions.	EyeTel Imaging, Inc. , a manufacturer of retinal imaging systems.	NeuroMetrix originally obtained an exclusive license to commercialize EyeTel's DigiScope® throughout the physician office market in 06. With this acquisition, NeuroMetrix will own all EyeTel intellectual property and commercialization rights for the DigiScope, which includes both the physician office and eye specialist markets. Deal value ~ \$10m in stock and cash.
Medical Devices	Olympus Corp. , a Japan-based large manufacturer of endoscopic equipment and other electronic and optical products.	Gyrus Group Plc , a UK-based manufacturer of radio-frequency devices and energy-based technologies for minimally invasive surgical system.	Helps solidify Olympus' capabilities in minimally invasive products. In 06, Olympus launched a strategic push to increase growth and earnings from the company's medical business. Olympus expects to expand its worldwide marketing network, particularly in urological and gynecological systems, in which Gyrus has an established presence in the U.S. market. Deal value -- \$1.92b, on 06 sales of \$425.8m (4.5x) and adj. EBITDA of \$66.7m (28.8x).
Medical Devices	ReAble Therapeutics, Inc. (formerly Encore Medical) , a diversified rehabilitation and orthopedic device company and an affiliate of The Blackstone Group.	DJO Incorporated , a global provider of knee braces and other non-invasive orthopedic, musculoskeletal and vascular products.	Another billion dollar private equity deal. DJO and ReAble provide complementary products in orthopedic rehabilitation and pain management, and there are many synergies by way of sales channels. Deal value -- \$1.5b, on sales of \$445m (3.4x) and EBITDA of \$100.8m (14.9x). Now that Blackstone is public, it needs to make fitted strategic acquisitions to add fundamental value.
Medical Devices	Respironics Inc (NASDAQ:RESP) , a manufacturer of products serving sleep and respiratory markets.	Apollo Light Systems Inc. , a maker of lighting devices to combat seasonal affective disorder.	Expands Respironics into the broader sleep markets (beyond obstructive sleep apnea). Apollo addresses insomnia, circadian rhythm disorders and other sleep/wake market segments. Its products align with Respironics' existing professional sleep clinician and homecare provider channels and reach other channels including researchers in sleep and psychiatry, and practice-based physicians. Deal value ~ \$6.5m based on sales of \$5.0m (1.3x) plus earnout.
Medical Devices	Royal Philips Electronics (NYSE: PHG; AEX: PHI) , a large international electronics manufacturer with substantial interests in medical imaging, patient monitoring and diagnostics.	Respironics, Inc. , a manufacturer of products serving sleep and respiratory markets.	Respironics expected to significantly drive Philips Health Care's growth in the hospital and home monitoring markets. Millions of people suffer from sleep apnea, in which breathing temporarily stops during sleep. The condition has been linked to heart disease and diabetes. The acquisition is one of many takeovers of U.S. companies by Philips' medical arm, which competes with

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			GE as the world's largest medical equipment maker. Philips recently bid \$619m for Visicu Inc., which makes patient-monitoring equipment. Earlier in 07, it bought Raytel Cardiac Services, a home heart-monitoring service, from Raytel Medical Corp. for \$110m, and a \$1.4b purchase of Intermagnetics General Corp., which makes magnets used in medical imaging devices. Deal value -- \$5.1b, on TTM sales of \$1.24b (4.1x) and EBITDA of \$246.21m (20.7x). While Respironics sales and profits have been growing significantly, Philips will need to reap major synergy benefits given the hefty price.
Medical Devices	Symmetry Medical, Inc. (NYSE:SMA) , a provider of orthopedic implants and related instruments and cases.	The orthopedic manufacturing facility of DePuy Orthopaedics, Inc. , a major manufacturer of orthopedic products and a subsidiary of Johnson & Johnson.	Fortifies Symmetry's production capacity and capabilities. Deal is coupled with a supply agreement under which DePuy will make minimum purchases from the facility for 4 years. Deal value -- \$45m.
Medical Devices	Synthes Inc. (SYST.VX) , a major Swiss-based spinal implant maker.	N Spine , a private developer of implantables to treat lumbar spinal disorders.	N Spine's product dynamic stabilization rods allows minimal access techniques, helps avoid interference with the facet joints, and enables close placement of pedicle screws, which is important when used to treat lumbar disorders in smaller patients. The product line is compatible with Synthes' Pangea and Click'X pedicle screws and enhances the range of choices available to surgeons, via Synthes global direct sales force. Deal value -- \$30m plus \$45m based on milestones.
Medical Devices	Warburg Pincus , a global private equity firm.	Bausch & Lomb (NYSE:BOL) , a major maker of contact lenses and eye medications.	Another private equity billion dollar deal -- \$3.67b. As a private company, B&L will have greater flexibility to focus on long-term strategies.
Medical Services	Apria Healthcare Group Inc. , a major provider of home respiratory therapy, infusion therapy and medical equipment.	Coram Inc. , a privately-owned provider of home infusion and specialty pharmaceutical services, with 2,100 employees, 70 home infusion branches and 50 ambulatory infusion suites.	Enables Apria to enter the rapidly-growing specialty pharmaceutical market, while expanding existing managed care relationships associated with its respiratory/home medical equipment business. Also makes Apria significantly less reliant on government reimbursement policies. Corum provides specialty pharmaceuticals, drug delivery and clinical management services to patients with chronic or rare conditions. The two organizations care for more than 100,000 patients annually in all 50 states. Deal value -- \$350m, on expected 08 Corum revenue of \$500m (0.7x).

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Medical Services	Carlyle Group , a major private equity group.	Manor Care Inc. , a major operator of more than 500 long-term care facilities.	Long-term care considered a safe and growing area, given the aging population, longer life spans and stabilized reimbursement rates. Manor Care offers sizeable scale and substantial real estate values (it owns most of its facilities, which are carried at cost on its balance sheet). In the past few years, there have been several buyouts of long-term care companies: Genesis Health-Care by Formation Capital and JER Partners (\$1.9b); Beverly Enterprises by Fillmore Strategic Investors (\$2.2b); and Mariner Health Care by National Senior Care Inc. (\$1.0b). Manor Care Deal value -- \$6.3b, on \$3.7b on revenue (1.7x) and \$480m in EBITDA (13.1x). Deal closed despite tight credit markets.
Medical Services	Haemonetics Corporation HAE , a global manufacturer of automated blood processing systems.	Haemoscope Corporation , a provider of whole blood hemostasis monitoring systems.	Haemoscope's systems can predict a patient's risk of bleeding and thrombotic complications and enable personalized therapy. With this knowledge, surgeons can plan a patient's treatment and hospitals can reduce their need for blood transfusions by 20% or more annually. More than 1900 units have been placed worldwide. The deal strengthens Haemonetics as a leader in blood management solution and fits well with its recent Infonale acquisition. Deal value \$44m, on sales of \$16m growing at 15% annually.
Medical Services	HAPC, Inc. (OTCBB: HAPN) , a special purpose acquisition corporation (SPAC).	InfuSystem, Inc., the ambulatory infusion pump services I-Flow Corporation , leading provider of ambulatory infusion pump services.	InfuSystem provides external ambulatory infusion pump services to doctors and their patients allowing for the gradual delivery of a drug over a period of days in the privacy of one's home, rather than higher dose treatments, as is the case of chemotherapy administered in a hospital setting or doctor's office. Deal value -- \$100m plus up to \$12m additional based on revenue CAGR targets.
Medical Services	Inverness Medical Innovations, Inc. (AMEX:IMA) , a provider of diagnostic products for women's health and chronic disease self-management.	ALERE Medical Incorporated , a provider of care management services (i.e., at-home monitoring, patient education, and nurse-patient relationships for managing chronic condition).	Here, Inverness enters the disease management market. Alere's expertise in home chronic heart failure management complements Inverness' cardiac diagnostic technologies. In recent months Inverness has also purchased HemoSense, to access that company's blood clotting diagnostics products; Biosite, and Quality Assured Services Inc., which provides diagnostic home tests and services. Almost 6 months before this deal, TA Associates led a \$175m recapitalization of Alere, which allowed MTS Health Investors LLC to exit its investment. Deal value -- \$302m (including \$174m in Inverness stock), on \$77m of revenues (3.9x).

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Sector	Acquiring Party	Transferring Party	Analysis
Medical Services	I-trax, Inc. (Amex: DMX) , a provider of integrated workplace health and productivity management solutions.	ProFitness Health Solutions , a provider of fitness and wellness programs.	Enhances I-trax's current offerings at on-site health centers through its CHD Meridian Healthcare, LLC subsidiary. Deal value -- \$6m.
Medical Services	Quintiles Transnational Corp. , a provider of professional services in drug development and commercialization for the pharmaceutical and biotech industries.	Bio-Trials , a leading Central American clinical research organization.	Grows Quintiles in the increasingly important Central American region, as international pharmaceutical customers are conducting more trials there. Terms not disclosed.
Medical Services	Royal Philips Electronics NV (NYSE: PHG; AEX: PHI) , a large international electronics manufacturer based in the Netherlands, with substantial medical operations.	Raytel Cardiac Services , a provider of home cardiac monitoring services.	Raytel will become part of Philips' Home Healthcare Solutions business group. Raytel's cardiac technicians work at monitoring centers, where they analyze patient data and provide real-time information to doctors. Dutch-based Philips announced a reorganization to focus on health care, lighting and consumer lifestyle divisions. Deal value -- \$110m based on sales of \$55m (2.0x).
Medical Services	SpineOvations , a developer of bio-compatible injectables for spinal disc and other orthopedic applications.	Discogen , a developer of technologies to treat early disc degeneration.	Discogen's technology provides a method for intradiscal drug delivery which could enhance treatment for those suffering from early stage degenerative disc disease -- complement to Spine-Ovations' DiscSeal™ technology.
Medical Services	Thermo Fisher Scientific Inc. (NYSE:TMO) , a major manufacturer of instruments, equipment, reagents and other products serving the diagnostic and life science markets.	Priority Solutions International , a provider of services for the delivery of pharmaceuticals, mostly for clinical trials.	Strengthens Thermo's outsourced clinical trials management business, adding significant logistics expertise and infrastructure to its existing outsourcing services. Priority's network extends to more than 500 cities worldwide. Terms not disclosed. A portfolio company of Arsenal Capital Partners, Priority had sales of approx. \$95m.
Medical Services	Vestar Capital Partners , a private equity firm.	Radiation Therapy Services Inc. , an operator of radiation treatment centers in 16 states.	Cancer care treatment centers seen as a growth area and a compelling platform. Deal value -- \$1.b, on sales of \$367.4m (3.0x) and EBITDA of \$90.2m (12.2x).
OTC/Consumer	First Quality Enterprises, Inc. , a private producer of branded and private label absorbent hygiene, paper and non-woven products addressing healthcare, retail and commercial channels.	The Retail Products business of Covidien Ltd. , the former Tyco healthcare unit making medical devices, pharmaceutical products, and medical supplies.	Creates a more comprehensive absorbent hygiene business, solidifying First Quality's position in its core areas. Provide retail customers with a wider scope of infant care, adult incontinence and feminine hygiene products. Deal value -- \$335m on \$744m in sales (0.45x). This is a key divestiture of an underperforming asset for Covidien.

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