

FOR IMMEDIATE RELEASE

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**HEALTH CARE MERGER AND ACQUISITION ACTIVITY STRONG IN FIRST QUARTER OF 2006,
ACCORDING TO IRVING LEVIN ASSOCIATES, INC.**

NORWALK, CT – April 18, 2006 – According to a new Report from Irving Levin Associates, a total of 221 mergers and acquisitions were announced in the health care industry during the first quarter of 2006. This figure is virtually level with the 223 deals announced in the prior quarter, Q4:05. Further, based on preliminary figures, a total of \$39.3 billion was committed to fund this M&A activity.

THE HEALTH CARE M&A MARKET FIRST QUARTER 2006

DOLLAR AMOUNTS BY SECTOR*

Sector	Dollar Amount First Quarter 2006	Percent of Quarter
Long-Term Care	\$ 1,730,000,000	4%
Home Health Care	493,800,000	1%
Labs, MRI, Dialysis	466,750,000	1%
Managed Care	100,100,000	<1%
Hospitals	80,600,000	<1%
Physician Medical Groups	67,000,000	<1%
Behavioral Health Care	41,800,000	<1%
Rehabilitation	0	<1%
Other Services	1,450,000,000	4%
Services subtotal	\$ 4,430,050,000	11%
Pharmaceuticals	\$ 26,300,000,000	67%
Medical Devices	6,760,000,000	17%
Biotechnology	1,450,000,000	4%
e-Health	365,000,000	<1%
Technology subtotal	\$ 34,875,000,000	89%
Total health care	\$ 39,305,050,000	100%

**Preliminary figures*

“As in recent quarters, the majority of M&A dollars—89% this quarter—were spent in the four health care technology sectors we cover: Biotechnology, e-Health, Medical Devices and Pharmaceuticals,” observed Stephen M. Monroe, Managing Editor at Irving Levin Associates. “The quarter produced four billion-dollar deals, worth a

combined total of \$26.8 billion, or 68% of the total amount committed during the quarter. All four were in the technology segment, with three in Pharmaceuticals and one in Medical Devices.”

“The Pharmaceutical sector saw strong M&A activity in the first quarter, particularly among specialty and niche companies in Europe, as mid-size companies seek to build the critical mass that will make them more competitive in an already competitive sector,” observed Sanford Steever, Ph.D., editor of the Report.

THE HEALTH CARE M&A MARKET FOR THE FIRST QUARTER OF 2006

DEAL VOLUME BY SECTOR*

<u>Sector</u>	<u>Q1:06</u>	<u>Q4:05</u>		<u>Q1:05</u>	
	<u>Deals*</u>	<u>Deals</u>	<u>% Change</u>	<u>Deals</u>	<u>% Change</u>
<i>Services Segment:</i>					
Long-Term Care	26	40	-35%	28	-7%
Physician Medical Groups	14	7	+100%	12	+17%
Laboratories, MRI, Dialysis	11	7	+57%	10	+10%
Home Health	10	17	-41%	19	-47%
Hospitals	10	12	-17%	9	+11%
Managed Care	9	4	+125%	7	+29%
Behavioral Health	3	9	-67%	5	-40%
Rehabilitation	1	2	-50%	2	-50%
Other	<u>32</u>	<u>29</u>	<u>+10%</u>	<u>34</u>	<u>-6%</u>
Services Subtotal	116	127	-9%	126	-8%
<i>Technology Segment:</i>					
Pharmaceuticals	36	30	+20%	32	+12%
Medical Devices	34	28	+21%	43	-21%
Biotechnology	23	25	-8%	40	-43%
e-Health	<u>12</u>	<u>13</u>	<u>-8%</u>	<u>22</u>	<u>-45%</u>
Technology Subtotal	105	96	+9%	137	-23%
Grand Total	221	223	-1%	263	-16%

**Preliminary figures*

The health care services sectors generated greater deal volume than the technology sectors, but it was technology deals that captured the lion’s share of dollars committed to the health care M&A market. “Bayer’s \$20 billion acquisition of Schering AG, proposed in March, indicates that the Pharmaceutical industry will continue to lead the health care M&A market. Among the service sectors, facility-based industries, such as Long-Term Care, will also see high levels of activity,” stated Mr. Monroe.



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