

**FOR IMMEDIATE RELEASE**

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**HEALTH CARE MERGER AND ACQUISITION ACTIVITY SOARS IN SECOND QUARTER 2006,  
ACCORDING TO IRVING LEVIN ASSOCIATES, INC.**

**NORWALK, CT – July 13, 2006** – According to a new Report from Irving Levin Associates, a total of 263 mergers and acquisitions were announced in the health care industry during the second quarter of 2006. This figure marks an 11% increase over the 236 deals announced in the prior quarter, Q1:06. Based on preliminary figures, a total of \$66.9 billion was committed to fund this M&A activity.

<b><u>THE HEALTH CARE M&amp;A MARKET SECOND QUARTER 2006</u></b>		
<b><u>DOLLAR AMOUNTS BY SECTOR*</u></b>		
<b>Sector</b>	<b>Dollar Amount First Quarter 2006</b>	<b>Percent of Quarter</b>
Long-Term Care	\$ 8,645,300,000	13%
Hospitals	532,200,000	1%
Managed Care	417,500,000	<1%
Behavioral Health Care	250,000,000	<1%
Labs, MRI, Dialysis	202,800,000	<1%
Physician Medical Groups	115,800,000	<1%
Rehabilitation	101,500,000	<1%
Home Health Care	30,200,000	<1%
Other Services	1,239,100,000	2%
Services subtotal	\$ 11,534,400,000	17%
Medical Devices	\$ 28,077,500,000	42%
Pharmaceuticals	22,372,700,000	33%
Biotechnology	4,740,000,000	7%
e-Health	228,200,000	<1%
Technology subtotal	\$ 55,418,400,000	83%
Total health care	\$ 66,952,800,000	83%

*\*Preliminary figures*

“As expected, the majority of M&A dollars—83% in the second 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 13 billion-dollar deals, at the remarkable rate of one each week, worth a combined total of \$54.2 billion, or 81% of the total amount committed

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during the quarter. Three were in the Long-Term Care sector, with the remaining 10 in the technology segment, with six in Medical Devices, two in Biotechnology and two in Pharmaceuticals.”

“The Medical Device sector witnessed concerted M&A activity among diagnostics-oriented businesses while the Pharmaceutical sector saw strong activity targeting consumer health and generic drug businesses,” observed Sanford Steever, Ph.D., editor of the Report.

**THE HEALTH CARE M&A MARKET FOR THE SECOND QUARTER OF 2006**

**DEAL VOLUME BY SECTOR\***

<b>Sector</b>	<b>Q2:06 Deals*</b>	<b>Q1:06 Deals</b>	<b>Q1:06 % Change</b>	<b>Q2:05 Deals</b>	<b>Q2:05 % Change</b>
<b><i>Services Segment:</i></b>					
Long-Term Care	22	34	-35%	32	-31%
Home Health	17	11	+54%	16	+6%
Hospitals	13	10	+30%	14	-7%
Laboratories, MRI, Dialysis	9	12	-25%	14	-36%
Physician Medical Groups	8	14	-43%	8	0%
Managed Care	6	9	-33%	6	0%
Behavioral Health	4	3	+33%	5	-20%
Rehabilitation	1	1	0%	5	-80%
Other	<u>36</u>	<u>34</u>	<u>+6%</u>	<u>29</u>	<u>+24%</u>
Services Subtotal	116	128	-9%	129	-10%
<b><i>Technology Segment:</i></b>					
Medical Devices	46	35	+31%	37	+24%
Pharmaceuticals	39	37	+5%	25	+56%
Biotechnology	33	24	+38%	26	+27%
e-Health	29	12	+142%	11	+164%
Technology Subtotal	<u>147</u>	<u>108</u>	<u>+36%</u>	<u>99</u>	<u>+48%</u>
<b>Grand Total</b>	<b>263</b>	<b>236</b>	<b>+11%</b>	<b>228</b>	<b>+15%</b>
<i>*Preliminary figures</i>					

The first half of 2006 has seen 500 deals announced in the health care industry worth a combined total of \$108.1 billion. “With a robust first half of the year, we feel confident that 2006 will be among the most active years ever recorded in health care M&A. While the technology segment will lead this, facility-based industries in the services segment will also make a significant contribution,” stated Mr. Monroe.



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For more information on *The Health Care M&A Report*, or for a subscription to any Irving Levin publication, call 800-248-1668. Irving Levin Associates, Inc., established in 1948, has its headquarters in Norwalk, CT and is online at [www.levinassociates.com](http://www.levinassociates.com). This privately held corporation publishes research reports and newsletters, and maintains merger and acquisition databases, on the health care and senior housing markets.

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