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**HEALTH CARE M&A DOLLAR VOLUME REMAINS STRONG IN FIRST QUARTER 2007
ACCORDING TO NEW REPORT FROM IRVING LEVIN ASSOCIATES, INC.**

NORWALK, CT – April 16, 2007 – 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 2007, an 8% decrease from the 241 deals announced in the year-ago quarter, Q1:06. Based on preliminary figures, however, a total of \$73.2 billion was committed to fund the first quarter’s M&A activity, representing a 69% increase over the \$43.2 billion spent during Q1:06. About \$16.5 billion, or nearly one-fourth of the quarter’s total amount, came from private equity and other financial buyers.

THE HEALTH CARE M&A MARKET FIRST QUARTER 2007

DOLLAR AMOUNTS BY SECTOR*

Sector	Dollar Amount First Quarter 2007	Percent of Quarter
Hospitals	\$ 7,000,000,000	10%
Long-Term Care	3,100,000,000	4%
Managed Care	3,000,000,000	4%
Rehabilitation	245,000,000	<1%
Labs, MRI, Dialysis	136,700,000	<1%
Behavioral Health Care	37,500,000	<1%
Home Health	2,686,000	<1%
Physician Medical Groups	0	—
Other Services	4,100,000,000	6%
Services subtotal	\$ 7,619,468,000	24%
Pharmaceuticals	\$ 26,100,000,000	36%
Medical Devices	23,100,000,000	31%
Biotechnology	6,300,000,000	9%
e-Health	114,400,000	<1%
Technology subtotal	\$ 55,614,400,000	76%
Total health care	\$ 73,233,686,000	100%

**Preliminary figures*

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The health care technology segment attracted the largest amount of capital, capturing roughly three dollars out of every four invested in health care M&A. The quarter also posted 14 billion-dollar deals across all sectors, at a rate of better than one a week, worth a combined total of \$57.2 billion.

The number of deals announced in each sector of the health care industry appears in the chart below, along with comparisons to the prior quarter (Q4:06) and the year-ago quarter (Q1:06).

THE HEALTH CARE M&A MARKET Q1:07 – DEAL VOLUME BY SECTOR

<u>Sector</u>	<u>Q1:07 Deals*</u>	<u>Q4:06 Deals</u>	<u>% Change</u>	<u>Q1:06 Deals</u>	<u>% Change</u>
<i>Services Segment:</i>					
Long-Term Care	33	43	-23%	34	-3%
Home Health Care	10	11	-9%	11	-9%
Hospitals	10	16	-38%	12	-17%
Labs, MRI, Dialysis	9	6	50%	13	-31%
Physician Groups	9	5	80%	14	-36%
Behavioral Health Care	4	4	0%	4	0%
Managed Care	4	7	-43%	9	-56%
Rehabilitation	1	2	-50%	1	0%
Other	<u>20</u>	<u>30</u>	<u>-33%</u>	<u>34</u>	<u>-41%</u>
Services Subtotal	100	124	-19%	132	-24%
<i>Technology Segment:</i>					
Medical Devices	39	33	18%	35	11%
Biotechnology	37	33	12%	24	54%
Pharmaceuticals	33	33	0%	38	-13%
e-Health	<u>12</u>	<u>14</u>	<u>-14%</u>	<u>12</u>	<u>0%</u>
Technology Subtotal	121	113	7%	109	11%
<i>Grand Total</i>	221	237	-7%	241	-8%

**Preliminary figures*

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Two technology sectors, Pharmaceuticals and Medical Devices, rank among the strongest in the health care M&A market, accounting for more half of the dollars spent in this market. “Despite the spate of new and promising technologies driving innovation, big pharma and medical device companies continue to tap the market for proven technologies and marketed products, blockbusters if they can afford them,” stated Sanford Steever, Ph.D., editor of the Health Care M&A Report. “Medical device companies, in particular, sought to acquire established diagnostic tests and technologies to balance their portfolios of therapeutic devices,” added Mr. Steever.

Dealmaking in the Long-Term Care sector remains robust, promoted by record-high valuations in the seniors housing industry. “The chance to capitalize on market opportunities which seem too good to pass up has produced many willing sellers, who have been matched, at least in the short term, by willing buyers,” commented Stephen M. Monroe, managing editor at Irving Levin Associates.

For more information on *The Health Care M&A Report*, or for a subscription to any Irving Levin publications, call 800-248-1668. Irving Levin Associates, Inc., established in 1948, has headquarters in Norwalk, CT and is online at 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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