



FOR IMMEDIATE RELEASE

Note: If you would like to receive this
via email, please send your email address
to foss@levinassociates.com

Stephen M. Monroe, Partner
Sanford B. Steever, Editor
Phone: (800) 248-1668
Fax: (203) 846-8300

**HEALTH CARE M&A DOLLARS KEEP FLOWING IN SECOND QUARTER 2007
ACCORDING TO NEW REPORT FROM IRVING LEVIN ASSOCIATES, INC.**

NORWALK, CT – JULY 12, 2007 – According to a new Report from Irving Levin Associates, a total of 231 mergers and acquisitions were announced in the health care industry during the second quarter of 2007, a 3% increase over the 224 deals announced in the first quarter. Based on preliminary figures, a total of \$59.1 billion was committed to fund the second quarter’s M&A activity, representing an 8% decrease from the \$64.3 billion spent during Q1:07. However, the \$123.4 billion spent in the first six months of 2007 represents a 10% increase over the \$111.7 billion spent in the corresponding period of 2006.

THE HEALTH CARE M&A MARKET SECOND QUARTER 2007

DOLLAR AMOUNTS BY SECTOR*

Sector	Dollar Amount First Quarter 2007	Percent of Quarter
Labs, MRI, Dialysis	\$ 2,100,000,000	4%
Managed Care	1,700,000,000	3%
Long-Term Care	1,100,000,000	2%
Hospitals	233,500,000	<1%
Home Health Care	173,000,000	<1%
Rehabilitation	150,000,000	<1%
Behavioral Health Care	15,000,000	<1%
Physician Medical Groups	0	—
Other Services	5,000,000,000	8%
Services subtotal	\$ 10,471,500,000	18%
Biotechnology	\$ 23,500,000,000	40%
Medical Devices	13,900,000,000	24%
Pharmaceuticals	11,000,000,000	18%
e-Health	186,200,000	<1%
Technology subtotal	\$ 48,586,200,000	82%
Total health care	\$ 59,057,700,000	100%

**Preliminary figures*

-- more--

The health care technology segment attracted the largest amount of capital, capturing roughly four dollars out of every five invested in health care M&A. The quarter also posted 10 billion-dollar deals across all sectors, worth a combined total of \$43.6 billion, or nearly three-quarters of all M&A dollars in Q2:07.

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 (Q1:07) and the year-ago quarter (Q2:06).

THE HEALTH CARE M&A MARKET Q2:07 – DEAL VOLUME BY SECTOR

Sector	Q2:07 Deals*	Q1:07 Deals	% Change	Q2:06 Deals	% Change
<i>Services Segment:</i>					
Long-Term Care	23	35	-34%	27	-15%
Home Health Care	15	10	50%	18	-17%
Hospitals	15	10	50%	17	-12%
Labs, MRI, Dialysis	10	10	0%	9	11%
Managed Care	9	5	80%	7	29%
Physician Groups	6	9	-33%	8	-25%
Rehabilitation	4	1	300%	1	300%
Behavioral Health Care	3	4	-25%	5	-40%
<u>Other</u>	<u>22</u>	<u>17</u>	<u>29%</u>	<u>35</u>	<u>-37%</u>
Services Subtotal	107	101	6%	127	-16%
<i>Technology Segment:</i>					
Medical Devices	40	39	3%	48	-17%
Biotechnology	36	35	3%	33	9%
Pharmaceuticals	35	34	3%	39	-10%
<u>e-Health</u>	<u>13</u>	<u>15</u>	<u>-13%</u>	<u>9</u>	<u>-55%</u>
Technology Subtotal	124	123	1%	149	-17%
Grand Total	231	224	3%	276	-16%

**Preliminary figures*

-- more--

M&A activity in the Biotechnology sector continues to be driven by both big pharma firms and other biotech firms in search of new blockbuster drugs and technologies. “With advances on several scientific fronts, vaccines, once thought to be a low-margin business, are showing new potential and attracting heightened interest among strategic buyers,” stated Sanford Steever, Ph.D., editor of the Health Care M&A Report. “Biotechnologically sophisticated diagnostic systems and late-stage drug candidates also figure prominently in the biotech M&A market,” added Mr. Steever.

The Long-Term Care sector continues to generate the highest deal volume among the health care services sectors. “While strategic and financial investors continue to find good opportunities in the current market, valuations are showing some signs of leveling off in the seniors housing industry,” commented Stephen M. Monroe, managing editor at Irving Levin Associates.

“If M&A activity maintains the levels set in the first half of the year, 2007 will emerge as a record year in terms of dollars committed to the health care merger and acquisition market,” Mr. Steever summarized.

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 and venture capital databases, on the health care and senior housing markets.

--- end ---