

SPECIALTY PHARMACY NEWS

Home Infusion Remains Hot Sector for M&A Activity

The home infusion sector continues to experience tremendous growth that will continue for probably another 12 to 18 months, a health care mergers and acquisitions (M&A) firm says. According to The Braff Group's 2007 year-end numbers, the home infusion industry saw its fifth consecutive year of transaction volume growth, with a record 25 deals. The size of the deals has also grown, with Walgreen Co.'s \$850 million acquisition of Option-Care, Inc. as home infusion's largest last year in terms of price (*SPN 8/07, p. 1*).

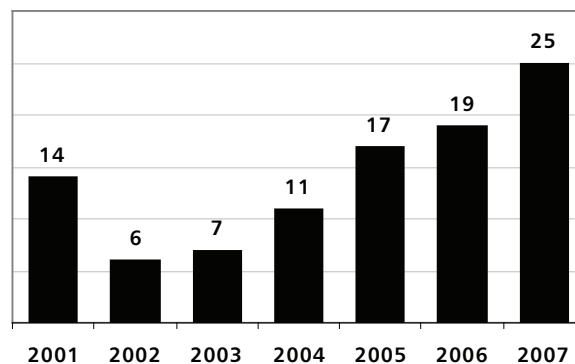
Private-equity investment continues to be hot (*SPN 11/07, p. 5*) as well. Eight private-equity groups have infusion therapy holdings, and the space continues to draw interest from other such firms.

The specialty pharmacy industry has suffered somewhat from a lack of attention that instead has been placed squarely on home infusion. Still, the 17 specialty pharmacy deals in 2007 represented a 13% increase from the 15 deals in 2006. The Braff Group reports. McKesson Corp.'s \$575 million purchase of Oncology Therapeutics Network was the top deal

in terms of price for that industry (*SPN 11/07, p. 1*). The Braff Group says that oral oncology drugs and nuclear pharmacy are the hot M&A areas in this sector.

Visit www.thebraffgroup.com.

Home Infusion Therapy M&A Transaction Volume (number of deals)



SOURCE: The Braff Group, *M&A Market Watch: Home Infusion Therapy and Specialty Pharmacy Services*, March 2008.