

## *Infusion Therapy M&A Activity Increased 400% From 4Q 2006 to 1Q 2007*

A quarterly report by The Braff Group shows that infusion therapy was an extremely hot area for growth in mergers and acquisitions (M&A) among various home care sectors between the last quarter of 2006 and the first quarter of 2007. While there was only one transaction in fourth-quarter 2006, five transactions occurred in first-quarter 2007. This trend is similar to that of fourth-quarter 2005 (two deals) compared with first-quarter 2006 (seven deals). However, when the first quarter of 2007 is compared with the first quarter of 2006, which saw seven transactions in infusion therapy, the most recent quarter was actually down 28.6%. Private-equity groups continue to be big players in this field,

as three of the five first-quarter 2007 deals were completed by these types of buyers. By comparison, The Braff Group shows no private-equity group transactions in infusion therapy in 2005, but seven overall in 2006. Specialty pharmacy M&A activity was down 66.7% from the fourth quarter of 2006 to the first quarter of 2007, with only one deal compared with three. Compared with the year-ago period, specialty pharmacy deals decreased 75%, to one transaction in first-quarter 2007 from four. Looking back to 2005 activity, there were seven specialty pharmacy fourth-quarter 2005 M&A deals, and there were three for fourth-quarter 2006. Contact The Braff Group at (888) 922-5169.

### **First-Quarter 2007 M&A Activity in Terms of Number of Transactions**

<b>Sector</b>	<b>4Q 2006</b>	<b>1Q 2007</b>	<b>% Change</b>	<b>1Q 2006</b>	<b>1Q 2007</b>	<b>% Change</b>
Home Health	24	22	-8.3%	12	22	83.3%
Hospice	3	6	100.0%	2	6	200.0%
Staffing	6	3	-50.0%	4	3	-25.0%
Home Medical Equipment	12	5	-58.3%	15	5	-66.7%
Infusion Therapy	1	5	400.0%	7	5	-28.6%
Specialty Pharmacy	3	1	-66.7%	4	1	-75.0%
<b>Total</b>	<b>49</b>	<b>42</b>	<b>-14.3%</b>	<b>44</b>	<b>42</b>	<b>-4.5%</b>

SOURCE: *Perspectives*, The Braff Group, May 2007.