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**Cardinal acquisition highlights growing specialty drug market**

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Cardinal Health (Ireland) will acquire specialty pharmaceuticals firm Healthcare Solutions Holding for \$517 million in a deal that highlights the growing importance of the specialty drug sector. The transaction is expected to close early in Cardinal Health's 2011 fiscal year, which begins on July 1.

"This acquisition is an important building block in our strategy to create a differentiated set of services for oncology and specialty customers," says George Barrett, chairman and CEO of Cardinal Health.

"Healthcare Solutions Holding is a natural extension of Cardinal Health's businesses and will enable the growth of our specialty distribution operations."

Healthcare Solutions has created what one analyst calls a specialty pharmaceuticals "ecosystem," connecting pharma, health plans and specialty physicians, which should nicely complement the Cardinal's much larger distribution network. Perhaps more importantly, the deal will expand Cardinal's small presence in the specialty drug market. IMS Health predicts that the specialty drug market should expand to twice the size of the traditional pharma market within a few years, hitting \$100 billion by 2013.

Steven Halper, an analyst for Thomas Weisel Partners, expressed approval for the deal. "We believe this represents a positive shift for (Cardinal), as specialty pharmacy will help augment overall growth," Halper says in a research note, as quoted by *Columbus Dispatch*.