SRI-Surgical Express, Inc. to be Acquired by Synergy Health plc

SWINDON, United Kingdom and TAMPA, Fla. (GLOBE NEWSWIRE) -- Synergy Health plc, a global provider of outsourced sterilization services to the medical device market and healthcare sector, and SRI/Surgical Express, Inc., a provider of central processing and supply chain management services to hospitals and surgery centers in the United States, today announced they have entered into a definitive merger agreement.
Under the terms of the agreement, a subsidiary of Synergy Health (the "Merger Sub") will acquire all of the outstanding shares of common stock of SRI for $3.70 per share in cash through a cash tender offer followed by a merger. The transaction is valued in the aggregate at approximately $25.06 million in equity value and $38.45 million in enterprise value. The cash consideration represents a premium of approximately 17% to SRI's closing share price on September 13, 2011, the last trading day before SRI announced that it would explore strategic alternatives. The agreement has been unanimously approved by each company's Board of Directors.

Gerald Woodard, CEO of SRI Surgical commented, "SRI Surgical, and the healthcare customers we serve, will benefit greatly from this very strategic acquisition. Both companies have extensive expertise in sterilization technology, along with 20 years of customer service in this area. We look forward to blending the strengths of SRI and Synergy Health as we focus on the growth of our reusable surgical linens, instrument reprocessing, and CS management services."

Dr. Richard Steeves, CEO of Synergy Health, stated, "We are very pleased to have the opportunity to bring together the strengths of Synergy Health and SRI Surgical. I feel confident that the experience and resource of Synergy Health will enable SRI to build upon its position as the leading provider of CS management services, and fulfill its ambition of becoming a national leader in the provision of environmentally sound service solutions for healthcare providers. I look forward to working with the team of talented people at SRI and embarking upon another period of sustained growth."

Under the terms of the merger agreement, the parties anticipate that the Merger Sub will commence a tender offer for all of the outstanding shares of SRI before June 18, 2012. If the first step tender offer is successfully completed, the Merger Sub will acquire any of the SRI shares of common stock not tendered in the tender offer through a second step merger transaction in which the remaining SRI shares are converted into a right to receive the same consideration per share as paid in the tender offer. SRI has exempted the transactions contemplated by the merger agreement from its shareholder rights plan.

The tender offer transaction, which is subject to customary closing conditions, is expected to close by July 16, 2012.

Completion of the tender offer is subject to, among other things, the satisfaction of the minimum tender condition of at least a majority of SRI's outstanding shares of common stock, and other customary closing conditions. The transaction is not subject to a financing condition.

About Synergy Health plc
Synergy Health is a global leader in outsourced sterilization services to the medical device market as well as to hospitals and other healthcare providers. In addition, the business provides other outsourced services such as healthcare linen, pathology and specialist laboratory services. The business operates across health related markets in the UK & Ireland, Europe & the Middle East, Asia & Africa and the Americas. For more information, please visit www.synergyhealthplc.com [1].

About SRI/Surgical Express, Inc.
SRI (www.srisurgical.com [2]) provides central processing and supply chain management services to hospitals and surgery centers across the United States. SRI serves hospitals and surgery centers in 25 states from 10 reprocessing facilities and four distribution centers located throughout the United States.

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