Mindray to Acquire ZONARE Medical Systems

PR Newswire

Mindray Medical International Limited (NYSE: MR [1]), today announced a definitive agreement to acquire ZONARE Medical Systems, Inc. (ZONARE), an ultrasound technology leader in the high-end radiology segment for US$105 million. Mindray's management expects the deal to strengthen its high-end ultrasound R&D and U.S. sales capabilities, furthering the company's goal of becoming a leading provider of high-quality imaging products to markets worldwide.

Total 2012 revenues for ZONARE were approximately US$64 million. Mindray expects the deal to be slightly dilutive to its full-year 2013 and 2014 earnings.

Founded in 1999, ZONARE is based in Mountain View, California, U.S. Over the past decade, ZONARE has become one of the leading ultrasound brands in high-end radiology segment globally. Its world-class R&D team, comprising several leading ultrasound experts, developed the company's revolutionary ZONE-Sonography™ technology to deliver superior image quality. Moreover, ZONARE has a direct sales team mainly covering developed markets including the US, Canada, Scandinavia and Germany.

"We are very excited about this transaction. We evaluated many different acquisition targets and determined that ZONARE's proven business model, along with its technology and sales channel assets, fits very well with our selection criteria," said Mr. Minghe Cheng, Mindray's co-Chief Executive Officer. "This transaction will create significant synergies by combining ZONARE's strong innovative R&D capability and direct sales and service network in the high-end ultrasound market with Mindray's efficient engineering and production platforms. We expect customers to benefit from the combined company's expanded portfolio and improved ability to develop more innovative and customized products."

Mindray plans to maintain ZONARE's brand and existing operations under its current management team led by Mr. Timothy A. Marcotte, ZONARE's President and Chief Executive Officer.

"The deal will create a global ultrasound company that is better positioned to serve the healthcare market on a worldwide basis," commented Mr. Marcotte. "We expect our customers to continue to benefit from the high level of innovation, quality and services provided by the ZONARE brand. Moreover, as a member of the growing Mindray organization, we look forward to developing even more exciting products and technologies in the future by leveraging our combined strengths."

The transaction is expected to close in the third quarter of 2013 and is subject to regulatory and other customary closing conditions. The final acquisition price is subject to working capital and other adjustments, and will be funded with Mindray's existing cash and planned borrowings from third parties.

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