

# Healthcare & Life Sciences

Harris Williams & Co.  
middle market\*

Market Monitor  
Hospitalist Services



Investment banking services are provided by Harris Williams LLC, a registered broker-dealer and member of FINRA and SIPC, and Harris Williams & Co. Ltd, an Appointed Representative of Sturgeon Ventures LLP, which is authorised and regulated by the FSA. Harris Williams & Co. is a trade name under which Harris Williams LLC and Harris Williams & Co. Ltd conduct business in the U.S. and Europe, respectively. © 2010 Harris Williams & Co.

Harris Williams & Co.’s Healthcare & Life Sciences Group directs its efforts among three focus sectors.

Ancillary Services and Outsourcing	Market Size (mm)	Growth Rate <sup>1</sup>	Medical and Life Science Products	Market Size (mm)	Growth Rate <sup>1</sup>	Facilities and Alternate Site Care	Market Size (mm)	Growth Rate <sup>1</sup>
<i>Producer Services:</i>			• Medical Devices			• Surgical Hospitals		
• Contract Manufacturing	\$18,600	11.0%	• DME	\$80,200	11.0%	• Long-Term Care	\$150,000	4.0%
• Pharmaceutical Services			• Life Science Tools	27,300	4.0%	• Dental Care	111,700	4.5%
- Clinical Development	10,600	12.5%	• Medical/Surgical Supplies	26,700	5.4%	• Diagnostic Imaging	94,000	7.0%
- Pre-clinical Development	3,700	11.0%	• Dental Supplies	21,300	9.2%	• Home Health	70,000	6.0%
• Contract Sales	2,900	14.9%		5,000	7.5%	• Behavioral/Mental Health	41,500	8.1%
<i>Provider Technology &amp; Services:</i>						• Dialysis	25,000	5.5%
• Rx Distribution	\$252,000	4.0%				• Hospice	10,000	10.0%
• Clinical Laboratories	40,000	4.5%				• Rehabilitation	9,800	11.0%
• IT-based Outsourcing	27,000	7.7%				• ASCs	9,400	6.0%
• Disease Management	20,000	18.0%					8,000	7.5%
• Healthcare Staffing	10,600	7.5%						
• Hospitalist Services	10,600	15.0%						
• Automation	10,000	12.0%						
<b>Total</b>	<b>\$406,000</b>	<b>6.2%</b>	<b>Total</b>	<b>\$160,500</b>	<b>8.6%</b>	<b>Total</b>	<b>\$529,400</b>	<b>5.6%</b>

Sources: The Centers for Medicare and Medicaid Services, Office of the Actuary, and industry reports.

- Companies in these segments operate in markets with certain common characteristics.
  - Positive demographic outlook.
  - Low degree of technological risk.
  - Generate positive cash flow.
  - Highly fragmented markets with substantial M&A activity.
- In the following pages we outline our high-level thoughts regarding the **Hospitalist Services Market**.
- For more information on the Healthcare & Life Sciences Group or the **Hospitalist Services Market**, please contact:

Turner A. M. Bredrup Managing Director <a href="mailto:tbredrup@harriswilliams.com">tbredrup@harriswilliams.com</a>	Todd D. Morris Managing Director <a href="mailto:tmorris@harriswilliams.com">tmorris@harriswilliams.com</a>	J. Cheairs Porter Director <a href="mailto:cporter@harriswilliams.com">cporter@harriswilliams.com</a>	James T. Clark Director <a href="mailto:jclark@harriswilliams.com">jclark@harriswilliams.com</a>	Geoffrey W. Smith Vice President <a href="mailto:gsmith@harriswilliams.com">gsmith@harriswilliams.com</a>	Andy Dixon Vice President <a href="mailto:adixon@harriswilliams.com">adixon@harriswilliams.com</a>
---	---	---	--	---	--

Richmond      Boston      Cleveland      London      Minneapolis      Philadelphia      San Francisco

Harris Williams & Co. believes the Hospitalist Services Market represents one of the healthcare services sector's most exciting mergers & acquisition opportunities and recently advised Waud Capital Partners on the recapitalization of Hospitalists Management Group with AEA Investors.

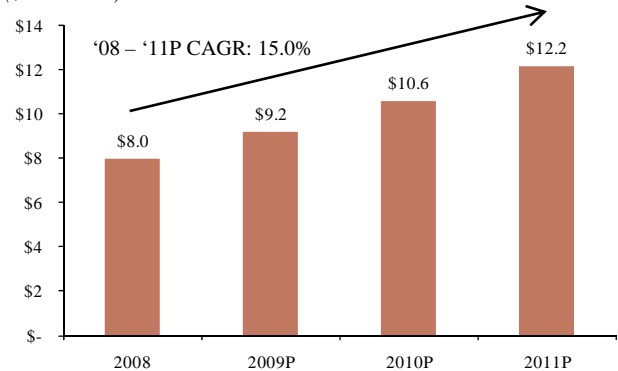
#### Rationale:

- Fundamental Drivers
  - Improves quality in the healthcare delivery system by focusing on excellence in inpatient care.
  - Improves utilization of assets for hospitals.
  - Hospitals and health systems, primary care physicians, and payors recognize the economic value of hospitalist services.
  - Growing demand for physician resources focused on inpatient care combined with an increasing number of physicians choosing to establish their career as a hospitalist, makes hospitalists the fastest growing medical discipline.
- Mergers and Acquisition Drivers
  - Rapid market expansion will drive substantial organic growth.
  - Highly fragmented market; IPC The Hospitalist Company, the largest pure-play provider of hospitalist services, has less than 3% market share.
    - Scarcity of scalable platforms.
    - Large number of smaller participants will be subject to consolidation.

Hospitalist medicine is the fastest growing medical specialty; hospitalists are physicians who focus solely on delivering general medical care to hospitalized patients, thereby improving care coordination and the hospital's financial performance.

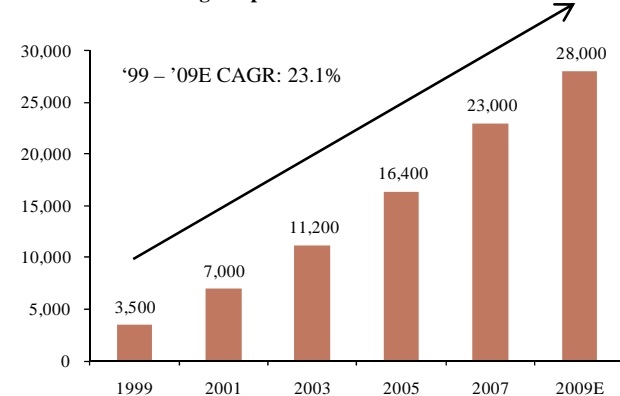
- The hospitalist market is estimated to be \$10.6 billion in 2010P and is projected to grow at a 15.0% compounded annual growth rate ("CAGR") from 2008 through 2011P.
  - The hospitalist discipline is the fastest growing physician specialty in the market, growing at a CAGR of 23.1% from 3,500 hospitalists in 1999 to 28,000 hospitalists in 2009E, and is expected to grow in-line with market growth rates of 15.0% each year going forward.
- The reasons for this rapid and sustainable growth are:
  - Continued market penetration; hospitalist programs are currently utilized at only 58% of hospitals.
  - Total size of the addressable market is expanding due to growth in hospital expenditures and total inpatient days.
  - The demand for better inpatient care coordination.
  - Mounting evidence that patients managed by hospitalists experience better outcomes, shorter lengths of stay, and lower inpatient readmission rates.

**Hospitalist Services**  
(\$ in billions)



Source: Analyst reports.

**Number of Practicing Hospitalists**

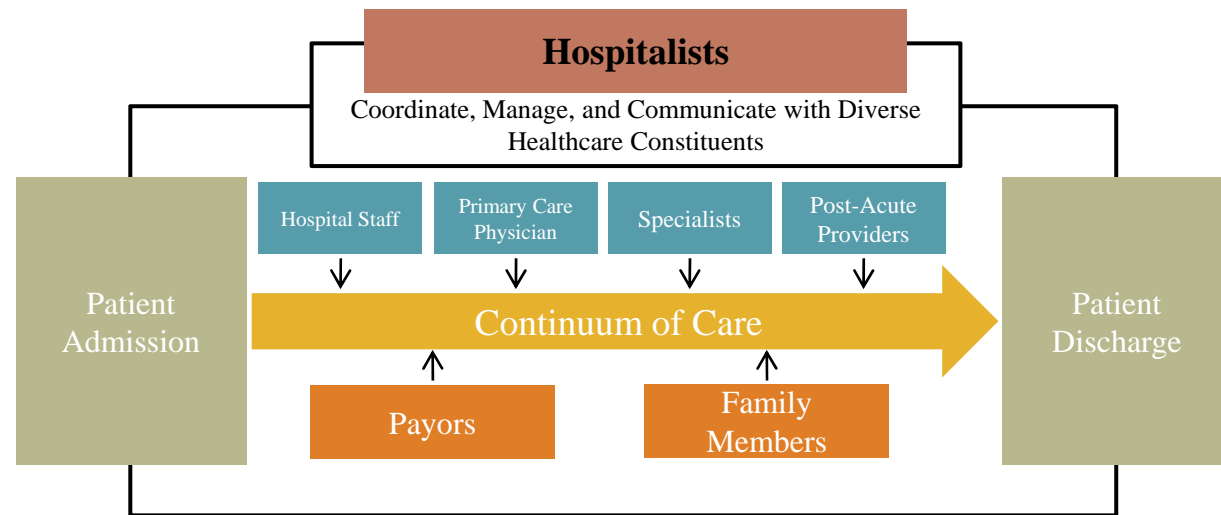


Source: Society of Hospital Medicine.

Hospitalists serve a necessary and critical role in coordinating, managing, and communicating with the different healthcare constituents within the inpatient care and post-hospital settings.

- By focusing exclusively on inpatient medicine, a hospitalist develops expertise in both the diagnosis and treatment of common conditions that require hospitalization and the optimization of patient care within a hospital.
- Hospitalists perform consistent functions, interact regularly with the same healthcare professionals, and become accustomed to specific facility processes, resulting in greater efficiency, less process variability, and better patient outcomes.
- While acute care hospitals represent the largest component of inpatient facilities in which hospitalists practice, other inpatient facilities, such as long-term acute care, specialty hospitals, psychiatric, rehabilitation hospitals, and skilled nursing facilities, represent attractive markets where hospitalists have already gained acceptance and are rapidly expanding presence.

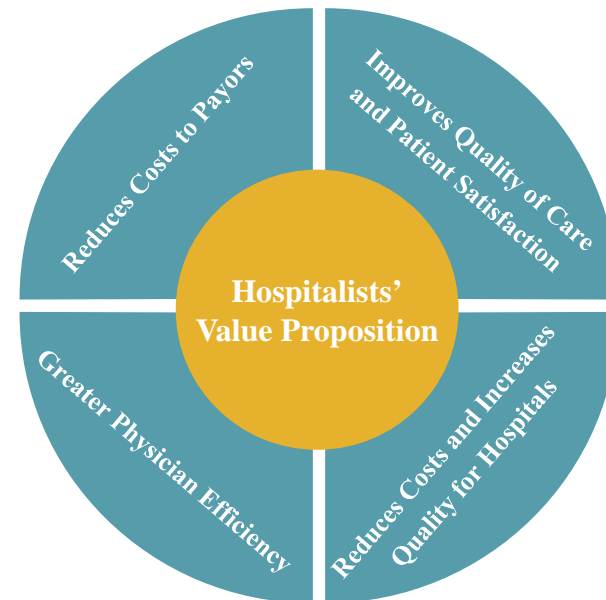
Hospitalists' Role in the Continuum of Care



Source: Analyst reports.

Rapid growth within the hospitalist market is driven by the clear value hospitalists provide to multiple constituencies within the healthcare system.

- For *patients*, hospitalists provide better care coordination and a physician specifically focused on improving health outcomes and making the hospital stay as positive an experience as possible.
- For *hospitals*, hospitalists result in better environments for patients, improved quality scores, and expanded margins through better asset utilization by reducing average length of stay and opening beds up for additional patients.
- For *primary care physicians*, hospitalists allow PCPs to spend less time in or en route to the hospital or on call, and more time treating office-based patients, which is operationally and economically advantageous to such physicians.
- For *payors*, hospitalists drive shorter lengths of stay and reduced readmission rates, resulting in lower costs.



The hospitalist market is divided primarily between “in-house” and “outsourced” providers, with outsourced providers gaining share of the \$10.6 billion market over the last several years, a trend that is expected to continue.

- The hospitalist market is an evolving space that remains highly fragmented; there is no dominant player, even among the participants that offer outsourced programs.
- Outsourced providers are gaining market share and are therefore growing faster than the overall industry.
- Within the market, there are numerous types of hospitalist programs, including:

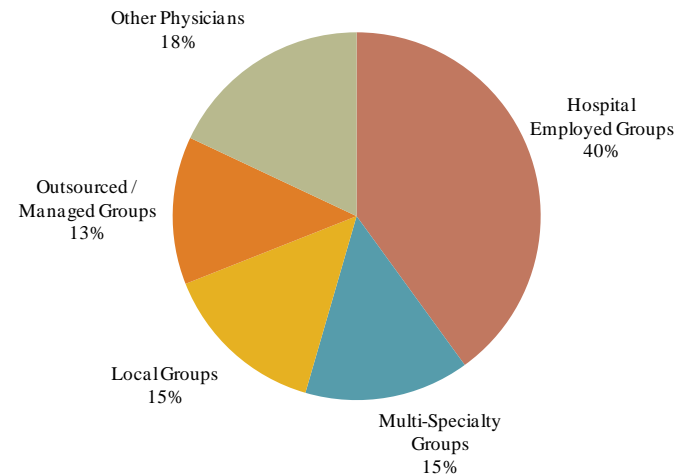
#### In-House Providers

- Hospital Employed Groups: Consists of hospitalist programs that are developed and managed in-house, typically at larger hospitals with more than 500 beds.
- Other Physicians: Programs provided by resident trainee physicians, primary care physicians that visit patients in hospitals, and other physicians that are performing hospitalist responsibilities.

#### Outsourced Providers

- Multi-Specialty Groups: Consists of companies that provide hospitalist services in conjunction with other healthcare services to the client hospitals (such as emergency room service providers).
- Local Groups: Consists of smaller companies that typically service one or two facilities in local communities.
- Outsourced / Managed Groups: Consists of national and regional hospitalist companies which employ physicians at multiple acute care facilities and offer a range of services from turnkey solutions to specific types of services.

Breakdown of the \$10.6 Billion Hospitalist Market by Program Type



Source: The Society of Hospital Medicine, 2007-2008 Survey.

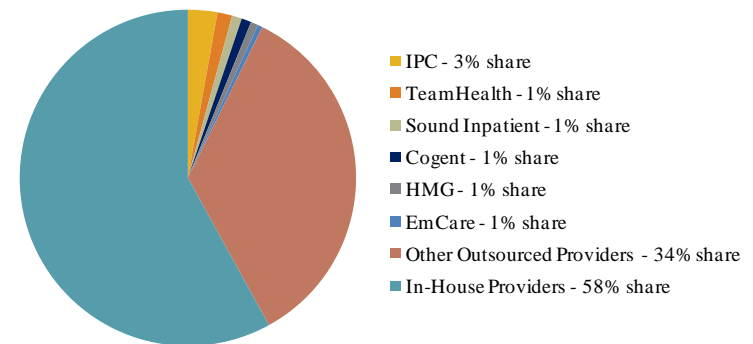
The hospitalist services market is highly fragmented; IPC The Hospitalist Company is the largest pure-play outsourced provider of hospitalist services and has <3% market share, while the top four outsourced providers have <8% share, providing substantial opportunity for consolidation as evidenced by industry participants making “tuck-in” acquisitions and financial sponsors seeking platform investments.

- IPC The Hospitalist Company (NASDAQ:IPCM) is the leading consolidator in the hospitalist services industry, having completed 15 acquisitions since the start of 2008.
- There has been active consolidation from strategic participants and strong interest from financial sponsors in companies that provide physician and hospitalist services.

- AEA Investors invested in the recapitalization of Hospitalists Management Group in 2010.
- Summit Partners made a minority investment in OB Hospitalist Group in 2010.
- MEDNAX (NYSE:MD), formerly Pediatrix, has completed 18 acquisitions since the beginning of 2008.
- Beecken Petty O’Keefe & Company acquired Sterling Healthcare in 2008.
- Hellman & Friedman acquired Sheridan Healthcare in 2007.
- The Blackstone Group acquired TeamHealth in 2005.
- Onex maintains a majority voting control and ownership in Emergency Medical Services (NYSE:EMS), parent to EmCare.

- Harris Williams & Co. believes that over time, only certain focused hospitalist service providers will have the management, business model, and scale necessary to be long-term consolidators and market leaders.

Breakdown of the \$10.6 Billion Hospitalist Market by Participant<sup>1</sup>











Source: Analyst reports.

(1) In-house providers include hospital employed groups and other physicians. Outsourced providers include multi-specialty groups, local groups, and outsourced / managed groups.

As the hospitalist market continues to evolve, a number of participants are actively targeting specific segments of the industry, with the majority of companies generally operating under one of two structures: (1) Private or doctor-owned companies that focus exclusively on hospitalist medicine or (2) subsidiaries of larger corporations that traditionally focus on emergency room, anesthesiology, or pediatric administration and staffing services.

Overview of Hospitalist Services Market Participants

								
<b>Affiliated Hospitalists<sup>1</sup> (estimated)</b>	150	250	353	660	900	1,000	Unavailable	420
<b>Staffing Specializations</b>								
Administration	✓	✓	✓	✓	✓	✓	✓	✓
Anesthesiology		✓			✓	✓		✓
Critical Care	✓	✓	✓	✓	✓	✓		✓
Emergency		✓			✓	✓		✓
Hospital/Internal Medicine	✓	✓	✓	✓	✓	✓	✓	✓
Pediatrics / Neonatology				✓	✓	✓		✓
Radiology/Tele-radiology		✓						✓
<b>Geography</b>								
Northeast	✓	✓	✓	✓	✓	✓		✓
Southeast	✓	✓	✓	✓	✓	✓		✓
Midwest	✓	✓	✓	✓	✓	✓		✓
West	✓	✓	✓	✓	✓		✓	✓
<b>Ownership</b>	Private Venture-Backed	Public / Private Equity-Backed	Private Equity-Backed	Public	Public	Private Equity-Backed	Private Equity-Backed	Public

(1) Based on publically available information; includes hospitalists and other hospital-based physician specialists.

- A representative sample of smaller private hospitalist and other outsourced physician services companies includes:
  - Apogee Physicians
  - CEP America Emergency Physician Partners
  - Eagle Hospital Physicians
  - IN Compass Health
  - Primary Critical Care Medical Group
  - PrimeDoc
  - Sterling Healthcare
  - The Schumacher Group

IPC, the first and only pure-play hospitalist services company to enter the public markets, trades at a significant premium to other public companies contracting with hospitals for in-house or outsourced services.

- Higher valuations for hospitalist services relative to other specialty physician and healthcare staffing services reflect:
  - Stronger revenue growth;
  - Demonstrated economic value created by hospitalists;
  - Favorable reimbursement support from payors; and
  - Revenue visibility and attractive free cash flow characteristics of the hospitalist business model.

Hospitalist Services to Specialty Physician and Healthcare Staffing Services<sup>1</sup>

	Hospitalist Services	Specialty Physician Services	Healthcare Staffing Services
Three-Year Historical Revenue Growth	27.8%	10.4%	(14.3%)
Three-Year Historical EBITDA Growth	48.0%	14.9%	(25.5%)
LTM Gross Profit Margin	27.4%	36.4%	28.1%
LTM EBITDA Margin	10.9%	11.0%	5.8%
Hospital Relationship	Partner	Partner	Contractor
Revenue Profile	Recurring	Recurring	Transactional

Trading Multiples of Public Comparables<sup>1</sup>  
(\$ in 000s)

	Company	Market Capitalization	Enterprise Value	Enterprise Value/LTM	
				Revenue	EBITDA
Hospitalist Services	IPC The Hospitalist Company, Inc.	\$419,468	\$379,110	1.2 x	10.8 x
Specialty Physician Services	MEDNAX, Inc.	\$2,455,008	\$2,552,744	1.9 x	8.1 x
	Emergency Medical Services Corporation	2,047,533	2,120,456	0.8 x	7.3 x
	Team Health Holdings, Inc.	788,240	1,229,307	0.5 x	8.6 x
Healthcare Staffing Services	Cross Country Healthcare, Inc.	260,789	305,753	0.6 x	11.1 x
	AMN Healthcare Services, Inc.	230,422	298,451	0.5 x	7.2 x
	On Assignment, Inc.	188,650	236,313	0.6 x	10.2 x

Source: Capital IQ.  
(1) As of July 12, 2010.

Clearly defined, attractive industry growth drivers will continue to draw strategic interest in consolidation and offer opportunities to financial sponsors with platform investments.

#### Strategic Buyer Rationale

- Expand breadth of offerings
- Expand geography
- Expand payor mix

#### Financial Buyer Rationale

- Strong industry growth prospects
- Acquire a platform in attractive segment
- Consolidation opportunities in fragmented market

#### Representative M&A Transactions

Date	Buyer	Target	Target Description
<b>Hospitalist Services</b>			
Apr-10	AEA Investors	Hospitalists Management Group	Provider of outsourced hospitalist programs to acute care facilities and hospitals
Apr-10	Summit Partners	OB Hospitalist Group, Inc.	Provider of Ob/Gyn hospitalist services
Nov-09	IPC The Hospitalist Company, Inc.	Hospital Internists of New London and Westerly	Provider of hospitalist management and physician group practice services
Dec-08	IPC The Hospitalist Company, Inc.	North Florida Hospitalists, LLC and Orange Park Hospitalists, LLC	Provider of hospitalist management and physician group practice services
Oct-08	IPC The Hospitalist Company, Inc.	Central Florida Hospitalist Group and Hospital Medicine Associates	Provider of hospitalist management and physician group practice services
Aug-08	IPC The Hospitalist Company, Inc.	Hospitalists of America, LLC	Provider of hospitalist management and physician group practice services
Jun-08	IPC The Hospitalist Company, Inc.	Texas Inpatient Services, LLC	Provider of inpatient medical care services
Jun-08	Beecken Petty O'Keefe & Company	Sterling Healthcare, Inc.	Provider of emergency department staffing and management services
<b>Specialty Physician Services</b>			
Mar-10	MEDNAX, Inc.	Maryland Perinatal Associates, PC	Provider of healthcare services to pregnant women
Dec-09	Team Health Holdings, Inc.	Anesthetix Management LLC	Provider of anesthesiology and pain management services
Dec-09	EmCare, Inc.	Pinnacle Anesthesia Consultants, PA	Provider of emergency department, inpatient, anesthesiology, and radiology services
Sep-07	Pediatric Medical Group, Inc.	Fairfax Anesthesiology Associates, Inc.	Provider of anesthesiology and pain management services
May-07	Hellman & Friedman, LLC	Sheridan Healthcare, Inc.	Provider of neonatology, anesthesia, radiology and emergency department management services
<b>Healthcare Staffing Services</b>			
Sep-08	Cross Country Healthcare Inc.	Medical Doctor Associates, Inc.	Provider of staffing services to the healthcare community
Apr-08	Nursefinders, Inc.	Resources On Call	Provider of outsourced healthcare staffing services for the allied health staffing market
Feb-08	AMN Healthcare Services, Inc.	Platinum Select, LP	Provider of healthcare staffing and recruitment solutions for the allied health staffing market
Jul-07	ICON Contracting Solutions, Inc.	Docs International B.V.	Provider of staffing services to the healthcare industries in Europe
Jul-07	Medical Staffing Network Holdings, Inc.	InteliStaf Healthcare, Inc.	Provider of staffing services to the healthcare community
Jan-07	On Assignment, Inc.	VISTA Staffing Solutions, Inc.	Provider of temporary physician staffing and permanent physician search services

Source: Capital IQ.

Representative HW&Co. Healthcare & Life Sciences Transactions

<p>Healthcare Business Services</p>	<p>CAROLINA CRESCENT Health Plan, Inc. has been acquired by ABSOLUTE TOTAL CARE <b>TOTAL</b> a subsidiary of CENTENE Corporation</p>	<p>MedData a portfolio company of CAROUSEL CAPITAL has been acquired by TransUnion.</p>	<p>Resources On Call Healthcare Staffing a portfolio company of Nursefinders. The Professional Choice. has been acquired by GOLDEN GATE PARTNERS</p>	<p>Dolphin has been acquired by PATTERSON COMPANIES, INC.</p>	<p>gateway E-DI has received a minority investment from ABRY PARTNERS</p>
<p>Medical and Life Science Products</p>	<p>VERATHON MEDICAL a portfolio company of DWHP rho has been acquired by ROPER</p>	<p>medDISPENSE a portfolio company of CMS Small-Cap Private Equity Fund has been acquired by EMERSON.</p>	<p>COEUR a portfolio company of FKW has been acquired by Riverside</p>	<p>CORPAK medSYSTEMS a division of CardinalHealth has been acquired by LINDEN</p>	<p>TECOMET Extreme performance in orthopedics a division of CardinalHealth has been acquired by Charlesbank CAPITAL PARTNERS LLC</p>
<p>Facilities and Alternate Site Care</p>	<p>HMG Hospitality Management Group a portfolio company of Waud Capital has been recapitalized by AEA Investors</p>	<p>Christie DENTAL has been acquired by AMERICAN DENTAL PARTNERS</p>	<p>Just Care, Inc. has been acquired by GEO The GEO Group, Inc.</p>	<p>ConsoliDent, Inc. a portfolio company of RFE DFW CAPITAL PARTNERS has been acquired by Great Expressions</p>	<p>Young Living Care a portfolio company of ARCAPITA has been acquired by Amedisys HW &amp; Co. acted as an advisor to Arcapita</p>

For additional information regarding our Healthcare & Life Sciences Group or Harris Williams & Co., please visit our website at: [www.harriswilliams.com](http://www.harriswilliams.com).

## Market Monitor Data

The following pages include recently available public data for the constituent companies of our focus sectors<sup>1</sup>.

Ancillary Services  
and Outsourcing

Medical & Life  
Science Products

Facilities and  
Alternate Site Care

---

(1) The following market data is as of July 12, 2010.  
Source: Capital IQ.

Member FINRA/SIPC

Market Monitor: Ancillary Services and Outsourcing

(\$ in millions, except per share data)		Price at	% Change From	YTD %	As a % of	Market	Cash &	Enterprise	Last Twelve Months (LTM)		LTM Revenue Growth		LTM Margins		P/E	EV / LTM		EV / 2010 E(2)		
Ticker	7/12/10	Prev. Week	Change	52-wk High	Cap	Debt <sup>(1)</sup>	Equiv.	Value (EV)	Revenue	EBITDA	1 Year	3 Years	Gross	EBITDA	Multiple	Revenue	EBITDA	Revenue	EBITDA	
<b>Manufacturing Services:</b>																				
<b>Pharma Services</b>																				
Albany Molecular Research Inc.	AMRI	\$6.00	10.9%	(36.2%)	58.7%	\$191	\$13	\$85	\$120	\$192	\$16	(16.5%)	1.2%	26.8%	8.6%	NM	0.6x	7.3x	0.5x	6.9x
Charles River Laboratories International Inc.	CRL	34.50	3.2%	30.5%	82.8%	2,286	474	234	2,526	1,198	272	(8.3%)	3.0%	35.8%	22.7%	23.4x	2.1x	9.3x	1.8x	7.4x
Covance Inc.	CVD	52.54	3.1%	15.7%	82.7%	3,398	-	268	3,129	1,999	323	7.4%	11.3%	30.0%	16.1%	20.7x	1.6x	9.7x	1.5x	8.1x
ICON plc	ICLR	27.00	(0.6%)	37.9%	89.3%	1,616	0	200	1,416	887	150	0.4%	21.6%	41.9%	16.9%	18.7x	1.6x	9.4x	1.4x	8.4x
inVentiv Health, Inc.	VTIV	25.80	0.6%	117.5%	100.8%	902	349	84	1,167	1,084	137	(2.8%)	10.0%	32.4%	12.6%	17.6x	1.1x	8.5x	1.0x	7.7x
Kendle International Inc.	KNDL	12.07	11.4%	(48.5%)	55.4%	180	140	50	269	523	52	(21.3%)	6.8%	37.0%	10.0%	12.7x	0.5x	5.1x	0.7x	5.8x
MDS, Inc.	TSX:MDS	9.28	7.7%	37.8%	100.1%	624	266	882	8	202	4	(314.9%)	(43.0%)	44.5%	2.0%	NM	0.0x	2.0x	0.0x	0.1x
Parexel International Corp.	PRXL	22.30	7.3%	129.9%	87.0%	1,302	251	118	1,415	1,282	139	(0.3%)	13.4%	31.2%	10.8%	38.6x	1.1x	10.2x	1.1x	7.0x
PDI Inc.	PDII	7.83	(4.4%)	95.8%	82.4%	112	-	75	36	94	(7)	(9.7%)	(21.7%)	30.1%	(7.0%)	NM	0.4x	-5.5x	0.3x	NA
Pharmaceutical Product Development Inc.	PPDI	26.16	7.1%	(7.9%)	88.1%	3,101	-	585	2,516	1,399	233	(8.1%)	3.0%	48.1%	16.7%	28.1x	1.8x	10.8x	1.7x	7.8x
Shin Nippon Biomedical Laboratories, Ltd.	TSE:2395	4.33	(6.4%)	(45.2%)	37.3%	140	235	111	265	204	24	3.2%	11.5%	29.6%	12.0%	25.5x	1.3x	10.8x	NA	NA
<b>Mean</b>										(33.7%)	1.6%	35.2%	11.0%	23.2x	1.1x	7.1x	1.0x	6.6x		
<b>Median</b>										(8.1%)	6.8%	32.4%	12.0%	22.0x	1.1x	9.3x	1.0x	7.4x		
<b>Contract Manufacturing</b>																				
Akom Inc.	AKRX	\$3.08	0.0%	20.3%	93.1%	\$284	\$6	\$3	\$287	\$74	(\$3)	(26.5%)	11.8%	25.2%	(3.5%)	NM	3.9x	-108.9x	3.7x	25.4x
Cambrex Corp.	CBM	3.11	4.4%	(40.6%)	43.1%	91	126	42	175	232	46	(5.7%)	(2.1%)	29.4%	19.8%	15.0x	0.8x	3.8x	0.7x	NA
Integrated Biopharma Inc.	INBP	0.10	NA	(63.0%)	25.0%	2	11	1	13	38	(3)	(3.4%)	(17.5%)	22.9%	(6.9%)	NM	0.3x	-4.9x	NA	NA
King Pharmaceuticals Inc.	KG	8.27	11.5%	(23.6%)	62.7%	2,064	340	500	1,904	1,728	466	10.6%	(5.1%)	64.1%	27.0%	18.9x	1.1x	4.1x	1.3x	4.6x
Pathon Inc.	TSX:PTI	2.47	4.0%	32.3%	69.7%	319	254	20	552	671	82	(1.6%)	0.9%	20.8%	12.2%	NM	0.8x	6.7x	0.8x	5.1x
West Pharmaceutical Services Inc.	WST	36.48	1.2%	(1.6%)	81.4%	1,213	375	66	1,523	1,088	187	6.4%	4.7%	29.1%	17.2%	16.9x	1.4x	8.1x	1.3x	7.0x
<b>Mean</b>										(3.4%)	(1.2%)	31.9%	11.0%	17.0x	1.4x	-15.2x	1.6x	10.5x		
<b>Median</b>										(2.5%)	(0.6%)	27.1%	14.7%	16.9x	1.0x	3.9x	1.3x	6.0x		
<b>HCTT - Automation</b>																				
Allscripts Healthcare Solutions Inc.	MDRX	\$17.02	7.9%	70.4%	75.5%	\$2,494	\$15	\$116	\$2,393	\$681	\$88	42.0%	NA	55.6%	13.0%	40.2x	3.5x	27.1x	3.0x	12.0x
Athenahealth, Inc.	ATHN	24.55	2.7%	(31.5%)	51.3%	813	12	79	746	202	24	36.9%	35.6%	58.4%	11.7%	104.5x	3.7x	31.5x	2.4x	11.8x
McKesson Corp.	MCK	67.07	(0.1%)	68.1%	93.8%	17,435	2,296	3,731	16,000	108,702	2,400	1.9%	5.3%	5.2%	2.2%	15.2x	0.1x	6.7x	0.1x	5.9x
MedAssets, Inc.	MDAS	23.41	2.9%	58.8%	93.3%	1,338	216	5	1,549	356	98	18.6%	32.6%	77.6%	27.6%	61.4x	4.4x	15.8x	3.4x	10.7x
NightHawk Radiology Holdings, Inc.	NHWK	2.44	2.5%	(51.4%)	31.5%	58	78	34	102	160	26	(2.7%)	17.8%	54.3%	16.0%	NM	0.6x	4.0x	0.7x	4.2x
Omnicell Inc.	OMCL	12.46	7.7%	(1.9%)	81.0%	405	-	181	225	215	14	(11.0%)	8.5%	50.6%	6.5%	120.3x	1.0x	16.1x	0.9x	6.8x
Quality Systems Inc.	QSII	58.40	4.2%	38.7%	84.8%	1,688	-	92	1,596	292	81	18.9%	22.9%	62.0%	27.8%	34.4x	5.5x	19.7x	3.8x	10.5x
Sage Group plc	SGE	3.56	5.9%	36.1%	92.5%	4,691	554	122	5,124	2,139	570	6.2%	1.0%	90.0%	26.7%	15.8x	2.4x	9.0x	NA	NA
Virtual Radiologic Corporation	VRAD	17.20	0.2%	102.1%	100.1%	281	0	52	229	123	20	10.0%	25.3%	51.1%	16.2%	32.9x	1.9x	11.5x	1.6x	8.5x
WebMD Health Corp.	WBMD	46.46	0.5%	NA	90.8%	2,487	399	808	2,079	456	75	19.1%	(19.9%)	62.3%	16.3%	43.0x	4.6x	27.9x	3.5x	11.0x
<b>Mean</b>										14.0%	14.3%	56.7%	16.4%	52.0x	2.8x	16.9x	2.2x	9.0x		
<b>Median</b>										14.3%	17.8%	57.0%	16.1%	40.2x	3.0x	15.9x	2.4x	10.5x		
<b>HCTT - Enterprise</b>																				
Affiliated Computer Services, Inc.	ACS	\$40.17	3.2%	(17.4%)	83.7%	\$12,244	\$19,961	\$6,394	\$25,810	\$21,329	\$1,916	4.0%	(1.4%)	42.4%	9.0%	10.8x	1.2x	13.5x	NA	NA
Cerner Corp.	CERN	80.31	5.5%	104.1%	86.4%	6,602	118	609	6,111	1,711	431	1.6%	6.3%	83.4%	25.2%	33.5x	3.6x	14.2x	2.9x	9.6x
Eclipsys Corp.	ECLP	19.40	9.7%	31.5%	90.2%	1,117	16	119	1,014	517	54	(0.8%)	5.6%	46.1%	10.5%	116.0x	2.0x	18.7x	1.6x	8.7x
Perot Systems Corp.	PER	0.35	(9.8%)	44.9%	64.7%	14	11	0	25	9	5	(20.8%)	18.3%	54.6%	55.9%	NM	2.9x	5.2x	NA	NA
<b>Mean</b>										(4.0%)	7.2%	56.6%	25.1%	53.4x	2.4x	12.9x	2.3x	9.2x		
<b>Median</b>										0.4%	6.0%	50.3%	17.8%	33.5x	2.4x	13.8x	2.3x	9.2x		
<b>Disease Management</b>																				
Healthways Inc.	HWAY	\$12.67	8.5%	8.6%	65.0%	\$432	\$282	\$1	\$713	\$714	\$125	(4.5%)	5.1%	27.3%	17.5%	13.6x	1.0x	5.7x	1.0x	5.0x
Inverness Medical Innovations Inc.	IMA	26.86	4.1%	26.6%	59.9%	2,273	2,164	277	4,160	2,013	507	23.1%	49.6%	54.9%	25.2%	NM	2.1x	8.2x	1.8x	6.4x
<b>Mean</b>										9.3%	27.3%	41.1%	21.3%	NA	1.5x	7.0x	1.4x	5.7x		
<b>Median</b>										9.3%	27.3%	41.1%	21.3%	NA	1.5x	7.0x	1.4x	5.7x		
<b>Managed Care</b>																				
Aetna Inc.	AET	\$27.21	3.7%	(6.9%)	75.7%	\$11,562	\$4,119	\$4,324	\$11,357	\$34,771	\$2,683	9.3%	10.7%	25.1%	7.7%	9.6x	0.3x	4.2x	0.3x	4.5x
CIGNA Corp.	CI	31.13	4.6%	71.5%	79.3%	8,613	2,567	1,495	9,685	18,846	2,395	(2.4%)	4.1%	44.1%	12.7%	7.1x	0.5x	4.0x	0.4x	4.6x
HealthSpring Inc.	HS	16.52	6.9%	(16.6%)	80.6%	957	175	294	838	2,780	283	21.9%	27.0%	20.4%	10.2%	6.7x	0.3x	3.0x	0.3x	3.1x
Humana Inc.	HUM	45.92	3.6%	20.5%	87.2%	7,815	1,912	8,579	1,149	31,689	2,085	6.7%	11.4%	20.1%	6.6%	7.6x	0.0x	0.6x	0.0x	0.7x
UnitedHealth Group, Inc.	UNH	30.04	6.1%	10.7%	83.3%	34,146	10,523	11,075	33,594	88,327	7,398	6.6%	6.6%	25.4%	8.4%	9.1x	0.4x	4.5x	0.3x	4.6x
WellCare Health Plans, Inc.	WCG	23.61	1.8%	72.1%	60.4%	1,001	0	1,084	(83)	6,439	210	(3.6%)	15.2%	15.0%	3.3%	14.7x	0.0x	-0.4x	0.0x	-0.4x
WellPoint Inc.	WLP	51.28	8.1%	15.3%	73.3%	21,906	8,390	20,203	10,093	61,191	5,496	0.6%	1.6%	24.5%	9.0%	5.1x	0.2x	1.8x	0.2x	2.1x
<b>Mean</b>										5.6%	10.9%	24.9%	8.3%	8.6x	0.2x	2.5x	0.2x	2.8x		
<b>Median</b>										6.6%	10.7%	24.5%	8.4%	7.6x	0.3x	3.0x	0.3x	3.1x		

Member FINRA/SIPC

Market Monitor: Ancillary Services and Outsourcing

(\$ in millions, except per share data)	Ticker	Price at 7/12/10	% Change From Prev. Week	YTD % Change	As a % of 52-wk High	Market Cap	Debt <sup>(1)</sup>	Cash & Equiv.	Enterprise Value (EV)	Last Twelve Months (LTM)		LTM Revenue Growth		LTM Margins		P/E Multiple	EV / LTM		EV / 2010E2)	
										Revenue	EBITDA	1 Year	3 Years	Gross	EBITDA		Revenue	EBITDA	Revenue	EBITDA
<b>Clinical Laboratories</b>																				
	BRLI	\$21.44	2.8%	60.7%	86.9%	\$596	\$39	\$16	\$619	\$409	\$54	27.2%	23.4%	51.3%	13.2%	27.9x	1.5x	11.5x	1.2x	8.8x
	GXDX	16.93	(1.4%)	(47.7%)	43.4%	297	-	132	164	193	57	44.7%	84.5%	62.3%	29.5%	10.0x	0.9x	2.9x	0.7x	2.8x
	LHI	74.87	0.5%	14.0%	90.2%	7,813	1,338	172	8,979	4,733	1,123	3.8%	8.4%	42.0%	23.7%	16.0x	1.9x	8.0x	1.8x	7.0x
	DGX	49.47	0.5%	(4.0%)	78.7%	8,901	3,115	463	11,553	7,453	1,594	2.5%	6.1%	41.9%	21.4%	13.7x	1.6x	7.2x	1.5x	6.6x
	<i>Mean</i>											19.6%	30.6%	49.4%	21.9%	16.9x	1.5x	7.4x	1.3x	6.3x
	<i>Median</i>											15.5%	15.9%	46.7%	22.6%	14.8x	1.5x	7.6x	1.4x	6.8x
<b>Pharmacy Benefit Managers</b>																				
	BIOS	\$5.92	9.0%	151.9%	60.2%	\$319	\$322	\$37	\$604	\$1,339	\$16	(4.4%)	-5.2%	12.0%	1.2%	6.0x	0.5x	36.8x	0.3x	6.2x
	CVS	29.97	3.1%	0.6%	78.3%	40,786	11,373	1,051	51,108	99,095	7,864	10.7%	28.2%	20.6%	7.9%	12.4x	0.5x	6.5x	0.5x	5.9x
	ESRX	47.88	5.0%	67.6%	88.7%	26,323	3,653	1,443	28,533	30,470	1,807	39.1%	19.9%	8.4%	5.9%	32.6x	0.9x	15.8x	0.6x	9.5x
	CHSI	35.46	4.5%	45.3%	78.3%	1,586	-	145	1,441	3,023	124	13.7%	28.1%	6.5%	4.1%	24.1x	0.5x	11.6x	0.4x	8.3x
	MHS	56.69	4.2%	28.2%	84.7%	25,899	4,022	1,580	28,340	61,281	2,790	15.3%	12.4%	6.7%	4.6%	22.2x	0.5x	10.2x	0.4x	8.0x
	WAG	28.14	6.8%	4.8%	69.2%	27,385	2,356	3,101	26,640	66,253	4,641	6.5%	8.1%	28.1%	7.0%	14.1x	0.4x	5.7x	0.4x	5.2x
	<i>Mean</i>											13.5%	17.0%	13.7%	5.1%	18.6x	0.5x	14.4x	0.4x	7.2x
	<i>Median</i>											12.2%	16.2%	10.2%	5.2%	18.2x	0.5x	10.9x	0.4x	7.1x
<b>Staffing Services</b>																				
	CCRN	\$8.41	(0.7%)	(5.1%)	76.2%	\$261	\$58	\$13	\$306	\$524	\$28	(28.2%)	(7.9%)	28.1%	5.3%	56.4x	0.6x	11.1x	0.6x	9.5x
	OTCPK:MSNW	0.00	NA	(98.6%)	0.5%	0	111	3	108	314	15	(36.0%)	(6.2%)	26.5%	4.7%	NM	0.3x	7.3x	NA	NA
	AHS	7.03	1.2%	(18.8%)	63.9%	230	105	37	298	653	41	(44.3%)	(16.2%)	27.6%	6.3%	NM	0.5x	7.2x	0.5x	7.1x
	ASGN	5.18	5.9%	(3.5%)	65.7%	189	78	30	236	396	23	NA	NA	32.9%	5.8%	72.8x	0.6x	10.2x	NA	NA
	IPCM	25.85	5.4%	65.3%	67.1%	419	0	40	379	322	35	20.8%	27.1%	27.4%	10.9%	22.5x	1.2x	10.8x	0.9x	7.7x
	EMS	46.62	(2.9%)	19.7%	75.4%	2,048	454	381	2,120	2,636	289	7.3%	9.9%	17.0%	11.0%	20.1x	0.8x	7.3x	0.7x	6.0x
	TMH	12.24	3.3%	NA	66.3%	788	457	16	1,229	2,520	144	NA	NA	53.9%	5.7%	35.0x	0.5x	8.6x	NA	NA
	MEDNAX, Inc.	52.12	(0.9%)	49.9%	84.6%	2,455	129	32	2,553	1,317	313	16.9%	16.7%	36.4%	23.8%	15.3x	1.9x	8.1x	1.7x	7.0x
	<i>Mean</i>											(10.6%)	3.9%	31.2%	9.2%	37.0x	0.8x	8.8x	0.9x	7.5x
	<i>Median</i>											(10.5%)	1.8%	27.8%	6.1%	28.8x	0.6x	8.3x	0.7x	7.1x
<b>Ancillary Services &amp; Outsourcing Companies</b>																				
	<i>Mean</i>											(2.0%)	9.9%	37.2%	12.8%	28.5x	1.3x	7.3x	1.2x	7.0x
	<i>Median</i>											2.8%	8.4%	31.8%	10.9%	18.9x	1.0x	8.1x	0.8x	7.0x

(1) Includes preferred stock and capitalized leases.  
(2) Based on estimates from Reuters Estimates.

Member FINRA/SIPC

Market Monitor: Medical and Life Sciences Products

(\$ in millions, except per share data)		Price at 7/12/10	% Change From Prev. Week	YTD % Change	As a % of 52-wk High	Market Cap	Debt <sup>(1)</sup>	Cash & Equiv.	Enterprise Value (EV)	Last Twelve Months (LTM)		LTM Revenue Growth		LTM Margins		P/E Multiple	EV / LTM		EV / 2010E(2)	
Ticker										Revenue	EBITDA	1 Year	3 Years	Gross	EBITDA		Revenue	EBITDA	Revenue	EBITDA
<b>Medical/Surgical Supplies &amp; Distribution</b>																				
Abbott Laboratories	ABT	\$47.82	2.9%	(9.2%)	84.2%	\$73,813	\$17,478	\$1,822	\$89,469	\$31,745	\$9,206	7.7%	10.0%	57.1%	29.0%	14.3x	2.8x	9.7x	2.3x	7.8x
American International Corp.	ABC	31.75	2.7%	75.2%	95.4%	8,970	1,359	1,200	9,129	75,746	1,116	8.5%	5.6%	2.9%	1.5%	16.3x	0.1x	8.2x	0.1x	7.6x
Becton Dickinson & Co.	BDX	69.08	1.6%	(0.0%)	85.7%	16,119	1,691	1,262	16,548	7,480	2,239	5.3%	7.6%	52.2%	29.9%	13.8x	2.2x	7.4x	2.1x	7.0x
Cardinal Health Inc.	CAH	34.43	1.2%	(3.6%)	93.9%	12,466	2,109	2,639	11,936	101,911	2,508	7.9%	5.9%	5.5%	2.5%	13.2x	0.1x	4.8x	0.1x	6.9x
CR Bard Inc.	BCR	78.69	2.9%	(5.5%)	87.4%	7,483	150	734	6,899	2,589	833	5.1%	8.2%	61.9%	32.2%	17.0x	2.7x	8.3x	2.3x	7.3x
Henry Schein Inc.	HSIC	54.76	0.9%	44.1%	87.4%	5,004	549	383	5,169	6,813	575	7.4%	9.4%	29.2%	8.4%	16.4x	0.8x	9.0x	0.7x	7.5x
McKesson Corp.	MCK	67.07	(0.1%)	68.1%	93.8%	17,435	2,296	3,731	16,000	108,702	2,400	1.9%	5.3%	5.2%	2.2%	15.2x	0.1x	6.7x	0.1x	5.9x
Owens & Minor Inc.	OMI	28.40	1.0%	13.9%	86.6%	1,792	208	146	1,854	8,059	235	8.0%	10.6%	9.8%	2.9%	14.8x	0.2x	7.9x	0.2x	7.0x
PSS World Medical Inc.	PSSI	20.74	(1.0%)	11.4%	84.8%	1,186	189	53	1,322	2,055	151	5.2%	5.7%	30.5%	7.3%	19.0x	0.6x	8.8x	0.6x	7.4x
SRI Surgical Express Inc.	STRC	3.75	2.2%	120.6%	69.7%	22	12	0	33	99	5	2.2%	1.9%	20.2%	4.6%	NM	0.3x	7.3x	NA	NA
<b>Mean</b>											5.9%	7.0%	27.5%	12.1%	15.5x	1.0x	7.8x	1.0x	7.2x	
<b>Median</b>											6.3%	6.8%	24.7%	6.0%	15.2x	0.5x	8.0x	0.6x	7.3x	
<b>Medical Devices &amp; Products</b>																				
American Medical Systems Holdings Inc.	AMMD	\$23.15	4.9%	160.1%	97.1%	\$1,745	\$304	\$60	\$1,990	\$531	\$169	5.1%	10.4%	83.1%	31.9%	19.8x	3.7x	11.8x	3.4x	9.7x
Angion Corp.	ANGN	3.94	(1.0%)	27.1%	76.5%	16	0	11	5	26	(2)	(5.4%)	(13.1%)	51.6%	(6.6%)	NM	0.2x	-2.9x	NA	NA
Arthrocare Corp.	ARTC	28.71	(1.0%)	316.7%	88.1%	774	-	65	709	343	42	7.7%	10.4%	71.4%	12.2%	NM	2.1x	17.0x	1.8x	7.6x
Baxter International Inc.	BAX	43.71	4.9%	(19.4%)	70.6%	26,201	4,755	2,673	28,283	12,665	3,080	6.0%	6.0%	48.2%	24.3%	15.7x	2.2x	9.2x	2.1x	7.1x
Boston Scientific Corp.	BSX	6.45	5.0%	(14.7%)	54.8%	9,780	5,921	519	15,182	8,138	2,056	1.5%	(0.6%)	65.9%	25.3%	NM	1.9x	7.4x	1.9x	7.4x
CR Bard Inc.	BCR	78.69	2.9%	(5.5%)	87.4%	7,483	150	734	6,899	2,589	833	5.1%	8.2%	61.9%	32.2%	17.0x	2.7x	8.3x	2.3x	7.3x
Hospira Inc.	HSP	58.23	1.9%	115.9%	100.2%	9,659	1,737	649	10,747	4,027	968	11.9%	12.8%	39.9%	24.0%	24.5x	2.7x	11.1x	2.5x	9.2x
Inverness Medical Innovations Inc.	IMA	26.86	4.1%	26.6%	59.9%	2,273	2,164	277	4,160	2,013	507	23.1%	49.6%	54.9%	25.2%	NM	2.1x	8.2x	1.8x	6.4x
Johnson & Johnson	JNJ	69.21	1.9%	0.3%	91.0%	166,063	12,586	18,010	160,639	62,502	19,726	(0.1%)	4.1%	70.2%	31.6%	12.4x	2.6x	8.1x	2.4x	7.3x
Medtronic Inc.	MDT	37.68	4.6%	15.7%	80.8%	40,806	9,519	3,775	46,550	15,817	5,909	8.3%	8.7%	75.9%	37.4%	13.9x	2.9x	7.9x	2.7x	7.1x
Smith & Nephew plc	LSE:SN	9.07	3.5%	33.8%	87.5%	8,062	1,049	268	8,843	3,902	1,161	3.9%	10.7%	73.7%	29.8%	16.8x	2.3x	7.6x	2.1x	6.4x
St. Jude Medical Inc.	STJ	36.65	3.3%	11.5%	85.5%	11,976	1,938	530	13,384	4,809	1,512	7.2%	12.2%	74.1%	31.4%	15.6x	2.8x	8.9x	2.5x	7.8x
Stryker Corp.	SYK	52.14	4.5%	27.9%	87.3%	20,684	1,024	3,938	17,770	6,921	2,184	3.5%	9.6%	67.5%	31.6%	18.0x	2.6x	8.1x	2.3x	7.6x
Thermo Fisher Scientific Inc.	TMO	48.22	1.3%	35.9%	84.0%	19,790	2,079	1,440	20,429	10,530	2,028	3.2%	24.6%	40.3%	19.3%	24.2x	1.9x	10.1x	1.8x	8.6x
Zimmer Holdings Inc.	ZMH	56.01	3.1%	36.9%	86.5%	11,359	1,127	871	11,615	4,166	1,496	2.7%	5.1%	75.6%	35.9%	16.1x	2.8x	7.8x	2.6x	6.9x
<b>Mean</b>											5.4%	10.6%	63.6%	25.7%	17.7x	2.4x	8.6x	2.3x	7.6x	
<b>Median</b>											3.9%	9.6%	67.5%	29.8%	16.8x	2.6x	8.2x	2.3x	7.3x	
<b>Dental Products</b>																				
3M Co.	MMM	\$82.26	5.9%	40.6%	90.9%	\$58,657	\$5,778	\$4,607	\$59,828	\$24,382	\$6,771	2.0%	1.6%	48.8%	27.8%	16.1x	2.5x	8.8x	2.2x	7.8x
Danaher Corp.	DHR	37.52	3.5%	31.9%	85.7%	24,362	2,886	806	26,441	11,649	2,144	(5.3%)	5.8%	48.4%	18.4%	22.4x	3.3x	12.3x	1.9x	9.5x
DENTSPLY International Inc.	XRAY	30.17	2.7%	7.2%	79.1%	4,415	605	405	4,615	2,199	461	2.8%	5.9%	51.3%	21.0%	17.3x	2.1x	10.0x	2.0x	9.5x
Henry Schein Inc.	HSIC	54.76	0.9%	44.1%	87.4%	5,004	549	383	5,169	6,813	575	7.4%	9.4%	29.2%	8.4%	16.4x	0.8x	9.0x	0.7x	7.5x
Patterson Companies Inc.	PDCO	28.53	0.1%	48.4%	86.9%	3,534	525	341	3,719	3,237	395	4.6%	5.0%	33.7%	12.2%	17.3x	1.1x	9.4x	1.0x	8.3x
Sirona Dental Systems Inc.	SIRO	34.05	2.1%	228.7%	78.4%	1,881	367	162	2,086	774	210	8.7%	10.2%	50.5%	27.2%	21.4x	2.7x	9.9x	2.5x	9.4x
Young Innovations Inc.	YDNT	27.20	(4.5%)	69.6%	91.6%	217	9	0	226	99	26	0.2%	2.0%	55.8%	26.3%	14.9x	2.3x	8.7x	2.1x	7.6x
<b>Mean</b>											2.9%	5.7%	45.4%	20.2%	18.0x	2.0x	9.7x	1.8x	8.5x	
<b>Median</b>											2.8%	5.8%	48.8%	21.0%	17.3x	2.3x	9.4x	2.0x	8.3x	
<b>Durable Medical Equipment</b>																				
Allied Healthcare Products Inc.	AHPI	\$3.48	(2.0%)	7.1%	50.4%	\$28	\$0	\$3	\$25	\$47	\$0	(12.9%)	(6.1%)	24.0%	0.0%	NM	0.5x	1406.2x	NA	NA
Hill-Rom Holdings Inc.	HRC	30.88	5.7%	93.4%	94.0%	1,949	156	161	1,944	1,410	167	(4.7%)	(5.0%)	47.5%	11.9%	22.1x	1.4x	11.6x	1.3x	6.9x
Invacare Corp.	IVC	20.51	0.7%	33.1%	67.7%	664	263	26	901	1,697	136	(2.3%)	3.9%	29.6%	8.0%	17.0x	0.5x	6.6x	0.5x	NA
Kinetic Concepts Inc.	KCI	36.73	2.3%	81.6%	69.3%	2,633	1,243	256	3,620	2,008	603	4.2%	12.2%	54.8%	30.0%	12.0x	1.8x	6.0x	1.7x	5.3x
ResMed Inc.	RMD	65.35	6.8%	72.8%	92.5%	4,955	144	525	4,574	1,053	296	16.5%	14.8%	60.6%	28.1%	26.8x	4.3x	15.5x	3.6x	12.7x
Steris Corp.	STE	31.05	1.4%	30.6%	81.4%	1,848	210	215	1,843	1,258	264	(3.1%)	1.7%	42.8%	21.0%	15.1x	1.5x	7.0x	1.4x	6.0x
<b>Mean</b>											(0.4%)	3.6%	43.2%	16.5%	18.6x	1.7x	242.2x	1.7x	7.7x	
<b>Median</b>											(2.7%)	2.8%	45.2%	16.4%	17.0x	1.4x	9.3x	1.4x	6.5x	
<b>Life Science Tools</b>																				
Agilent Technologies Inc.	A	\$28.20	1.5%	68.0%	75.3%	\$9,815	\$2,894	\$2,657	\$10,052	\$4,708	\$880	(9.1%)	(3.1%)	53.0%	12.3%	59.0x	2.1x	17.3x	1.7x	8.1x
Beckman Coulter Inc.	BEC	62.02	1.1%	39.9%	86.7%	4,348	1,339	297	5,390	2,450	297	12.8%	10.3%	46.6%	22.6%	25.3x	1.6x	6.9x	1.4x	5.8x
Becton Dickinson & Co.	BDX	69.08	1.6%	(0.0%)	85.7%	16,119	1,691	1,262	16,548	7,480	2,239	5.3%	7.6%	52.2%	29.9%	13.8x	2.2x	7.4x	2.1x	7.0x
Life Technologies Corporation	LIFE	46.06	0.1%	85.5%	82.0%	8,411	2,636	622	10,424	3,390	1,042	65.7%	42.2%	66.6%	30.8%	43.2x	3.1x	10.0x	2.7x	7.9x
<b>Mean</b>											18.6%	14.3%	54.6%	23.9%	35.3x	2.2x	10.4x	2.0x	7.2x	
<b>Median</b>											9.0%	9.0%	52.6%	26.2%	34.2x	2.2x	8.7x	1.9x	7.5x	
<b>Medical &amp; Life Science Products</b>																				
<b>Mean</b>											5.5%	8.3%	48.2%	20.0%	19.3x	1.9x	42.1x	1.8x	7.6x	
<b>Median</b>											4.8%	7.6%	51.5%	24.2%	16.6x	2.1x	8.5x	2.0x	7.5x	

(1) Includes preferred stock and capitalized leases.  
(2) Based on estimates from Reuters Estimates.

Member FINRA/SIPC

Market Monitor: Facilities and Alternate Site Care

(\$ in millions, except per share data)	Ticker	Price at 7/12/10	% Change From Prev. Week	YTD % Change	As a % of 52-wk High	Market Cap	Debt <sup>(1)</sup>	Cash & Equiv.	Enterprise Value (EV)	Last Twelve Months (LTM)		LTM Revenue Growth		LTM Margins		P/E Multiple	EV / LTM		EV / 2010E(2)		
										Revenue	EBITDA	1 Year	3 Years	Gross	EBITDA		Revenue	EBITDA	Revenue	EBITDA	
<b>Home Health</b>																					
Addus HomeCare Corp.	ADUS	\$5.17	(9.9%)	0.0%	53.2%	\$54	\$49	\$1	\$102	\$262	\$17	6.9%	NA	29.5%	6.6%	NM	0.4x	5.9x	0.4x	5.0x	
Almost Family Inc.	AFAM	\$28.72	(1.5%)	(36.0%)	65.1%	\$263	\$3	\$31	\$235	\$311	\$48	28.7%	45.0%	53.7%	15.4%	12.1x	0.8x	4.9x	0.6x	4.6x	
Amedisys Inc.	AMED	35.02	(7.4%)	(13.2%)	54.5%	999	203	82	1,121	1,585	276	20.4%	40.8%	51.8%	17.4%	9.0x	0.7x	4.1x	0.6x	3.8x	
Gentiva Health Services Inc.	GTIV	24.17	3.7%	(14.6%)	78.3%	814	233	169	878	1,173	136	(1.8%)	0.3%	52.2%	11.6%	13.4x	0.7x	6.4x	0.7x	5.9x	
LHC Group, Inc.	LHCG	24.25	2.5%	(30.2%)	64.7%	456	4	17	443	553	92	30.7%	32.0%	48.8%	16.7%	12.2x	0.8x	4.8x	0.7x	4.4x	
<i>Mean</i>											17.0%	29.5%	47.2%	13.5%	11.7x	0.7x	5.2x	0.6x	4.8x		
<i>Median</i>											20.4%	36.4%	51.8%	15.4%	12.2x	0.7x	4.9x	0.6x	4.6x		
<b>Hospice</b>																					
Chemed Corp.	CHE	\$53.04	1.1%	34.3%	90.4%	\$1,211	\$154	\$112	\$1,253	\$1,204	\$150	3.9%	4.8%	29.7%	12.5%	18.0x	1.0x	8.3x	1.0x	6.5x	
Odyssey Healthcare Inc.	ODSY	26.80	1.6%	194.5%	99.6%	903	115	142	876	690	86	4.5%	22.1%	42.8%	12.5%	19.5x	1.3x	10.2x	1.2x	8.5x	
<i>Mean</i>											4.2%	13.5%	36.3%	12.5%	18.7x	1.2x	9.2x	1.1x	7.5x		
<i>Median</i>											4.2%	13.5%	36.3%	12.5%	18.7x	1.2x	9.2x	1.1x	7.5x		
<b>Respiratory Therapy</b>																					
Lincare Holdings Inc.	LNCR	\$27.34	(5.1%)	50.6%	81.7%	\$2,717	\$493	\$137	\$3,074	\$1,589	\$300	(2.0%)	3.0%	51.4%	18.9%	19.8x	1.9x	10.3x	1.6x	6.2x	
ResMed Inc.	RMD	65.35	6.8%	72.8%	92.5%	4,955	144	525	4,574	1,053	296	16.5%	14.8%	60.6%	28.1%	26.8x	4.3x	15.5x	3.6x	12.7x	
<i>Mean</i>											7.2%	8.9%	56.0%	23.5%	23.3x	3.1x	12.9x	2.6x	9.4x		
<i>Median</i>											7.2%	8.9%	56.0%	23.5%	23.3x	3.1x	12.9x	2.6x	9.4x		
<b>Behavioral/Mental Health</b>																					
Magellan Health Services Inc.	MGLN	\$34.96	(2.0%)	(10.2%)	78.1%	\$1,164	\$1	\$264	\$900	\$2,750	\$233	6.0%	15.7%	8.5%	8.5%	11.4x	0.3x	3.9x	0.3x	3.8x	
PHC Inc.	PHC	1.07	(8.5%)	(7.0%)	59.1%	20	3	3	20	51	3	9.8%	5.9%	45.1%	6.0%	30.1x	0.4x	6.4x	NA	NA	
Providence Service Corp.	PRSC	12.96	(1.4%)	476.0%	69.8%	168	196	56	308	835	72	18.5%	58.6%	13.8%	8.6%	9.0x	0.4x	4.3x	0.3x	4.8x	
Psychiatric Solutions, Inc.	PSYS	32.93	0.4%	18.5%	99.0%	1,883	1,187	33	3,036	1,847	320	8.1%	18.8%	39.7%	17.3%	14.7x	1.6x	9.5x	1.5x	8.7x	
Res-Care Inc.	RSCR	9.42	(1.2%)	(40.0%)	58.1%	277	197	16	458	1,578	96	1.2%	5.9%	8.2%	6.1%	NM	0.3x	4.8x	0.3x	4.4x	
Universal Health Services Inc.	UHS	36.40	(0.5%)	89.6%	83.1%	3,535	893	7	4,421	5,237	731	3.6%	6.3%	43.6%	14.0%	15.4x	0.8x	6.0x	0.8x	5.8x	
<i>Mean</i>											7.9%	18.5%	26.5%	10.1%	16.1x	0.6x	5.8x	0.6x	5.5x		
<i>Median</i>											7.1%	11.0%	26.7%	8.6%	14.7x	0.4x	5.4x	0.3x	4.8x		
<b>Rehabilitation</b>																					
HEALTHSOUTH Corp.	HLS	\$17.62	(0.5%)	58.6%	79.3%	\$1,649	\$1,706	\$122	\$3,233	\$1,929	\$389	5.0%	4.0%	44.5%	20.2%	32.2x	1.7x	8.3x	1.5x	7.4x	
Rehabcare Group Inc.	RHB	21.41	0.6%	36.4%	61.4%	532	454	27	958	995	91	31.5%	13.7%	19.0%	9.1%	18.9x	1.0x	10.6x	0.7x	5.2x	
The Ensign Group, Inc.	ENSG	16.04	(1.2%)	(6.9%)	84.5%	333	109	41	400	566	76	16.5%	14.9%	17.3%	13.5%	11.1x	0.7x	5.2x	0.6x	4.2x	
US Physical Therapy Inc.	USPH	17.22	4.3%	30.1%	88.9%	200	12	11	201	204	34	6.8%	14.3%	27.6%	16.9%	16.9x	1.0x	5.8x	0.9x	5.4x	
<i>Mean</i>											14.9%	11.7%	27.1%	14.9%	19.8x	1.1x	7.5x	0.9x	5.5x		
<i>Median</i>											11.7%	14.0%	23.3%	15.2%	17.9x	1.0x	7.1x	0.8x	5.3x		
<b>Diagnostic Imaging</b>																					
Alliance Imaging Inc.	AIQ	\$3.70	(3.1%)	(54.0%)	48.4%	\$195	\$600	\$114	\$741	\$492	\$160	(3.2%)	3.1%	45.8%	32.5%	NM	1.5x	4.6x	1.5x	4.4x	
RadNet, Inc.	RDNT	2.14	(1.8%)	(63.7%)	51.0%	79	456	-	535	521	89	1.5%	26.2%	31.7%	17.1%	NM	1.0x	6.0x	0.9x	4.7x	
Varian Medical Systems Inc.	VAR	53.38	3.6%	55.4%	92.5%	6,595	30	655	5,970	2,278	558	5.4%	10.7%	43.7%	24.5%	18.9x	2.6x	10.7x	2.3x	9.2x	
<i>Mean</i>											1.2%	13.3%	40.4%	24.7%	18.9x	1.7x	7.1x	1.6x	6.1x		
<i>Median</i>											1.5%	10.7%	43.7%	24.5%	18.9x	1.5x	6.0x	1.5x	4.7x		
<b>Amb. Surg. Centers</b>																					
AmSurg Corp.	AMSG	\$17.50	1.9%	(25.4%)	74.1%	\$541	\$309	\$33	\$817	\$678	\$248	9.7%	13.1%	57.4%	36.6%	11.3x	1.2x	3.3x	1.0x	2.9x	
NovoMed Inc.	NOVA	8.00	(4.6%)	(11.7%)	9.4%	64	364	1,848	(1,420)	9,491	3,212	12.1%	10.1%	79.7%	-33.8%	0.0x	-0.1x	-0.4x	-0.1x	-0.4x	
<i>Mean</i>											10.9%	11.6%	68.5%	35.2%	5.6x	0.5x	1.4x	0.5x	1.2x		
<i>Median</i>											10.9%	11.6%	68.5%	35.2%	5.6x	0.5x	1.4x	0.5x	1.2x		
<b>Long-Term Care</b>																					
Advocat Inc.	AVCA	\$4.33	(7.9%)	44.3%	48.4%	\$25	\$24	\$11	\$39	\$304	\$12	7.2%	12.0%	12.7%	4.0%	12.6x	0.1x	3.1x	NA	NA	
Brookdale Senior Living Inc.	BKD	14.43	1.0%	132.4%	65.0%	1,722	2,648	66	4,305	2,070	330	6.4%	10.5%	35.3%	16.0%	NM	2.1x	13.0x	1.9x	10.1x	
Capital Senior Living Corp.	CSU	5.22	5.9%	69.5%	80.4%	141	182	34	289	192	30	(0.4%)	4.4%	36.0%	15.6%	51.2x	1.5x	9.7x	1.3x	7.9x	
Emeritus Corp.	ESC	15.72	3.7%	52.9%	63.3%	618	1,615	54	2,179	912	142	12.6%	28.6%	34.5%	15.6%	NM	2.4x	15.3x	2.1x	13.1x	
Extendicare REIT	EXE.UN	8.28	2.2%	51.6%	76.8%	683	1,197	213	1,668	2,073	254	25.5%	10.5%	16.2%	12.2%	7.8x	0.8x	6.6x	NA	7.1x	
Kindred Healthcare Inc.	KND	12.58	1.7%	(4.8%)	62.9%	497	197	79	614	4,290	205	3.9%	0.6%	34.0%	4.8%	11.4x	0.1x	3.0x	0.1x	2.7x	
National Healthcare Corp.	NHC	34.39	1.5%	(31.5%)	86.0%	473	10	102	381	663	78	5.4%	6.4%	43.3%	11.7%	14.8x	0.6x	4.9x	0.5x	4.7x	
Skilled Healthcare Group Inc.	SKH	2.31	(64.6%)	(73.8%)	24.7%	87	450	2	535	761	106	2.7%	11.4%	17.2%	13.9%	NM	0.7x	5.0x	0.6x	4.4x	
Sun Healthcare Group Inc.	SUNH	7.79	(1.8%)	(11.2%)	75.3%	340	680	102	917	1,887	165	2.5%	23.1%	40.4%	8.8%	9.5x	0.5x	5.5x	0.5x	5.7x	
Sunrise Senior Living Inc.	SRZ	2.76	3.8%	72.5%	46.1%	154	424	46	532	1,445	6	(6.0%)	(0.5%)	13.7%	0.4%	NM	0.4x	84.6x	NA	NA	
<i>Mean</i>											6.0%	10.7%	28.3%	10.3%	17.9x	0.9x	15.1x	1.0x	6.9x		
<i>Median</i>											4.6%	10.5%	34.2%	12.0%	12.0x	0.6x	6.1x	0.6x	6.4x		

Member FINRA/SIPC

Market Monitor: Facilities and Alternate Site Care

(\$ in millions, except per share data)	Ticker	Price at 7/12/10	% Change From Prev. Week	YTD % Change	As a % of 52-wk High	Market Cap	Debt <sup>(1)</sup>	Cash & Equiv.	Enterprise Value (EV)	Last Twelve Months (LTM)		LTM Revenue Growth		LTM Margins		P/E Multiple	EV / LTM		EV / 2010E(2)		
										Revenue	EBITDA	1 Year	3 Years	Gross	EBITDA		Revenue	EBITDA	Revenue	EBITDA	
<b>Acute Care Hospitals</b>																					
	LPNT	\$30.59	1.0%	29.5%	77.2%	\$1,691	\$1,430	\$219	\$2,901	\$3,013	\$489	9.5%	6.8%	44.5%	16.2%	12.9x	1.0x	5.9x	0.9x	5.6x	
	Tenet Healthcare Corp.	4.58	10.4%	316.4%	70.9%	2,218	4,273	593	5,898	9,091	1,002	4.6%	2.4%	40.0%	11.0%	22.5x	0.6x	5.9x	0.6x	5.3x	
	Universal Health Services Inc.	36.40	(0.5%)	89.6%	83.1%	3,535	893	7	4,421	5,237	731	3.6%	6.3%	43.6%	14.0%	15.4x	0.8x	6.0x	0.8x	5.8x	
	<i>Mean</i>											5.9%	5.2%	42.7%	13.7%	16.9x	0.8x	6.0x	0.7x	5.6x	
	<i>Median</i>											4.6%	6.3%	43.6%	14.0%	15.4x	0.8x	5.9x	0.8x	5.6x	
<b>Dental Care</b>																					
	American Dental Partners Inc.	ADPI	\$12.06	1.4%	72.3%	79.0%	\$190	\$98	\$8	\$280	\$277	\$48	(1.4%)	6.5%	43.2%	17.4%	20.6x	1.0x	5.8x	0.9x	5.1x
	Birmer Dental Management Services Inc.	BDMS	20.10	67.6%	77.9%	111.4%	32	5	1	36	61	6	(7.1%)	14.9%	25.8%	9.4%	18.7x	0.6x	6.3x	NA	NA
	<i>Mean</i>											-4.2%	10.7%	34.5%	13.4%	19.6x	0.8x	6.0x	0.9x	5.1x	
	<i>Median</i>											-4.2%	10.7%	34.5%	13.4%	19.6x	0.8x	6.0x	0.9x	5.1x	
<b>Dialysis</b>																					
	DaVita Inc.	DVA	\$60.50	(1.0%)	27.4%	90.2%	\$6,286	\$3,616	\$779	\$9,123	\$6,221	\$1,187	7.9%	7.6%	30.5%	19.1%	16.0x	1.5x	7.7x	1.3x	7.3x
	Fresenius Medical Care AG & Co. KGAA	DBFME	53.62	1.0%	15.1%	96.8%	16,017	5,421	264	21,174	11,570	2,259	8.5%	8.4%	34.0%	19.5%	19.7x	1.8x	9.4x	1.6x	8.3x
	<i>Mean</i>											8.2%	8.0%	32.2%	19.3%	17.8x	1.6x	8.5x	1.5x	7.8x	
	<i>Median</i>											8.2%	8.0%	32.2%	19.3%	17.8x	1.6x	8.5x	1.5x	7.8x	
<b>Alternate Site Care</b>																					
	<i>Mean</i>											8.0%	13.6%	36.5%	15.2%	16.8x	1.1x	8.8x	1.0x	6.0x	
	<i>Median</i>											5.7%	10.5%	39.9%	14.7%	15.4x	0.8x	6.0x	0.9x	5.5x	

(1) Includes preferred stock and capitalized leases.  
(2) Based on estimates from Reuters Estimates.

Member FINRA/SIPC

Harris Williams & Co. ([www.harriswilliams.com](http://www.harriswilliams.com)), a member of The PNC Financial Services Group, Inc. (NYSE:PNC), is the premier middle market advisor with a two-decade legacy of sell side excellence serving clients worldwide. The firm is focused exclusively on the middle market providing sell side and acquisition advisory, restructuring advisory, board advisory, private placements and capital markets advisory services.

Cobblestone | Harris Williams ([www.cobblestonehw.com](http://www.cobblestonehw.com)) is a specialty group of Harris Williams & Co. Cobblestone provides trustworthy advice and superior execution on private company sales, corporate divestitures, acquisitions, recapitalizations, restructurings and complex valuations for lower-middle market transactions. Cobblestone's professionals have advised on M&A and financing transactions representing more than \$5 billion in value since 1998, making it one of the nation's most experienced and successful advisors dedicated solely to the lower-middle market.

Investment banking services are provided by Harris Williams LLC, a registered broker-dealer and member of FINRA and SIPC, and Harris Williams & Co. Ltd, an Appointed Representative of Sturgeon Ventures LLP, which is Authorised and Regulated by the Financial Services Authority. Harris Williams & Co. is a trade name under which Harris Williams LLC and Harris Williams & Co. Ltd conduct business in the U.S. and Europe, respectively.

**THIS REPORT MAY CONTAIN REFERENCES TO REGISTERED TRADEMARKS, SERVICE MARKS AND COPYRIGHTS OWNED BY THIRD-PARTY INFORMATION PROVIDERS. NONE OF THE THIRD-PARTY INFORMATION PROVIDERS IS ENDORSING THE OFFERING OF, AND SHALL NOT IN ANY WAY BE DEEMED AN ISSUER OR UNDERWRITER OF, THE SECURITIES, FINANCIAL INSTRUMENTS OR OTHER INVESTMENTS DISCUSSED IN THIS REPORT, AND SHALL NOT HAVE ANY LIABILITY OR RESPONSIBILITY FOR ANY STATEMENTS MADE IN THE REPORT OR FOR ANY FINANCIAL STATEMENTS, FINANCIAL PROJECTIONS OR OTHER FINANCIAL INFORMATION CONTAINED OR ATTACHED AS AN EXHIBIT TO THE REPORT. FOR MORE INFORMATION ABOUT THE MATERIALS PROVIDED BY SUCH THIRD PARTIES, PLEASE CONTACT US AT 804-648-0072.**

*The information and views contained in this report were prepared by Harris Williams & Co. ("Harris Williams"). It is not a research report, as such term is defined by applicable law and regulations, and is provided for informational purposes only. It is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. The information contained herein is believed by Harris Williams to be reliable but Harris Williams makes no representation as to the accuracy or completeness of such information. Harris Williams and/or its affiliates may be market makers or specialists in, act as advisers or lenders to, have positions in and effect transactions in securities of companies mentioned herein and also may provide, may have provided, or may seek to provide investment banking services for those companies. In addition, Harris Williams and/or its affiliates or their respective officers, directors and employees may hold long or short positions in the securities, options thereon or other related financial products of companies discussed herein. Opinions, estimates and projections in this report constitute Harris Williams' judgment and are subject to change without notice. The financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. Also, past performance is not necessarily indicative of future results. No part of this material may be copied or duplicated in any form or by any means, or redistributed, without Harris Williams' prior written consent.*

Copyright© 2010 Harris Williams & Co., all rights reserved.

Turner A. M. Bredrup  
Managing Director

Todd D. Morris  
Managing Director

J. Cheairs Porter  
Director

James T. Clark  
Director

Geoffrey W. Smith  
Vice President

Andy Dixon  
Vice President

[tbredrup@harriswilliams.com](mailto:tbredrup@harriswilliams.com)

[tmorris@harriswilliams.com](mailto:tmorris@harriswilliams.com)

[cporter@harriswilliams.com](mailto:cporter@harriswilliams.com)

[jclark@harriswilliams.com](mailto:jclark@harriswilliams.com)

[gsmith@harriswilliams.com](mailto:gsmith@harriswilliams.com)

[adixon@harriswilliams.com](mailto:adixon@harriswilliams.com)

Richmond

Boston

Cleveland

London

Minneapolis

Philadelphia

San Francisco