

Harris Williams & Co.
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Healthcare & Life Sciences
Industry Update
January 2012

Member FINRA/SIPC

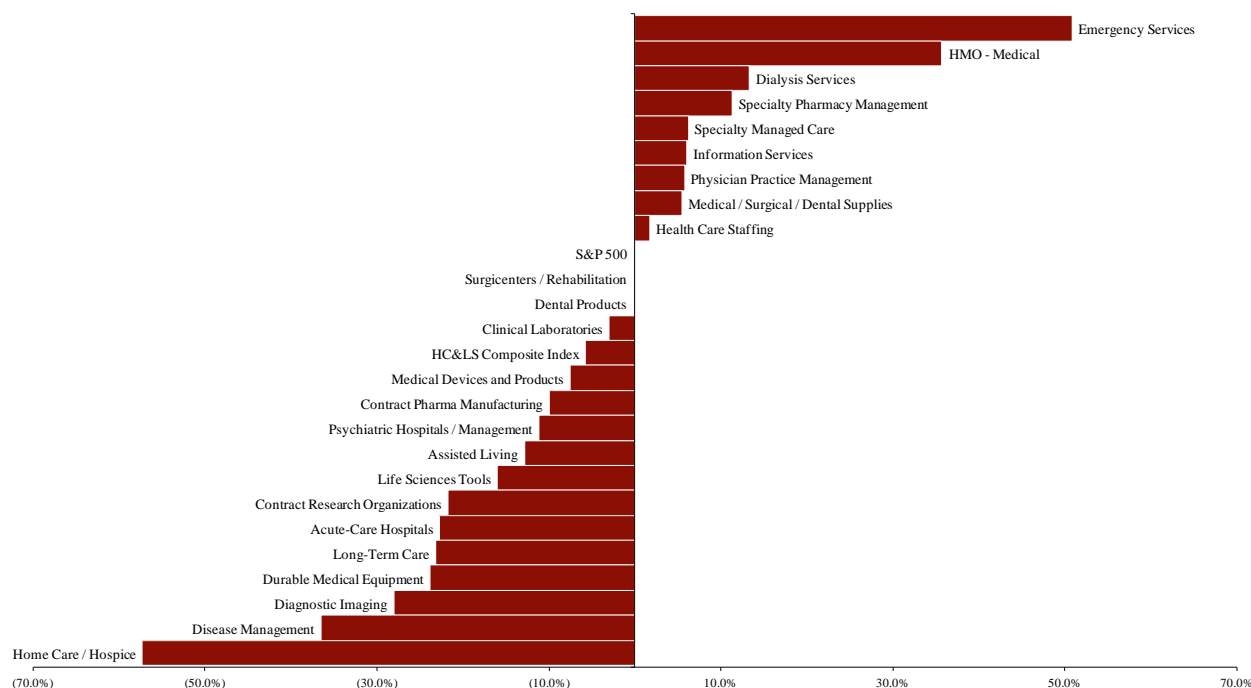


- To help healthcare professionals and investors prepare for the new year, *Healthcare IT News* published a list of the [top 11 healthcare data trends for 2012](#). Given the emphasis placed on mobile devices, data breaches, and patient privacy rights in 2011, this list focuses primarily on data security. As payors and providers increasingly adapt to the new mobile and social media environment, so too must their data retention/security procedures.
- *CNNMoney* published an interesting article this month entitled “[Doctors Going Broke](#),” which describes the plight of many physicians operating private practices in the U.S. Many are in financial trouble as a result of reimbursement dynamics, changing regulations, and escalating drug costs, as well as a lack of business acumen on the part of physicians. As a result of these dynamics, many doctors now find themselves faced with the prospect of either going into debt/bankruptcy or turning away patients.
- This month, *CNNMoney* also published a list of 12 entrepreneurs who are “reinventing healthcare.” The businesses outlined in this slideshow range from HCIT to concierge medicine. Read the entire list [here](#).
- *The New York Times* published an interesting article examining the effect of the expanding healthcare market, as well as the increasing shift away from reliance on the emergency room to alternative providers, on the commercial real estate market in New York City. Specifically, in 2011 there were 42 transactions involving medical practices, up from 16 in 2009, and this number is positioned to continue expanding as health care overhaul adds to the roster of the insured. This is putting upward pressure on pricing for the limited amount of medical space available in the city. Read more about this trend [here](#).
- On the more offbeat side, *The New Yorker* published a short article entitled “[Could the Prawn Diet Save France?](#)” This article outlines the work of diet guru Docteur Pierre Dukan, who argues that obesity in France is a political issue, and can be effectively targeted with a modified Atkins diet consisting primarily of only protein and oat bran. Dukan goes so far as to suggest that the resulting demand for diet-friendly products would create an economic boom for France.

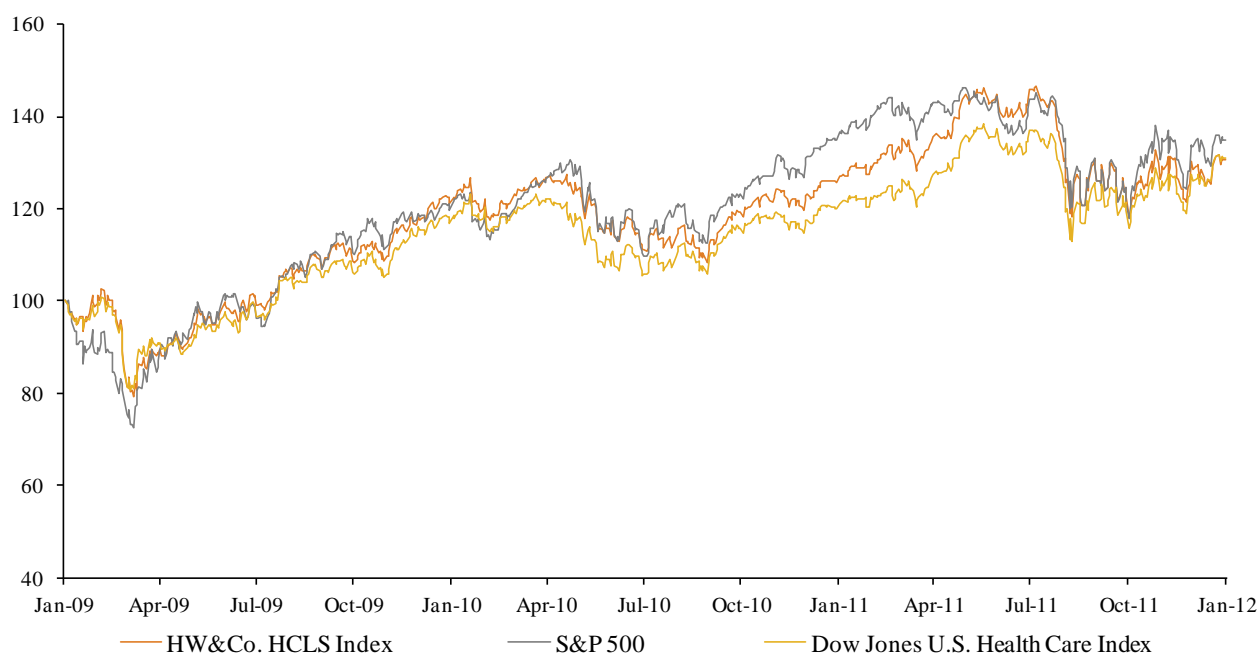
**Key Trading
Statistics**
(detail begins
on page 6)

Sector	Number of Companies	Average Enterprise Value (\$ mm)	Change in Stock Price		Median TEV/ LTM Multiples		Median TEV/ Forward Multiples	
			3 mos.	12 mos.	Revenue	EBITDA	Revenue	EBITDA
Clinical Laboratories	3	\$8,060	8.8%	(3.0%)	1.8x	8.3x	1.8x	8.2x
Contract Pharma Manufacturing	5	648	2.3%	(10.0%)	1.1x	7.9x	1.2x	7.8x
Contract Research Organizations	5	1,357	3.9%	(21.7%)	1.1x	9.4x	1.0x	8.0x
Disease Management	3	1,970	3.3%	(36.5%)	2.3x	7.5x	2.3x	6.8x
Emergency Services	1	1,635	32.6%	50.8%	2.6x	10.1x	2.5x	13.5x
Health Care Staffing	4	749	33.6%	1.7%	0.5x	10.2x	0.6x	9.2x
HMO - Medical	12	11,876	24.4%	35.7%	0.4x	5.5x	0.4x	5.6x
Information Services	14	1,907	3.5%	6.0%	3.0x	12.8x	2.8x	10.3x
Specialty Managed Care	2	2,187	18.2%	6.2%	1.0x	7.0x	0.9x	NA
Specialty Pharmacy Management	5	6,817	6.4%	11.3%	0.5x	9.5x	0.5x	8.8x
Dental Products	5	21,296	12.2%	(0.2%)	2.4x	10.6x	2.3x	10.2x
Durable Medical Equipment	4	1,953	(4.9%)	(23.9%)	1.3x	7.0x	1.2x	6.6x
Life Sciences Tools	3	12,332	1.9%	(16.0%)	2.2x	8.1x	2.1x	6.7x
Medical Devices and Products	13	32,741	(0.1%)	(7.6%)	2.2x	8.1x	2.2x	7.9x
Medical / Surgical / Dental Supplies	7	8,025	3.1%	5.5%	0.2x	7.6x	0.2x	7.2x
Acute-Care Hospitals	5	6,741	6.5%	(22.7%)	0.9x	6.1x	0.9x	6.0x
Assisted Living	7	1,443	28.7%	(12.8%)	1.6x	11.5x	1.5x	11.1x
Diagnostic Imaging	3	2,834	10.5%	(28.0%)	1.5x	5.5x	1.5x	5.5x
Dialysis Services	2	19,471	10.3%	13.3%	2.0x	9.8x	1.9x	9.4x
Home Care / Hospice	7	853	(6.8%)	(57.3%)	0.5x	3.9x	0.5x	4.8x
Long-Term Care	4	875	33.1%	(23.2%)	0.6x	5.6x	0.6x	5.2x
Physician Practice Management	5	913	15.0%	5.8%	1.3x	7.5x	1.4x	8.5x
Psychiatric Hospitals / Management	3	2,285	14.3%	(11.2%)	0.4x	5.0x	0.4x	5.5x
Surgicenters / Rehabilitation	5	2,214	15.7%	(0.2%)	1.2x	6.5x	1.1x	7.1x
Payer, Provider, & Pharmacy Support Service:	54	\$3,721	13.7%	4.0%	1.4x	8.8x	1.4x	8.7x
Products & Devices	32	\$15,270	2.4%	(8.4%)	1.7x	8.3x	1.6x	7.7x
Provider-Based Services	41	\$4,181	14.1%	(15.2%)	1.1x	6.8x	1.1x	7.0x
HC&LS Composite Index	127	\$6,299	11.5%	(5.8%)	1.4x	8.0x	1.3x	7.8x
S&P 500			11.2%	(0.0%)				

**Public Company
Sector
Performance**
(12-month %
change in stock
price)



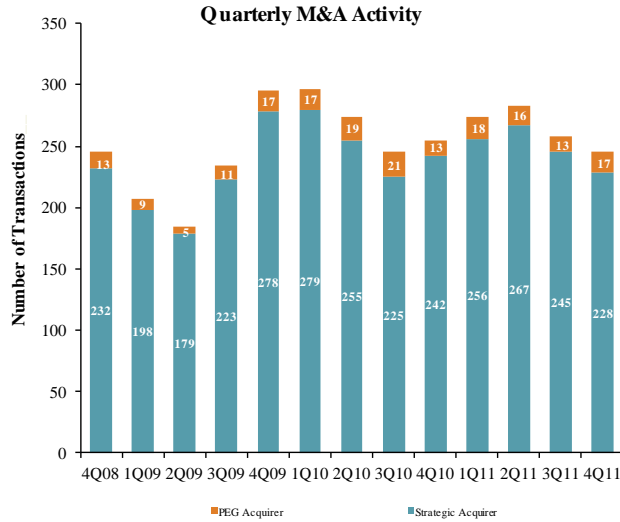
Healthcare and
Life Sciences
Industry Stock
Performance



Top 25 Equity
Offerings
(by proceeds)

Closing Date	Filing Date	Issuer	Ticker	Transaction Type	Gross Proceeds (\$mm)
12/15/11	12/14/11	ARIAD Pharmaceuticals Inc	ARIA	Follow-On	\$257.6
12/22/11	01/28/11	Lexicon Pharmaceuticals Inc	LXRX	Follow-On	161.0
12/23/11	12/23/11	PhotoMedex Inc	PHMD	Follow-On	75.0
12/15/11	11/23/11	Acadia Healthcare Co Inc	ACHC	Follow-On	71.9
12/02/11	12/02/11	Puma Biotechnology Inc	N/A	IPO	60.0
12/30/11	12/30/11	Cancer Genetics Inc	CGIX	IPO	50.0
12/29/11	12/29/11	Delcath Systems Inc	DCTH	Follow-On	39.8
12/21/11	12/21/11	Pozen Inc	POZN	Follow-On	33.2
12/23/11	12/23/11	Acadia Pharmaceuticals	ACAD	Follow-On	20.8
12/30/11	12/30/11	Apricus Biosciences Inc	APRI	Follow-On	20.0
12/09/11	12/09/11	Cell Therapeutics Inc	CTIC	Convertible	20.0
12/15/11	05/27/10	Mela Sciences Inc	MELA	Follow-On	16.3
12/15/11	12/15/11	Discovery Laboratories Inc	DSCO	Follow-On	15.0
12/01/11	12/01/11	Celsion Corp	CLSN	Follow-On	15.0
12/01/11	11/24/09	Synergy Pharmaceuticals Inc	SGYPD	IPO	15.0
12/09/11	12/09/11	Athersys Inc	AHYS	Follow-On	12.2
12/21/11	12/21/11	Celsion Corp	CLSN	Follow-On	11.7
12/16/11	11/03/10	StemCells Inc	STEM	Follow-On	10.0
12/12/11	12/12/11	AMERIGROUP Corp	AGP	Follow-On	10.0
12/20/11	09/30/11	Ampio Pharmaceuticals Inc	AMPE	Follow-On	9.4
12/15/11	09/04/09	Orexigen Therapeutics Inc	OREX	Follow-On	8.2
12/05/11	12/05/11	Pressure BioSciences Inc	PBIO	Follow-On	8.0
12/01/11	07/01/11	Novelos Therapeutics Inc	NVLT	Follow-On	6.0
12/09/11	12/09/11	Access Pharmaceuticals Inc	ACCP	Follow-On	6.0
12/27/11	04/15/11	Lucid Inc(Datacolor Intl)	LCDCU	IPO	5.8

Announced
Healthcare &
Life Sciences
M&A



Top 10 Middle Market Healthcare Deals

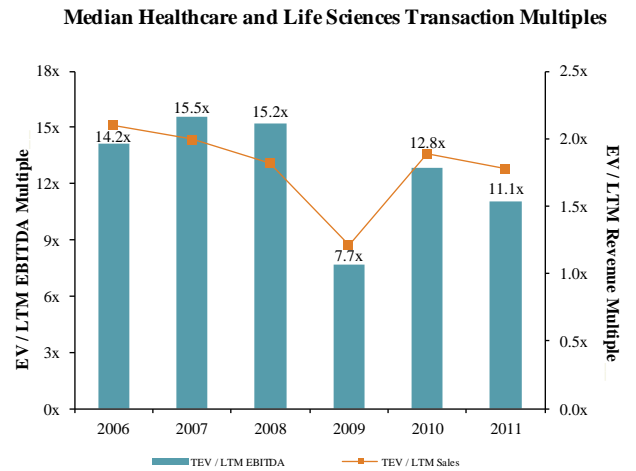
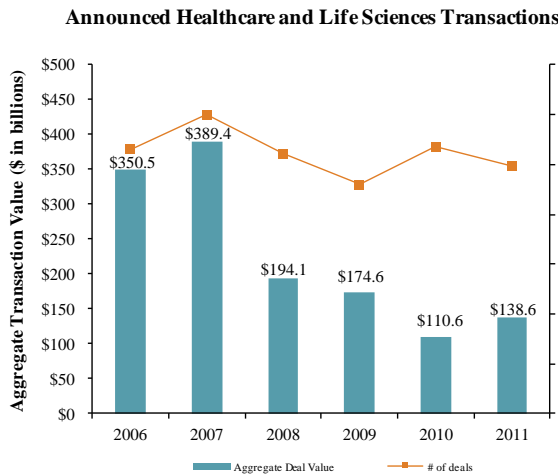
Announced	Target	Buyer
12/20/2011	Lutonix Inc.	CR Bard Inc. (NYSE:BCR)
12/15/2011	SonoSite Inc. (NasdaqGS:SONO)	FUJIFILM Holdings Corporation (TSE:4901)
12/14/2011	InnerChange, LLC	Cressey & Company LP
12/14/2011	HealthMEDX, Inc.	Spectrum Equity Investors
12/7/2011	PCA Hospitalists, Inc.	IPC The Hospitalist Company, Inc. (NasdaqGS:IPCM)
12/5/2011	Pinnacle Rehab Solutions	United Seating & Mobility, LLC
12/5/2011	Hospital Specialists PLLC	IPC The Hospitalist Company, Inc. (NasdaqGS:IPCM)
12/2/2011	SouthernCare, Inc.	Kohlberg & Company, L.L.C.
12/1/2011	Mediatech, Inc.	Corning Life Sciences B.V.
12/1/2011	RENAL CAREPARTNERS, Inc.	Innovative Dialysis Systems, Inc.

LTM Deal Statistics

Aggregate Value (\$bn)	Number of Deals	Median Transaction Multiples	
		TEV/Rev	TEV/EBITDA
\$165.3	339	1.78x	11.05x

Note: Transactions based on publicly available information

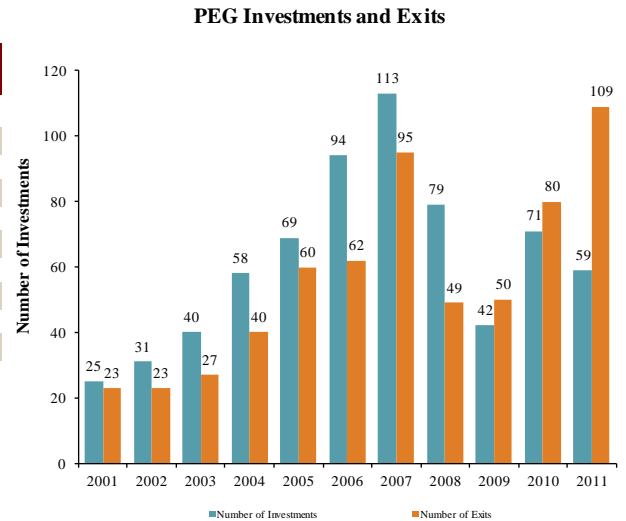
Healthcare and
Life Sciences
M&A Trends



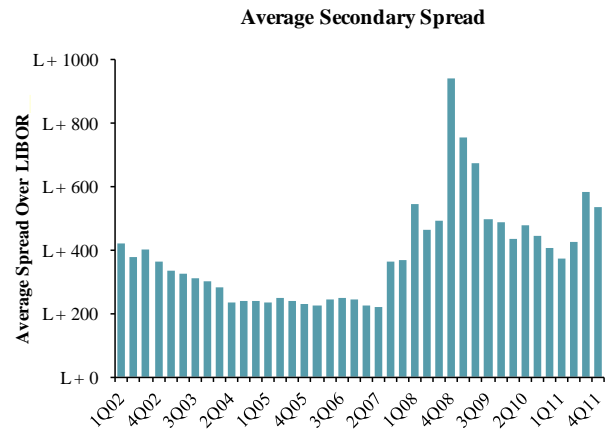
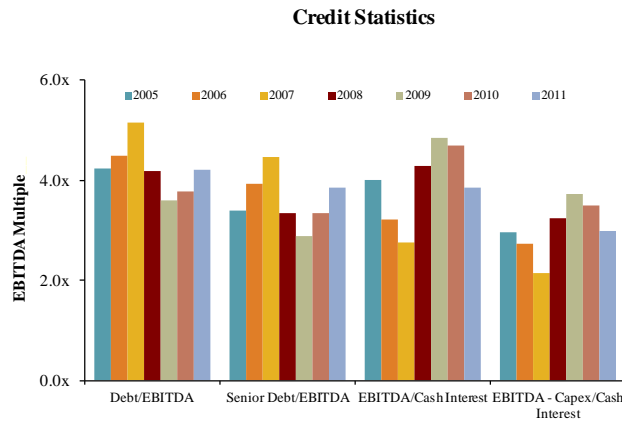
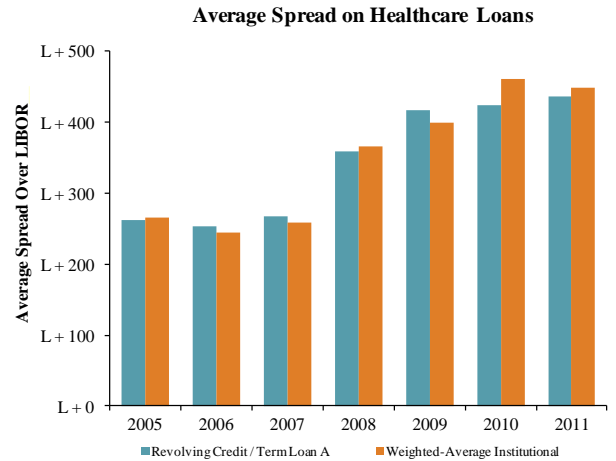
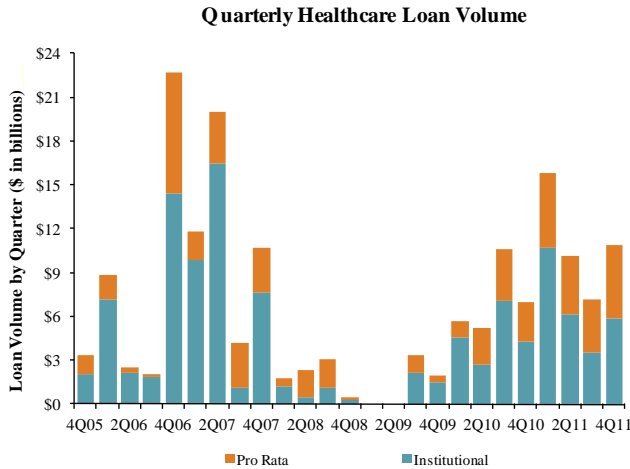
Announced
Private Equity
M&A Activity

PEG Investments by Segment (Last 3 Years)

HC&LS Industry Segment	Number of Companies
Biotechnology	4
Healthcare Technology	16
Healthcare Distributors	8
Healthcare Equipment	22
Healthcare Facilities	33
Healthcare Services	49
Healthcare Supplies	9
Life Sciences Tools & Services	9
Managed Healthcare	5
Pharmaceuticals	21



Key Credit
Statistics



Top 25 Recent
Healthcare &
Life Sciences
Debt Offerings
(by deal amount)

Date Effective	Borrower Name	Description	Deal Amount	Tranche Amount	Type	Rating	Spread
12/20/11	UnitedHealth Group Inc	Hospital and medical service plans	\$3,000,000,000	\$3,000,000,000	Revolver/Line >= 1 Yr.	A3 / A-	100
12/22/11	Laboratory Corp of America Holdings	Medical laboratories	1,000,000,000	1,000,000,000	Revolver/Line >= 1 Yr.	Baa2 / BBB+	112.5
12/06/11	HD Smith Wholesale Drug Co	Pharmaceutical preparations	350,000,000	350,000,000	Revolver/Line >= 1 Yr.	NR / NR	N/A
12/15/11	Vsp Holding Co Inc	Hospital and medical service plans	325,000,000	175,000,000	Revolver/Line >= 1 Yr.	NR / NR	200
12/15/11	Vsp Holding Co Inc	Hospital and medical service plans	325,000,000	150,000,000	Term Loan A	NR / NR	200
12/07/11	Alere Inc	Diagnostic substances	250,000,000	250,000,000	Term Loan B	B / B2	350
12/09/11	Magellan Health Services	Psychiatric hospitals	230,000,000	230,000,000	Revolver/Line >= 1 Yr.	BBB- / WR	200
12/09/11	Symmetry Medical	Surgical appliances and supplies	200,000,000	200,000,000	Revolver/Line >= 1 Yr.	NR / NR	300
12/30/11	Children's Health Care	General medical & surgical hospitals	172,000,000	105,000,000	Revolver/Line >= 1 Yr.	NR / NR	N/A
12/30/11	Children's Health Care	General medical & surgical hospitals	172,000,000	43,000,000	Revolver/Line >= 1 Yr.	NR / NR	N/A
12/30/11	Children's Health Care	General medical & surgical hospitals	172,000,000	24,000,000	Revolver/Line >= 1 Yr.	NR / NR	N/A
12/30/11	Genoa Healthcare Group Inc	Skilled nursing care facilities	104,086,000	49,086,000	Term Loan B	BB- / Ba3	425
12/30/11	Genoa Healthcare Group Inc	Skilled nursing care facilities	104,086,000	45,000,000	Term Loan B	BB- / Ba3	925
12/30/11	Genoa Healthcare Group Inc	Skilled nursing care facilities	104,086,000	10,000,000	Revolver/Line >= 1 Yr.	BB- / Ba3	425
12/02/11	Health Alliance Medical Plans Inc	Offices & clinics of medical doctors	92,000,000	92,000,000	364-Day Facility	NR / NR	N/A
12/01/11	Southern Care Inc	Home health care services	85,000,000	60,000,000	Term Loan A	NR / NR	550
12/01/11	Southern Care Inc	Home health care services	85,000,000	25,000,000	Revolver/Line >= 1 Yr.	NR / NR	550
12/30/11	Lawnwood Commons Operating LLC	Nursing and personal care	67,000,000	67,000,000	Term Loan A	NR / NR	N/A
12/13/11	Carson Tahoe Hospital	Health and allied services	65,000,000	65,000,000	Standby Letter of Credit	NR / NR	N/A
12/27/11	Symmetry Medical	Surgical appliances and supplies	50,000,000	50,000,000	Term Loan A	NR / NR	300
12/14/11	Hollister Inc	Surgical appliances and supplies	50,000,000	50,000,000	Revolver/Line >= 1 Yr.	NR / NR	50
12/16/11	Steward Healthcare	Offices & clinics of medical doctors	50,000,000	50,000,000	Revolver/Line >= 1 Yr.	NR / NR	300
12/01/11	Genoa Healthcare Group Inc	Skilled nursing care facilities	44,500,000	35,000,000	Term Loan A	BB- / Ba3	575
12/01/11	Genoa Healthcare Group Inc	Skilled nursing care facilities	44,500,000	9,500,000	Revolver/Line >= 1 Yr.	BB- / Ba3	575
12/20/11	Bostwick Laboratories Inc	Medical laboratories	43,000,000	23,000,000	Term Loan	NR / NR	550

Payer, Provider, & Pharmacy Support Services

Company Name (Ticker)	Stock Price					Equity Mkt. Value	Total Debt	Cash and Equiv.	Total Ent. Value	Lastest Twelve Months (LTM)			LTM Period ⁽¹⁾	Lastest FYE Date ⁽²⁾	Forward Estimate			TEV/LTM Multiples ⁽⁵⁾		TEV/Fwd Multiples				
	12/30/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
	3 mos.	12 mos.	High	Low																				
<u>Clinical Laboratories</u>																								
Bio-Reference Laboratories Inc.	\$16.27	(11.6%)	(27.7%)	\$25.99	\$11.41	\$455	\$34	\$22	\$467	\$559	\$75	\$60	Oct-11	Oct-11	\$650	\$87	\$71	0.8x	6.3x	0.7x	5.4x			
Laboratory Corp. of America Holdings	85.97	8.8%	(3.0%)	100.94	74.57	8,520	1,984	86	10,437	5,472	1,254	1,059	Sep-11	Dec-10	5,553	1,279	1,055	1.9x	8.3x	1.9x	8.2x			
Quest Diagnostics Inc.	58.06	17.6%	7.2%	61.21	45.13	9,159	4,204	111	13,275	7,455	1,558	1,285	Sep-11	Dec-10	7,495	1,562	1,263	1.8x	8.4x	1.8x	8.5x			
Number of Companies	3	Median:	8.8%	(3.0%)	Total	\$18,134				\$13,485					\$13,698			1.8x	8.3x	1.8x	8.2x			
		Mean:	4.9%	(7.8%)					\$8,060									1.5x	7.6x	1.5x	7.3x			
<u>Contract Pharma Manufacturing</u>																								
Akorn, Inc.	\$11.12	42.6%	79.6%	\$11.77	\$4.87	\$1,055	\$100	\$127	\$1,028	\$118	\$31	\$26	Sep-11	Dec-10	\$132	\$43	\$33	8.7x	15.3x	7.8x	24.0x			
Cambrex Corporation.	7.18	42.5%	35.2%	7.84	3.87	212	99	30	281	253	50	27	Sep-11	Dec-10	253	NA	24	1.1x	5.8x	1.1x	NA			
Integrated Biopharma Inc.	0.03	(40.0%)	(62.9%)	0.28	0.03	1	13	1	13	27	1	1	Sep-11	Jun-11	NA	NA	NA	0.5x	9.2x	NA	NA			
Patheon Inc.	1.26	(8.5%)	(44.5%)	2.76	1.06	163	282	33	406	700	71	18	Oct-11	Oct-11	739	84	16	0.6x	5.8x	0.5x	4.9x			
West Pharmaceutical Services, Inc.	37.95	2.3%	(10.0%)	47.96	35.50	1,280	378	119	1,515	1,174	187	110	Sep-11	Dec-10	1,186	194	113	1.3x	7.9x	1.3x	7.8x			
Number of Companies	5	Median:	2.3%	(10.0%)	Total	\$2,709				\$2,272					\$2,311			1.1x	7.9x	1.2x	7.8x			
		Mean:	7.8%	(0.5%)					\$648									2.4x	8.8x	2.7x	12.2x			
<u>Contract Research Organizations</u>																								
Albany Molecular Research Inc.	\$2.93	3.9%	(50.2%)	\$6.37	\$2.08	\$90	\$9	\$17	\$79	\$210	\$1	(\$16)	Sep-11	Dec-10	\$210	\$4	(\$12)	0.4x	68.5x	0.4x	17.7x			
Charles River Laboratories International, Inc.	27.33	(4.5%)	(23.5%)	42.84	25.52	1,351	740	81	2,006	1,133	273	185	Sep-11	Dec-10	1,134	260	194	1.8x	7.4x	1.8x	7.7x			
Covance Inc.	45.72	0.6%	(12.4%)	63.86	42.79	2,778	90	400	2,468	2,174	310	208	Sep-11	Dec-10	2,106	319	212	1.1x	7.9x	1.2x	7.7x			
ICON plc	17.11	6.4%	(21.7%)	26.22	15.03	1,029	0	127	863	935	91	55	Sep-11	Dec-10	955	76	38	0.9x	9.4x	0.9x	11.3x			
PAREXEL International Corporation	20.74	9.6%	(3.0%)	27.91	15.26	1,227	273	112	1,367	1,231	141	75	Sep-11	Jun-11	1,381	171	102	1.1x	9.7x	1.0x	8.0x			
Number of Companies	5	Median:	3.9%	(21.7%)	Total	\$6,475				\$5,683					\$5,786			1.1x	9.4x	1.0x	8.0x			
		Mean:	3.2%	(22.2%)					\$1,357									1.1x	20.6x	1.0x	10.5x			
<u>Disease Management</u>																								
Alere Inc.	\$23.09	17.5%	(36.5%)	\$41.18	\$17.82	\$1,986	\$3,075	\$277	\$5,395	\$2,314	\$471	\$86	Sep-11	Dec-10	\$2,371	\$572	\$490	2.3x	11.3x	2.3x	9.4x			
Corac Group plc	0.17	3.3%	(19.7%)	0.32	0.13	43	0	31	12	1	(7)	(7)	Jun-11	Dec-10	1	(9)	(10)	9.7x	NM	10.4x	NM			
Healthways Inc.	6.86	(30.2%)	(38.5%)	17.62	5.59	228	282	7	504	704	134	84	Sep-11	Dec-10	691	118	67	0.7x	3.8x	0.7x	4.3x			
Number of Companies	3	Median:	3.3%	(36.5%)	Total	\$2,257				\$3,019					\$3,063			2.3x	7.5x	2.3x	6.8x			
		Mean:	(3.2%)	(31.6%)					\$1,970									4.3x	7.5x	4.5x	6.8x			
<u>Emergency Services</u>																								
Air Methods Corp.	\$84.45	32.6%	50.8%	\$88.79	\$49.22	\$1,073	\$564	\$3	\$1,635	\$618	\$162	\$94	Sep-11	Dec-10	\$658	\$122	\$89	2.6x	10.1x	2.5x	13.5x			
Number of Companies	1	Median:	32.6%	50.8%	Total	\$1,073				\$618					\$658			2.6x	10.1x	2.5x	13.5x			
		Mean:	32.6%	50.8%					\$1,635									2.6x	10.1x	2.5x	13.5x			
<u>Health Care Staffing</u>																								
AMN Healthcare Services Inc.	\$4.43	10.5%	(28.7%)	\$9.33	\$3.60	\$179	\$214	\$5	\$413	\$927	\$59	\$41	Sep-11	Dec-10	\$931	\$58	\$41	0.4x	7.0x	0.4x	7.1x			
Cross Country Healthcare, Inc.	5.55	32.8%	(36.6%)	9.26	3.76	173	46	14	203	493	21	10	Sep-11	Dec-10	505	22	11	0.4x	9.7x	0.4x	9.1x			
On Assignment Inc.	11.18	58.1%	32.0%	11.94	6.27	412	88	13	487	557	45	37	Sep-11	Dec-10	593	53	41	0.9x	10.7x	0.8x	9.3x			
Team Health Holdings, Inc.	22.07	34.4%	42.1%	24.13	14.53	1,446	457	9	1,894	2,988	171	143	Sep-11	Dec-10	1,720	185	145	0.6x	11.1x	1.1x	10.2x			
Number of Companies	4	Median:	33.6%	1.7%	Total	\$2,211				\$4,964					\$3,750			0.5x	10.2x	0.6x	9.2x			
		Mean:	33.9%	2.2%					\$749									0.6x	9.6x	0.7x	8.9x			

Payer, Provider, & Pharmacy Support Services

Company Name (Ticker)	Stock Price					Equity Mkt. Value	Total Debt	Cash and Equiv.	Total Ent. Value	Lastest Twelve Months (LTM)			LTM Period ⁽³⁾	Lastest FYE Date ⁽⁵⁾	Forward Estimate			TEV/LTM Multiples ⁽⁵⁾		TEV/Fwd Multiples			
	12/30/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA
		3 mos.	12 mos.	High	Low																		
HMO - Medical																							
Commercial:																							
Aetna Inc.	\$42.19	16.1%	38.7%	\$46.01	\$30.36	\$15,285	\$4,427	\$1,958	\$17,755	\$33,747	\$3,656	\$3,199	Sep-11	Dec-10	\$33,640	\$3,610	\$3,273	0.5x	4.9x	0.5x	4.9x		
CIGNA Corporation	42.00	0.1%	15.9%	52.95	36.22	11,989	3,221	1,902	13,308	21,946	2,506	2,265	Sep-11	Dec-10	21,802	2,318	1,986	0.6x	5.3x	0.6x	5.7x		
Coventry Health Care Inc.	30.37	5.4%	15.0%	37.86	25.21	4,382	1,818	1,986	4,214	12,101	928	815	Sep-11	Dec-10	12,117	846	730	0.3x	4.5x	0.3x	5.0x		
Health Net Inc.	30.42	28.3%	10.7%	34.03	20.51	2,524	544	376	2,691	12,468	172	138	Sep-11	Dec-10	11,805	472	441	0.2x	15.6x	0.2x	5.7x		
HealthSpring Inc.	54.54	49.6%	103.3%	54.91	26.47	3,660	335	1,055	2,940	4,996	507	450	Sep-11	Dec-10	5,451	532	472	0.6x	5.8x	0.5x	5.5x		
Humana Inc.	87.61	20.5%	60.5%	90.95	54.35	14,325	1,972	4,019	12,277	36,323	2,496	2,205	Sep-11	Dec-10	36,892	2,487	2,236	0.3x	4.9x	0.3x	4.9x		
UnitedHealth Group, Inc.	50.68	9.9%	41.0%	53.50	35.79	54,026	11,919	13,679	52,266	99,976	9,169	8,364	Sep-11	Dec-10	101,383	9,271	8,183	0.5x	5.7x	0.5x	5.6x		
WellPoint Inc.	66.25	1.5%	17.0%	81.92	56.60	23,046	10,770	2,508	31,307	60,118	5,278	4,663	Sep-11	Dec-10	60,155	4,528	4,055	0.5x	5.9x	0.5x	6.9x		
Number of Companies	8	Median:	13.0%	27.9%	Total	\$129,237				\$281,676					\$283,245			0.5x	5.5x	0.5x	5.6x		
		Mean:	16.4%	37.8%					\$17,095									0.5x	6.6x	0.5x	5.5x		
Government:																							
AMERIGROUP Corporation	\$59.08	51.4%	32.6%	\$75.74	\$37.57	\$2,826	\$254	\$638	\$2,442	\$6,174	\$417	\$402	Sep-11	Dec-10	\$6,274	\$352	\$312	0.4x	5.9x	0.4x	6.9x		
Centene Corp.	39.59	38.1%	53.9%	40.81	25.08	1,994	351	452	1,896	5,027	247	201	Sep-11	Dec-10	5,266	246	193	0.4x	7.7x	0.4x	7.7x		
Molina Healthcare Inc.	22.33	44.6%	19.7%	29.03	13.93	1,020	168	487	701	4,544	191	138	Sep-11	Dec-10	4,664	179	127	0.2x	3.7x	0.2x	3.9x		
WellCare Health Plans, Inc.	52.50	38.2%	77.5%	59.05	29.47	2,247	260	1,788	719	5,862	368	342	Sep-11	Dec-10	6,090	436	409	0.1x	2.0x	0.1x	1.6x		
Number of Companies	4	Median:	41.4%	43.3%	Total	\$8,088				\$21,608					\$22,294			0.3x	4.8x	0.3x	5.4x		
		Mean:	43.1%	45.9%					\$1,439									0.3x	4.8x	0.3x	5.0x		
Information Services																							
Data/Analytics:																							
Accelys Inc.	\$6.72	10.9%	(19.3%)	\$8.95	\$5.68	\$373	\$0	\$59	\$256	\$142	\$2	(\$25)	Sep-11	Dec-10	\$150	\$33	\$22	1.8x	136.1x	1.7x	7.8x		
eResearchTechnology, Inc.	4.69	5.2%	(38.8%)	7.67	3.86	231	21	30	222	178	41	19	Sep-11	Dec-10	180	45	23	1.2x	5.4x	1.2x	4.9x		
National Research Corp.	38.81	17.1%	13.0%	44.44	26.35	261	15	6	270	73	22	17	Sep-11	Dec-10	75	NA	NA	3.7x	12.3x	3.6x	NA		
Number of Companies	3	Median:	10.9%	(19.3%)	Total	\$865				\$392					\$150			1.8x	12.3x	1.7x	6.4x		
		Mean:	11.1%	(15.0%)					\$249									2.3x	51.3x	2.2x	6.4x		
eHealth:																							
WebMD Health Corp.	37.55	24.5%	(25.9%)	58.55	25.56	2,116	800	1,101	1,812	577	149	131	Sep-11	Dec-10	\$559	\$178	\$121	3.1x	12.2x	NA	NA		
Number of Companies	1	Median:	24.5%	(25.9%)	Total	\$2,116				\$577					\$559			3.1x	12.2x	#NUM!	#NUM!		
		Mean:	24.5%	(25.9%)					\$1,812									3.1x	12.2x	#DIV/0!	#DIV/0!		
Hospital/Physician:																							
Allscripts Healthcare Solutions, Inc.	\$18.94	5.1%	(2.3%)	\$23.13	\$13.85	\$3,591	\$380	\$85	\$3,886	\$1,366	\$246	\$131	Sep-11	Dec-10	\$1,450	\$403	\$303	2.8x	15.8x	2.7x	9.7x		
athenahealth, Inc.	49.12	(17.5%)	19.5%	72.70	38.08	1,735	0	66	1,617	301	52	37	Sep-11	Dec-10	324	65	33	5.4x	31.4x	5.0x	25.0x		
Cerner Corporation	61.25	(10.6%)	28.1%	74.39	46.03	10,376	134	231	9,755	2,088	556	425	Oct-11	Jan-11	2,167	686	468	4.7x	17.5x	4.5x	14.2x		
Computer Programs & Systems Inc.	51.11	(22.7%)	7.2%	79.06	41.80	565	0	11	538	174	43	41	Sep-11	Dec-10	175	44	41	3.1x	12.5x	3.1x	12.3x		
HMS Holdings Corp.	31.98	31.1%	46.3%	32.33	19.78	2,720	0	140	2,580	351	101	82	Sep-11	Dec-10	365	109	83	7.3x	25.5x	7.1x	23.7x		
MedAssets, Inc.	9.25	(3.7%)	(54.1%)	21.44	8.52	541	921	44	1,418	528	141	46	Sep-11	Dec-10	577	186	55	2.7x	10.0x	2.5x	7.6x		
Merge Healthcare Incorporated	4.85	(20.4%)	29.3%	7.23	3.39	439	250	44	645	215	49	30	Sep-11	Dec-10	235	59	41	3.0x	13.2x	2.8x	10.9x		
Quality Systems Inc.	36.99	(23.7%)	4.7%	50.70	30.81	2,177	0	126	2,050	397	123	115	Sep-11	Mar-11	435	145	129	5.2x	16.6x	4.7x	14.2x		
SXC Health Solutions, Corp.	11.20	1.8%	0.0%	18.00	9.20	784	698	111	1,406	1,421	139	85	Sep-11	Dec-10	1,538	162	95	1.0x	10.1x	0.9x	8.7x		
Transcend Services, Inc.	23.73	5.3%	19.4%	30.25	17.95	254	0	10	241	119	26	23	Sep-11	Dec-10	126	28	24	2.0x	9.3x	1.9x	8.7x		
Number of Companies	10	Median:	(7.2%)	13.3%	Total	\$23,182				\$6,961					\$7,391			3.0x	14.5x	2.9x	11.6x		
		Mean:	(5.5%)	9.8%					\$2,414									3.7x	16.2x	3.5x	13.5x		

Payer, Provider, & Pharmacy Support Services

Company Name (Ticker)	Stock Price					Equity Mkt. Value	Total Debt	Cash and Equiv.	Total Ent. Value	Lastest Twelve Months (LTM)			LTM Period ⁽³⁾	Lastest FYE Date ⁽⁵⁾	Forward Estimate			TEV/LTM Multiples ⁽⁵⁾		TEV/ Fwd Multiples	
	12/30/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
	3 mos.	12 mos.	High	Low																	
<i>Specialty Managed Care</i>																					
Assurant Inc.	41.06	14.7%	7.4%	41.90	30.65	3,782	1,069	1,060	3,791	8,267	843	707	Sep-11	Dec-10	8,222	NA	706	0.5x	4.5x	0.5x	NA
CorVel Corporation	51.71	21.7%	5.0%	54.64	38.04	591	0	8	583	403	62	48	Sep-11	Mar-11	423	NA	NA	1.4x	9.4x	1.4x	NA
Number of Companies	2	Median:	18.2%	6.2%	Total	\$4,373				\$8,670					\$8,645			1.0x	7.0x	0.9x	NA
		Mean:	18.2%	6.2%					\$2,187									1.0x	7.0x	0.9x	NA
<i>Specialty Pharmacy Management</i>																					
BioScrip Inc.	\$5.46	(14.2%)	4.0%	\$7.85	\$4.00	\$315	\$279	\$0	\$594	\$1,785	\$54	\$41	Sep-11	Dec-10	\$1,794	\$70	\$42	0.3x	11.1x	0.3x	8.4x
Express Scripts Inc.	44.69	20.6%	(17.4%)	60.89	34.47	21,697	3,989	1,063	24,623	45,321	2,580	2,352	Sep-11	Dec-10	45,605	2,681	2,558	0.5x	9.5x	0.5x	9.2x
Catalyst Health Solutions, Inc.	52.00	(9.9%)	11.3%	67.58	42.07	2,545	298	72	2,770	4,902	191	158	Sep-11	Dec-10	5,264	187	146	0.6x	14.5x	0.5x	14.9x
Omnicare Inc.	34.45	35.5%	36.1%	35.27	20.36	3,939	2,143	680	5,402	6,272	612	481	Sep-11	Dec-10	6,131	611	498	0.9x	8.8x	0.9x	8.8x
PharMerica Corporation	15.18	6.4%	31.8%	16.45	10.43	446	261	10	697	2,077	89	58	Sep-11	Dec-10	2,089	91	56	0.3x	7.9x	0.3x	7.7x
Number of Companies	5	Median:	6.4%	11.3%	Total	\$28,941				\$60,357					\$60,883			0.5x	9.5x	0.5x	8.8x
		Mean:	7.7%	13.1%					\$6,817									0.5x	10.4x	0.5x	9.8x

Products & Devices

Company Name (Ticker)	Stock Price					Equity Mkt. Value	Total Debt	Cash and Equiv.	Total Ent. Value	Lastest Twelve Months (LTM)			LTM Period ⁽³⁾	Lastest FYE Date ⁽⁵⁾	Forward Estimate			TEV/LTM Multiples ⁽⁵⁾		TEV/Fwd Multiples	
	12/30/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
	3 mos.	12 mos.	High	Low																	
Dental Products																					
3M Co.	\$81.73	13.8%	(5.6%)	\$98.19	\$68.63	\$57,280	\$6,159	\$3,376	\$59,021	\$29,231	\$7,317	\$6,115	Sep-11	Dec-10	\$29,613	\$7,429	\$6,204	2.0x	8.1x	2.0x	7.9x
Danaher Corp.	47.04	12.2%	(0.2%)	56.09	39.34	32,286	5,896	484	37,762	15,460	3,088	2,544	Sep-11	Dec-10	16,344	3,354	2,741	2.4x	12.0x	2.3x	11.3x
DENTSPLY International Inc.	34.99	14.0%	2.0%	40.37	28.35	4,953	2,077	82	6,982	2,368	470	390	Sep-11	Dec-10	2,525	497	419	2.9x	14.8x	2.8x	14.1x
Sirona Dental Systems Inc.	44.04	3.8%	4.9%	57.87	35.64	2,458	368	346	2,484	914	233	158	Sep-11	Sep-11	974	272	207	2.7x	10.6x	2.6x	9.1x
Young Innovations Inc.	29.63	4.0%	(8.0%)	33.00	25.06	236	0	4	232	105	28	24	Sep-11	Dec-10	106	NA	NA	2.2x	8.3x	2.2x	NA
Number of Companies	5	Median:	12.2%	(0.2%)	Total	\$97,213				\$48,078					\$49,561			2.4x	10.6x	2.3x	10.2x
		Mean:	9.6%	(1.4%)					\$21,296									2.5x	10.8x	2.4x	10.6x
Durable Medical Equipment																					
Hill-Rom Holdings, Inc.	\$33.69	12.2%	(15.4%)	\$48.80	\$26.90	\$2,079	\$151	\$225	\$2,006	\$1,592	\$300	\$216	Sep-11	Sep-11	\$1,658	\$353	\$238	1.3x	6.7x	1.2x	5.7x
Invacare Corporation	15.29	(33.6%)	(50.0%)	34.52	14.54	487	296	41	742	1,803	134	98	Sep-11	Dec-10	1,816	NA	NA	0.4x	5.5x	0.4x	NA
ResMed Inc.	25.40	(11.8%)	(28.3%)	35.38	23.37	3,736	134	610	3,260	1,276	339	264	Sep-11	Jun-11	1,375	363	282	2.6x	9.6x	2.4x	9.0x
Steris Corp.	29.82	1.9%	(19.4%)	37.38	27.08	1,729	210	134	1,806	1,367	247	189	Sep-11	Mar-11	1,408	273	217	1.3x	7.3x	1.3x	6.6x
Number of Companies	4	Median:	(4.9%)	(23.9%)	Total	\$8,031				\$6,038					\$6,257			1.3x	7.0x	1.2x	6.6x
		Mean:	(7.8%)	(28.3%)					\$1,953									1.4x	7.3x	1.3x	7.1x
Life Sciences Tools																					
Agilent Technologies Inc.	\$34.93	11.8%	(16.0%)	\$55.33	\$28.67	\$12,160	\$2,185	\$3,527	\$10,823	\$6,615	\$1,326	\$1,073	Oct-11	Oct-11	\$6,977	\$1,614	\$1,421	1.6x	8.2x	1.6x	6.7x
Becton, Dickinson and Company	74.72	1.9%	(12.2%)	89.75	69.59	15,960	2,720	1,175	17,111	7,829	2,274	1,769	Sep-11	Sep-11	8,011	2,305	1,737	2.2x	7.5x	2.1x	7.4x
Life Technologies Corporation	38.91	1.2%	(30.0%)	57.25	35.30	6,934	2,744	594	9,062	3,698	1,122	711	Sep-11	Dec-10	3,738	1,346	1,087	2.5x	8.1x	2.4x	6.7x
Number of Companies	3	Median:	1.9%	(16.0%)	Total	\$35,054				\$18,141					\$18,725			2.2x	8.1x	2.1x	6.7x
		Mean:	5.0%	(19.4%)					\$12,332									2.1x	7.9x	2.0x	7.0x
Medical Devices and Products																					
Abbott Laboratories	\$56.23	10.0%	18.2%	\$56.44	\$45.07	\$87,595	\$16,721	\$5,049	\$96,425	\$38,442	\$11,030	\$7,925	Sep-11	Dec-10	\$39,048	\$11,462	\$8,948	2.5x	8.7x	2.5x	8.4x
ArthroCare Corporation	31.68	10.1%	2.0%	36.00	25.48	872	0	208	740	355	81	57	Sep-11	Dec-10	362	92	73	2.1x	9.1x	2.0x	8.0x
Baxter International Inc.	49.48	(11.9%)	(2.4%)	62.50	47.55	27,900	4,550	2,338	30,350	13,797	3,896	3,214	Sep-11	Dec-10	13,859	3,964	3,274	2.2x	7.8x	2.2x	7.7x
Boston Scientific Corporation	5.34	(9.6%)	(30.8%)	7.96	5.01	7,911	4,263	276	11,898	7,776	1,844	1,090	Sep-11	Dec-10	7,688	1,803	1,042	1.5x	6.5x	1.5x	6.6x
CR Bard Inc.	85.50	(2.3%)	(7.6%)	113.84	80.80	7,334	909	767	7,476	2,862	921	809	Sep-11	Dec-10	2,893	924	829	2.6x	8.1x	2.6x	8.1x
Hanger Orthopedic Group Inc.	18.69	(1.1%)	(13.6%)	28.47	14.57	622	508	31	1,098	897	145	117	Sep-11	Dec-10	915	151	118	1.2x	7.6x	1.2x	7.3x
Hologic Inc.	17.51	15.1%	(7.7%)	23.24	13.90	4,607	1,521	712	5,416	1,789	612	307	Sep-11	Sep-11	1,906	678	591	3.0x	8.9x	2.8x	8.0x
Hospira Inc.	30.37	(17.9%)	(45.5%)	59.20	26.92	5,002	1,758	527	6,233	4,035	792	548	Sep-11	Dec-10	4,005	872	670	1.5x	7.4x	1.6x	7.1x
Johnson & Johnson	65.58	3.0%	5.9%	68.05	57.50	179,089	18,357	15,617	166,519	64,419	19,462	16,378	Oct-11	Jan-11	65,146	20,129	16,789	2.6x	8.6x	2.6x	8.3x
Medtronic, Inc.	38.25	15.1%	2.9%	43.33	30.18	40,367	10,282	1,048	48,483	16,437	5,677	4,838	Oct-11	Apr-11	16,544	6,150	5,306	2.9x	8.5x	2.9x	7.9x
Stryker Corp.	49.71	5.5%	(8.1%)	65.21	43.73	19,023	1,780	810	17,590	8,087	2,417	1,947	Sep-11	Dec-10	8,318	2,401	1,971	2.2x	7.3x	2.1x	7.3x
Thermo Fisher Scientific, Inc.	44.97	(11.2%)	(19.2%)	65.86	43.06	17,011	7,134	890	23,247	11,530	2,322	1,496	Oct-11	Dec-10	11,665	2,558	2,126	2.0x	10.0x	2.0x	9.1x
Zimmer Holdings, Inc.	53.42	(0.1%)	(0.9%)	69.93	47.00	9,572	1,555	553	10,157	4,419	1,578	1,222	Sep-11	Dec-10	4,446	1,642	1,269	2.3x	6.4x	2.3x	6.2x
Number of Companies	13	Median:	(0.1%)	(7.6%)	Total	\$406,905				\$174,845					\$176,794			2.2x	8.1x	2.2x	7.9x
		Mean:	0.4%	(8.2%)					\$32,741									2.2x	8.1x	2.2x	7.7x
Medical / Surgical / Dental Supplies																					
AmerisourceBergen Corporation	\$37.19	(0.2%)	8.7%	\$43.47	\$33.91	\$9,608	\$1,365	\$1,826	\$9,147	\$80,218	\$1,352	\$1,231	Sep-11	Sep-11	\$80,241	\$1,406	\$1,292	0.1x	6.8x	0.1x	6.5x
Cardinal Health, Inc.	40.61	(3.0%)	5.5%	47.06	35.07	14,031	2,528	2,011	14,442	104,999	1,951	1,628	Sep-11	Jun-11	107,550	2,119	1,841	0.1x	7.4x	0.1x	6.8x
Henry Schein Inc.	64.43	3.9%	3.8%	74.98	55.95	5,822	432	107	6,566	8,214	673	561	Sep-11	Dec-10	8,383	696	579	0.8x	9.6x	0.8x	9.4x
McKesson Corporation	77.91	7.2%	10.4%	87.32	63.32	19,132	3,992	3,943	19,181	117,296	2,659	2,205	Sep-11	Mar-11	120,680	2,960	2,473	0.2x	7.2x	0.2x	6.5x
Owens & Minor Inc.	27.79	(2.4%)	(6.7%)	35.71	25.87	1,763	213	197	1,779	8,502	235	202	Sep-11	Dec-10	8,617	246	212	0.2x	7.6x	0.2x	7.2x
Patterson Companies Inc.	29.52	3.1%	(4.1%)	36.93	26.19	3,272	546	250	3,568	3,413	402	362	Oct-11	Apr-11	3,500	402	364	1.0x	8.9x	1.0x	8.9x
PSS World Medical Inc.	24.19	22.9%	6.8%	29.47	18.51	1,275	251	35	1,495	2,095	169	136	Sep-11	Apr-11	2,129	175	141	0.7x	8.8x	0.7x	8.5x
Number of Companies	7	Median:	3.1%	5.5%	Total	\$54,902				\$324,736					\$331,099			0.2x	7.6x	0.2x	7.2x
		Mean:	4.5%	3.5%					\$8,025									0.5x	8.0x	0.4x	7.7x

Provider-Based Services

Company Name (Ticker)	Stock Price					Equity Mkt. Value	Total Debt	Cash and Equiv.	Total Ent. Value	Lastest Twelve Months (LTM)			LTM Period ⁽³⁾	Lastest FYE Date ⁽⁵⁾	Forward Estimate			TEV/LTM Multiples ⁽⁵⁾		TEV/Fwd Multiples				
	12/30/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
		3 mos.	12 mos.	High	Low																			
Acute-Care Hospitals																								
Community Health Systems, Inc.	\$17.45	4.9%	(53.6%)	\$42.50	\$14.61	\$1,581	\$9,123	\$266	\$10,882	\$13,901	\$1,720	\$1,144	Sep-11	Dec-10	\$13,821	\$1,829	\$1,177	0.8x	6.1x	0.8x	5.9x			
Health Management Associates Inc.	7.37	6.5%	(22.7%)	11.74	6.06	1,873	3,596	88	5,355	5,592	802	537	Sep-11	Dec-10	5,823	821	553	1.0x	6.7x	0.9x	6.5x			
Lifepoint Hospitals Inc.	37.15	1.4%	(0.2%)	43.45	28.95	1,789	1,590	199	3,208	3,497	550	370	Sep-11	Dec-10	3,544	536	374	0.9x	5.8x	0.9x	6.0x			
Tenet Healthcare Corp.	5.13	24.8%	(23.7%)	7.70	3.46	2,228	4,095	185	6,551	9,523	1,124	715	Sep-11	Dec-10	9,636	1,168	764	0.7x	5.8x	0.7x	5.6x			
Universal Health Services Inc.	38.86	14.3%	(11.2%)	56.46	31.35	3,751	3,737	39	7,710	7,221	1,153	872	Sep-11	Dec-10	7,557	1,187	890	1.1x	6.7x	1.0x	6.5x			
Number of Companies	5	Median:	6.5%	(22.7%)	Total	\$11,222				\$39,734					\$40,381			0.9x	6.1x	0.9x	6.0x			
		Mean:	10.4%	(22.3%)					\$6,741									0.9x	6.2x	0.9x	6.1x			
Assisted Living																								
Assisted Living Concepts Inc.	\$14.89	17.5%	(10.9%)	\$19.61	\$11.16	\$345	\$95	\$3	\$436	\$234	\$64	\$42	Sep-11	Dec-10	\$234	\$65	\$43	1.9x	6.8x	1.9x	6.7x			
Brookdale Senior Living Inc.	17.39	38.7%	(19.5%)	28.30	10.98	2,103	2,449	39	4,513	2,297	393	116	Sep-11	Dec-10	2,344	399	113	2.0x	11.5x	1.9x	11.3x			
Capital Senior Living Corp.	7.94	28.7%	16.3%	10.91	5.44	215	209	31	393	252	35	20	Sep-11	Dec-10	262	35	NA	1.6x	11.6x	1.5x	11.1x			
Emeritus Corp.	17.51	24.2%	(12.8%)	26.35	13.36	777	2,270	61	2,987	1,214	196	73	Sep-11	Dec-10	1,257	219	83	2.5x	15.4x	2.4x	13.6x			
Five Star Quality Care Inc.	3.00	20.0%	(58.4%)	8.95	2.15	143	125	42	215	1,285	45	25	Sep-11	Dec-10	1,283	44	NA	0.2x	4.8x	0.2x	4.9x			
Skilled Healthcare Group, Inc.	5.46	51.2%	(39.9%)	15.93	3.30	208	492	16	683	876	136	110	Sep-11	Dec-10	870	131	102	0.8x	4.9x	0.8x	5.2x			
Sunrise Senior Living Inc.	6.48	40.0%	18.9%	12.44	3.53	373	578	83	874	1,305	30	0	Sep-11	Dec-10	1,317	42	NA	0.7x	26.6x	0.7x	20.8x			
Number of Companies	7	Median:	28.7%	(12.8%)	Total	\$4,163				\$7,464					\$7,567			1.6x	11.5x	1.5x	11.1x			
		Mean:	31.5%	(15.2%)					\$1,443									1.4x	11.7x	1.3x	10.5x			
Diagnostic Imaging																								
Alliance Healthcare Services, Inc.	\$1.26	10.5%	(70.7%)	\$4.74	\$0.93	\$65	\$647	\$40	\$722	\$491	\$139	\$33	Sep-11	Dec-10	\$494	\$145	\$28	1.5x	5.1x	1.5x	5.0x			
RadNet, Inc.	2.13	(12.7%)	(28.0%)	5.19	1.94	80	531	0	610	598	102	46	Sep-11	Dec-10	609	112	44	1.0x	5.5x	1.0x	5.5x			
Varian Medical Systems Inc.	67.13	28.7%	(4.1%)	72.19	48.72	7,557	198	564	7,170	2,597	641	588	Sep-11	Sep-11	2,842	710	662	2.8x	11.2x	2.5x	10.1x			
Number of Companies	3	Median:	10.5%	(28.0%)	Total	\$7,701				\$3,685					\$3,946			1.5x	5.5x	1.5x	5.5x			
		Mean:	8.8%	(34.3%)					\$2,834									1.8x	7.3x	1.7x	6.9x			
Dialysis Services																								
DaVita, Inc.	\$75.81	21.0%	8.6%	\$89.76	\$59.14	\$7,088	\$4,525	\$541	\$11,581	\$6,776	\$1,326	\$1,072	Sep-11	Dec-10	\$6,967	\$1,396	\$1,142	1.7x	8.7x	1.7x	8.3x			
Fresenius Medical Care AG & Co. KGAA	68.20	(0.4%)	18.0%	72.40	53.21	20,693	6,837	396	27,361	12,640	2,558	2,010	Sep-11	Dec-10	12,950	2,613	2,098	2.2x	11.0x	2.1x	10.5x			
Number of Companies	2	Median:	10.3%	13.3%	Total	\$27,781				\$19,416					\$19,917			2.0x	9.8x	1.9x	9.4x			
		Mean:	10.3%	13.3%					\$19,471									2.0x	9.8x	1.9x	9.4x			
Home Care / Hospice																								
Addus HomeCare Corp.	\$3.57	(11.9%)	(15.0%)	\$6.38	\$3.00	\$38	\$35	\$1	\$72	\$275	\$15	\$11	Sep-11	Dec-10	\$275	\$15	\$11	0.3x	4.7x	0.3x	4.8x			
Almost Family Inc.	16.58	(0.3%)	(57.3%)	40.76	12.50	155	2	30	128	337	42	39	Sep-11	Dec-10	339	38	35	0.4x	3.1x	0.4x	3.3x			
Amedisys Inc.	10.91	(26.4%)	(68.1%)	38.87	9.12	321	153	29	446	1,507	170	134	Sep-11	Dec-10	1,481	140	101	0.3x	2.6x	0.3x	3.2x			
Gentiva Health Services Inc.	6.75	22.3%	(74.8%)	29.21	2.81	208	1,008	196	1,023	1,839	220	190	Sep-11	Dec-10	1,811	195	162	0.6x	3.5x	0.6x	5.2x			
LHC Group, Inc.	12.83	(24.8%)	(57.6%)	31.69	12.34	241	54	11	299	647	76	68	Sep-11	Dec-10	631	64	58	0.5x	3.9x	0.5x	4.7x			
Lincare Holdings Inc.	25.71	14.3%	(4.5%)	31.79	19.65	2,277	622	37	2,842	1,777	450	330	Sep-11	Dec-10	1,839	454	330	1.6x	6.3x	1.5x	6.3x			
Chemed Corp.	51.21	(6.8%)	(20.1%)	72.25	47.66	1,018	165	21	1,162	1,342	167	146	Sep-11	Dec-10	1,364	199	157	0.9x	6.9x	0.9x	5.8x			
Number of Companies	7	Median:	(6.8%)	(57.3%)	Total	\$4,259				\$7,724					\$7,741			0.5x	3.9x	0.5x	4.8x			
		Mean:	(4.8%)	(42.5%)					\$853									0.6x	4.4x	0.6x	4.8x			
Long-Term Care																								
The Ensign Group, Inc.	\$24.50	6.0%	(0.2%)	\$34.85	\$19.61	\$517	\$176	\$26	\$667	\$738	\$114	\$93	Sep-11	Dec-10	\$767	\$115	\$92	0.9x	5.8x	0.9x	5.8x			
Kindred Healthcare Inc.	11.77	36.5%	(36.8%)	28.99	7.67	613	1,500	34	2,056	5,135	320	172	Sep-11	Dec-10	5,560	370	197	0.4x	6.4x	0.4x	5.6x			
National Healthcare Corp.	41.90	29.7%	(9.5%)	53.08	29.97	580	10	53	627	754	106	78	Sep-11	Dec-10	777	131	62	0.8x	5.4x	0.8x	4.8x			
Sun Healthcare Group, Inc.	3.88	43.7%	(69.3%)	15.01	2.06	98	145	91	151	1,949	105	72	Sep-11	Dec-10	1,933	92	60	0.1x	1.4x	0.1x	1.6x			
Number of Companies	4	Median:	33.1%	(23.2%)	Total	\$1,807				\$8,576					\$9,038			0.6x	5.6x	0.6x	5.2x			
		Mean:	29.0%	(29.0%)					\$875									0.6x	4.8x	0.5x	4.5x			

Provider-Based Services

Company Name (Ticker)	Stock Price					Equity Mkt. Value	Total Debt	Cash and Equiv.	Total Ent. Value	Lastest Twelve Months (LTM)			LTM Period ⁽³⁾	Lastest FYE Date ⁽⁵⁾	Forward Estimate			TEV/LTM Multiples ⁽⁵⁾		TEV/Fwd Multiples			
	12/30/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA
		3 mos.	12 mos.	High	Low																		
<u>Physician Practice Management</u>																							
Multispecialty / Primary Care:																							
IPC The Hospitalist Company, Inc.	\$45.72	28.1%	15.5%	\$52.25	\$31.66	\$752	\$0	\$32	\$720	\$437	\$49	\$45	Sep-11	Dec-10	\$463	\$51	\$48	1.6x	14.8x	1.6x	14.0x		
Number of Companies	1	Median:	28.1%	15.5%	Total	\$752			\$720	\$437					\$463			1.6x	14.8x	1.6x	14.0x		
		Mean:	28.1%	15.5%					\$720									1.6x	14.8x	1.6x	14.0x		
Specialty:																							
Integramed America Inc.	\$7.86	0.8%	(11.1%)	\$11.04	\$6.70	\$93	\$12	\$54	\$51	\$267	\$16	\$8	Sep-11	Dec-10	\$273	\$19	\$9	0.2x	3.1x	0.2x	2.7x		
MEDNAX, Inc.	72.01	15.0%	5.8%	75.47	58.48	3,383	51	36	3,391	1,552	374	350	Sep-11	Dec-10	1,593	383	359	2.2x	9.1x	2.1x	8.9x		
Number of Companies	2	Median:	7.9%	(2.7%)	Total	\$3,476			\$3,476	\$1,818					\$1,866			1.2x	6.1x	1.2x	5.8x		
		Mean:	7.9%	(2.7%)					\$1,721									1.2x	6.1x	1.2x	5.8x		
Dental:																							
American Dental Partners, Inc.	\$18.83	94.9%	38.8%	\$18.90	\$9.00	\$293	\$81	\$4	\$369	\$289	\$49	\$25	Sep-11	Dec-10	\$294	\$46	\$24	1.3x	7.5x	1.3x	8.1x		
Birner Dental Management Services Inc.	16.00	(3.8%)	(13.5%)	21.99	14.75	29	4	1	33	65	5	2	Sep-11	Dec-10	NA	NA	NA	0.5x	6.8x	NA	NA		
Number of Companies	2	Median:	45.5%	12.6%	Total	\$322			\$322	\$354					\$294	NA	NA	0.9x	7.1x	1.3x	8.1x		
		Mean:	45.5%	12.6%					\$201									0.9x	7.1x	1.3x	8.1x		
<u>Psychiatric Hospitals / Management</u>																							
Magellan Health Services Inc.	\$49.47	2.4%	3.3%	\$56.76	\$41.10	\$1,383	\$1	\$142	\$1,141	\$2,827	\$250	\$193	Sep-11	Dec-10	\$2,773	\$255	\$195	0.4x	4.6x	0.4x	4.5x		
Providence Service Corp.	13.76	29.2%	(14.2%)	18.00	8.35	179	153	49	290	918	53	40	Sep-11	Dec-10	945	53	39	0.3x	5.5x	0.3x	5.5x		
Universal Health Services Inc.	38.86	14.3%	(11.2%)	56.46	31.35	3,751	3,737	39	7,710	7,221	1,153	872	Sep-11	Dec-10	7,557	1,187	890	1.1x	6.7x	1.0x	6.5x		
Number of Companies	3	Median:	14.3%	(11.2%)	Total	\$5,313			\$5,313	\$10,966					\$11,275			0.4x	5.0x	0.4x	5.5x		
		Mean:	15.3%	(7.3%)					\$2,285									0.4x	4.2x	0.6x	5.5x		
<u>Surgicenters / Rehabilitation</u>																							
Surgery Centers:																							
AmSurg Corp.	\$26.04	15.7%	21.3%	\$28.00	\$18.18	\$816	\$427	\$36	\$1,475	\$754	\$266	\$241	Sep-11	Dec-10	\$778	\$271	\$245	2.0x	5.5x	1.9x	5.4x		
Lifepoint Hospitals Inc.	37.15	1.4%	(0.2%)	43.45	28.95	1,789	1,590	199	3,208	3,497	550	370	Sep-11	Dec-10	3,544	536	374	0.9x	5.8x	0.9x	6.0x		
Number of Companies	2	Median:	8.6%	10.6%	Total	\$2,605			\$2,605	\$4,251					\$4,322			1.4x	5.7x	1.4x	5.7x		
		Mean:	8.6%	10.6%					\$2,342									1.4x	5.7x	1.4x	5.7x		
Rehabilitation / Long Term Acute Care:																							
HEALTHSOUTH Corp.	\$17.67	18.4%	(15.6%)	\$28.50	\$13.65	\$1,683	\$1,309	\$48	\$3,415	\$2,121	\$464	\$383	Sep-11	Dec-10	\$2,036	\$458	\$384	1.6x	7.2x	1.7x	7.5x		
Select Medical Holdings Corporation	8.48	27.1%	15.8%	9.66	5.48	1,256	1,422	10	2,701	2,723	370	300	Sep-11	Dec-10	2,775	382	309	1.0x	7.3x	1.0x	7.1x		
US Physical Therapy Inc.	19.68	6.3%	(0.2%)	26.23	16.58	233	27	9	270	230	42	36	Sep-11	Dec-10	235	36	36	1.2x	6.5x	1.1x	7.6x		
Number of Companies	3	Median:	18.4%	(0.2%)	Total	\$3,172			\$3,172	\$5,074					\$5,046			1.2x	7.2x	1.1x	7.5x		
		Mean:	17.3%	0.0%					\$2,129									1.3x	7.0x	1.3x	7.4x		

Announced U.S.
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Announced	Target	Seller	Buyer	Enterprise Value (\$mm)	Enterprise Value			Private Equity Involvement
					Sales	EBITDA	EBIT	
12/29/2011	Ceres Ventures, Inc., Prior to Reverse Merger with BluFlow Technologies, Inc. (OTCPK:PYTO.D)	-	Ceres Ventures Inc.	-	-	-	-	Yes
12/28/2011	MM/Menu, LLC	-	Weedmaps, LLC	-	-	-	-	No
12/28/2011	Cardiokine, Inc.	Advent Venture Partners; Burrill Venture Capital; HealthCare Ventures	Cornestone Therapeutics Inc. (NasdaqCM:CRTX)	\$157.0	-	-	-	Yes
12/22/2011	Webtec Converting, LLC	-	Scapa Group plc (AIM:SCPA)	\$45.0	1.7x	-	12.5x	No
12/22/2011	Steuben County Public Health & Nursing Services, Two Health Care Programs	Steuben County Public Health & Nursing Services	Visiting Nursing Association of Western New York, Inc.	-	-	-	-	No
12/22/2011	Eastman Gelatine Corporation	Eastman Kodak Co. (NYSE:EK)	Rousselot B.V.	-	-	-	-	No
12/20/2011	Med Ex Direct, Inc.	-	Vican Resources, Inc.	-	-	-	-	No
12/20/2011	GlaxoSmithKline plc, 17 Consumer OTC Healthcare Brands	GlaxoSmithKline plc (LSE:GSK)	Prestige Brands Holdings, Inc. (NYSE:PBH)	\$660.0	3.2x	-	-	No
12/20/2011	Lutonix Inc.	Delphi Ventures; Warburg Pincus LLC; U.S. Venture Partners; RiverVest Venture Partners, LLC	CR Bard Inc. (NYSE:BCR)	\$325.0	-	-	-	Yes
12/20/2011	Reliant Rehabilitation Hospital North Texas, LP	Realty Capital Partners, LLC; The Cirrus Group, L.L.C.	American Realty Capital, LLC	-	-	-	-	Yes
12/20/2011	Intelliline, Inc.	Abingworth LLP; CMEA Capital; U.S. Venture Partners; Novartis Venture Funds	Takeda America Holdings, Inc.	\$310.0	-	-	-	No
12/20/2011	Abacus Transcriptions, Inc.	-	iMedX, Inc.	-	-	-	-	No
12/20/2011	Lyons Medical Center, P.A.	Hutchinson Clinic, P.A.	Hospital District 1 Of Rice County (Inc)	-	-	-	-	No
12/19/2011	Westbury House Assisted Living	-	-	\$0.3	-	-	-	No
12/19/2011	Burlington Anesthesia Associates PA	-	MEDNAX, Inc. (NYSE:MD)	-	-	-	-	No
12/19/2011	Three Home Medical Entities	Omnicare Inc. (NYSE:OCR)	Rotech Healthcare Inc. (OTCBB:ROHI)	-	-	-	-	No
12/19/2011	UHF Purchasing and Star Purchasing Services, LLC	Extencare Health Services, Inc.	Navigator Group Purchasing, Inc.	\$56.0	-	-	-	No
12/19/2011	Compassionate Hospice Of Georgia, Inc. and Altus Healthcare and Hospice, Inc.	-	Halcyon Home Health, LLC	-	-	-	-	No
12/19/2011	ForteBio, Inc.	Alloy Ventures, Inc.; Lighthouse Capital Partners; MPM Capital; The Vertical Group; Versant Ventures	Pall Corp. (NYSE:PLL)	-	-	-	-	Yes
12/19/2011	National Healthcare of Decatur, Inc.	Capella Healthcare, Inc.	HGA Home Health-Huntsville	\$17.5	-	-	-	No
12/19/2011	Medrium, Inc., Practice Management Software Business	Medrium, Inc.	Nightingale Informatix Corporation (TSXV:NGH)	\$1.8	0.8x	2.7x	-	No
12/16/2011	Global Pharma Analytics	-	-	-	-	-	-	No
12/16/2011	Ownership Interest in OIFactor Laboratories, Inc. and Nano Engineered Applications, Inc.	Deal a Day Group Corp. (OTCPK:DEEL)	Innovation Economy Corporation	-	-	-	-	No
12/15/2011	Alamance Regional Medical Center, Inc	-	Moses Cone Health System, Inc.	-	-	-	-	No
12/15/2011	Thrive Together, Inc.	-	Facing Cancer Together, Inc.	-	-	-	-	No
12/15/2011	SonoSite Inc. (NasdaqGS:SONO)	Wells Fargo Funds Management, LLC	FUJIFILM Holdings Corporation (TSE:4901)	\$855.9	2.8x	23.1x	31.6x	Yes
12/15/2011	Apricus Pharmaceuticals USA, Inc	TopoTarget A/S (CPSE:TOPO)	Apricus Biosciences, Inc. (NasdaqCM:APRI)	\$4.0	-	-	-	No
12/15/2011	Fox Chase Cancer Center	-	Temple University Health System, Inc.	-	-	-	-	No
12/14/2011	InnerChange, LLC	CIC Partners, LP	Cressey & Company LP	-	-	-	-	Yes
12/14/2011	StyleMark, Inc.	StyleMark AG	FGX International Holdings Limited	-	-	-	-	No
12/14/2011	HealthMEDX, Inc.	-	Spectrum Equity Investors; Trident Capital, Inc.	-	-	-	-	Yes
12/12/2011	Brighter Day Health, LLC	-	Mentor Capital, Inc. (OTCPK:MNTR)	-	-	-	-	No
12/12/2011	MSMC Investors, LLC	Falcon Investors LLC; Transition Healthcare Company LLC	Community Health Systems, Inc. (NYSE:CYH)	-	-	-	-	Yes
12/12/2011	Active Organics Inc.	-	Lubrizol Advanced Materials, Inc.	-	-	-	-	No
12/11/2011	Codman & Shurtleff, Inc., Surgical Instruments Business	Codman & Shurtleff, Inc.	Specialty Surgical Instrumentation, Inc.	\$165.0	-	-	-	No
12/10/2011	eMed Future, Inc. (OTCPK:EMDF)	-	ACEM Holding AG	-	-	-	-	No
12/9/2011	AstraZeneca PLC, Worldwide Rights to a Drug Related to Alzheimer's Disease	AstraZeneca PLC (LSE:AZN)	Navidea Biopharmaceuticals, Inc (AMEX:NAV)	\$22.5	-	-	-	No
12/8/2011	Coronado Corp. (OTCBB:CRAO)	-	Vampt Beverage USA, Corp.	-	-	-	-	No
12/8/2011	Orchid Cellmark Inc., Government Paternity Business	Orchid Cellmark Inc.	DNA Diagnostics Center, Inc.	-	-	-	-	No
12/8/2011	Penrose Community Urgent Care	Penrose-St. Francis Health Services	Peak Vista Community Health Centers	-	-	-	-	No
12/8/2011	Gates, Moore & Company	-	Pershing Yoakley & Associates	-	-	-	-	No
12/7/2011	Anvita, Inc.	Hicks Holdings LLC	Humana Inc. (NYSE:HUM)	-	-	-	-	Yes
12/7/2011	PCA Hospitalists, Inc.	-	IPC The Hospitalist Company, Inc. (NasdaqGS:IPCM)	-	-	-	-	No
12/7/2011	BudGenius.com, Inc.	-	RightSmile, Inc. (OTCPK:RIGH)	-	-	-	-	No
12/7/2011	Blue Belt Technologies, Inc.	Innovation Works; Pittsburgh Life Sciences Greenhouse	HealthpointCapital, LLC	-	-	-	-	Yes
12/7/2011	Interpoint Partners, LLC	-	Streamline Health Solutions, Inc. (NasdaqCM:STRM)	\$5.0	-	-	-	No

**Announced U.S.
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Announced	Target	Seller	Buyer	Enterprise Value (\$mm)	Enterprise Value			Private Equity Involvement
					Sales	EBITDA	EBIT	
12/7/2011	Hawaii Medical Center, LLC	-	Prime Healthcare Services, Inc.	\$25.0	-	-	-	No
12/6/2011	Ezose Sciences Inc.	Sumitomo Bakelite Co. Ltd. (TSE:4203)	Shionogi & Co. Ltd. (TSE:4507)	-	-	-	-	No
12/6/2011	Lifescan Minnesota Stand Up MRI, LLC	Soteria Imaging Services, LLC	Center for Diagnostic Imaging, Inc.	-	-	-	-	No
12/5/2011	Emergency Medical Data Transfer, LLC	-	GlobalMedia Group, LLC	-	-	-	-	No
12/5/2011	Pinnacle Rehab Solutions	-	United Seating & Mobility, LLC	-	-	-	-	No
12/5/2011	Rosewood Rehabilitation Center	-	The Ensign Group, Inc. (NasdaqGS:ENSG)	-	-	-	-	No
12/5/2011	Hospital Specialists PLLC	-	IPC The Hospitalist Company, Inc. (NasdaqGS:IPCM)	-	-	-	-	No
12/2/2011	Virdante Pharmaceuticals, Inc.	Venrock; Osage Partners LLC; MedImmune Ventures, Inc.; Thomas, McNerney & Partners	Momenta Pharmaceuticals Inc. (NasdaqGS:MNTA)	\$56.0	-	-	-	No
12/2/2011	Rain Nutrition, LLC	-	Rain International, LLC	-	-	-	-	No
12/2/2011	Isosciences, LLC	-	Monomer-Polymer & Dajac Laboratories, Inc.	-	-	-	-	No
12/2/2011	Nevada Cancer Institute	-	The University of California, San Diego Health System	\$18.0	-	-	-	No
12/2/2011	Hospice at Home, Inc.	-	Lakeland HealthCare Inc.	-	-	-	-	No
12/2/2011	SouthernCare, Inc.	Metalmark Capital; Morgan Stanley Venture Partners	Kohlberg & Company, L.L.C.	-	-	-	-	Yes
12/1/2011	Winter Park Urology Associated P.A.	-	Florida Physicians Medical Group, Inc.	-	-	-	-	No
12/1/2011	The Medical Clinic of North Texas, P.A.	-	Urology Associates of North Texas, L.L.P.	-	-	-	-	No
12/1/2011	RENAL CAREPARTNERS, Inc.	Noro-Moseley Partners	Innovative Dialysis Systems, Inc.	-	-	-	-	Yes
12/1/2011	Mediatech, Inc.	Great Point Partners, LLC	Corning Life Sciences B.V.	-	-	-	-	Yes
12/1/2011	BioSystem Development, LLC	Silicon Pastures LLC; ProZyme, Inc.; Chippewa Valley Angel Investors Network, LLC	Agilent Technologies Inc. (NYSE:A)	-	-	-	-	No

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