

Harris Williams & Co.
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Healthcare & Life Sciences
Industry Update
March 2011

Member FINRA/SIPC

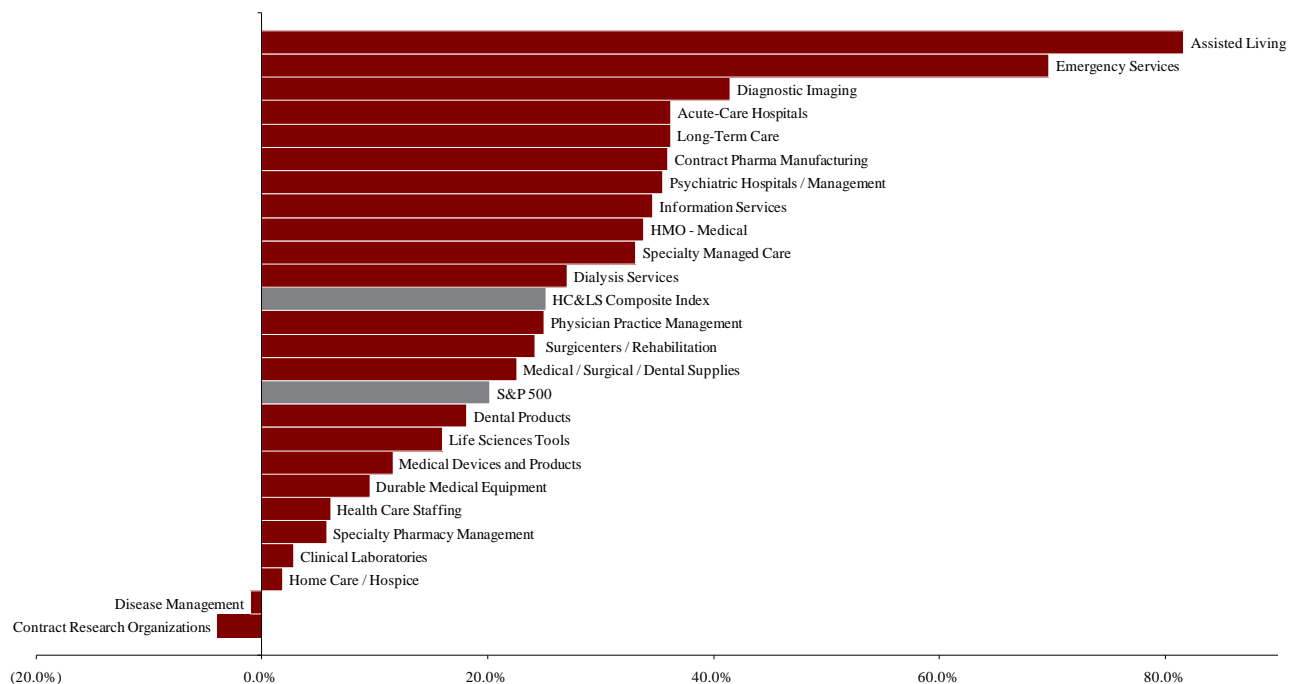


- *HealthcareITNews* provides an enlightening overview of the top seven trends in health information privacy for 2011. The article notes “that as health information exchanges take form, millions of patient records – soon to be available as digital files – will create the potential for unauthorized access, violation of new data breach laws and exposure to the threat of medical and financial identity theft.” Not surprisingly, a unifying theme of these trends is compliance – with providers focusing more attention on protecting data and regulatory agencies increasing penalties for breaches. Read the article [here](#).
- Recently, every month has provided a new story on healthcare reform winding its way through both the legislative and judicial systems, and February was no exception. *The Washington Post* summarized last month’s primary [story](#), as Florida Judge Roger Vinson granted the Obama administration a stay to his January ruling, admitting that it would be “extremely disruptive.” Meanwhile, the House of Representatives voted to repeal a tax-reporting requirement for small businesses that is part of the healthcare reform law. While the Senate has approved this repeal, it will likely take some time to be finalized. Read about it [here](#).
- As the healthcare reform debate continues to evolve, Nick Schulz provides an interesting view on the law’s effects on healthcare innovation. In his *Forbes* article, entitled “[How ObamaCare Is Putting Medical Innovation In The Hospital](#),” Mr. Schulz makes the argument that as ObamaCare continues to promote the role of Accountable Care Organizations (ACO) in healthcare delivery, emphasis will shift to hospitals, as opposed to less expensive outpatient settings where healthcare innovation is more likely to occur.
- On February 17th, authorities arrested 111 people in what is being billed as the largest Medicare fraud crackdown ever. Some “highlights” from the bust include a Detroit-area podiatrist who billed Medicare for 18 toenail removals on one patient, a Brooklyn clinic that billed millions for services that were never provided, and a fake prescription scheme based in Miami. *The Atlantic*’s John Hudson aggregates coverage of this story from multiple sources [here](#).

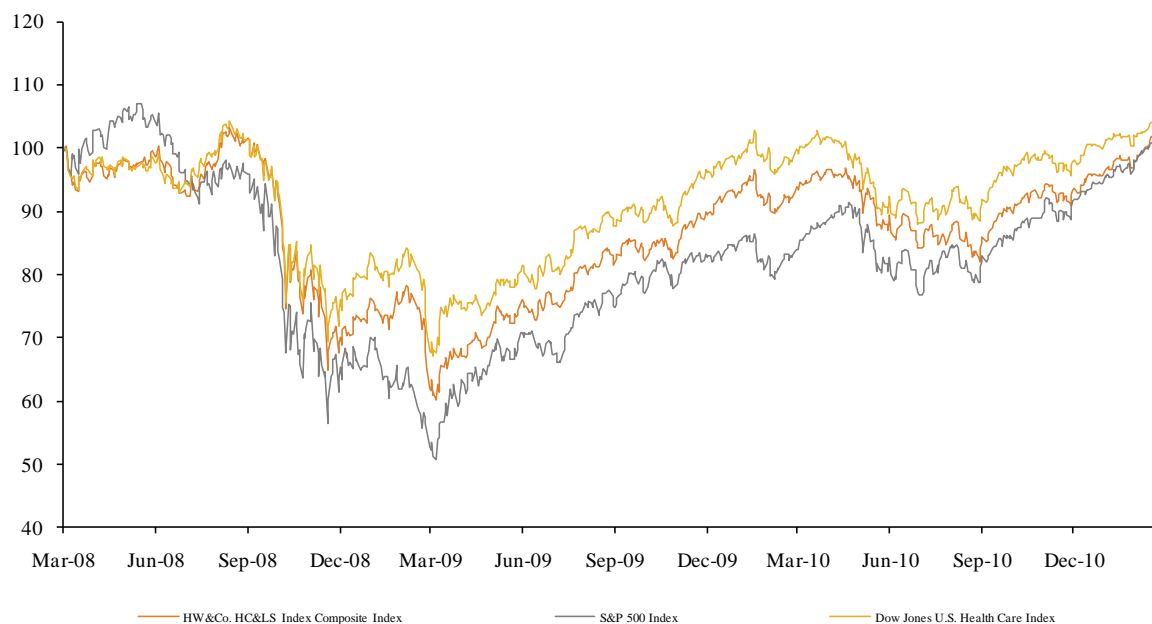
**Key Trading
Statistics**
(detail begins
on page 6)

Sector	Number of Companies	Average Enterprise Value	Change in Stock Price		Median TEV/ LTM Multiples		Median TEV/ Forward Multiples	
			3 mos.	12 mos.	Revenue	EBITDA	Revenue	EBITDA
Clinical Laboratories	4	\$6,118	13.0%	2.8%	1.6x	8.8x	1.6x	8.1x
Contract Pharma Manufacturing	6	1,039	12.9%	36.0%	1.3x	9.0x	1.4x	8.4x
Contract Research Organizations	7	1,616	11.0%	(3.9%)	1.1x	10.4x	1.3x	9.4x
Disease Management	3	2,067	22.5%	(1.0%)	1.5x	8.0x	1.6x	5.9x
Emergency Services	2	1,859	21.5%	69.7%	1.3x	9.6x	1.2x	8.3x
Health Care Staffing	4	710	27.5%	6.1%	0.8x	14.1x	0.8x	11.7x
HMO - Medical	12	11,449	21.4%	33.8%	0.4x	5.5x	0.4x	6.0x
Information Services	15	1,850	16.4%	34.6%	4.1x	22.9x	2.9x	16.0x
Specialty Managed Care	3	1,575	15.6%	33.1%	0.5x	5.5x	0.5x	6.3x
Specialty Pharmacy Management	5	7,967	6.5%	5.8%	0.5x	13.1x	0.4x	9.0x
Dental Products	5	22,096	15.1%	18.2%	2.5x	12.3x	2.4x	11.4x
Durable Medical Equipment	4	2,463	(2.4%)	9.6%	1.7x	10.8x	1.6x	7.5x
Life Sciences Tools	4	12,724	10.4%	16.0%	2.5x	9.4x	2.3x	8.4x
Medical Devices and Products	14	30,678	14.0%	11.6%	2.6x	9.7x	2.5x	8.7x
Medical / Surgical / Dental Supplies	7	8,870	19.5%	22.6%	0.2x	9.2x	0.2x	8.7x
Acute-Care Hospitals	5	7,588	15.9%	36.2%	1.0x	7.2x	1.0x	6.9x
Assisted Living	7	1,595	31.9%	81.6%	1.9x	12.1x	1.8x	11.8x
Diagnostic Imaging	3	3,012	7.0%	41.5%	1.6x	6.2x	1.6x	6.2x
Dialysis Services	2	18,787	8.3%	27.0%	1.9x	9.9x	1.9x	9.6x
Home Care / Hospice	7	1,215	12.9%	1.9%	1.0x	6.6x	0.9x	6.3x
Long-Term Care	4	763	46.4%	36.2%	0.5x	5.9x	0.4x	4.7x
Physician Practice Management	6	760	16.7%	25.0%	1.0x	7.2x	1.0x	7.1x
Psychiatric Hospitals / Management	3	3,383	(1.2%)	35.5%	0.4x	4.6x	0.4x	5.0x
Surgicenters / Rehabilitation	6	2,167	27.3%	24.2%	1.1x	7.3x	1.1x	7.2x
Payer, Provider, & Pharmacy Support Service	61	\$3,625	16.8%	21.7%	1.3x	10.7x	1.2x	8.9x
Products & Devices	34	\$15,366	11.3%	15.6%	1.9x	10.3x	1.8x	8.9x
Provider-Based Services	43	\$4,363	18.3%	34.3%	1.2x	7.4x	1.1x	7.2x
HC&LS Composite Index	138	\$6,348	16.3%	25.2%	1.4x	9.4x	1.3x	8.3x
S&P 500			11.6%	20.2%				

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



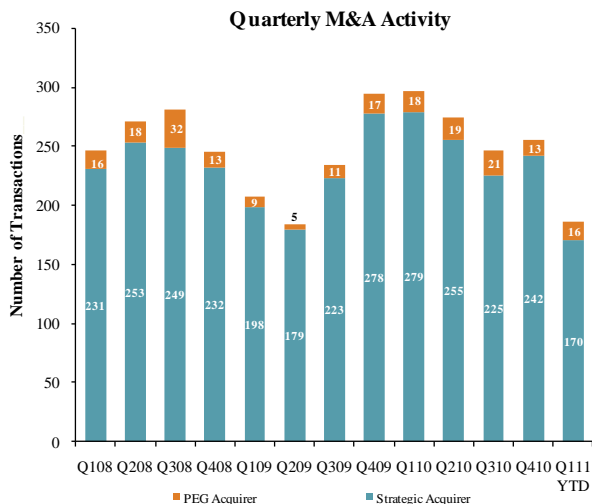
Healthcare and
Life Sciences
Industry Stock
Performance



Top 30 Equity
Offerings
(by proceeds)

Close Date	Filing Date	Issuer	Ticker	Transaction Type	Gross Proceeds (\$mm)
02/11/11	02/11/11	OPKO Health Inc	OPK	Follow-On	\$250.0
02/25/11	02/25/11	Advanced Biohealing Inc	ABHB	IPO	200.0
02/02/11	05/22/09	Seattle Genetics Inc	SGEN	Follow-On	178.3
02/09/11	12/03/10	Fluidigm Corp	FLDM	IPO	86.3
02/04/11	08/17/10	Endocyte Inc	ECYT	IPO	86.3
02/10/11	02/10/11	Optimer Pharmaceuticals Inc	OPTR	Follow-On	77.6
02/03/11	04/30/10	ZIOPHARM Oncology Inc	ZIOP	Follow-On	63.5
02/02/11	11/01/10	Pacira Pharmaceuticals Inc	PCRX	IPO	42.0
02/03/11	01/29/10	BG Medicine Inc	BGMD	IPO	40.3
02/11/11	11/12/10	AcelRx Pharmaceuticals Inc	ACRX	IPO	40.0
02/01/11	02/01/11	ProCure Treatment Centers Inc	-	Follow-On	40.0
02/17/11	01/10/11	Chelsea Therapeutics Intl Ltd	CHTP	Follow-On	35.0
02/14/11	02/14/11	KV Pharmaceutical Co	KVA	Follow-On	32.3
02/15/11	06/13/08	Discovery Laboratories Inc	DSCO	Follow-On	23.5
02/23/11	10/29/10	Palatin Technologies Inc	PTN	Follow-On	23.0
02/15/11	01/21/11	Vermillion Inc	VRML	Follow-On	21.8
02/09/11	02/09/11	Zaliscus Inc	ZLCS	Follow-On	20.0
02/10/11	04/08/10	Kips Bay Medical Inc	KIPS	IPO	16.5
02/03/11	12/15/10	Repros Therapeutics Inc	RPRX	Follow-On	11.8
02/02/11	02/02/11	Caliper Life Sciences Inc	CALP	Follow-On	11.3
02/11/11	02/11/11	EnteroMedics Inc	ETRM	Follow-On	9.1
02/04/11	02/04/11	Baeta Corp	BAEA	Follow-On	8.6
02/08/11	11/13/09	Opexa Therapeutics Inc	OPXA	Follow-On	8.5
02/10/11	02/10/11	Radiant Pharmaceuticals Corp	AMDD	Convertible	8.4
02/28/11	05/24/10	RXI Pharmaceuticals Corp	RXII	Follow-On	8.1
02/23/11	02/23/11	ImmunoCellular Therapeutics	IMUC	Follow-On	8.1
02/02/11	02/02/11	Radiant Pharmaceuticals Corp	AMDD	Convertible	7.5
02/08/11	02/08/11	EpiCept Corp	EPCT	Follow-On	7.1
02/10/11	08/02/10	Marina Biotech Inc	MRNAD	Follow-On	5.1
02/18/11	02/18/11	Accentia Biopharmaceuticals	ABPIQ	Follow-On	5.0

Announced
Healthcare &
Life Sciences
M&A



Top 10 Middle Market Healthcare Deals

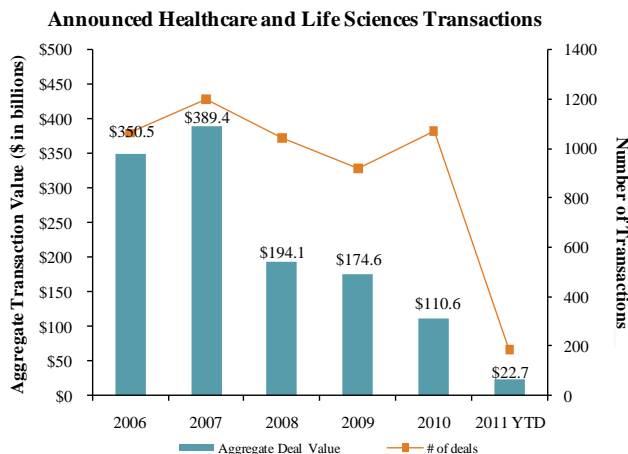
Announced	Target	Buyer
2/24/2011	Athena Diagnostics, Inc.	Quest Diagnostics, Inc. (DGX)
2/22/2011	Carefx Corporation	Harris Corp. (HRS)
2/21/2011	Calistoga Pharmaceuticals, Inc.	Gilead Sciences Limited
2/18/2011	Gateway EDI, Inc.	The Trizetto Group
2/11/2011	ScriptSave	Monitor Clipper Partners, Inc.
2/10/2011	Mercy Health Partners, Inc.	Community Health Systems, Inc. (CYH)
2/6/2011	Emergent Group, Inc. (LZR)	Universal Hospital Services, Inc.
2/4/2011	DSI Renal, Inc.	DaVita, Inc. (DVA)
2/2/2011	NeuroTherm, Inc.	Linsalata Capital Partners
2/1/2011	Physician Oncology Services, L.P.	Vantage Oncology, Inc.

LTM Deal Statistics

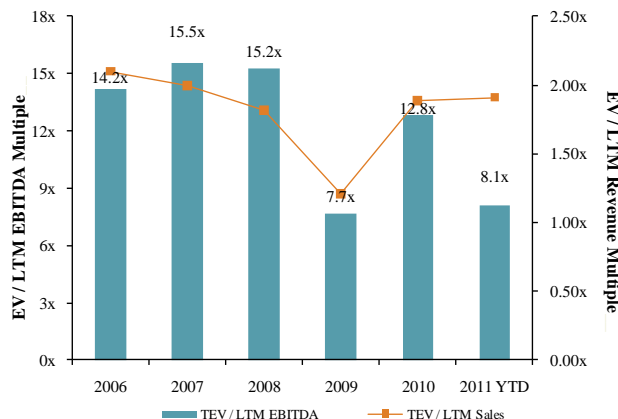
Aggregate Value (\$bn)	Number of Deals	Median Transaction Multiples	
		TEV/Rev	TEV/EBITDA
\$123.4	406	1.89x	11.24x

Note: Transactions based on publicly available information

Healthcare and
Life Sciences
M&A Trends



Median Healthcare and Life Sciences Transaction Multiples

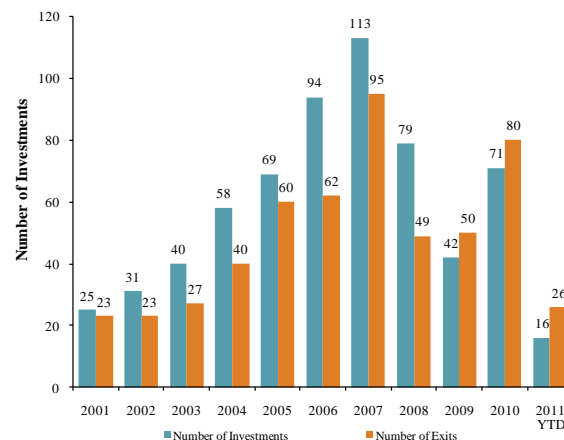


Announced
Private Equity
M&A Activity

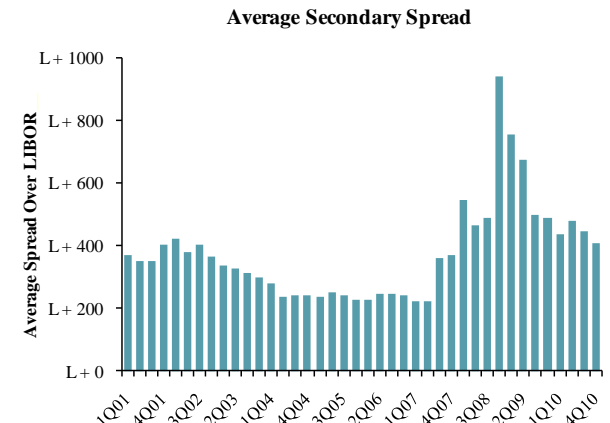
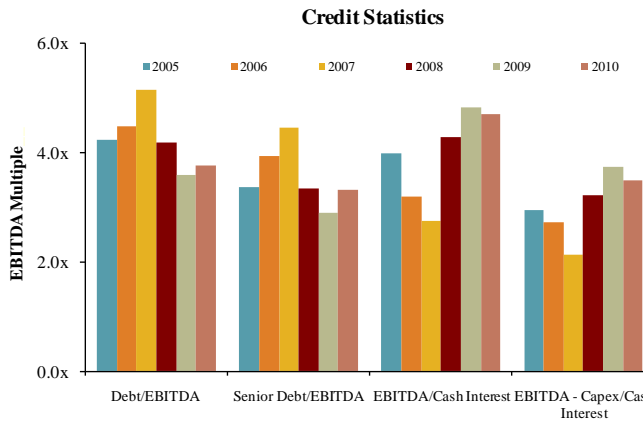
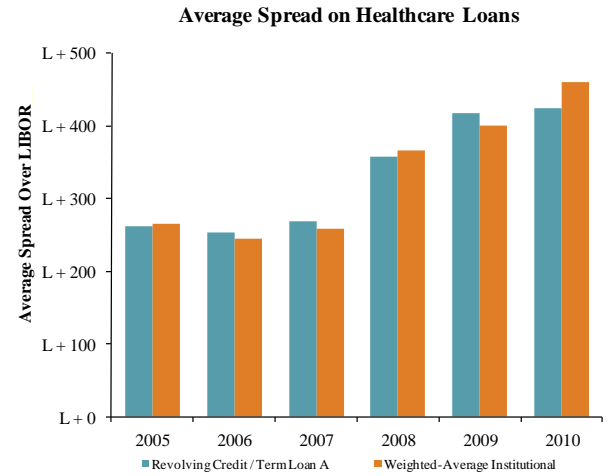
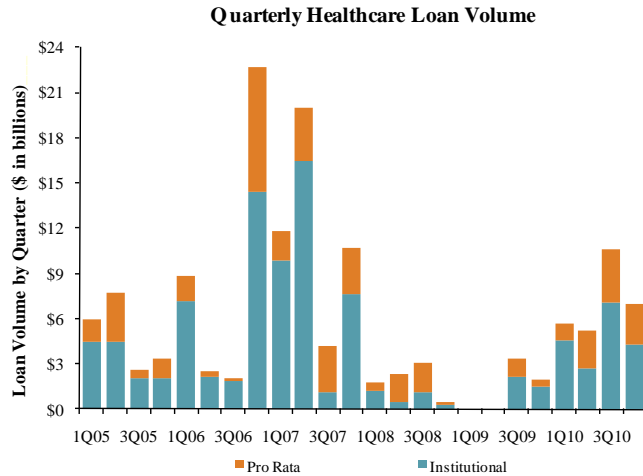
PEG Investments by Segment (Last 3 Years)

HC&LS Industry Segment	Number of Companies
Biotechnology	2
Healthcare Technology	15
Healthcare Distributors	12
Healthcare Equipment	27
Healthcare Facilities	32
Healthcare Services	57
Healthcare Supplies	11
Life Sciences Tools & Services	11
Managed Healthcare	3
Pharmaceuticals	25

PEG Investments and Exits



Key Credit
Statistics



February
Healthcare &
Life Sciences
Debt Offerings

Date Effective	Borrower Name	Description	Deal Amount	Tranche Amount	Type	Rating	Spread
02/22/11	Carestream Health	Surgical and medical instruments	USD 2,000,000,000	USD 1,850,000,000	Term Loan B	B+ / Ba2	350
02/22/11	Carestream Health	Surgical and medical instruments	USD 2,000,000,000	USD 150,000,000	Revolver/Line >= 1 Yr.	B+ / Ba2	350
02/22/11	NBTY Inc	Pharmaceutical preparations	USD 1,940,000,000	USD 1,750,000,000	Term Loan	B+ / Ba1	325
02/22/11	NBTY Inc	Pharmaceutical preparations	USD 1,940,000,000	USD 190,000,000	Revolver/Line >= 1 Yr.	B+ / Ba1	N/A
02/28/11	Manor Care Inc	Skilled nursing care facilities	USD 550,000,000	USD 400,000,000	Term Loan B	B / WR	375
02/28/11	Manor Care Inc	Skilled nursing care facilities	USD 550,000,000	USD 150,000,000	Revolver/Line >= 1 Yr.	B / WR	N/A
02/10/11	Wright Medical Group Inc, Wright Medical Technology Inc	Surgical appliances and supplies	USD 350,000,000	USD 200,000,000	Revolver/Line >= 1 Yr.	NR / NR	175
02/10/11	Wright Medical Group Inc, Wright Medical Technology Inc	Surgical appliances and supplies	USD 350,000,000	USD 150,000,000	Delay Draw Term Loan	NR / NR	175
02/01/11	LifeCare Holdings	Specialty hospitals exc. psychiatric	USD 287,500,000	USD 257,500,000	Term Loan B	CCC+ / NR	1325
02/01/11	LifeCare Holdings	Specialty hospitals exc. psychiatric	USD 287,500,000	USD 30,000,000	Revolver/Line >= 1 Yr.	CCC+ / NR	775
02/11/11	Physician Oncology Services	Medical laboratories	USD 246,000,000	USD 221,000,000	Term Loan B	B / B2	525
02/11/11	Physician Oncology Services	Medical laboratories	USD 246,000,000	USD 25,000,000	Revolver/Line >= 1 Yr.	B / B2	525
02/15/11	AccentCare Inc	Home health care services	USD 205,000,000	USD 180,000,000	Term Loan	NR / NR	500
02/15/11	AccentCare Inc	Home health care services	USD 205,000,000	USD 25,000,000	Revolver/Line >= 1 Yr.	NR / NR	500
02/18/11	Assisted Living Concepts	Skilled nursing care facilities	USD 125,000,000	USD 125,000,000	Revolver/Line >= 1 Yr.	NR / NR	275
02/04/11	Beacon Health Strategies LLC	Health and allied services	USD 100,000,000	USD 60,000,000	Term Loan A	NR / NR	450
02/04/11	Beacon Health Strategies LLC	Health and allied services	USD 100,000,000	USD 40,000,000	Revolver/Line >= 1 Yr.	NR / NR	450
02/09/11	Insight Pharmaceuticals Corp	Medicinals and botanicals	USD 81,000,000	USD 71,000,000	Term Loan B	NR / NR	500
02/09/11	Insight Pharmaceuticals Corp	Medicinals and botanicals	USD 81,000,000	USD 10,000,000	Revolver/Line >= 1 Yr.	NR / NR	500
02/02/11	Neurotherm Inc	Kidney dialysis centers	USD 50,000,000	USD 42,000,000	Term Loan B	NR / NR	500
02/02/11	Neurotherm Inc	Kidney dialysis centers	USD 50,000,000	USD 8,000,000	Revolver/Line >= 1 Yr.	NR / NR	500

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				
	2/28/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
	3 mos.	12 mos.	High	Low																				
Clinical Laboratories																								
Bio-Reference Laboratories Inc.	\$20.92	(1.6%)	5.6%	\$24.67	\$15.42	\$583	\$38	\$18	\$602	\$458	\$60	\$48	Oct-10	Oct-10	\$548	\$70	\$59	1.3x	10.0x	1.1x	8.6x			
Genoptix, Inc.	24.99	40.6%	(23.2%)	39.00	13.51	442	0	20	304	197	47	43	Sep-10	Dec-09	194	41	34	1.5x	6.5x	1.6x	7.3x			
Laboratory Corp. of America Holdings	90.13	11.5%	22.9%	92.98	71.58	9,166	2,188	231	11,292	5,004	1,078	1,006	Dec-10	Dec-10	5,534	1,305	1,072	2.3x	10.4x	2.0x	8.7x			
Quest Diagnostics Inc.	56.75	14.5%	0.0%	60.28	40.80	9,714	2,990	449	12,275	7,369	1,588	1,334	Dec-10	Dec-10	7,461	1,604	1,330	1.7x	7.6x	1.6x	7.7x			
Number of Companies	4	Median:	13.0%	2.8%	Total	\$19,904												1.6x	8.8x	1.6x	8.1x			
		Mean:	16.2%	1.3%					\$6,118						\$13,736			1.7x	8.6x	1.6x	8.1x			
Contract Pharma Manufacturing																								
Akorn Inc.	\$5.59	1.6%	267.8%	\$6.50	\$1.36	\$524	\$10	\$42	\$521	\$86	\$16	\$11	Dec-10	Dec-10	\$103	\$25	\$17	6.5x	34.6x	5.1x	20.8x			
Cambrex Corp.	5.48	30.5%	45.4%	6.78	2.85	162	116	30	248	227	44	23	Dec-10	Dec-10	238	NA	NA	1.1x	5.6x	1.0x	NA			
Integrated Biopharma Inc.	0.19	85.0%	137.2%	0.26	0.03	4	12	2	15	39	(2)	(2)	Dec-10	Jun-10	NA	NA	NA	0.4x	NM	NA	NA			
King Pharmaceuticals Inc.	14.24	0.5%	26.6%	14.26	7.18	3,560	350	698	3,211	1,565	349	150	Sep-10	Dec-09	1,478	385	278	2.1x	9.2x	2.2x	8.3x			
Patheon Inc.	2.75	19.1%	(0.7%)	2.88	2.08	355	280	54	592	671	90	34	Oct-10	Oct-10	716	106	42	0.8x	6.3x	0.8x	5.6x			
West Pharmaceutical Services, Inc.	41.11	6.6%	5.5%	44.84	32.74	1,369	378	0	1,645	1,105	178	107	Dec-10	Dec-10	1,158	195	119	1.5x	9.0x	1.4x	8.4x			
Number of Companies	6	Median:	12.9%	36.0%	Total	\$5,974												1.3x	9.0x	1.4x	8.4x			
		Mean:	23.9%	80.3%					\$1,039						\$3,693			2.1x	12.9x	2.1x	10.8x			
Contract Research Organizations																								
Albany Molecular Research Inc.	\$4.52	(12.9%)	(49.7%)	\$9.48	\$4.26	\$137	\$13	\$41	\$108	\$198	\$6	(\$12)	Dec-10	Dec-10	\$213	\$6	(\$13)	0.5x	19.0x	0.5x	18.4x			
Charles River Laboratories International, Inc.	36.44	11.0%	(3.9%)	41.65	26.82	2,058	701	179	2,571	1,133	245	151	Dec-10	Dec-10	1,134	266	188	2.3x	10.5x	2.3x	9.7x			
Covance Inc.	56.43	21.9%	(0.3%)	63.53	37.44	3,409	133	377	3,164	2,038	288	185	Dec-10	Dec-10	2,033	322	217	1.6x	11.0x	1.6x	9.8x			
ICON plc	19.89	(2.3%)	(15.5%)	30.31	18.93	1,198	0	0	967	900	125	92	Dec-10	Dec-10	959	127	92	1.1x	7.7x	1.0x	7.6x			
Kendle International Inc.	11.90	23.2%	(30.1%)	19.67	7.68	178	132	16	293	471	31	15	Sep-10	Dec-09	336	31	15	0.6x	9.6x	0.9x	9.4x			
Parexel International Corp.	23.47	21.2%	16.5%	25.64	16.80	1,375	287	88	1,575	1,397	178	116	Dec-10	Jun-10	1,226	180	116	1.1x	8.8x	1.3x	8.8x			
Pharmaceutical Product Development Inc.	27.47	8.4%	30.4%	30.36	20.98	3,165	0	0	2,634	1,471	254	187	Dec-10	Dec-10	1,521	337	273	1.8x	10.4x	1.7x	7.8x			
Number of Companies	7	Median:	11.0%	(3.9%)	Total	\$11,520												1.1x	10.4x	1.3x	9.4x			
		Mean:	10.1%	(7.5%)					\$1,616						\$7,609			1.3x	11.0x	1.3x	10.2x			
Disease Management																								
Alere Inc.	\$38.64	22.5%	(1.0%)	\$40.93	\$25.36	\$3,279	\$2,399	\$401	\$5,274	\$2,155	\$453	\$86	Dec-10	Dec-10	\$2,326	\$636	\$522	2.4x	11.4x	2.3x	8.3x			
Celera Corporation	6.36	11.2%	6.2%	7.72	5.35	522	0	36	206	135	(19)	(35)	Sep-10	Dec-09	131	(23)	(36)	1.5x	NM	1.6x	(9.1x)			
Healthways Inc.	13.97	40.0%	(7.0%)	17.83	9.50	475	247	1	722	720	154	101	Dec-10	Dec-10	691	122	69	1.0x	4.7x	1.0x	5.9x			
Number of Companies	3	Median:	22.5%	(1.0%)	Total	\$4,276												1.5x	8.0x	1.6x	5.9x			
		Mean:	24.6%	(0.6%)					\$2,067						\$3,147			1.7x	8.0x	1.6x	1.7x			
Emergency Services																								
Air Methods Corp.	\$58.04	18.6%	118.1%	\$60.26	\$25.99	\$728	\$111	\$46	\$793	\$529	\$80	\$56	Sep-10	Dec-09	\$553	\$95	\$70	1.5x	9.9x	1.4x	8.4x			
Emergency Medical Services Corp.	63.15	24.4%	21.3%	70.94	42.27	2,791	421	287	2,925	2,859	314	246	Dec-10	Dec-10	3,129	359	286	1.0x	9.3x	0.9x	8.2x			
Number of Companies	2	Median:	21.5%	69.7%	Total	\$3,519												1.3x	9.6x	1.2x	8.3x			
		Mean:	21.5%	69.7%					\$1,859						\$3,681			1.3x	9.6x	1.2x	8.3x			
Health Care Staffing																								
AMN Healthcare Services Inc.	\$7.47	31.5%	(19.0%)	\$10.00	\$4.14	\$292	\$221	\$2	\$539	\$614	\$32	\$19	Sep-10	Dec-09	\$682	\$36	\$22	0.9x	16.7x	0.8x	14.9x			
Cross Country Healthcare, Inc.	8.32	10.1%	(15.4%)	11.03	6.62	259	55	9	304	479	25	13	Sep-10	Dec-09	470	24	11	0.6x	12.1x	0.6x	12.8x			
On Assignment Inc.	10.50	46.4%	59.3%	10.87	4.17	384	67	18	432	438	27	19	Dec-10	Dec-10	513	40	33	1.0x	16.2x	0.8x	10.7x			
Team Health Holdings, Inc.	18.49	23.4%	27.5%	20.29	11.55	1,192	404	30	1,566	2,671	167	140	Dec-10	Dec-10	1,655	174	145	0.6x	9.4x	0.9x	9.0x			
Number of Companies	4	Median:	27.5%	6.1%	Total	\$2,127												0.8x	14.1x	0.8x	11.7x			
		Mean:	27.9%	13.1%					\$710						\$4,202			0.8x	13.6x	0.8x	11.8x			

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			
	2/28/2011	% 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.	\$37.36	24.0%	24.6%	\$38.64	\$25.00	\$14,365	\$4,593	\$1,868	\$17,091	\$34,246	\$3,234	\$2,790	Dec-10	Dec-10	\$33,608	\$2,695	\$2,453	0.5x	5.2x	0.5x	6.3x		
CIGNA Corporation	42.07	16.2%	22.8%	44.00	29.12	11,411	2,852	1,605	12,676	21,235	2,264	2,071	Dec-10	Dec-10	21,644	2,290	1,900	0.6x	8.1x	0.6x	5.5x		
Coventry Health Care Inc.	30.20	16.6%	30.3%	32.05	16.61	4,523	1,599	1,854	4,269	11,588	1,108	967	Dec-10	Dec-10	12,132	821	692	0.4x	3.9x	0.4x	5.2x		
Health Net Inc.	29.42	10.8%	27.4%	31.67	12.90	2,745	399	304	2,840	13,620	368	333	Dec-10	Dec-10	12,163	460	428	0.2x	7.7x	0.2x	6.2x		
HealthSpring Inc.	37.64	36.3%	104.5%	38.75	14.66	2,177	647	191	2,632	3,136	363	330	Dec-10	Dec-10	5,375	437	391	0.8x	7.2x	0.5x	6.0x		
Humana Inc.	65.01	14.5%	37.4%	67.00	43.05	10,957	2,134	1,673	11,418	33,868	2,118	1,855	Dec-10	Dec-10	36,557	1,880	1,699	0.3x	5.4x	0.3x	6.1x		
UnitedHealth Group, Inc.	42.58	18.7%	25.8%	44.33	27.13	46,570	11,246	9,123	48,693	94,155	8,751	8,036	Dec-10	Dec-10	100,795	7,788	6,762	0.5x	5.6x	0.5x	6.3x		
WellPoint Inc.	66.47	16.4%	7.4%	67.95	46.52	24,960	9,855	1,789	33,027	58,802	5,395	4,794	Dec-10	Dec-10	59,303	4,437	4,010	0.6x	6.1x	0.6x	7.4x		
Number of Companies	8	Median:	16.5%	26.6%	Total	\$117,709				\$270,649					\$281,576			0.5x	5.8x	0.5x	6.1x		
		Mean:	19.2%	35.0%					\$16,581									0.5x	6.1x	0.4x	6.1x		
Government:																							
AMERIGROUP Corporation	\$57.35	29.5%	118.2%	\$58.98	\$26.47	\$2,839	\$246	\$764	\$2,321	\$5,802	\$463	\$449	Dec-10	Dec-10	\$6,289	\$370	\$333	0.4x	5.0x	0.4x	6.3x		
Centene Corp.	30.47	31.7%	70.5%	30.70	17.71	1,513	331	434	1,412	4,464	214	172	Dec-10	Dec-10	5,137	251	206	0.3x	6.6x	0.3x	5.6x		
Molina Healthcare Inc.	35.03	36.3%	63.8%	35.84	21.37	1,062	164	456	770	4,086	174	114	Dec-10	Dec-10	4,647	178	125	0.2x	4.4x	0.2x	4.3x		
WellCare Health Plans, Inc.	37.55	33.3%	40.6%	39.43	22.25	1,596	8	1,360	245	5,440	184	160	Dec-10	Dec-10	5,841	244	220	0.0x	1.3x	0.0x	1.0x		
Number of Companies	4	Median:	32.5%	67.2%	Total	\$7,009				\$19,792					\$21,914			0.3x	4.7x	0.2x	5.0x		
		Mean:	32.7%	73.3%					\$1,187									0.2x	4.3x	0.2x	4.3x		
Information Services																							
Data/Analytics:																							
Accelrys Inc.	\$8.66	1.3%	38.8%	\$8.95	\$5.96	\$482	\$0	\$143	\$339	\$92	(\$4)	(\$11)	Sep-10	Mar-10	NA	NA	NA	3.7x	NM	NA	NA		
eResearchTechnology, Inc.	6.35	6.4%	5.0%	8.95	5.36	312	21	19	312	119	32	20	Sep-10	Dec-09	139	33	24	2.6x	9.8x	2.2x	9.5x		
National Research Corp.	32.71	16.4%	63.8%	35.33	20.02	218	2	4	216	63	18	14	Dec-10	Dec-10	74	NA	NA	3.4x	11.8x	2.9x	NA		
Number of Companies	3	Median:	6.4%	38.8%	Total	\$1,012				\$274					\$0			3.4x	10.8x	2.6x	9.5x		
		Mean:	8.0%	35.8%					\$289									3.2x	10.8x	2.6x	9.5x		
eHealth:																							
WebMD Health Corp.	\$8.00	11.7%	34.6%	\$8.53	\$2.70	\$3,474	0	401	3,074	\$35	140	113	Dec-10	Dec-10	\$628	\$216	\$159	5.8x	21.9x	5.8x	18.0x		
Number of Companies	1	Median:	11.7%	34.6%	Total	\$3,474				\$535					\$628			5.8x	21.9x	5.8x	18.0x		
		Mean:	11.7%	34.6%					\$3,074									5.8x	21.9x	5.8x	18.0x		
Hospital/Physician:																							
Alscripts Healthcare Solutions, Inc.	\$21.35	21.5%	19.3%	\$22.55	\$15.65	\$3,995	\$2	\$143	\$4,356	\$705	\$125	\$105	May-10	May-10	NA	NA	NA	6.2x	34.8x	NA	NA		
Athenahealth, Inc.	45.34	11.4%	23.1%	50.56	21.51	1,571	10	36	1,464	246	34	24	Dec-10	Dec-10	310	63	38	6.0x	43.1x	4.7x	23.4x		
Cerner Corp.	100.45	14.1%	21.1%	101.99	72.05	8,376	93	215	7,897	1,850	484	359	Jan-11	Jan-11	2,084	664	455	4.3x	16.3x	3.8x	11.9x		
Computer Programs & Systems Inc.	54.01	16.4%	50.3%	56.58	35.29	593	0	3	576	153	31	29	Dec-10	Dec-10	173	37	37	3.8x	18.5x	3.3x	15.5x		
HMS Holdings Corp.	75.56	18.7%	64.2%	77.43	44.55	2,099	0	95	2,005	303	83	67	Dec-10	Dec-10	375	111	87	6.6x	24.2x	5.3x	18.1x		
MedAssets, Inc.	14.17	(23.4%)	(34.5%)	25.08	13.88	828	970	47	1,751	391	103	48	Dec-10	Dec-10	607	193	83	4.5x	17.0x	2.9x	9.1x		
Merge Healthcare Incorporated.	5.01	27.5%	133.0%	5.36	1.92	417	195	39	573	140	24	6	Dec-10	Dec-10	235	54	43	4.1x	23.9x	2.4x	10.5x		
Quality Systems Inc.	79.90	25.5%	39.6%	80.99	52.90	2,315	0	118	2,197	335	92	86	Dec-10	Mar-10	351	107	93	6.6x	23.9x	6.3x	20.6x		
SXC Health Solutions, Corp.	49.15	21.4%	81.5%	53.48	26.57	3,037	0	321	2,709	1,948	111	95	Dec-10	Dec-10	3,450	165	143	1.4x	23.8x	0.8x	16.5x		
Transcend Services, Inc.	21.29	31.4%	9.1%	22.02	12.00	225	0	2	198	94	18	16	Dec-10	Dec-10	119	25	22	2.1x	11.1x	1.7x	7.8x		
Vital Images Inc.	14.99	11.3%	(5.4%)	16.92	12.20	210	0	88	76	60	2	(1)	Dec-10	Dec-10	64	5	(0)	1.3x	33.5x	1.2x	16.5x		
Number of Companies	11	Median:	18.7%	23.1%	Total	\$23,665				\$6,225					\$7,768			4.3x	23.9x	3.1x	16.0x		
		Mean:	16.0%	36.5%					\$2,164									4.2x	24.6x	3.2x	15.0x		

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	
	2/28/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
	3 mos.	12 mos.	High	Low																	
<i>Specialty Managed Care</i>																					
America Service Group Inc.	\$18.28	25.4%	22.2%	\$19.30	\$12.84	\$169	\$0	\$15	\$154	\$652	\$28	\$25	Sep-10	Dec-09	\$640	\$25	\$20	0.2x	5.5x	0.2x	6.3x
Assurant Inc.	40.63	15.6%	33.1%	41.90	30.36	4,060	1,100	1,151	4,010	8,528	1,100	973	Dec-10	Dec-10	8,295	NA	862	0.5x	3.6x	0.5x	NA
CorVel Corporation	49.50	7.4%	53.7%	50.67	32.04	575	0	16	560	368	59	47	Dec-10	Mar-10	375	NA	NA	1.5x	9.5x	1.5x	NA
Number of Companies	3	Median:	15.6%	33.1%	Total	\$4,805				\$9,548					\$9,310			0.5x	5.5x	0.5x	6.3x
		Mean:	16.1%	36.3%					\$1,575									0.7x	6.2x	0.7x	6.3x
<i>Specialty Pharmacy Management</i>																					
BioScrip Inc.	\$4.22	3.2%	(42.9%)	\$9.84	\$4.00	\$227	\$319	\$51	\$494	\$1,530	\$36	\$27	Sep-10	Dec-09	\$1,638	\$55	\$34	0.3x	13.7x	0.3x	9.0x
Express Scripts Inc.	56.22	7.1%	17.1%	58.77	37.75	29,700	2,494	524	31,670	44,973	2,415	2,194	Dec-10	Dec-10	46,663	2,947	2,737	0.7x	13.1x	0.7x	10.7x
Catalyst Health Solutions, Inc.	45.21	2.3%	20.0%	48.57	31.40	2,034	150	0	2,051	3,764	146	133	Dec-10	Dec-10	4,717	185	163	0.5x	14.0x	0.4x	11.1x
Omnicare Inc.	28.63	25.0%	5.8%	30.63	19.14	3,346	2,185	494	5,037	6,146	642	490	Dec-10	Dec-10	6,125	625	488	0.8x	7.8x	0.8x	8.1x
PharMerica Corporation	11.75	6.5%	(31.5%)	20.95	6.88	345	246	11	580	1,847	79	50	Dec-10	Dec-10	2,102	81	48	0.3x	7.4x	0.3x	7.2x
Number of Companies	5	Median:	6.5%	5.8%	Total	\$35,652				\$58,261					\$61,245			0.5x	13.1x	0.4x	9.0x
		Mean:	8.8%	(6.3%)					\$7,967									0.5x	11.2x	0.5x	9.2x

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				
	2/28/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
		3 mos.	12 mos.	High	Low																			
Dental Products																								
3M Co.	\$92.23	9.3%	15.1%	\$93.65	\$67.98	\$65,650	\$5,558	\$3,377	\$67,084	\$26,662	\$7,038	\$5,918	Dec-10	Dec-10	\$29,465	\$7,794	\$6,605	2.5x	9.5x	2.3x	8.6x			
Danaher Corp.	50.60	15.1%	36.8%	52.21	35.24	33,355	2,825	1,633	34,608	13,203	2,595	2,198	Dec-10	Dec-10	14,306	3,027	2,565	2.6x	13.2x	2.4x	11.4x			
DENTSPLY International Inc.	37.37	19.7%	12.9%	38.15	27.76	5,312	786	540	5,629	2,221	458	391	Dec-10	Dec-10	2,294	484	415	2.5x	12.3x	2.5x	11.6x			
Sirona Dental Systems Inc.	50.46	31.4%	40.6%	52.08	29.55	2,797	368	265	2,903	791	205	129	Dec-10	Sep-10	847	243	183	3.7x	14.2x	3.4x	11.9x			
Young Innovations Inc.	31.67	(0.6%)	18.2%	33.40	22.86	251	6	1	257	103	27	23	Dec-10	Dec-10	107	29	24	2.5x	9.4x	2.4x	8.9x			
Number of Companies	5	Median:	15.1%	18.2%	Total	\$107,365				\$42,980					\$47,019			2.5x	12.3x	2.4x	11.4x			
		Mean:	15.0%	24.7%					\$22,096									2.8x	11.7x	2.6x	10.5x			
Durable Medical Equipment																								
Hill-Rom Holdings, Inc.	\$38.07	(4.7%)	45.1%	\$44.00	\$26.12	\$2,402	\$158	\$182	\$2,378	\$1,489	\$282	\$199	Dec-10	Sep-10	\$1,554	\$317	\$219	1.6x	8.4x	1.5x	7.5x			
Invacare Corporation	29.57	8.3%	8.4%	30.92	19.58	958	246	48	1,156	1,722	134	98	Dec-10	Dec-10	1,738	NA	104	0.7x	8.6x	0.7x	NA			
ResMed Inc.	31.60	(1.8%)	10.7%	35.90	28.54	4,845	64	616	4,293	1,158	333	268	Dec-10	Jun-10	1,238	354	285	3.7x	12.9x	3.5x	12.1x			
Steris Corp.	33.85	(2.9%)	7.1%	38.16	28.07	2,009	210	192	2,027	1,162	139	85	Dec-10	Mar-10	1,284	283	198	1.7x	14.6x	1.6x	7.2x			
Number of Companies	4	Median:	(2.4%)	9.6%	Total	\$10,214				\$5,531					\$5,814			1.7x	10.8x	1.6x	7.5x			
		Mean:	(0.3%)	17.8%					\$2,463									1.9x	11.1x	1.8x	8.9x			
Life Sciences Tools																								
Agilent Technologies Inc.	\$42.08	15.8%	33.8%	\$45.42	\$26.68	\$14,658	\$2,139	\$2,638	\$14,166	\$5,750	\$1,075	\$849	Jan-11	Oct-10	\$6,397	\$1,414	\$1,197	2.5x	13.2x	2.2x	10.0x			
Beckman Coulter Inc.	83.13	49.9%	26.8%	83.22	43.95	5,924	1,342	376	6,726	3,663	797	431	Dec-10	Dec-10	3,809	824	473	1.8x	8.4x	1.8x	8.2x			
Becton, Dickinson and Company	80.00	2.4%	2.7%	85.90	66.47	17,689	2,720	1,249	18,155	7,346	2,159	1,658	Dec-10	Sep-10	7,651	2,276	1,750	2.5x	8.4x	2.4x	8.0x			
Life Technologies Corporation	53.37	5.0%	5.1%	57.25	41.10	9,607	3,075	814	11,849	3,588	1,125	727	Dec-10	Dec-10	3,827	1,361	1,128	3.3x	10.4x	3.1x	8.7x			
Number of Companies	4	Median:	10.4%	16.0%	Total	\$47,878				\$20,347					\$21,684			2.5x	9.4x	2.3x	8.4x			
		Mean:	18.2%	17.1%					\$12,724									2.5x	10.1x	2.4x	8.7x			
Medical Devices and Products																								
Abbott Laboratories	\$48.10	2.8%	(11.4%)	\$55.55	\$44.59	\$74,439	\$18,954	\$3,648	\$88,030	\$35,167	\$9,604	\$6,980	Dec-10	Dec-10	\$38,104	\$11,469	\$8,912	2.5x	9.2x	2.3x	7.7x			
American Medical Systems Holdings Inc.	21.91	18.4%	20.9%	24.12	17.42	1,683	315	16	1,920	542	176	155	Jan-11	Jan-11	566	186	168	3.5x	10.9x	3.4x	10.3x			
ArthroCare Corporation	34.49	13.1%	29.8%	34.50	24.65	939	0	133	880	355	78	54	Dec-10	Dec-10	374	93	65	2.5x	11.2x	2.4x	9.5x			
Baxter International Inc.	53.15	6.8%	(6.6%)	60.24	40.25	30,796	4,387	2,685	32,727	12,843	3,515	2,830	Dec-10	Dec-10	13,396	3,860	3,176	2.5x	9.3x	2.4x	8.5x			
Boston Scientific Corporation	7.16	8.8%	(7.5%)	8.03	5.04	10,907	5,438	213	16,132	7,806	1,862	1,046	Dec-10	Dec-10	7,690	1,717	989	2.1x	8.7x	2.1x	9.4x			
CR Bard Inc.	97.76	15.0%	16.7%	99.00	75.16	8,314	977	641	8,650	2,720	866	761	Dec-10	Dec-10	2,905	926	816	3.2x	10.0x	3.0x	9.3x			
Hanger Orthopedic Group Inc.	26.90	40.3%	44.2%	27.99	13.01	893	408	0	1,205	817	121	103	Dec-10	Dec-10	945	152	123	1.5x	10.0x	1.3x	7.9x			
Hologic Inc.	20.18	21.7%	17.0%	20.90	13.22	5,263	1,435	608	6,090	1,700	603	309	Dec-10	Sep-10	1,758	659	534	3.6x	10.1x	3.5x	9.2x			
Hospira Inc.	52.85	(6.7%)	1.0%	60.49	48.69	8,807	1,748	604	9,951	3,917	828	597	Dec-10	Dec-10	4,165	1,152	932	2.5x	11.8x	2.4x	8.6x			
Johnson & Johnson	61.44	(1.4%)	(2.5%)	66.20	56.86	168,052	16,773	19,355	157,167	61,587	19,466	16,527	Jan-11	Jan-11	63,826	20,058	16,972	2.6x	8.1x	2.5x	7.8x			
Medtronic, Inc.	39.92	18.0%	(8.0%)	46.35	30.80	42,853	10,758	1,283	50,144	15,834	5,970	5,104	Jan-11	Apr-10	15,926	5,804	4,999	3.2x	8.4x	3.1x	8.6x			
Stryker Corp.	63.26	22.9%	19.1%	63.42	42.74	24,750	1,022	1,758	21,392	7,320	2,285	1,875	Dec-10	Dec-10	8,163	2,464	2,039	2.9x	9.4x	2.6x	8.7x			
Thermo Fisher Scientific, Inc.	55.82	8.5%	14.5%	58.16	41.74	21,804	2,137	917	23,015	10,789	2,125	1,355	Dec-10	Dec-10	11,429	2,499	2,075	2.1x	10.8x	2.0x	9.2x			
Zimmer Holdings, Inc.	62.34	24.4%	8.7%	65.22	46.27	11,977	1,142	669	12,185	4,220	1,497	1,157	Dec-10	Dec-10	4,405	1,656	1,287	2.9x	8.1x	2.8x	7.4x			
Number of Companies	14	Median:	14.0%	11.6%	Total	\$411,477				\$165,618					\$173,652			2.6x	9.7x	2.5x	8.7x			
		Mean:	13.8%	9.7%					\$30,678									2.7x	9.7x	2.6x	8.7x			
Medical / Surgical / Dental Supplies																								
AmerisourceBergen Corporation	\$37.91	22.7%	35.2%	\$37.95	\$27.09	\$10,391	\$1,403	\$1,401	\$10,393	\$78,507	\$1,196	\$1,092	Dec-10	Sep-10	\$80,185	\$1,255	\$1,156	0.1x	8.7x	0.1x	8.3x			
Cardinal Health, Inc.	41.64	16.1%	22.6%	43.00	29.69	14,564	2,670	1,348	15,886	98,612	1,724	1,454	Dec-10	Jun-10	101,676	1,822	1,522	0.2x	9.2x	0.2x	8.7x			
Henry Schein Inc.	68.98	19.5%	21.4%	69.93	50.96	6,339	441	150	6,935	7,527	635	533	Dec-10	Dec-10	7,981	680	576	0.9x	10.8x	0.9x	10.2x			
McKesson Corporation	79.28	22.9%	34.0%	81.00	57.81	20,158	4,062	3,213	21,007	109,874	2,443	2,034	Dec-10	Mar-10	111,610	2,652	2,167	0.2x	8.6x	0.2x	7.9x			
Owens & Minor Inc.	31.20	7.9%	4.8%	32.80	25.68	1,980	209	159	2,030	8,124	225	196	Dec-10	Dec-10	8,417	255	224	0.2x	9.0x	0.2x	8.0x			
Patterson Companies Inc.	33.38	10.9%	12.5%	34.40	24.13	4,098	525	388	4,235	3,345	414	372	Jan-11	Apr-10	3,382	416	376	1.3x	10.2x	1.3x	10.2x			
PSS World Medical Inc.	26.02	22.7%	23.4%	26.02	18.15	1,440	195	37	1,602	1,982	157	127	Dec-10	Apr-10	2,001	162	131	0.8x	10.2x	0.8x	9.9x			
Number of Companies	7	Median:	19.5%	22.6%	Total	\$58,969				\$307,969					\$315,251			0.2x	9.2x	0.2x	8.7x			
		Mean:	17.5%	22.0%					\$8,870									0.5x	9.5x	0.5x	9.0x			

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				
	2/28/2011	% 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.	\$40.87	26.8%	19.3%	\$42.30	\$25.63	\$3,791	\$8,872	\$299	\$12,812	\$12,987	\$1,725	\$1,115	Dec-10	Dec-10	\$14,091	\$1,862	\$1,184	1.0x	7.2x	0.9x	6.9x			
Health Management Associates Inc.	10.00	15.9%	37.2%	10.19	6.13	2,518	3,234	102	5,605	5,115	742	490	Dec-10	Dec-10	5,741	804	537	1.1x	7.6x	1.0x	7.0x			
Lifepoint Hospitals Inc.	38.98	7.5%	27.8%	39.97	29.33	2,007	1,580	207	3,399	3,262	517	352	Dec-10	Dec-10	3,519	529	366	1.0x	6.6x	1.0x	6.4x			
Tenet Healthcare Corp.	7.18	70.5%	36.2%	7.27	3.92	3,489	4,064	405	7,534	9,205	1,050	656	Dec-10	Dec-10	9,678	1,173	761	0.8x	7.2x	0.8x	6.4x			
Universal Health Services Inc.	45.71	11.6%	47.4%	46.72	30.51	4,446	3,916	29	8,589	5,568	730	506	Dec-10	Dec-10	7,568	1,129	822	1.6x	11.8x	1.1x	7.6x			
Number of Companies	5	Median:	15.9%	36.2%	Total	\$16,251				\$36,137					\$40,596			1.0x	7.2x	1.0x	6.9x			
		Mean:	26.5%	33.6%					\$7,588									1.1x	8.1x	1.0x	6.9x			
Assisted Living																								
Assisted Living Concepts Inc.	\$35.95	16.9%	29.9%	\$37.48	\$26.15	\$418	\$134	\$37	\$511	\$232	\$57	\$35	Sep-10	Dec-09	\$233	\$58	\$36	2.2x	9.0x	2.2x	8.8x			
Brookdale Senior Living Inc.	26.89	40.9%	49.6%	26.97	12.66	3,241	2,499	82	5,658	2,213	373	80	Dec-10	Dec-10	2,334	423	111	2.6x	15.2x	2.4x	13.4x			
Capital Senior Living Corp.	8.39	24.3%	81.6%	8.58	4.34	227	178	33	372	201	31	17	Sep-10	Dec-09	211	32	NA	1.9x	12.1x	1.8x	11.8x			
Emeritus Corp.	23.53	31.9%	34.2%	24.14	14.55	1,025	1,600	43	2,585	953	145	56	Sep-10	Dec-09	1,007	199	61	2.7x	17.9x	2.6x	13.0x			
Five Star Quality Care Inc.	7.02	12.5%	130.2%	7.57	2.72	253	46	21	264	1,241	42	26	Dec-10	Dec-10	1,282	NA	47	0.2x	7.3x	0.2x	NA			
Skilled Healthcare Group, Inc.	13.71	112.6%	111.9%	13.94	1.43	518	520	4	1,034	820	119	94	Dec-10	Dec-10	893	141	113	1.3x	8.5x	1.2x	7.4x			
Sunrise Senior Living Inc.	11.39	208.7%	189.8%	11.44	2.18	643	163	67	744	1,407	72	31	Dec-10	Dec-10	417	NA	NA	0.5x	16.2x	1.8x	NA			
Number of Companies	7	Median:	31.9%	81.6%	Total	\$6,325				\$7,067					\$6,377			1.9x	12.1x	1.8x	11.8x			
		Mean:	64.0%	89.6%					\$1,595									1.6x	12.3x	1.7x	10.9x			
Diagnostic Imaging																								
Alliance Healthcare Services, Inc.	\$4.14	7.0%	(17.0%)	\$5.98	\$3.32	\$219	\$656	\$104	\$783	\$481	\$150	\$44	Sep-10	Dec-09	\$478	\$154	\$41	1.6x	5.1x	1.6x	5.1x			
RadNet, Inc.	3.35	21.8%	57.3%	4.20	1.80	124	518	24	617	535	92	38	Sep-10	Dec-09	543	99	38	1.2x	6.2x	1.1x	6.2x			
Varian Medical Systems Inc.	69.28	5.7%	41.5%	72.19	35.50	8,317	23	704	7,637	2,396	601	552	Dec-10	Oct-10	2,584	666	608	3.2x	12.7x	3.0x	11.5x			
Number of Companies	3	Median:	7.0%	41.5%	Total	\$8,659				\$3,411					\$3,605			1.6x	6.2x	1.6x	6.2x			
		Mean:	11.5%	27.2%					\$3,012									2.0x	8.0x	1.9x	7.6x			
Dialysis Services																								
DaVita, Inc.	\$79.37	9.6%	28.8%	\$80.42	\$56.58	\$7,620	\$4,309	\$860	\$11,487	\$6,447	\$1,222	\$988	Dec-10	Dec-10	\$6,701	\$1,249	\$1,006	1.8x	9.3x	1.7x	9.2x			
Fresenius Medical Care AG & Co. KGAA	66.31	7.0%	25.3%	67.18	52.48	20,003	6,004	523	26,088	12,053	2,427	1,924	Dec-10	Dec-10	12,891	2,593	2,062	2.1x	10.4x	2.0x	10.1x			
Number of Companies	2	Median:	8.3%	27.0%	Total	\$27,623				\$18,501					\$19,592			1.9x	9.9x	1.9x	9.6x			
		Mean:	8.3%	27.0%					\$18,787									1.9x	9.9x	1.9x	9.6x			
Home Care / Hospice																								
Addus HomeCare Corp.	\$4.49	8.5%	(43.2%)	\$8.90	\$2.80	\$48	\$51	\$1	\$98	\$267	\$15	\$10	Sep-10	Dec-09	\$272	\$16	\$12	0.4x	6.6x	0.4x	6.2x			
Almost Family Inc.	39.00	9.8%	8.2%	44.12	23.50	365	3	48	320	337	55	52	Dec-10	Dec-10	359	51	49	1.0x	5.8x	0.9x	6.3x			
Amedysys Inc.	35.92	23.9%	(37.7%)	64.28	22.82	1,059	182	120	1,123	1,634	239	207	Dec-10	Dec-10	1,624	194	158	0.7x	4.6x	0.7x	5.8x			
Gentiva Health Services Inc.	28.23	16.9%	1.9%	30.88	18.93	843	1,052	105	1,790	1,447	154	132	Dec-10	Dec-10	1,939	260	227	1.2x	11.5x	0.9x	6.9x			
LHC Group, Inc.	29.86	13.1%	(0.8%)	37.49	19.61	558	4	7	570	608	105	97	Sep-10	Dec-09	631	100	97	0.9x	5.4x	0.9x	5.7x			
Lincare Holdings Inc.	29.34	12.9%	9.6%	33.45	22.55	2,824	495	164	3,115	1,669	451	334	Dec-10	Dec-10	1,788	486	364	1.9x	6.9x	1.7x	6.4x			
Chemed Corp.	65.44	7.2%	22.2%	65.88	48.74	1,382	159	50	1,492	1,281	175	146	Dec-10	Dec-10	1,365	195	166	1.2x	8.5x	1.1x	7.7x			
Number of Companies	7	Median:	12.9%	1.9%	Total	\$7,080				\$7,244					\$7,978			1.0x	6.6x	0.9x	6.3x			
		Mean:	13.2%	(5.7%)					\$1,215									1.0x	7.1x	0.9x	6.4x			
Long-Term Care																								
The Ensign Group, Inc.	\$30.41	45.3%	82.5%	\$31.74	\$15.01	\$634	\$143	\$72	\$704	\$650	\$92	\$76	Dec-10	Dec-10	\$752	\$112	\$90	1.1x	7.6x	0.9x	6.3x			
Kindred Healthcare Inc.	24.92	58.6%	43.1%	25.79	11.50	984	366	17	1,256	4,360	206	84	Dec-10	Dec-10	4,730	268	129	0.3x	6.1x	0.3x	4.7x			
National Healthcare Corp.	47.60	12.8%	29.4%	48.20	33.02	649	29	0	413	716	85	58	Dec-10	Dec-10	780	NA	NA	0.6x	4.6x	0.5x	NA			
Sun Healthcare Group Inc.	14.70	47.4%	0.0%	15.01	9.37	367	450	138	678	1,898	120	72	Sep-10	Dec-09	1,908	164	117	0.4x	5.6x	0.4x	4.1x			
Number of Companies	4	Median:	46.4%	36.2%	Total	\$2,634				\$7,623					\$8,169			0.5x	5.9x	0.4x	4.7x			
		Mean:	41.0%	38.7%					\$763									0.6x	6.0x	0.5x	5.0x			

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				
	2/28/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
		3 mos.	12 mos.	High	Low																			
<u>Physician Practice Management</u>																								
Multispecialty / Primary Care:																								
Continuare Corp.	\$5.66	18.9%	35.7%	\$5.75	\$3.25	\$343	\$0	\$38	\$305	\$319	\$42	\$38	Dec-10	Jun-10	\$324	\$43	\$42	1.0x	7.3x	0.9x	7.1x			
IPC The Hospitalist Company, Inc.	40.80	25.6%	23.4%	41.23	21.17	663	0	49	614	348	39	37	Sep-10	Dec-09	362	41	38	1.8x	15.6x	1.7x	14.9x			
Number of Companies	2	Median:	22.3%	29.6%	Total	\$1,006				\$667					\$686			1.4x	11.4x	1.3x	11.0x			
		Mean:	22.3%	29.6%					\$459									1.4x	11.4x	1.3x	11.0x			
Specialty:																								
Integramed America Inc.	\$10.16	18.8%	31.1%	\$11.04	\$7.57	\$119	\$15	\$50	\$84	\$243	\$15	\$9	Dec-10	Dec-10	\$277	\$19	\$10	0.3x	5.4x	0.3x	4.5x			
MEDNAX, Inc.	64.93	7.2%	21.4%	70.17	44.83	3,116	147	26	3,219	1,402	335	314	Dec-10	Dec-10	1,586	386	362	2.3x	9.6x	2.0x	8.3x			
Number of Companies	2	Median:	13.0%	26.2%	Total	\$3,235				\$1,645					\$1,863			1.3x	7.5x	1.2x	6.4x			
		Mean:	13.0%	26.2%					\$1,651									1.3x	7.5x	1.2x	6.4x			
Dental:																								
American Dental Partners, Inc.	\$12.85	4.3%	(1.2%)	\$14.23	\$10.05	\$198	\$107	\$8	\$298	\$282	\$51	\$27	Sep-10	Dec-09	\$286	\$49	\$27	1.1x	5.9x	1.0x	6.1x			
Birner Dental Management Services Inc.	19.23	14.6%	26.5%	20.00	14.94	36	4	1	39	63	5	3	Sep-10	Dec-09	NA	NA	NA	0.6x	7.2x	NA	NA			
Number of Companies	2	Median:	9.5%	12.7%	Total	\$234				\$345					\$286			0.8x	6.5x	1.0x	6.1x			
		Mean:	9.5%	12.7%					\$169									0.8x	6.5x	1.0x	6.1x			
<u>Psychiatric Hospitals / Management</u>																								
Magellan Health Services Inc.	\$47.98	(2.2%)	14.5%	\$51.53	\$34.59	\$1,586	\$1	\$0	\$1,220	\$2,969	\$276	\$221	Dec-10	Dec-10	\$2,884	\$245	\$182	0.4x	4.4x	0.4x	5.0x			
Providence Service Corp.	16.41	(1.2%)	35.5%	18.57	11.32	212	186	65	341	876	74	62	Sep-10	Dec-09	885	70	58	0.4x	4.6x	0.4x	4.9x			
Universal Health Services Inc.	45.71	11.6%	47.4%	46.72	30.51	4,446	3,916	29	8,589	5,568	730	506	Dec-10	Dec-10	7,568	1,129	822	1.6x	11.8x	1.1x	7.6x			
Number of Companies	3	Median:	(1.2%)	35.5%	Total	\$6,244				\$9,414					\$11,337			0.4x	4.6x	0.4x	5.0x			
		Mean:	2.7%	32.4%					\$3,383									0.8x	6.9x	0.6x	5.8x			
<u>Surgicenters / Rehabilitation</u>																								
Surgery Centers:																								
AmSurg Corp.	\$23.63	26.7%	14.4%	\$23.96	\$16.35	\$740	\$290	\$34	\$1,156	\$710	\$254	\$229	Dec-10	Dec-10	\$756	\$249	\$242	1.6x	4.5x	1.5x	4.6x			
Lifepoint Hospitals Inc.	38.98	7.5%	27.8%	39.97	29.33	2,007	1,580	207	3,399	3,262	517	352	Dec-10	Dec-10	3,519	529	366	1.0x	6.6x	1.0x	6.4x			
Number of Companies	2	Median:	17.1%	21.1%	Total	\$2,747				\$3,973					\$4,275			1.3x	5.6x	1.2x	5.5x			
		Mean:	17.1%	21.1%					\$2,277									1.3x	5.6x	1.2x	5.5x			
Rehabilitation / Long Term Acute Care:																								
HEALTHSOUTH Corp.	\$24.21	32.2%	39.9%	\$24.57	\$16.20	\$2,260	\$1,511	\$48	\$4,192	\$1,999	\$424	\$348	Dec-10	Dec-10	\$2,102	\$452	\$374	2.1x	9.6x	2.0x	9.3x			
Rehabcare Group Inc.	37.15	82.0%	33.4%	37.61	15.88	926	391	23	1,314	1,329	164	134	Dec-10	Dec-10	1,425	181	149	1.0x	8.0x	0.9x	7.3x			
Select Medical Holdings Corporation	7.80	27.9%	(4.8%)	9.05	5.62	1,256	1,438	15	2,710	2,326	310	241	Sep-10	Dec-09	2,388	327	257	1.2x	8.8x	1.1x	8.3x			
US Physical Therapy Inc.	19.77	4.4%	20.5%	21.00	15.30	230	0	10	229	208	37	32	Sep-10	Dec-09	210	32	30	1.1x	6.1x	1.1x	7.2x			
Number of Companies	4	Median:	30.0%	27.0%	Total	\$4,672				\$5,864					\$6,126			1.1x	8.4x	1.1x	7.8x			
		Mean:	36.6%	22.3%					\$2,111									1.3x	8.1x	1.3x	8.0x			

Announced U.S.
Healthcare and
Life Sciences
M&A

Announced	Target	Seller	Buyer	Enterprise Value (\$mm)	Enterprise Value			Private Equity Involvement
					Sales	EBITDA	EBIT	
2/28/2011	Diosynth RTP, Inc. and MSD Biologics (UK) Limited	Merck Ltd. (BSE:500126)	Fujifilm Corporation	-	-	-	-	No
2/28/2011	UCompareHealthCare, LLC	About.com, Inc.	MDX Medical Inc.	-	-	-	-	No
2/28/2011	Plexixon, Inc.	Pappas Ventures; Advanced Technology Ventures	Daichi Sankyo Company, Limited (TSE:4568)	\$935.0	-	-	-	No
2/28/2011	Focused Health Solutions, Inc.	Linden LLC	HealthFitness Corporation	-	-	-	-	Yes
2/25/2011	Community-General Hospital	-	Upstate Medical University	-	-	-	-	No
2/24/2011	Athena Diagnostics, Inc.	ADI Holding Company, Inc.	Quest Diagnostics Inc. (NYSE:DGX)	\$740.0	6.7x	-	-	No
2/24/2011	Michrom Bioresources, Inc.	-	Bruker Corporation (NasdaqGS:BRKR)	-	-	-	-	No
2/24/2011	Medical Learning, Inc.	-	Panacea Healthcare Solutions, Inc	-	-	-	-	No
2/24/2011	AdvanceMed Corporation	DynCorp; Computer Sciences Corporation (NYSE:CSC)	NCI Information Systems, Inc.	\$62.0	-	-	-	No
2/23/2011	DynaPep Corporation	-	Emerging Products Development Group (DB:WFI)	-	-	-	-	No
2/23/2011	Kentucky BioProcessing, LLC, Orphan Drug Designation	Kentucky BioProcessing, LLC	iBio, Inc. (AMEX:IBIO)	-	-	-	-	No
2/22/2011	Chris Thrash and Associates Harvington Media, Inc.	-	Don Miller & Associates, Inc.	-	-	-	-	No
2/22/2011	Clinical Data, Inc. (NasdaqGM:CLDA)	Third Security, LLC	Forest Laboratories Inc. (NYSE:FRX)	\$1,116.8	65.4x	-	-	No
2/22/2011	Carefix Corporation	CB Health Ventures, L.L.C.; Grayhawk Capital, LLC	Harris Corp. (NYSE:HRS)	\$155.0	-	-	-	Yes
2/22/2011	Divergence, Inc.	Prolog Ventures; St. Louis Arch Angels; Cultivian Ventures, LLC	Monsanto Co. (NYSE:MON)	-	-	-	-	No
2/22/2011	Tri-City Express Care, PLLC	-	Urgent Cares of America, Inc.	-	-	-	-	No
2/21/2011	Calistoga Pharmaceuticals, Inc.	Alta Partners; Frazier Healthcare Ventures	Gilead Sciences Limited	\$600.0	-	-	-	Yes
2/18/2011	Gateway EDI, Inc.	ABRY Partners, LLC	The Trizetto Group	-	-	-	-	Yes
2/18/2011	Craneware InSight, Inc.	Angel Healthcare Investors, LLC	Craneware plc (AIM:CRW)	\$19.5	-	-	-	No
2/18/2011	McAllister Software Systems, LLC and ImproMed, Inc.	-	Butler Schein Animal Health Supply, LLC	-	-	-	-	No
2/17/2011	Immediate Medical Care Center, P.A.	-	Concentra, Inc.	-	-	-	-	No
2/17/2011	Riverdale Animal Hospital and Charlinda Animal Hospital and Culver Pet Clinic	-	Entest Biomedical, Inc. (OTCPK:ENTB)	-	-	-	-	No
2/16/2011	Landmark Medical Center, Inc.	Landmark Health Systems, Inc.	RegionalCare Hospital Partners, Inc.	-	-	-	-	No
2/16/2011	Four Combination Senior Housing Facilities	-	Health Care REIT Inc. (NYSE:HCN)	\$141.0	-	-	-	No
2/16/2011	Express Dental Care, LLC	-	One Call Medical, Inc.	-	-	-	-	No
2/16/2011	PlanIT, Incorporated	-	Dohmen Investment Group, LLC	-	-	-	-	No
2/15/2011	US Seniors Housing Portfolio	GPT Group (ASX:GPT)	Health Care REIT Inc. (NYSE:HCN)	\$910.1	-	-	-	No
2/15/2011	Pharmalytica Services, LLC	-	NSF International	-	-	-	-	No
2/15/2011	Applied Metrics	-	Prime Health Services, Inc.	-	-	-	-	No
2/15/2011	ReVascular Therapeutics, Inc.	Adams Street Partners, LLC; Charter Life Sciences	Boston Scientific Corporation (NYSE:BSX)	-	-	-	-	Yes
2/15/2011	Atrium Medical Center	Premier Health Partners, Inc.	Medical Properties Trust Inc. (NYSE:MPW); Vibra Healthcare, LLC	-	-	-	-	No
2/14/2011	Ricerca Biosciences, LLC, Efficacy	Ricerca Biosciences, LLC	Numira Biosciences, Inc.	-	-	-	-	No
2/14/2011	ConFirm Monitoring Systems, Inc.	-	Crosstex International, Inc.	\$8.5	2.1x	-	-	No
2/14/2011	AdherenceRx, LLC	-	DrFirst Corporation	-	-	-	-	No
2/14/2011	Cardiology Associates P.C.	-	MedStar Health, Inc.	-	-	-	-	No
2/13/2011	Emergency Medical Services Corp. (NYSE:EMS)	Onex Corporation (TSX:OCX)	Clayton, Dubilier & Rice, Inc.	\$1,606.4	0.6x	5.1x	6.5x	Yes
2/12/2011	Synthrx, Inc.	-	Adventrx Pharmaceuticals, Inc.	\$35.5	-	-	-	No
2/11/2011	Glycosan BioSystems, Inc.	-	OrthoCyte Corporation	\$2.7	-	-	-	No
2/11/2011	SwedishAmerican Medical Group/Lundholm Orthopedics	-	Swedishamerican Health System Corporation	-	-	-	-	No
2/11/2011	NovaLign Orthopaedics, Inc., Certain Key	NovaLign Orthopaedics, Inc.	Sonoma Orthopedic Products, Inc.	-	-	-	-	No
2/11/2011	Kenneth B. Schwarz, D.D.S., Inc.	-	-	-	-	-	-	No
2/11/2011	ScriptSave	-	Monitor Clipper Partners, Inc.	-	-	-	-	Yes
2/11/2011	Fitwayvitamins, Inc., Prior To Merger With Chongqing Difa Investment Management Limited Company	-	Fitwayvitamins, Inc.	-	-	-	-	No
2/11/2011	Austin Provider Solutions, Inc.	-	Parthenon Capital Partners	-	-	-	-	Yes
2/10/2011	Noah's Ark Starr Animal Hospital, Inc.	-	Entest Biomedical, Inc. (OTCPK:ENTB)	\$0.3	0.7x	-	-	No
2/10/2011	Mercy Health Partners, Inc.	Catholic Healthcare Partners	Community Health Systems, Inc. (NYSE:CYH)	-	-	-	-	No
2/9/2011	Airmid Incorporated, Novel Psoriasis and Atopic Dermatitis Treatment	Airmid Incorporated	Circassia Limited	-	-	-	-	No
2/8/2011	Horizon West Healthcare, Inc.	Horizon West, Inc.	Plum Healthcare Group, LLC	-	-	-	-	No

**Announced U.S.
Healthcare and
Life Sciences
M&A**

(Continued)

Announced	Target	Seller	Buyer	Enterprise Value (\$mm)	Enterprise Value			Private Equity Involvement
					Sales	EBITDA	EBIT	
2/8/2011	AppointmentCity.com, LLC	-	Healthagen, LLC	-	-	-	-	No
2/8/2011	Biotransplant Inc. (OTCPK:BTRN.Q)	-	PDL BioPharma, Inc. (NasdaqGS:PDLI)	\$0.4	-	-	-	No
2/7/2011	Oakland Physicians Medical Center, L.L.C.	McLaren Health Care Corporation	-	\$8.6	-	-	-	No
2/7/2011	Oncology Care Home Health, LLC	-	WellDoc, Inc.	-	-	-	-	No
2/7/2011	API Healthcare Corporation	Francisco Partners Management LLC	Kronos Incorporated	-	-	-	-	Yes
2/7/2011	Two Health Care Facilities in South Carolina	-	LTC Properties Inc. (NYSE:LTC)	\$11.5	-	-	-	No
2/7/2011	Rehabcare Group Inc. (NYSE:RHB)	-	Kindred Healthcare Inc. (NYSE:KND)	\$1,262.5	1.0x	7.7x	9.4x	No
2/6/2011	Emergent Group, Inc. (AMEX:LZR)	Collaborative Capital	Universal Hospital Services Inc.	\$57.1	1.9x	6.9x	9.7x	No
2/6/2011	Beckman Coulter Inc. (NYSE:BEC)	-	Danaher Corp. (NYSE:DHR)	\$6,852.8	1.9x	8.6x	15.9x	No
2/5/2011	Children's Health Involving Parents	-	Family Lifeline	-	-	-	-	No
2/4/2011	Accuri Instruments, Inc.	Flagship Ventures; Western Technology Investment	Becton, Dickinson and Company (NYSE:BDX)	-	-	-	-	No
2/4/2011	Sports Physical Therapy & Rehab Specialists, S.C. and Burkam & Associates	-	Accelerated Rehabilitation Centers, Ltd.	-	-	-	-	No
2/4/2011	DSI Renal, Inc.	Apollo Management, L.P.; Ares Capital Corporation	DaVita, Inc. (NYSE:DVA)	\$689.2	1.9x	-	-	Yes
2/3/2011	Resurrection Health Care Corporation	-	Provena Health	-	-	-	-	No
2/3/2011	Avecia Biotechnology, Inc.	Avecia Group plc	Nitto Americas, Inc.	-	-	-	-	No
2/3/2011	Provista, LLC	University Healthsystem Consortium	VHA Inc.	-	-	-	-	No
2/2/2011	MD Buyline, Inc.	-	SFW Capital Partners, LLC	-	-	-	-	Yes
2/2/2011	Praxair Inc., U.S. Homecare Business	Praxair Inc. (NYSE:PX)	Apria Healthcare, Inc.	-	-	-	-	No
2/2/2011	Elemé Medical Inc.	EDF Ventures; Three Arch Partners	Cynosure, Inc. (NasdaqGM:CYNO)	\$2.5	0.5x	-	-	No
2/2/2011	Vitality, Inc.	-	-	-	-	-	-	No
2/2/2011	NeuroTherm, Inc.	Cortec Group	Linsalata Capital Partners	-	-	-	-	Yes
2/1/2011	Cielo MedSolutions LLC	Altarum Institute; Ann Arbor SPARK	Advisory Board Co.	\$7.5	-	-	-	No
2/1/2011	Heart & Vascular Institute Of Texas, Inc.	-	Baptist Health System Inc.	-	-	-	-	No
2/1/2011	Western Benefits Inc.	-	Cypress Benefit Administrators LLC	-	-	-	-	No
2/1/2011	Agarigen, Inc.	-	Intrexon Corporation	-	-	-	-	No
2/1/2011	Physician Oncology Services, L.P.	Oak Hill Capital Partners	Vantage Oncology, Inc.	-	-	-	-	Yes
2/1/2011	The Heart Clinic, P.C.	-	Cardiovascular Consultants, Ltd.	-	-	-	-	No
2/1/2011	Men's Medical Group Inc.	-	Emerging Media Holdings, Inc. (OTCBB:EMDH)	-	-	-	-	No
2/1/2011	Laboratory Supply Company	-	Frazier Healthcare Ventures	-	-	-	-	Yes
2/1/2011	National Audit Services Inc.	-	SCIOinspire Corp.	-	-	-	-	No
2/1/2011	Two Medical Centers in South Florida	-	U.S. Healthworks, Inc.	-	-	-	-	No
2/1/2011	Fitness Works At Work, Inc.	-	Plus One Health Management, Inc.	-	-	-	-	No
2/1/2011	Vertical Health Solutions Inc. (OTCPK:VHSL)	-	OnPoint Medical Diagnostics, Inc.	-	-	-	-	No
2/1/2011	AFO Imaging, Inc.	Harbert Mezzanine Partners; Banyan Mezzanine Fund, L.P.	-	-	-	-	-	Yes

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