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Healthcare & Life Sciences
Industry Update
October 2011

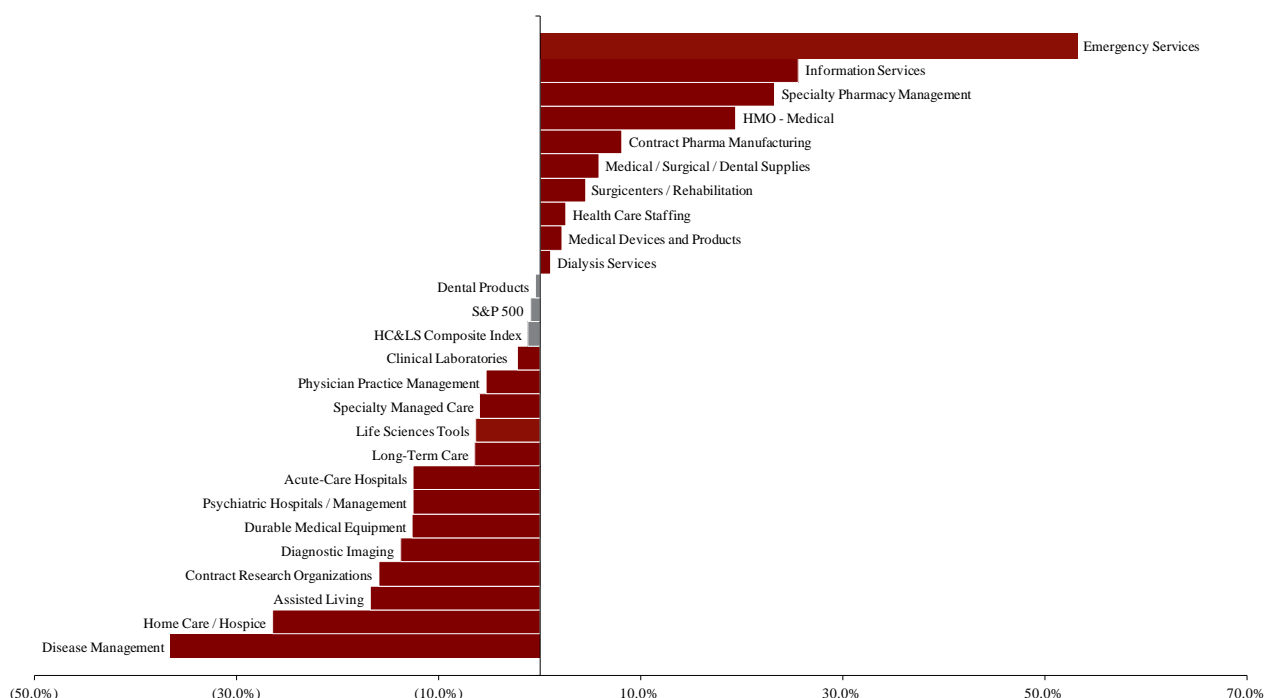


- As the U.S. budget deficit continues to dominate political and economic discourse, more discussion is being directed toward the expanding [\\$2.5 trillion](#) of annual government healthcare spending. As government grapples with how to cut costs while maintaining high quality of care, state Medicaid organizations are increasingly turning towards managed care models, in which the government pays a capped rate for member care, as opposed to a more traditional fee-for-service model. While this model incentivizes providers to take a more integrated and cost effective approach to care, many are worried that these programs may diminish access to care. *The Economist* outlines the growing prevalence of Medicaid managed care programs in an article entitled "[A new prescription for the poor.](#)" *The New York Times* recently published an article describing some Texas-based providers that are making a similar transition in "[Trying Out New Ways to Deliver Health Care.](#)"
- An interesting example of a potential pitfall of the fee-for-service model is evidenced in a study published this month by *The Lancet*, which discusses end-of-life surgery statistics for seniors. With one in three Medicare recipients receiving surgery in their final year, it would appear that a large proportion of these surgeries are ineffective. An analysis of the findings by *Time* suggests that doctors and hospitals may be financially incentivized to perform these operations, even if they serve no benefit to the patient. Another [article](#) by Gina Kolata of *The New York Times* suggests that doctors are simply not having the tough end-of-life conversations they need to be having with these patients, which could lead to surgery alternatives and focus on managing symptoms and comfort.
- Knowledge@Wharton published an [article](#) on a recent [study](#) that examined methods to encourage organ donation, given that only 40% of eligible Americans sign up to be organ donors while over 110,000 in the U.S. are awaiting transplants. Professors Judd Kessler and Alvin Roth tested, through a game theory experiment with students, whether potential donors could be incentivized to register if they were offered priority on waiting lists. Their findings indicated that this would be an effective incentive, but they go on to caution that it would have to be implemented carefully to prevent gaming of the system.
- Online Silicon Valley-based blog *TechCrunch* featured a wrap-up of the publication's annual Health 2.0 Conference. This year's was the largest ever, as HCIT has become increasingly important in the healthcare dialogue and more focus is placed on disruptive models, especially in the delivery of care. Read Dave Chase's (CEO of Avado.com) analysis of the conference [here](#).

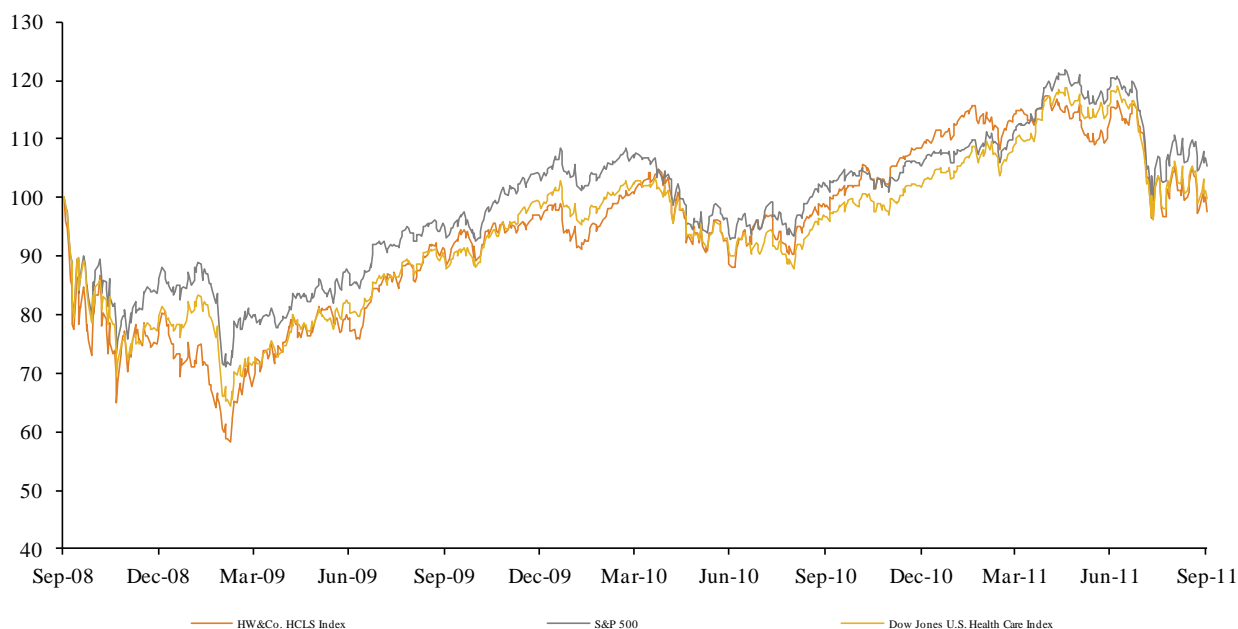
**Key Trading
Statistics**
(detail begins
on page 6)

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	3	\$7,476	(16.5%)	(2.2%)	1.6x	7.7x	1.6x	7.5x
Contract Pharma Manufacturing	5	568	(15.2%)	8.1%	0.9x	6.5x	1.1x	7.7x
Contract Research Organizations	6	1,535	(26.5%)	(15.9%)	1.0x	8.2x	1.1x	7.7x
Disease Management	3	1,697	(35.2%)	(36.5%)	2.0x	6.9x	1.9x	6.0x
Emergency Services	1	864	(14.8%)	53.1%	1.5x	8.0x	1.3x	7.3x
Health Care Staffing	4	578	(36.5%)	2.6%	0.5x	8.2x	0.5x	7.0x
HMO - Medical	12	11,526	(20.1%)	19.4%	0.4x	4.9x	0.4x	5.0x
Information Services	14	2,033	(6.0%)	25.6%	3.2x	16.6x	2.9x	11.3x
Specialty Managed Care	2	1,893	(5.3%)	(6.0%)	0.8x	5.7x	0.8x	NA
Specialty Pharmacy Management	5	6,214	(2.0%)	23.3%	0.5x	8.7x	0.5x	7.9x
Dental Products	5	18,917	(20.1%)	(0.4%)	2.2x	10.0x	2.1x	9.3x
Durable Medical Equipment	4	2,059	(23.5%)	(12.7%)	1.2x	7.0x	1.2x	6.3x
Life Sciences Tools	3	11,932	(26.2%)	(6.4%)	2.2x	7.7x	2.1x	7.1x
Medical Devices and Products	13	31,796	(15.4%)	2.2%	2.4x	8.1x	2.3x	7.2x
Medical / Surgical / Dental Supplies	7	8,025	(13.1%)	5.9%	0.2x	7.9x	0.2x	7.1x
Acute-Care Hospitals	5	6,486	(34.1%)	(12.5%)	0.9x	6.1x	0.8x	5.9x
Assisted Living	7	1,281	(48.3%)	(16.8%)	1.2x	8.9x	1.1x	8.0x
Diagnostic Imaging	3	2,303	(44.5%)	(13.8%)	1.5x	5.6x	1.5x	5.7x
Dialysis Services	2	18,630	(18.0%)	1.1%	1.9x	9.8x	1.8x	8.8x
Home Care / Hospice	7	852	(26.0%)	(26.4%)	0.5x	4.0x	0.5x	4.0x
Long-Term Care	4	762	(47.3%)	(6.4%)	0.5x	5.0x	0.5x	4.5x
Physician Practice Management	5	793	(19.2%)	(5.3%)	0.8x	6.7x	1.0x	6.5x
Psychiatric Hospitals / Management	4	2,189	(15.8%)	(12.5%)	0.3x	4.3x	0.4x	4.7x
Surgicenters / Rehabilitation	5	2,080	(24.8%)	4.5%	1.1x	6.0x	1.0x	6.4x
Payer, Provider, & Pharmacy Support Service	55	\$3,438	(17.8%)	7.2%	1.2x	8.1x	1.2x	7.5x
Products & Devices	32	\$14,546	(19.6%)	(2.3%)	1.6x	8.1x	1.6x	7.4x
Provider-Based Services	42	\$3,931	(30.9%)	(9.8%)	1.0x	6.2x	1.0x	6.1x
HC&LS Composite Index	129	\$5,937	(23.1%)	(1.2%)	1.2x	7.4x	1.2x	6.9x
S&P 500			(14.3%)	(0.9%)				

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



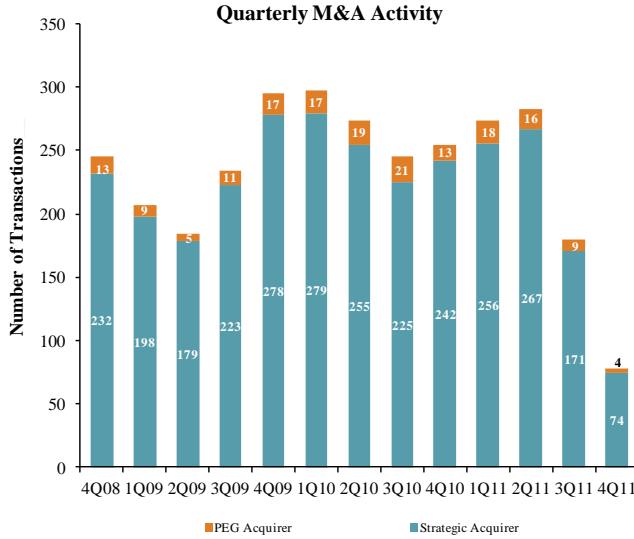
Healthcare and
Life Sciences
Industry Stock
Performance



Top Equity
Offerings
(by proceeds)

Closing Date	Filing Date	Issuer	Ticker	Transaction Type	Gross Proceeds (\$mm)
09/13/11	09/12/11	InterMune Inc	ITMN	Convertible	\$155.3
09/13/11	09/12/11	InterMune Inc	ITMN	Follow-On	110.4
09/02/11	08/04/11	GI Dynamics Inc	GID	IPO	85.1
09/15/11	08/24/11	Zogenix Inc	ZGNX	Follow-On	60.0
09/08/11	04/26/11	Raptor Pharmaceuticals Corp	RPTP	Follow-On	46.0
09/21/11	09/21/11	Biozone Pharmaceuticals Inc	BZNE	Follow-On	34.0
09/02/11	09/02/11	Vertical Health Solutions Inc	ONMD	Follow-On	23.4
09/21/11	05/16/11	Trans 1 Inc	TSON	Follow-On	20.2
09/23/11	04/12/10	EnteroMedics Inc	ETRM	Follow-On	14.5
09/06/11	09/06/11	Genta Inc	GNTAD	Convertible	12.7
09/01/11	09/01/11	ChromaDex Corp	CDXC	Follow-On	10.3
09/30/11	09/30/11	Ampio Pharmaceuticals Inc	AMPE	Follow-On	7.8
09/02/11	09/02/11	Peregrine Pharmaceuticals Inc	PPHM	Follow-On	6.9
09/01/11	09/01/11	PharmAthene Inc	PIP	Follow-On	5.8
09/06/11	09/06/11	Pathfinder Cell Therapy Inc	SYMD	Follow-On	4.5
09/07/11	09/07/11	Vycor Medical Inc	VYCO	Follow-On	3.7
09/12/11	09/12/11	ULURU Inc	ULU	Follow-On	1.0
09/12/11	09/12/11	ULURU Inc	ULU	Convertible	0.7
09/28/11	05/21/10	Galena Biopharma Inc	RXII	Follow-On	0.5
09/28/11	09/28/11	BIOMODA Inc	BMOD	Follow-On	0.1

Announced
Healthcare &
Life Sciences
M&A



Top 10 Healthcare Deals

Announced	Target	Buyer
9/28/2011	Graceway Pharmaceuticals	Galderma S.A.
9/26/2011	TheraCom, Inc.	Lash Group Healthcare Consultants
9/22/2011	Sage Software Healthcare, Inc.	Vista Equity Partners
9/21/2011	Community Care Health Network, Inc.	Welsh, Carson, Anderson & Stowe
9/20/2011	CareCentrix, Inc.	Summit Partners
9/12/2011	Ascension Orthopedics, Inc.	Integra LifeSciences
9/7/2011	Avatar International LLC	The Riverside Company
9/7/2011	Caliper Life Sciences, Inc.	PerkinElmer Inc.
9/6/2011	Essent Healthcare, Inc.	RegionalCare Hospital Partners, Inc.
9/1/2011	Boston Medical Device International	ConvaTec, Inc.

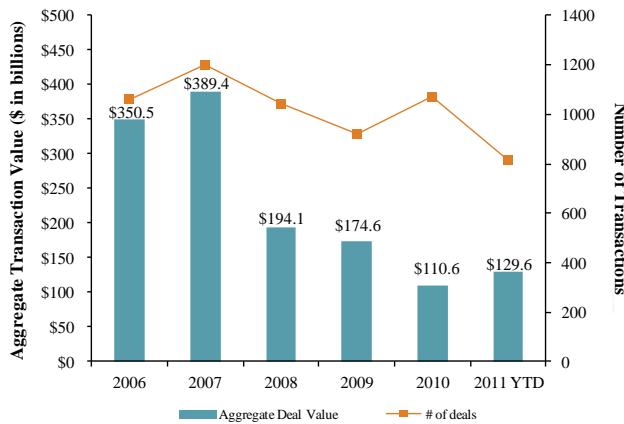
LTM Deal Statistics

Aggregate Value (\$bn)	Number of Deals	Median Transaction Multiples	
		TEV/Rev	TEV/EBITDA
\$162.1	363	1.78x	11.64x

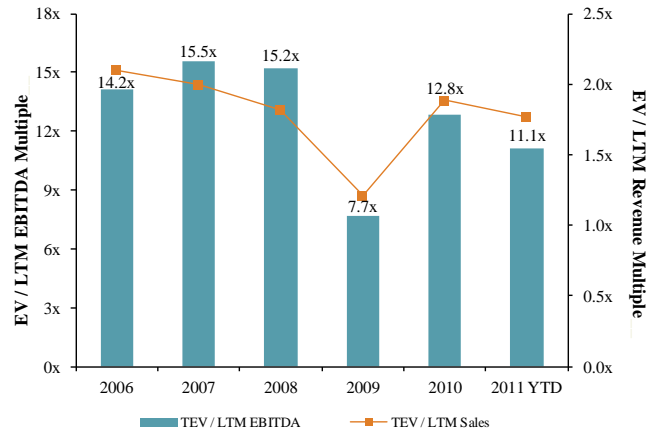
Note: Transactions based on publicly available information

Healthcare and
Life Sciences
M&A Trends

Announced Healthcare and Life Sciences Transactions



Median Healthcare and Life Sciences Transaction Multiples

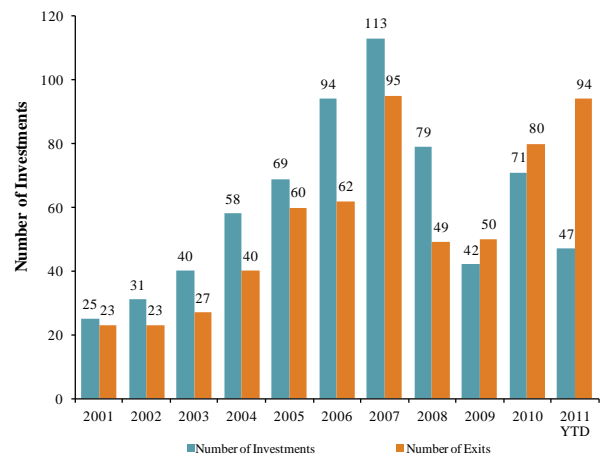


Announced
Private Equity
M&A Activity

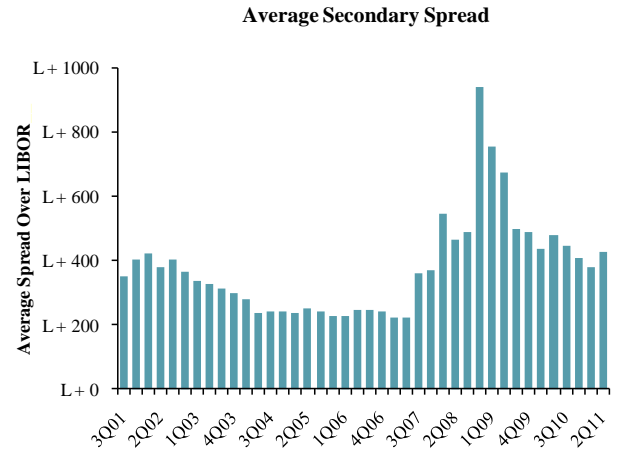
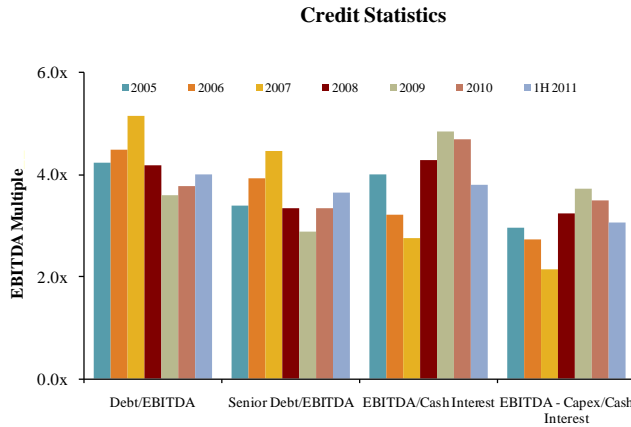
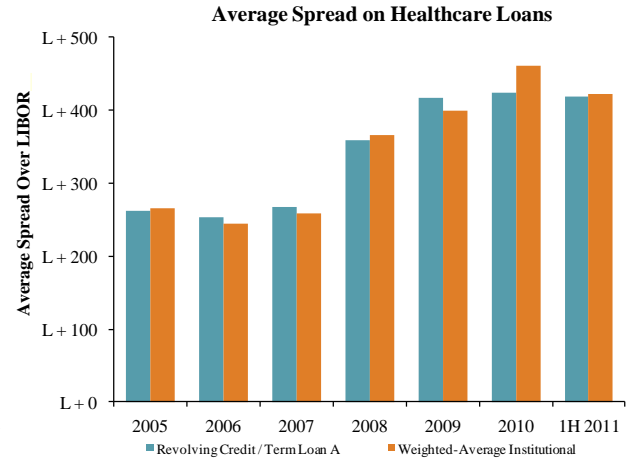
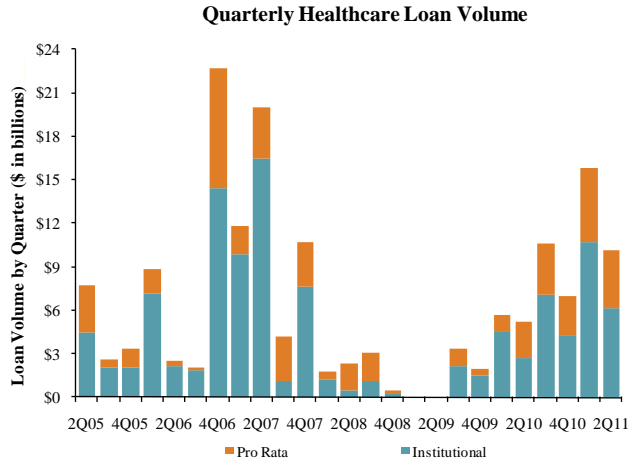
PEG Investments by Segment (Last 3 Years)

HC&S Industry Segment	Number of Companies
Biotechnology	4
Healthcare Technology	16
Healthcare Distributors	8
Healthcare Equipment	22
Healthcare Facilities	30
Healthcare Services	47
Healthcare Supplies	10
Life Sciences Tools & Services	9
Managed Healthcare	5
Pharmaceuticals	21

PEG Investments and Exits



Key Credit
Statistics



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

Date Effective	Borrower Name	Description	Deal Amount	Tranche Amount	Type	Rating	Spread
09/22/11	Johnson & Johnson Inc	Pharmaceutical preparations	\$10,000,000,000	\$10,000,000,000	364-Day Facility	AAA / Aaa	N/A
09/09/11	Kinetic Concepts	Surgical appliances and supplies	2,800,000,000	2,600,000,000	Term Loan B	B+ / Ba1	N/A
09/09/11	Kinetic Concepts	Surgical appliances and supplies	2,800,000,000	200,000,000	Revolver/Line >= 1 Yr.	B+ / Ba1	N/A
09/29/11	Wellpoint Inc [Ex-Anthem Inc]	Hospital and medical service plans	2,000,000,000	2,000,000,000	Revolver/Line >= 1 Yr.	A- / Baa1	100
09/15/11	Bristol Myers Squibb Co	Pharmaceutical preparations	1,500,000,000	1,500,000,000	Revolver/Line >= 1 Yr.	A+ / A2	87.5
09/02/11	Celgene Corp	Pharmaceutical preparations	1,000,000,000	1,000,000,000	Revolver/Line >= 1 Yr.	BBB+ / Baa2	125
09/16/11	Quest Diagnostics	Medical laboratories	750,000,000	750,000,000	Revolver/Line >= 1 Yr.	BBB+ / Baa2	112.5
09/30/11	Health Management Associates	General medical & surgical hospitals	510,000,000	360,000,000	Term Loan A	BBB / B1	400
09/30/11	Knoxville HMA Holdings LLC	General medical & surgical hospitals	510,000,000	360,000,000	Term Loan A	NR / NR	360
09/30/11	Health Management Associates	General medical & surgical hospitals	510,000,000	150,000,000	Revolver/Line >= 1 Yr.	BBB / B1	400
09/30/11	Knoxville HMA Holdings LLC	General medical & surgical hospitals	510,000,000	150,000,000	Revolver/Line >= 1 Yr.	NR / NR	360
09/16/11	Watson Pharmaceuticals Inc	Pharmaceutical preparations	500,000,000	500,000,000	Revolver/Line >= 1 Yr.	BBB / Baa3	125
09/14/11	Lincare Holdings Inc	Home health care services	450,000,000	450,000,000	Revolver/Line >= 1 Yr.	NR / NR	137.5
09/23/11	Metropolitan Health Networks Inc	Offices & clinics of medical doctors	355,000,000	240,000,000	Term Loan B	BB- / Ba3	550
09/23/11	Metropolitan Health Networks Inc	Offices & clinics of medical doctors	355,000,000	75,000,000	Term Loan	BB- / Ba3	1175
09/23/11	Metropolitan Health Networks Inc	Offices & clinics of medical doctors	355,000,000	40,000,000	Revolver/Line >= 1 Yr.	BB- / Ba3	500
09/07/11	Par Pharmaceutical	Pharmaceutical preparations	350,000,000	350,000,000	Term Loan	NR / NR	N/A
09/09/11	ViroPharma Inc	Pharmaceutical preparations	200,000,000	200,000,000	Revolver/Line >= 1 Yr.	NR / NR	N/A
09/08/11	Homedics - USA Inc	Surgical and medical instruments	170,000,000	170,000,000	Revolver/Line < 1 Yr.	NR / NR	275
09/21/11	Dentsply International Inc	Medical and hospital equipment	163,189,000	163,189,000	Term Loan	BBB+ / Baa2	N/A
09/30/11	Radiation Therapy Services Inc	Specialty outpatient clinics	75,000,000	75,000,000	Revolver/Line >= 1 Yr.	BB- / WR	475
09/16/11	Grand View Hospital	General medical & surgical hospitals	65,198,438	65,198,438	Standby Letter of Credit	NR / NR	N/A
09/26/11	Center for Pain Management	Health and allied services	59,000,000	49,000,000	Term Loan A	NR / NR	450
09/26/11	Center for Pain Management	Health and allied services	59,000,000	10,000,000	Revolver/Line >= 1 Yr.	NR / NR	450
09/29/11	Columbus Regional Hospital	General medical & surgical hospitals	41,891,787	41,891,787	Standby Letter of Credit	NR / NR	N/A
09/30/11	PPT Management Holdings, LLC	Offices of health practitioners	36,800,000	32,800,000	Term Loan	NR / NR	700
09/30/11	PPT Management Holdings, LLC	Offices of health practitioners	36,800,000	4,000,000	Revolver/Line >= 1 Yr.	NR / NR	700

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				
	9/30/2011	% 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.	\$18.41	(11.9%)	(11.7%)	\$25.99	\$17.30	\$515	\$46	\$19	\$541	\$534	\$76	\$62	Jul-11	Oct-10	\$558	\$74	\$59	1.0x	7.1x	1.0x	7.3x			
Laboratory Corp. of America Holdings	79.05	(18.3%)	0.8%	100.94	75.75	8,003	2,003	119	9,909	5,344	1,233	1,046	Jun-11	Dec-10	5,572	1,315	1,074	1.9x	8.0x	1.8x	7.5x			
Quest Diagnostics Inc.	49.36	(16.5%)	(2.2%)	61.21	45.77	7,813	4,328	184	11,978	7,413	1,536	1,272	Jun-11	Dec-10	7,496	1,549	1,247	1.6x	7.7x	1.6x	7.7x			
Number of Companies	3	Median:	(16.5%)	(2.2%)	Total	\$16,331				\$13,291					\$13,627			1.6x	7.7x	1.6x	7.5x			
		Mean:	(15.6%)	(4.4%)					\$7,476									1.5x	7.6x	1.4x	7.5x			
Contract Pharma Manufacturing																								
Akorn, Inc.	\$7.80	11.4%	93.1%	\$9.50	\$3.86	\$738	\$99	\$134	\$703	\$103	\$25	\$20	Jun-11	Dec-10	\$127	\$34	\$31	6.8x	11.3x	5.5x	20.4x			
Cambrex Corporation.	5.04	9.1%	18.6%	6.78	3.87	148	116	41	224	242	47	24	Jun-11	Dec-10	251	NA	23	0.9x	4.8x	0.9x	NA			
Integrated Biopharma Inc.	0.20	(42.1%)	(29.5%)	0.28	0.03	1	13	1	13	41	(1)	(2)	Mar-11	Jun-10	NA	NA	NA	0.3x	NM	NA	NA			
Patheon Inc.	1.38	(34.3%)	(38.5%)	2.71	1.29	178	279	40	398	696	88	31	Jul-11	Oct-10	688	75	19	0.6x	4.9x	0.6x	5.3x			
West Pharmaceutical Services, Inc.	37.10	(15.2%)	8.1%	47.96	33.35	1,249	380	110	1,504	1,152	183	106	Jun-11	Dec-10	1,184	196	116	1.3x	8.0x	1.3x	7.7x			
Number of Companies	5	Median:	(15.2%)	8.1%	Total	\$2,315				\$2,234					\$2,250			0.9x	6.5x	1.1x	7.7x			
		Mean:	(14.2%)	10.4%					\$568									2.0x	7.3x	2.1x	11.1x			
Contract Research Organizations																								
Albany Molecular Research Inc.	\$2.82	(41.4%)	(55.8%)	\$6.97	\$2.80	\$86	\$10	\$24	\$67	\$210	\$4	(\$14)	Jun-11	Dec-10	\$221	\$15	(\$3)	0.3x	17.7x	0.3x	4.6x			
Charles River Laboratories International, Inc.	28.62	(29.6%)	(13.7%)	42.84	27.76	1,470	789	146	2,103	1,127	278	188	Jun-11	Dec-10	1,143	267	195	1.9x	7.6x	1.8x	7.9x			
Covance Inc.	45.45	(23.4%)	(2.9%)	63.86	43.00	2,761	93	406	2,447	2,108	297	195	Jun-11	Dec-10	2,070	324	218	1.2x	8.3x	1.2x	7.6x			
ICON plc	16.08	(31.7%)	(25.6%)	26.22	15.98	973	0	176	757	920	102	72	Jun-11	Dec-10	961	80	43	0.8x	7.4x	0.8x	9.4x			
PAREXEL International Corporation	18.93	(19.7%)	(18.2%)	27.91	15.26	1,116	247	89	1,275	1,422	155	90	Jun-11	Jun-11	1,364	180	114	0.9x	8.2x	0.9x	7.1x			
Pharmaceutical Product Development Inc.	25.66	(4.4%)	3.5%	33.07	23.95	2,923	0	371	2,560	1,545	294	229	Jun-11	Dec-10	1,526	325	256	1.7x	8.3x	1.7x	7.9x			
Number of Companies	6	Median:	(26.5%)	(15.9%)	Total	\$9,329				\$7,331					\$7,286			1.0x	8.2x	1.1x	7.7x			
		Mean:	(25.0%)	(18.8%)					\$1,535									1.1x	9.6x	1.1x	7.4x			
Disease Management																								
Alere Inc.	\$19.65	(46.3%)	(36.5%)	\$41.18	\$19.62	\$1,689	\$2,773	\$557	\$4,516	\$2,267	\$464	\$78	Jun-11	Dec-10	\$2,359	\$613	\$489	2.0x	9.7x	1.9x	7.4x			
Corac Group plc	0.17	(27.8%)	(64.0%)	0.47	0.14	41	0	31	11	1	(7)	(7)	Jun-11	Dec-10	2	(7)	(11)	8.5x	NM	4.7x	NM			
Healthways Inc.	9.83	(35.2%)	(15.5%)	17.62	9.50	331	233	1	564	698	135	84	Jun-11	Dec-10	691	120	69	0.8x	4.2x	0.8x	4.7x			
Number of Companies	3	Median:	(35.2%)	(36.5%)	Total	\$2,062				\$2,966					\$3,052			2.0x	6.9x	1.9x	6.0x			
		Mean:	(36.5%)	(38.7%)					\$1,697									3.8x	6.9x	2.5x	6.0x			
Emergency Services																								
Air Methods Corp.	\$63.67	(14.8%)	53.1%	\$77.22	\$40.24	\$807	\$100	\$43	\$864	\$586	\$107	\$81	Jun-11	Dec-10	\$669	\$119	\$87	1.5x	8.0x	1.3x	7.3x			
Number of Companies	1	Median:	(14.8%)	53.1%	Total	\$807				\$586					\$669			1.5x	8.0x	1.3x	7.3x			
		Mean:	(14.8%)	53.1%					\$864									1.5x	8.0x	1.3x	7.3x			
Health Care Staffing																								
AMN Healthcare Services Inc.	\$4.01	(51.8%)	(22.0%)	\$9.33	\$3.98	\$162	\$220	\$8	\$402	\$861	\$48	\$31	Jun-11	Dec-10	\$939	\$59	\$42	0.5x	8.4x	0.4x	6.8x			
Cross Country Healthcare, Inc.	4.18	(45.0%)	(41.9%)	9.32	3.82	131	50	16	163	477	20	9	Jun-11	Dec-10	506	22	11	0.3x	8.1x	0.3x	7.3x			
On Assignment Inc.	7.07	(28.1%)	34.7%	11.67	5.06	262	77	19	320	510	40	32	Jun-11	Dec-10	585	51	39	0.6x	8.0x	0.5x	6.3x			
Team Health Holdings, Inc.	16.42	(27.1%)	27.2%	24.13	12.90	1,075	400	49	1,426	2,867	169	141	Jun-11	Dec-10	1,700	182	150	0.5x	8.4x	0.8x	7.8x			
Number of Companies	4	Median:	(36.5%)	2.6%	Total	\$1,629				\$4,715					\$3,730			0.5x	8.2x	0.5x	7.0x			
		Mean:	(38.0%)	(0.5%)					\$578									0.5x	8.2x	0.5x	7.1x			

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			
	9/30/2011	% 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.	\$36.34	(17.6%)	15.0%	\$46.01	\$29.54	\$13,551	\$4,565	\$911	\$17,205	\$33,811	\$3,494	\$3,041	Jun-11	Dec-10	\$33,283	\$3,454	\$3,014	0.5x	4.9x	0.5x	5.0x		
CIGNA Corporation	41.94	(18.5%)	17.2%	52.95	34.33	11,332	3,230	1,774	12,788	21,599	2,661	2,430	Jun-11	Dec-10	21,727	2,548	2,226	0.6x	4.8x	0.6x	5.0x		
Coventry Health Care Inc.	28.81	(21.0%)	33.8%	37.86	20.35	4,280	1,818	1,646	4,453	11,957	1,026	911	Jun-11	Dec-10	12,184	877	749	0.4x	4.3x	0.4x	5.1x		
Health Net Inc.	23.71	(26.1%)	(12.8%)	34.03	20.51	2,112	584	167	2,529	13,075	520	485	Jun-11	Dec-10	11,796	520	484	0.2x	4.9x	0.2x	4.9x		
HealthSpring Inc.	36.46	(20.9%)	41.1%	48.95	24.34	2,476	345	261	2,559	4,390	453	405	Jun-11	Dec-10	5,432	521	462	0.6x	5.6x	0.5x	4.9x		
Humana Inc.	72.73	(9.7%)	44.8%	84.32	49.00	12,134	1,917	1,568	12,483	35,373	2,409	2,127	Jun-11	Dec-10	36,922	2,331	2,170	0.4x	5.2x	0.3x	5.4x		
UnitedHealth Group, Inc.	46.12	(10.6%)	31.4%	53.50	33.94	49,632	11,194	9,775	51,051	98,364	9,197	8,439	Jun-11	Dec-10	101,494	8,543	7,535	0.5x	5.6x	0.5x	6.0x		
WellPoint Inc.	65.28	(17.1%)	15.3%	81.92	52.93	23,544	9,660	1,700	31,504	59,293	5,372	4,752	Jun-11	Dec-10	60,127	4,477	3,992	0.5x	5.9x	0.5x	7.0x		
Number of Companies	8	Median:	(18.0%)	24.3%	Total	\$119,061				\$277,862					\$282,964			0.5x	5.1x	0.5x	5.0x		
		Mean:	(17.7%)	23.2%					\$16,822									0.5x	5.1x	0.4x	5.4x		
Government:																							
AMERIGROUP Corporation	\$39.01	(44.6%)	(8.1%)	\$75.74	\$39.01	\$1,937	\$251	\$583	\$1,605	\$6,064	\$475	\$460	Jun-11	Dec-10	\$6,221	\$335	\$297	0.3x	3.4x	0.3x	4.8x		
Centene Corp.	28.67	(19.3%)	21.5%	39.35	21.19	1,442	341	474	1,311	4,845	236	191	Jun-11	Dec-10	5,254	254	196	0.3x	5.6x	0.2x	5.2x		
Molina Healthcare Inc.	15.44	(43.1%)	(14.2%)	29.03	14.82	711	167	459	419	4,407	186	135	Jun-11	Dec-10	4,649	178	127	0.1x	2.3x	0.1x	2.4x		
WellCare Health Plans, Inc.	37.98	(26.1%)	31.1%	55.75	27.33	1,623	35	1,256	402	5,706	517	491	Jun-11	Dec-10	6,057	375	348	0.1x	0.8x	0.1x	1.1x		
Number of Companies	4	Median:	(34.6%)	6.7%	Total	\$5,713				\$21,022					\$22,183			0.2x	2.8x	0.2x	3.6x		
		Mean:	(33.3%)	7.6%					\$934									0.2x	3.0x	0.2x	3.3x		
Information Services																							
Data/Analytics:																							
Accelys Inc.	\$6.06	(14.8%)	(12.9%)	\$8.95	\$5.80	\$335	\$0	\$44	\$219	\$115	(\$8)	(\$25)	Mar-11	Dec-10	\$147	\$30	\$21	1.9x	NM	1.5x	7.3x		
eResearchTechnology, Inc.	4.46	(30.0%)	(40.4%)	8.59	4.25	220	21	32	208	175	43	21	Jun-11	Dec-10	179	48	25	1.2x	4.8x	1.2x	4.3x		
National Research Corp.	33.14	(9.3%)	27.1%	44.44	25.21	223	17	4	235	70	21	16	Jun-11	Dec-10	75	NA	NA	3.4x	11.1x	3.1x	NA		
Number of Companies	3	Median:	(14.8%)	(12.9%)	Total	\$777				\$359					\$147			1.9x	8.0x	1.5x	5.8x		
		Mean:	(18.0%)	(8.7%)					\$221									2.2x	8.0x	1.9x	5.8x		
eHealth:																							
WebMD Health Corp.	30.15	(33.9%)	(39.5%)	58.55	29.22	1,769	800	1,145	1,420	577	151	132	Jun-11	Dec-10	\$587	\$201	\$148	2.5x	9.4x	2.7x	8.3x		
Number of Companies	1	Median:	(33.9%)	(39.5%)	Total	\$1,769				\$577					\$587			2.5x	9.4x	2.7x	8.3x		
		Mean:	(33.9%)	(39.5%)					\$1,420									2.5x	9.4x	2.7x	8.3x		
Hospital/Physician:																							
Allscripts Healthcare Solutions, Inc.	\$18.02	(7.2%)	(2.4%)	\$23.13	\$13.85	\$3,387	\$424	\$116	\$3,696	\$1,240	\$211	\$112	Jun-11	Dec-10	\$1,439	\$381	\$304	3.0x	17.5x	2.6x	9.7x		
athenahealth, Inc.	59.55	44.9%	80.3%	72.70	29.98	2,083	0	47	1,979	280	47	35	Jun-11	Dec-10	321	68	35	7.1x	41.8x	6.2x	29.3x		
Cerner Corporation	68.52	12.1%	63.2%	74.39	41.74	11,584	115	214	11,016	1,979	528	399	Jul-11	Jan-11	2,116	674	461	5.6x	20.9x	5.2x	16.3x		
Computer Programs & Systems Inc.	66.15	4.2%	55.4%	79.06	41.28	732	0	8	707	173	41	39	Jun-11	Dec-10	183	45	43	4.1x	17.2x	3.9x	15.6x		
HMS Holdings Corp.	24.39	(4.8%)	24.1%	28.27	18.46	2,067	0	118	1,949	339	94	75	Jun-11	Dec-10	374	111	86	5.7x	20.8x	5.2x	17.6x		
MedAssets, Inc.	9.61	(28.1%)	(54.3%)	22.50	9.09	566	943	42	1,467	481	133	52	Jun-11	Dec-10	577	182	60	3.1x	11.0x	2.5x	8.1x		
Merge Healthcare Incorporated	6.09	17.1%	110.0%	7.23	2.84	546	250	44	751	200	45	26	Jun-11	Dec-10	236	61	49	3.8x	16.6x	3.2x	12.4x		
Quality Systems Inc.	97.00	11.1%	46.3%	101.40	58.35	2,842	0	124	2,717	371	112	104	Jun-11	Mar-11	429	143	129	7.3x	24.2x	6.3x	19.0x		
SXC Health Solutions, Corp.	11.00	0.0%	0.0%	18.00	10.78	770	1,087	30	1,881	1,349	133	79	Jun-11	Dec-10	1,559	166	100	1.4x	14.1x	1.2x	11.3x		
Transcend Services, Inc.	22.54	(23.3%)	47.8%	30.25	15.01	241	0	4	218	110	24	22	Jun-11	Dec-10	128	28	26	2.0x	9.0x	1.7x	7.7x		
Number of Companies	10	Median:	2.1%	47.0%	Total	\$24,817				\$6,521					\$7,362			3.9x	17.4x	3.5x	14.0x		
		Mean:	2.6%	37.0%					\$2,638									4.3x	19.3x	3.8x	14.7x		

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	
	9/30/2011	% 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.	35.80	(1.3%)	(12.0%)	41.90	30.65	3,382	1,065	1,135	3,312	8,319	951	818	Jun-11	Dec-10	8,183	NA	770	0.4x	3.5x	0.4x	NA
CorVel Corporation	42.50	(9.4%)	0.1%	54.19	38.04	491	0	18	473	391	60	47	Jun-11	Mar-11	423	NA	NA	1.2x	7.9x	1.1x	NA
Number of Companies	2	Median: (5.3%) (6.0%)		Total		\$3,873				\$8,711					\$8,606			0.8x	5.7x	0.8x	NA
		Mean: (5.3%) (6.0%)							\$1,893									0.8x	5.7x	0.8x	NA
<i>Specialty Pharmacy Management</i>																					
BioScrip Inc.	\$6.36	(2.0%)	23.3%	\$7.85	\$4.00	\$348	\$273	\$0	\$621	\$1,772	\$54	\$42	Jun-11	Dec-10	\$1,776	\$70	\$45	0.4x	11.4x	0.3x	8.8x
Express Scripts Inc.	37.07	(31.3%)	(23.9%)	60.89	37.06	18,098	4,089	291	21,895	45,002	2,511	2,282	Jun-11	Dec-10	45,667	2,815	2,607	0.5x	8.7x	0.5x	7.8x
Catalyst Health Solutions, Inc.	57.69	3.4%	63.9%	67.58	34.47	2,817	324	42	3,100	4,397	170	145	Jun-11	Dec-10	5,225	190	154	0.7x	18.2x	0.6x	16.3x
Omnicare Inc.	25.43	(20.3%)	6.5%	33.01	22.15	3,338	1,959	522	4,776	6,244	621	471	Jun-11	Dec-10	6,137	604	492	0.8x	7.7x	0.8x	7.9x
PharMerica Corporation	14.27	11.8%	49.7%	14.82	9.30	419	274	15	679	2,001	82	52	Jun-11	Dec-10	2,104	86	51	0.3x	8.3x	0.3x	7.9x
Number of Companies	5	Median: (2.0%) 23.3%		Total		\$25,020				\$59,417					\$60,909			0.5x	8.7x	0.5x	7.9x
		Mean: (7.7%) 23.9%							\$6,214									0.5x	10.9x	0.5x	9.7x

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				
	9/30/2011	% 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.	\$71.79	(24.3%)	(17.2%)	\$98.19	\$71.71	\$50,938	\$5,600	\$3,376	\$52,426	\$28,574	\$7,279	\$6,110	Jun-11	Dec-10	\$30,164	\$7,729	\$6,637	1.8x	7.2x	1.7x	6.8x			
Danaher Corp.	41.94	(20.9%)	3.3%	56.09	39.53	28,752	6,573	552	34,839	14,035	2,878	2,446	Jul-11	Dec-10	16,405	3,361	2,762	2.5x	11.9x	2.1x	10.4x			
DENTSPLY International Inc.	30.69	(19.4%)	(4.0%)	40.16	30.41	4,337	951	672	4,649	2,290	467	398	Jun-11	Dec-10	2,443	468	393	2.0x	10.0x	1.9x	9.9x			
Sirona Dental Systems Inc.	42.41	(20.1%)	17.7%	57.87	32.00	2,384	389	331	2,445	878	225	149	Jun-11	Sep-10	909	263	203	2.8x	10.9x	2.7x	9.3x			
Young Innovations Inc.	28.50	(0.1%)	(0.4%)	33.40	25.06	229	0	1	228	106	28	24	Jun-11	Dec-10	108	29	25	2.2x	8.1x	2.1x	7.9x			
Number of Companies	5	Median:	(20.1%)	(0.4%)	Total	\$86,640				\$45,882					\$50,030			2.2x	10.0x	2.1x	9.3x			
		Mean:	(17.0%)	(0.1%)					\$18,917									2.3x	9.6x	2.1x	8.9x			
Durable Medical Equipment																								
Hill-Rom Holdings, Inc.	\$30.02	(34.8%)	(16.4%)	\$48.80	\$26.90	\$1,896	\$153	\$283	\$1,766	\$1,558	\$299	\$212	Jun-11	Sep-10	\$1,581	\$316	\$205	1.1x	5.9x	1.1x	5.6x			
Invacare Corporation	23.04	(30.6%)	(13.1%)	34.52	22.46	736	256	38	954	1,784	137	100	Jun-11	Dec-10	1,810	NA	NA	0.5x	7.0x	0.5x	NA			
ResMed Inc.	28.79	(7.0%)	(12.3%)	35.90	25.75	4,363	100	735	3,727	1,243	341	270	Jun-11	Jun-11	1,427	364	285	3.0x	10.9x	2.6x	10.3x			
Steris Corp.	29.27	(16.3%)	(11.9%)	38.00	27.66	1,735	210	156	1,790	1,337	252	196	Jun-11	Mar-11	1,408	284	228	1.3x	7.1x	1.3x	6.3x			
Number of Companies	4	Median:	(23.5%)	(12.7%)	Total	\$8,729				\$5,922					\$6,226			1.2x	7.0x	1.2x	6.3x			
		Mean:	(22.2%)	(13.4%)					\$2,059									1.5x	7.7x	1.4x	7.4x			
Life Sciences Tools																								
Agilent Technologies Inc.	\$31.25	(38.9%)	(6.4%)	\$55.33	\$30.22	\$10,850	\$2,168	\$3,101	\$9,925	\$6,463	\$1,292	\$1,035	Jul-11	Oct-10	\$6,649	\$1,501	\$1,301	1.5x	7.7x	1.5x	6.6x			
Becton, Dickinson and Company	73.32	(14.9%)	(1.1%)	89.75	71.71	15,943	2,725	1,158	16,740	7,651	2,235	1,739	Jun-11	Sep-10	7,808	2,300	1,777	2.2x	7.5x	2.1x	7.3x			
Life Technologies Corporation	38.43	(26.2%)	(17.7%)	57.25	35.30	6,935	2,739	520	9,131	3,636	1,105	697	Jun-11	Dec-10	3,751	1,290	1,085	2.5x	8.3x	2.4x	7.1x			
Number of Companies	3	Median:	(26.2%)	(6.4%)	Total	\$33,729				\$17,751					\$18,209			2.2x	7.7x	2.1x	7.1x			
		Mean:	(26.7%)	(8.4%)					\$11,932									2.1x	7.8x	2.0x	7.0x			
Medical Devices and Products																								
Abbott Laboratories	\$51.14	(2.8%)	(2.1%)	\$54.24	\$45.07	\$79,603	\$18,219	\$4,077	\$89,020	\$37,299	\$10,360	\$7,416	Jun-11	Dec-10	\$38,819	\$11,446	\$8,935	2.4x	8.6x	2.3x	7.8x			
ArthroCare Corporation	28.77	(14.0%)	5.8%	36.00	26.30	790	0	185	680	358	84	60	Jun-11	Dec-10	365	96	70	1.9x	8.1x	1.9x	7.1x			
Baxter International Inc.	56.14	(5.9%)	17.7%	62.50	47.17	31,902	4,400	2,018	34,531	13,542	3,849	3,172	Jun-11	Dec-10	13,796	3,977	3,291	2.5x	9.0x	2.5x	8.7x			
Boston Scientific Corporation	5.91	(14.5%)	(3.6%)	7.96	5.55	9,046	4,201	154	13,077	7,818	1,938	1,155	Jun-11	Dec-10	7,778	1,810	1,108	1.7x	6.7x	1.7x	7.2x			
CR Bard Inc.	87.54	(20.3%)	7.5%	113.84	80.82	7,585	901	912	7,574	2,821	907	794	Jun-11	Dec-10	2,914	915	816	2.7x	8.4x	2.6x	8.3x			
Hanger Orthopedic Group Inc.	18.89	(22.8%)	29.9%	28.47	14.46	628	506	20	1,115	868	141	116	Jun-11	Dec-10	940	155	124	1.3x	7.9x	1.2x	7.2x			
Hologic Inc.	15.21	(24.6%)	(5.0%)	23.24	14.73	3,987	1,470	614	4,844	1,751	602	303	Jun-11	Sep-10	1,781	639	538	2.8x	8.1x	2.7x	7.6x			
Hospira Inc.	37.00	(34.7%)	(35.1%)	60.49	34.18	6,100	1,760	601	7,258	4,008	872	634	Jun-11	Dec-10	4,249	1,084	867	1.8x	8.0x	1.7x	6.7x			
Johnson & Johnson	63.69	(4.3%)	2.8%	68.05	57.50	174,533	18,726	14,974	163,577	63,396	19,506	16,480	Jul-11	Jan-11	65,338	20,338	17,174	2.6x	8.4x	2.5x	8.0x			
Medtronic, Inc.	33.24	(13.7%)	(1.0%)	43.33	30.18	35,101	10,052	1,393	42,632	16,209	5,442	4,614	Jul-11	Apr-11	16,645	6,174	5,319	2.6x	7.8x	2.6x	6.9x			
Stryker Corp.	47.13	(19.7%)	(5.8%)	65.21	43.73	18,302	1,021	497	16,648	7,823	2,383	1,935	Jun-11	Dec-10	8,342	2,433	1,984	2.1x	7.0x	2.0x	6.8x			
Thermo Fisher Scientific, Inc.	50.64	(21.4%)	5.8%	65.86	47.17	19,338	4,027	1,356	22,002	11,185	2,218	1,440	Jul-11	Dec-10	11,844	2,398	2,142	2.0x	9.9x	1.9x	9.2x			
Zimmer Holdings, Inc.	53.48	(15.4%)	2.2%	69.93	47.09	10,187	1,147	624	10,388	4,353	1,540	1,191	Jun-11	Dec-10	4,480	1,651	1,289	2.4x	6.7x	2.3x	6.3x			
Number of Companies	13	Median:	(15.4%)	2.2%	Total	\$397,102				\$171,431					\$177,292			2.4x	8.1x	2.3x	7.2x			
		Mean:	(16.5%)	1.5%					\$31,796									2.2x	8.0x	2.1x	7.5x			
Medical / Surgical / Dental Supplies																								
AmerisourceBergen Corporation	\$37.27	(10.0%)	21.6%	\$43.47	\$30.40	\$10,035	\$1,362	\$2,000	\$9,397	\$79,525	\$1,330	\$1,215	Jun-11	Sep-10	\$80,028	\$1,330	\$1,225	0.1x	7.1x	0.1x	7.1x			
Cardinal Health, Inc.	41.88	(7.8%)	26.8%	47.06	31.83	14,448	2,502	1,929	14,895	102,644	1,881	1,567	Jun-11	Jun-11	107,119	2,151	1,831	0.1x	7.9x	0.1x	6.9x			
Henry Schein Inc.	62.01	(13.4%)	5.9%	74.98	55.55	5,731	443	162	6,438	7,995	663	555	Jun-11	Dec-10	8,347	704	587	0.8x	9.5x	0.8x	9.2x			
McKesson Corporation	72.70	(13.1%)	17.7%	87.32	59.54	17,906	3,989	3,116	18,779	114,614	2,448	2,012	Jun-11	Mar-11	119,368	2,964	2,470	0.2x	7.7x	0.2x	6.3x			
Owens & Minor Inc.	28.48	(17.4%)	0.1%	35.71	26.17	1,816	212	159	1,869	8,389	233	201	Jun-11	Dec-10	8,569	252	218	0.2x	8.0x	0.2x	7.4x			
Patterson Companies Inc.	28.63	(13.0%)	(0.1%)	36.93	26.19	3,391	528	374	3,546	3,413	410	369	Jul-11	Apr-11	3,538	418	377	1.0x	8.7x	1.0x	8.5x			
PSS World Medical Inc.	19.69	(29.7%)	(7.9%)	29.47	19.14	1,050	219	22	1,250	2,070	167	135	Jul-11	Apr-11	2,165	179	146	0.6x	7.5x	0.6x	7.0x			
Number of Companies	7	Median:	(13.1%)	5.9%	Total	\$54,377				\$318,651					\$329,134			0.2x	7.9x	0.2x	7.1x			
		Mean:	(14.9%)	9.1%					\$8,025									0.4x	8.0x	0.4x	7.5x			

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				
	9/30/2011	% 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.	\$16.64	(35.2%)	(46.3%)	\$42.50	\$15.91	\$1,551	\$9,149	\$191	\$10,947	\$13,625	\$1,710	\$1,139	Jun-11	Dec-10	\$13,882	\$1,846	\$1,188	0.8x	6.2x	0.8x	5.9x			
Health Management Associates Inc.	6.92	(35.8%)	(9.7%)	11.74	6.43	1,758	3,216	90	4,753	5,442	781	522	Jun-11	Dec-10	5,747	815	551	0.9x	6.1x	0.8x	5.8x			
Lifepoint Hospitals Inc.	36.64	(6.2%)	4.5%	43.45	28.95	1,905	1,584	276	3,234	3,452	541	367	Jun-11	Dec-10	3,550	539	376	0.9x	6.0x	0.9x	6.0x			
Tenet Healthcare Corp.	4.11	(34.1%)	(12.9%)	7.70	3.96	1,899	4,117	264	6,166	9,443	1,140	733	Jun-11	Dec-10	9,599	1,170	759	0.7x	5.4x	0.6x	5.3x			
Universal Health Services Inc.	34.00	(34.0%)	(12.5%)	56.46	33.49	3,325	3,780	35	7,332	6,695	1,043	781	Jun-11	Dec-10	7,604	1,196	899	1.1x	7.0x	1.0x	6.1x			
Number of Companies	5	Median:	(34.1%)	(12.5%)	Total	\$10,438				\$38,657					\$40,381			0.9x	6.1x	0.8x	5.9x			
		Mean:	(29.1%)	(15.4%)					\$6,486									0.9x	6.1x	0.8x	5.8x			
Assisted Living																								
Assisted Living Concepts Inc.	\$12.67	(24.5%)	(16.8%)	\$19.61	\$11.16	\$294	\$104	\$3	\$393	\$234	\$62	\$40	Jun-11	Dec-10	\$234	\$65	\$43	1.7x	6.3x	1.7x	6.0x			
Brookdale Senior Living Inc.	12.54	(48.3%)	(23.1%)	28.30	12.27	1,530	2,423	40	3,912	2,257	385	97	Jun-11	Dec-10	2,312	406	113	1.7x	10.2x	1.7x	9.6x			
Capital Senior Living Corp.	6.17	(33.6%)	15.8%	10.91	5.15	170	173	52	292	238	34	19	Jun-11	Dec-10	261	36	NA	1.2x	8.9x	1.1x	8.0x			
Emeritus Corp.	14.10	(33.6%)	(17.4%)	26.35	13.50	625	2,250	37	2,839	1,141	184	73	Jun-11	Dec-10	1,257	218	85	2.5x	15.5x	2.3x	13.0x			
Five Star Quality Care Inc.	2.50	(57.0%)	(50.5%)	8.95	2.42	119	66	43	129	1,260	45	27	Jun-11	Dec-10	1,289	48	47	0.1x	2.9x	0.1x	2.7x			
Skilled Healthcare Group, Inc.	3.61	(61.8%)	(8.1%)	15.93	3.30	137	493	15	615	868	132	107	Jun-11	Dec-10	871	132	102	0.7x	4.6x	0.7x	4.7x			
Sunrise Senior Living Inc.	4.63	(51.4%)	35.0%	12.44	3.25	267	582	65	789	1,347	59	28	Jun-11	Dec-10	1,305	44	NA	0.6x	15.1x	0.6x	17.8x			
Number of Companies	7	Median:	(48.3%)	(16.8%)	Total	\$3,141				\$7,345					\$7,529			1.2x	8.9x	1.1x	8.0x			
		Mean:	(44.3%)	(9.3%)					\$1,281									1.2x	9.1x	1.2x	8.8x			
Diagnostic Imaging																								
Alliance Healthcare Services, Inc.	\$1.14	(70.0%)	(75.1%)	\$4.99	\$1.00	\$61	\$673	\$64	\$725	\$485	\$140	\$35	Jun-11	Dec-10	\$492	\$144	\$27	1.5x	5.0x	1.5x	5.0x			
RadNet, Inc.	2.44	(44.5%)	1.7%	5.19	1.98	91	530	0	621	587	103	47	Jun-11	Dec-10	603	109	47	1.1x	5.6x	1.0x	5.7x			
Varian Medical Systems Inc.	52.16	(25.5%)	(13.8%)	72.19	49.16	6,112	18	568	5,562	2,530	635	584	Jul-11	Oct-10	2,602	650	598	2.2x	8.8x	2.1x	8.6x			
Number of Companies	3	Median:	(44.5%)	(13.8%)	Total	\$6,264				\$3,602					\$3,697			1.5x	5.6x	1.5x	5.7x			
		Mean:	(46.7%)	(29.1%)					\$2,303									1.6x	6.4x	1.5x	6.4x			
Dialysis Services																								
DaVita, Inc.	\$62.67	(27.6%)	(9.2%)	\$89.76	\$59.61	\$5,853	\$4,300	\$730	\$9,883	\$6,619	\$1,256	\$1,011	Jun-11	Dec-10	\$6,918	\$1,355	\$1,097	1.5x	7.8x	1.4x	7.3x			
Fresenius Medical Care AG & Co. KGAA	68.50	(8.3%)	11.3%	74.94	55.07	20,724	7,177	449	27,378	12,456	2,504	1,974	Jun-11	Dec-10	13,045	2,649	2,118	2.4x	11.7x	2.1x	10.3x			
Number of Companies	2	Median:	(18.0%)	1.1%	Total	\$26,577				\$19,074					\$19,963			1.9x	9.8x	1.8x	8.8x			
		Mean:	(18.0%)	1.1%					\$18,630									1.9x	9.8x	1.8x	8.8x			
Home Care / Hospice																								
Addus HomeCare Corp.	\$4.05	(25.4%)	2.0%	\$6.38	\$2.80	\$44	\$40	\$24	\$60	\$275	\$15	\$11	Jun-11	Dec-10	\$275	\$16	\$12	0.2x	4.0x	0.2x	3.8x			
Almost Family Inc.	16.63	(39.3%)	(43.9%)	40.76	15.14	156	2	56	102	335	46	43	Jun-11	Dec-10	341	40	36	0.3x	2.2x	0.3x	2.6x			
Amedysys Inc.	14.82	(44.3%)	(37.7%)	38.87	12.64	434	163	28	571	1,537	190	155	Jun-11	Dec-10	1,493	158	120	0.4x	3.0x	0.4x	3.6x			
Gentiva Health Services Inc.	5.52	(73.5%)	(74.7%)	29.21	5.13	169	1,028	98	1,102	1,769	232	203	Jun-11	Dec-10	1,833	214	182	0.6x	4.7x	0.6x	5.1x			
LHC Group, Inc.	17.06	(26.0%)	(26.4%)	31.69	15.76	321	0	9	327	659	92	84	Jun-11	Dec-10	650	82	78	0.5x	3.5x	0.5x	4.0x			
Lincare Holdings Inc.	22.50	(23.1%)	(10.3%)	31.79	19.65	2,102	533	82	2,513	1,721	450	333	Jun-11	Dec-10	1,799	454	334	1.5x	5.6x	1.4x	5.5x			
Chemed Corp.	54.96	(16.1%)	(3.5%)	72.25	50.41	1,176	163	51	1,288	1,321	163	142	Jun-11	Dec-10	1,368	191	159	1.0x	7.9x	0.9x	6.7x			
Number of Companies	7	Median:	(26.0%)	(26.4%)	Total	\$4,401				\$7,617					\$7,759			0.5x	4.0x	0.5x	4.0x			
		Mean:	(35.4%)	(27.8%)					\$852									0.6x	4.4x	0.6x	4.5x			
Long-Term Care																								
The Ensign Group, Inc.	\$23.11	(24.0%)	28.7%	\$34.85	\$17.47	\$485	\$140	\$38	\$587	\$707	\$107	\$88	Jun-11	Dec-10	\$763	\$113	\$92	0.8x	5.5x	0.8x	5.2x			
Kindred Healthcare Inc.	8.62	(59.9%)	(33.8%)	28.99	8.62	449	1,444	52	1,826	4,674	251	120	Jun-11	Dec-10	5,576	369	200	0.4x	7.3x	0.3x	5.0x			
National Healthcare Corp.	32.30	(34.8%)	(12.9%)	53.08	30.00	447	10	37	505	736	102	74	Jun-11	Dec-10	768	127	59	0.7x	4.5x	0.7x	4.0x			
Sun Healthcare Group, Inc.	2.70	(66.3%)	0.0%	15.01	2.67	68	152	88	131	1,936	119	83	Jun-11	Dec-10	1,938	93	64	0.1x	1.1x	0.1x	1.4x			
Number of Companies	4	Median:	(47.3%)	(6.4%)	Total	\$1,449				\$8,052					\$9,046			0.5x	5.0x	0.5x	4.5x			
		Mean:	(46.2%)	(4.5%)					\$762									0.5x	4.6x	0.5x	3.9x			

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	
	9/30/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
	3 mos.	12 mos.	High	Low																	
<u>Physician Practice Management</u>																					
Multispecialty / Primary Care:																					
IPC The Hospitalist Company, Inc.	35.69	(22.9%)	30.7%	52.25	26.53	586	0	25	561	413	47	44	Jun-11	Dec-10	459	52	49	1.4x	11.9x	1.2x	10.8x
Number of Companies	1	Median:	(22.9%)	30.7%	Total	\$586			\$561	\$413					\$459			1.4x	11.9x	1.2x	10.8x
		Mean:	(22.9%)	30.7%														1.4x	11.9x	1.2x	10.8x
Specialty:																					
Integramed America Inc.	7.80	(19.2%)	(18.4%)	\$11.04	\$7.73	\$92	\$13	\$54	\$51	\$258	\$15	\$7	Jun-11	Dec-10	\$274	\$19	\$10	0.2x	3.5x	0.2x	2.8x
MEDNAX, Inc.	62.64	(13.2%)	17.5%	75.47	52.23	3,055	67	24	3,086	1,495	360	337	Jun-11	Dec-10	1,585	387	362	2.1x	8.6x	1.9x	8.0x
Number of Companies	2	Median:	(16.2%)	(0.4%)	Total	\$3,147			\$1,569	\$1,753					\$1,859			1.1x	6.0x	1.1x	5.4x
		Mean:	(16.2%)	(0.4%)														1.1x	6.0x	1.1x	5.4x
Dental:																					
American Dental Partners, Inc.	\$9.66	(25.5%)	(19.9%)	\$13.86	\$9.50	\$149	\$87	\$5	\$231	\$290	\$50	\$26	Jun-11	Dec-10	\$294	\$46	\$24	0.8x	4.7x	0.8x	5.0x
Birner Dental Management Services Inc.	16.64	(15.1%)	(5.3%)	21.99	15.30	31	4	1	34	65	5	2	Jun-11	Dec-10	NA	NA	NA	0.5x	6.7x	NA	NA
Number of Companies	2	Median:	(20.3%)	(12.6%)	Total	\$180			\$132	\$355					\$294			0.7x	5.7x	0.8x	5.0x
		Mean:	(20.3%)	(12.6%)														0.7x	5.7x	0.8x	5.0x
<u>Psychiatric Hospitals / Management</u>																					
Magellan Health Services Inc.	\$48.30	(11.8%)	2.2%	\$56.76	\$41.10	\$1,474	\$1	\$81	\$1,166	\$2,891	\$287	\$232	Jun-11	Dec-10	\$2,792	\$262	\$198	0.4x	4.1x	0.4x	4.4x
Providence Service Corp.	10.65	(15.8%)	(35.0%)	18.27	8.35	138	168	54	259	900	57	44	Jun-11	Dec-10	937	55	42	0.3x	4.5x	0.3x	4.7x
Universal Health Services Inc.	34.00	(34.0%)	(12.5%)	56.46	33.49	3,325	3,780	35	7,332	6,695	1,043	781	Jun-11	Dec-10	7,604	1,196	899	1.1x	7.0x	1.0x	6.1x
Number of Companies	3	Median:	(15.8%)	(12.5%)	Total	\$4,937			\$2,189	\$10,486					\$11,333			0.3x	4.3x	0.4x	4.7x
		Mean:	(20.5%)	(15.1%)														0.4x	3.9x	0.6x	5.1x
<u>Surgicenters / Rehabilitation</u>																					
Surgery Centers:																					
AmSurg Corp.	\$22.50	(13.9%)	28.7%	\$28.00	\$17.07	\$704	\$301	\$33	\$1,161	\$734	\$262	\$237	Jun-11	Dec-10	\$793	\$276	\$249	1.6x	4.4x	1.5x	4.2x
Lifepoint Hospitals Inc.	36.64	(6.2%)	4.5%	43.45	28.95	1,905	1,584	276	3,234	3,452	541	367	Jun-11	Dec-10	3,550	539	376	0.9x	6.0x	0.9x	6.0x
Number of Companies	2	Median:	(10.1%)	16.6%	Total	\$2,609			\$2,198	\$4,186					\$4,343			1.3x	5.2x	1.2x	5.1x
		Mean:	(10.1%)	16.6%														1.3x	5.2x	1.2x	5.1x
Rehabilitation / Long Term Acute Care:																					
HEALTHSOUTH Corp.	\$14.93	(43.1%)	(22.2%)	\$28.50	\$14.07	\$1,423	\$1,440	\$60	\$3,272	\$2,085	\$454	\$373	Jun-11	Dec-10	\$2,038	\$453	\$382	1.6x	7.0x	1.6x	7.2x
Select Medical Holdings Corporation	6.67	(24.8%)	(13.4%)	9.66	5.48	1,028	1,448	14	2,495	2,618	338	269	Jun-11	Dec-10	2,725	383	310	1.0x	7.4x	0.9x	6.5x
US Physical Therapy Inc.	18.52	(25.1%)	10.8%	26.23	16.58	220	17	9	240	223	42	36	Jun-11	Dec-10	236	37	39	1.1x	5.7x	1.0x	6.4x
Number of Companies	3	Median:	(25.1%)	(13.4%)	Total	\$2,671			\$2,002	\$4,925					\$4,998			1.1x	7.0x	1.0x	6.5x
		Mean:	(31.0%)	(8.3%)														1.2x	6.7x	1.2x	6.7x

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

Announced	Target	Seller	Buyer	Enterprise Value (\$mm)	Enterprise Value			Private Equity Involvement
					Sales	EBITDA	EBIT	
9/30/2011	Southwind Medical Specialists, PC	-	Methodist Healthcare	-	-	-	-	No
9/29/2011	Intellect Neurosciences, Inc., License of Worldwide Rights of Clinical Stage Drug Candidate, OX1	Intellect Neurosciences, Inc. (OTCPK:ILNS)	ViroPharma Inc. (NasdaqGS:VPHM)	\$126.5	-	-	-	No
9/28/2011	Micronics, Inc.	-	Sony Corporation of America	-	-	-	-	No
9/28/2011	Beeologics, LLC	-	Monsanto Co. (NYSE:MON)	-	-	-	-	No
9/28/2011	Graceway Pharmaceuticals, LLC	GTCR, LLC	Galderma S.A.	-	-	-	-	Yes
9/28/2011	CySolutions, Inc.	-	Greenway Medical Technologies, Inc.	-	-	-	-	No
9/28/2011	McNeil Consumer Pharmaceuticals Co	Merck & Co. Inc. (NYSE:MRK)	McNEIL-PPC, Inc.	\$350.0	-	-	-	No
9/28/2011	Impulse Monitoring, Inc.	Tullis Health Investors; Ascension Health Ventures, LLC	NuVasive, Inc. (NasdaqGS:NUVA)	\$80.0	-	-	-	Yes
9/28/2011	The International Institute of BioMedical Research	-	Crown Bioscience, Inc.	-	-	-	-	No
9/27/2011	Three Senior Living Communities in North and South Carolina	-	Capital Senior Living Corp. (NYSE:CSU)	\$30.0	-	-	-	No
9/27/2011	OrthoScan, Inc.	River Cities Capital Funds; California Technology Ventures, LLC; Aphelion Capital, LLC	Aton GmbH	-	-	-	-	Yes
9/27/2011	SmartPalate International, LLC	-	-	-	-	-	-	No
9/27/2011	Correct Claims Now LLC	-	Orbograph Inc.	-	-	-	-	No
9/26/2011	TheraCom, Inc.	CaremarkPCS, LLC	Lash Group Healthcare Consultants	\$250.0	0.4x	-	-	No
9/26/2011	Active Day, Inc.	Coleman Swenson Booth, Inc.; Essex Woodlands Health Ventures; Sterling Partners	Senior Care Centers of America, Inc.	-	-	-	-	Yes
9/26/2011	Wilson Inspection X-Ray Services Inc.	-	Hi-Tech Testing Service, Inc.	-	-	-	-	No
9/26/2011	Doctors Access, Inc.	-	iPractice Group Inc.	-	-	-	-	No
9/23/2011	M.D. Care, Inc.	-	Humana Inc. (NYSE:HUM)	-	-	-	-	No
9/23/2011	Aragon Surgical, Inc.	Bay City Capital LLC; Delphi Ventures; Integral Capital Partners; Onset Ventures	Aesculap, Inc.	-	-	-	-	Yes
9/22/2011	Hematology Oncology Associates of Illinois, LLC	-	Illinois Cancer Specialists, P.C.	-	-	-	-	No
9/22/2011	Sage Software Healthcare, Inc.	Sage Group plc (LSE:SGE)	Vista Equity Partners	\$314.7	1.3x	-	-	No
9/22/2011	American Medical Alert Corp. (NasdaqCM:AMAC)	-	Tunstall Group Ltd.	\$80.9	1.9x	12.6x	27.4x	No
9/22/2011	Louisiana Medical Center and Heart Hospital, LLC	Louisiana Hospital Management, LLC; MedCath Finance Company, LLC	Heart Care Associates, LLC	\$24.1	-	-	-	No
9/21/2011	Heart Clinics Northwest, PS	-	Kootenai Health	-	-	-	-	No
9/21/2011	Integrity Oncology PLLC	-	Baptist Memorial Medical Group Inc.	-	-	-	-	No
9/21/2011	Community Care Health Network, Inc.	Spring Bay Ventures, L.P.	Welsh, Carson, Anderson & Stowe	-	-	-	-	Yes
9/21/2011	Greenfield Senior Living, Inc., Three Senior Housing Facilities	Greenfield Senior Living, Inc.	Care Investment Trust Inc. (OTCPK:CVTR)	\$20.8	-	-	-	No
9/21/2011	Marshall Emergency Services Associates, PLLC	-	Atlanta Equity Investors, LLC	-	-	-	-	No
9/21/2011	Urschel Recovery Science Institute	-	Enterhealth Online LLC	-	-	-	-	No
9/20/2011	Solvix Medical Group	American Marine LLC	Smart-Tek Solutions Inc. (OTCPK:STTN)	-	-	-	-	No
9/20/2011	CareCentrix, Inc.	Water Street Healthcare Partners	Summit Partners	-	-	-	-	Yes
9/20/2011	Bloom Health Corp.	Sandbox Industries Inc.; Blue Cross and Blue Shield Association, Endowment Arm	WellPoint Inc. (NYSE:WLP); Blue Cross Blue Shield of Michigan, Inc.; Health Care Service Corporation	-	-	-	-	No
9/19/2011	MMD Systems Inc.	-	SuccessEHS, Inc.	-	-	-	-	No
9/19/2011	NextCare, Inc., Four Urgent Care Medical Centers	NextCare, Inc.	Concentra, Inc.	-	-	-	-	No
9/19/2011	Calypso Medical Technologies, Inc.	Bay City Capital LLC; Frazier Healthcare Ventures	Varian Medical Systems Inc. (NYSE:VAR)	\$10.0	0.7x	-	-	Yes
9/19/2011	My Veterinary Career	-	American Animal Hospital Association	-	-	-	-	No
9/18/2011	Midwest Health Plan, Inc.	-	Health Alliance Plan of Michigan	\$70.0	-	-	-	No
9/18/2011	Allergy Solutions, Inc.	-	Royal Heritage Home LLC	-	-	-	-	No
9/16/2011	Embla Systems, Inc.	Flaga Group Hf.	Natus Medical Inc. (NasdaqGS:BABY)	\$16.1	0.5x	-	-	No
9/16/2011	Concentric Pharma Advertising, Inc.	-	MDC Partners Inc. (TSX:MDZA)	-	-	-	-	No
9/15/2011	Medical Business Service, Inc.	-	Zotec Partners, LLC	-	-	-	-	No
9/14/2011	Health InfoTechnics, LLC	-	iVantage Health Analytics, Inc.	-	-	-	-	No
9/14/2011	Erie Physicians Network PC	-	UPMC Community Medicine, Inc.	-	-	-	-	No
9/14/2011	St. Anthony Granby Medical Center	Centura Health, Inc.	Kremmling Memorial Hospital District (Inc)	\$2.6	-	-	-	No
9/13/2011	PinPointe USA, Inc.	Western Technology Investment	NuvoLase, Inc.	-	-	-	-	No
9/13/2011	TargetRx, Inc.	-	ImpactRx, Inc.	-	-	-	-	No
9/13/2011	DSM Personalized Nutrition, LLC	Royal DSM N.V. (ENXTAM:DSM)	Viocare, Inc.	-	-	-	-	No
9/13/2011	Strategic Edge Communications, Inc.	-	MD On-Line, Inc.	-	-	-	-	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	
9/12/2011	Medicis Technologies Corporation	Medicis Pharmaceutical Corp. (NYSE:MRX)	Solta Medical, Inc. (NasdaqGS:SLTM)	\$35.0	-	-	-	No
9/12/2011	Ascension Orthopedics, Inc.	Frazier Healthcare Ventures; Mayo Clinic Health Solutions - Mayo Medical Ventures Fund	Integra LifeSciences Holdings Corporation (NasdaqGS:IART)	\$65.0	3.4x	-	-	Yes
9/12/2011	Accent Urgent Care & After Hours Pediatrics, P.A. and North Wake Internal Medicine Associates, PLLC	-	WakeMed Physicians	-	-	-	-	No
9/9/2011	Acute Surgical Care Specialists, PLLC	-	EmCare, Inc.	-	-	-	-	No
9/9/2011	Applied Medical Inc.	-	Catholic Health Initiatives	-	-	-	-	No
9/9/2011	Cardiology Associates of Virginia, PC	-	Carlson Clinic	-	-	-	-	No
9/9/2011	Emerald Square Assisted Living, LLC	-	-	\$3.0	-	-	-	No
9/8/2011	Frontier Scientific Services, Inc.	-	Frontier Scientific, Inc.	-	-	-	-	No
9/8/2011	Tolnitch Surgical Associates, P.A.	-	Private Diagnostic Clinic, Plc	-	-	-	-	No
9/8/2011	Anesthesia Consultants, P.C.	-	Team Health Holdings, Inc. (NYSE:TMH)	-	-	-	-	No
9/8/2011	Keystone Rehabilitation Systems - Phoenixville	-	Physiotherapy Associates, Inc.	-	-	-	-	No
9/7/2011	Caliper Life Sciences, Inc. (NasdaqGS:CALP)	The Berwind Company LLC	PerkinElmer Inc. (NYSE:PKI)	\$609.9	4.4x	130.3x	-	No
9/7/2011	Diagnostic Imaging, Inc.	-	Virtual Radiologic Corporation	-	-	-	-	No
9/7/2011	Avatar International LLC	Veronis Suhler Stevenson	The Riverside Company	-	-	-	-	Yes
9/7/2011	Nutri-Vet, LLC	-	Petra Pet, Inc.	-	-	-	-	No
9/6/2011	IntrinsicQ, LLC	Accel-KKR LLC	International Oncology Network	\$35.0	-	-	-	Yes
9/6/2011	Essent Healthcare, Inc.	Thoma Cressey Bravo; Vestar Capital Partners; Cressey & Company LP	RegionalCare Hospital Partners, Inc.	-	-	-	-	Yes
9/6/2011	Titan Health Corporation, Inc.	Salix Ventures; Versant Ventures; Cutlass Capital, LLC	United Surgical Partners International Inc.	-	-	-	-	No
9/2/2011	Premier Source Diagnostics Inc.	-	Lash Group Healthcare Consultants	-	-	-	-	No
9/2/2011	Allos Therapeutics, Inc. (NasdaqGS:ALTH)	Calvert Investment Management, Inc.; Warburg Pincus LLC; Perseus, L.L.C.	-	\$123.0	1.8x	-	-	Yes
9/1/2011	PlanetHospital.com LLC	-	Global Health Voyager, Inc. (OTCBB:GLHV)	-	-	-	-	No
9/1/2011	The Doctor Is In	-	Concentra Urgent Care	-	-	-	-	No
9/1/2011	Intrinsic Bioprobes, Inc.	-	Thermo Fisher Scientific, Inc. (NYSE:TMO)	-	-	-	-	No
9/1/2011	Pathway Medical Technologies, Inc.	HLM Venture Partners; Oxford Bioscience Partners	MEDRAD, Inc.	-	-	-	-	No
9/1/2011	Boston Medical Device International, LLC	Regent Private Capital LLC	Convatec, Inc.	-	-	-	-	Yes
9/1/2011	Active Diagnostics, Inc.	-	Specialty Care Services Group, LLC	-	-	-	-	No

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