

Harris Williams & Co.
middle market®

Healthcare & Life Sciences
Industry Update
September 2011

Member FINRA/SIPC

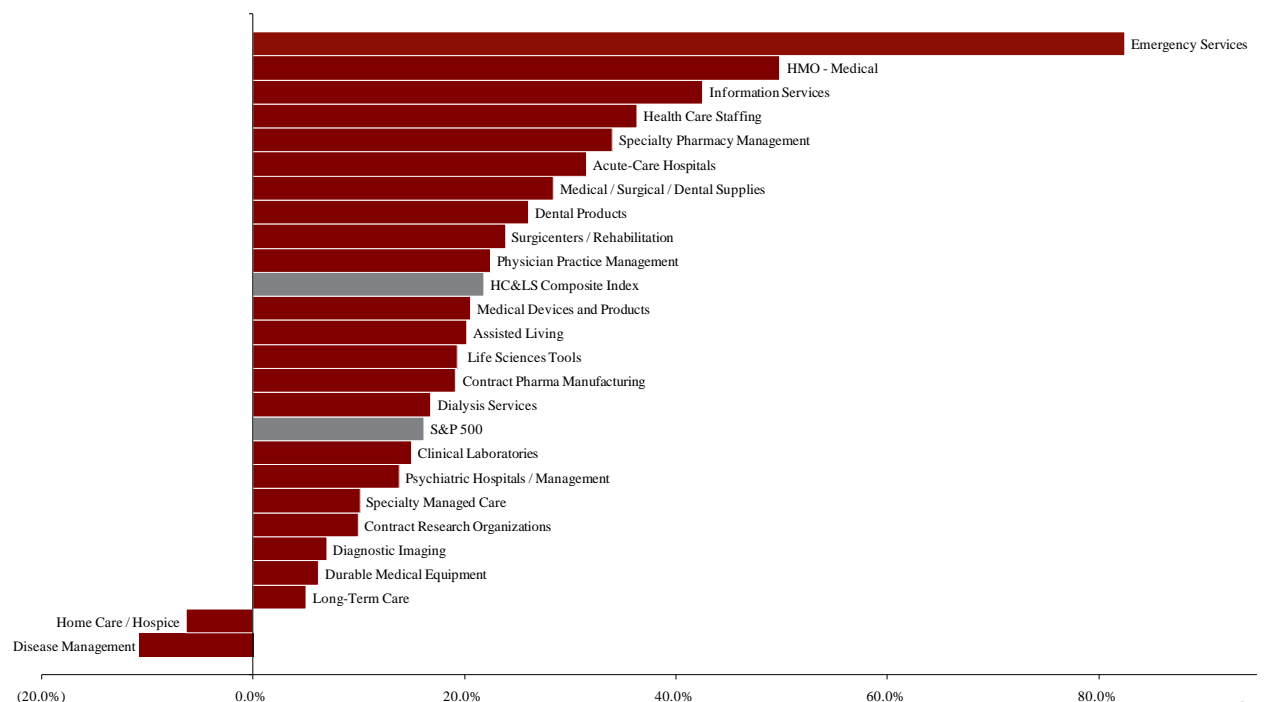


- One of the biggest stories coming out of Washington over the past months has been continued budget cuts on healthcare spending and reimbursement. The Centers for Medicare & Medicaid Services (CMS) announced recently that skilled nursing facilities would be subject to an 11.1% payment cut in 2012. According to sector analysts, this cut will significantly impact providers' earnings and may wreak havoc on debt covenants. The U.S. government continues to face increased pressure to cut Medicare spending, which is expected to reach more than \$1 trillion in ten years. With a strong focus on continued cuts, many providers expect that the biggest challenge they will face in coming years is a reimbursement environment over which they have little control. Read more about these cuts [here](#).
- For further reading on reimbursement related news, a [report](#) released this month by Thomson Reuters cites reimbursement cuts and new payment models as the biggest current challenges confronting hospitals. Other issues topping off healthcare professionals' lists are uncertainty about the advent of Accountable Care Organizations (ACOs) and continued focus on cost reductions. The report notes that as the industry looks to adjust to spending cuts, hiring numbers will likely take a near-term hit.
- Despite this gloomy outlook on the healthcare job market, *The New York Times* [reports](#) that during recent months, highlighted by expanding unemployment and broad cuts across almost every industry in the U.S., the healthcare sector has added jobs. The article references the 430,000 jobs added in the sector during the recent recession as other industry cuts totaled a combined 7.5 million jobs. Healthcare job growth has begun to slow in the past months, but still remains one of the largest drivers of job growth in the U.S.
- According to a recent [article](#) in *The Huffington Post*, the National Labor Relations Board has made a number of key last-minute rulings in favor of labor groups over the past few weeks. Specifically, a ruling made this month overturns a Bush-era decision that prohibited facility-based skilled nurses from unionizing without including other employee groups. This decision will simplify the unionization process and will have a large impact on the growing and largely non-unionized nursing home industry, which is currently at the center of Medicare & Medicaid reimbursement cuts. Many have criticized the move, however, claiming that it will further curb job growth.

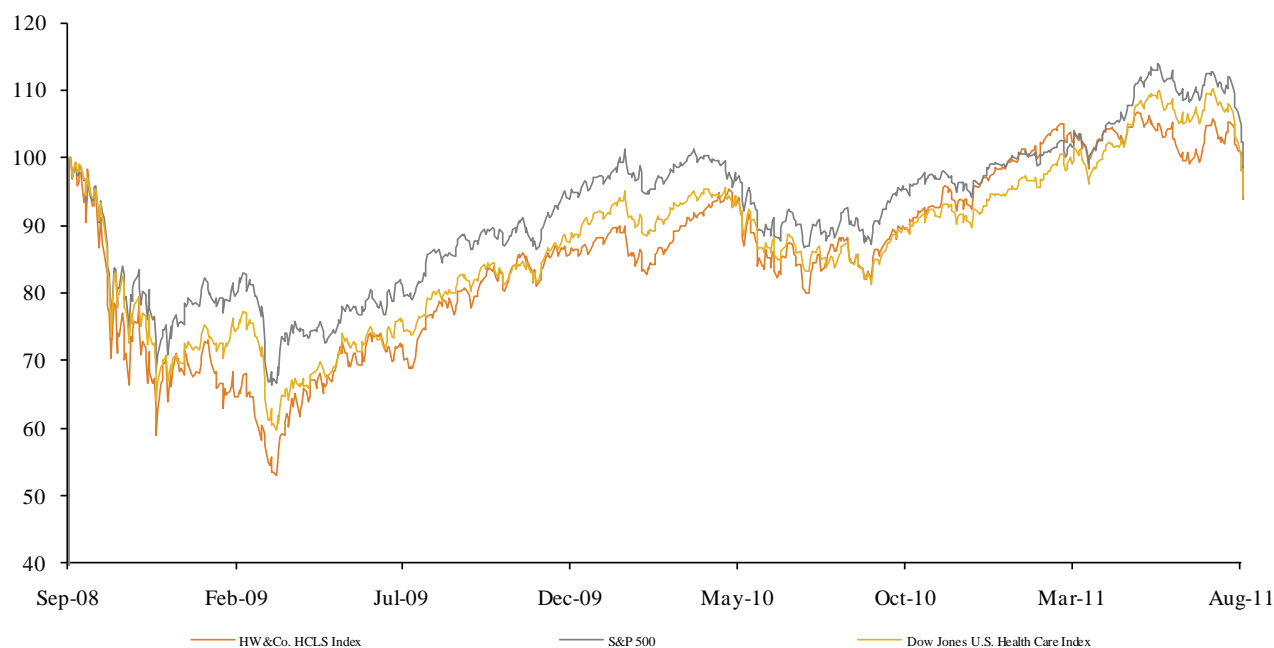
**Key Trading
Statistics**
*(detail begins
on page 6)*

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	\$7,682	(17.2%)	15.0%	1.6x	8.4x	1.6x	7.9x
Contract Pharma Manufacturing	5	601	(13.7%)	19.2%	0.9x	6.7x	1.1x	8.2x
Contract Research Organizations	6	1,796	(16.3%)	10.0%	1.2x	9.6x	1.2x	8.5x
Disease Management	3	1,879	(37.6%)	(10.7%)	2.2x	7.8x	2.1x	6.8x
Emergency Services	1	900	9.0%	82.4%	1.5x	8.4x	1.3x	7.6x
Health Care Staffing	4	641	(33.8%)	36.3%	0.5x	9.3x	0.5x	8.1x
HMO - Medical	12	12,054	(8.4%)	49.8%	0.4x	5.3x	0.4x	5.5x
Information Services	14	2,053	(2.8%)	42.5%	3.3x	16.3x	3.2x	11.9x
Specialty Managed Care	2	1,881	(9.4%)	10.1%	0.8x	5.9x	0.8x	NA
Specialty Pharmacy Management	5	7,162	(12.0%)	34.0%	0.6x	10.6x	0.6x	8.8x
Dental Products	5	21,209	(12.1%)	26.1%	2.3x	11.3x	2.2x	10.4x
Durable Medical Equipment	4	2,206	(18.0%)	6.2%	1.3x	7.6x	1.3x	6.9x
Life Sciences Tools	3	13,392	(19.2%)	19.3%	2.4x	8.6x	2.4x	7.9x
Medical Devices and Products	13	33,094	(14.8%)	20.6%	2.4x	8.7x	2.3x	8.1x
Medical / Surgical / Dental Supplies	7	8,502	(8.2%)	28.4%	0.2x	8.4x	0.2x	7.7x
Acute-Care Hospitals	5	6,891	(23.7%)	31.5%	0.9x	6.4x	0.9x	6.1x
Assisted Living	7	1,409	(25.4%)	20.2%	1.3x	9.7x	1.2x	8.8x
Diagnostic Imaging	3	2,505	(37.0%)	7.0%	1.5x	5.8x	1.5x	5.9x
Dialysis Services	2	19,326	(9.1%)	16.8%	1.9x	9.9x	1.9x	9.3x
Home Care / Hospice	7	880	(29.0%)	(6.4%)	0.6x	4.7x	0.6x	4.6x
Long-Term Care	4	837	(37.5%)	5.1%	0.6x	5.2x	0.5x	4.7x
Physician Practice Management	6	757	(14.3%)	22.5%	1.0x	7.6x	1.1x	7.6x
Psychiatric Hospitals / Management	4	2,387	(21.8%)	13.8%	0.4x	4.4x	0.4x	4.7x
Surgicenters / Rehabilitation	5	2,226	(22.8%)	23.9%	1.1x	6.1x	1.1x	6.8x
Payer, Provider, & Pharmacy Support Service	55	\$3,665	(14.2%)	28.9%	1.3x	8.8x	1.3x	8.1x
Products & Devices	32	\$15,681	(14.5%)	20.1%	1.7x	8.9x	1.7x	8.2x
Provider-Based Services	43	\$4,135	(24.5%)	14.9%	1.0x	6.6x	1.0x	6.5x
HC&LS Composite Index	130	\$6,345	(18.1%)	21.8%	1.3x	8.0x	1.3x	7.5x
S&P 500			(9.4%)	16.2%				

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



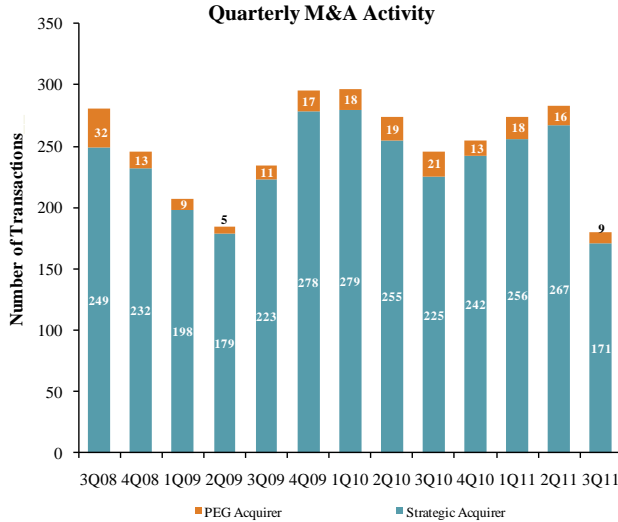
Healthcare and
Life Sciences
Industry Stock
Performance



Top Equity
Offerings
(by proceeds)

Closing Date	Filing Date	Issuer	Ticker	Transaction Type	Gross Proceeds (\$mm)
08/19/11	08/19/11	First Surgical Partners Inc	FSPI	Follow-On	\$118.2
08/24/11	08/24/11	Genomatica Inc	GENO	IPO	100.0
08/12/11	08/12/11	CyOptics Inc	CYOP	IPO	100.0
08/10/11	08/10/11	SciClone Pharmaceuticals Inc	SCLN	Follow-On	51.0
08/23/11	08/23/11	VIVUS Inc	VVUS	Follow-On	45.8
08/24/11	08/24/11	Zogenix Inc	ZGNX	Follow-On	41.3
08/01/11	08/01/11	Somaxon Pharmaceuticals Inc	SOMX	Follow-On	30.0
08/26/11	08/26/11	EpiCept Corp	EPCT	Follow-On	25.0
08/08/11	08/08/11	Telik Inc	TELK	Follow-On	25.0
08/04/11	08/04/11	InSite Vision Inc	ISV	Follow-On	23.5
08/03/11	08/03/11	Fibrocell Science Inc	FCSC	Follow-On	22.8
08/02/11	08/02/11	NuPathe Inc	PATH	Follow-On	21.0
08/24/11	08/24/11	Neurogesx Inc	NGSX	Follow-On	20.3
08/19/11	08/19/11	CorMedix Inc	CRMD.U	Follow-On	20.2
08/03/11	08/03/11	Somaxon Pharmaceuticals Inc	SOMX	Follow-On	18.1
08/03/11	08/03/11	Somaxon Pharmaceuticals Inc	SOMX	Follow-On	11.9
08/31/11	08/31/11	Telik Inc	TELK	Follow-On	7.0
08/10/11	01/22/10	Agenus Inc	AGEN	Follow-On	7.0
08/08/11	06/10/11	Omni Bio Pharmaceutical Inc	OMBP	Follow-On	3.8
08/24/11	08/24/11	Celsion Corp	CLSN	Follow-On	3.7
08/30/11	08/30/11	Cas Medical Systems Inc	CASM	Follow-On	2.4
08/02/11	08/02/11	Theravance Inc	THRX	Follow-On	2.0
08/10/11	08/10/11	Technest Holdings Inc	TCNH	Follow-On	0.9
08/17/11	08/17/11	Catasys Inc	CATS	Convertible	0.7
08/02/11	08/02/11	Alseres Pharmaceuticals Inc	ALSE	Follow-On	0.4
08/15/11	08/15/11	Vertical Health Solutions Inc	ONMD	Follow-On	0.2
08/01/11	08/01/11	ULURU Inc	ULU	Convertible	0.1

Announced
Healthcare &
Life Sciences
M&A



Top 10 Healthcare Deals

Announced	Target	Buyer
8/31/2011	Concentric Medical, Inc.	Stryker Corp.
8/23/2011	PharMerica Corporation	Omnicare Inc.
8/19/2011	Senior Whole Health, LLC	TA Associates, Inc.
8/16/2011	Metro Urgent Care	Concentra Urgent Care
8/12/2011	Comprehensive Medical Billing Solutions	Intermedix Corporation
8/3/2011	Emdeon Inc.	The Blackstone Group
8/2/2011	The Intensivist Group	Cogent HMG
8/2/2011	Liberty Dialysis	Fresenius Medical Care
8/2/2011	Cambridge Home Health Care, Inc.	Almost Family Inc.
8/2/2011	Community Dental Services, Inc.	Coast Dental Services, Inc.

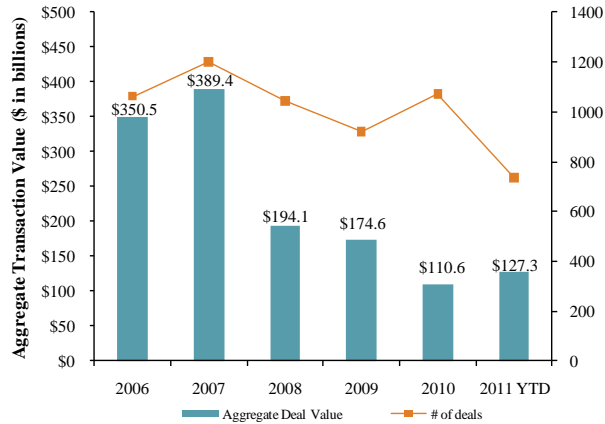
LTM Deal Statistics

Aggregate Value (\$bn)	Number of Deals	Median Transaction Multiples	
		TEV/Rev	TEV/EBITDA
\$165.6	370	1.77x	11.11x

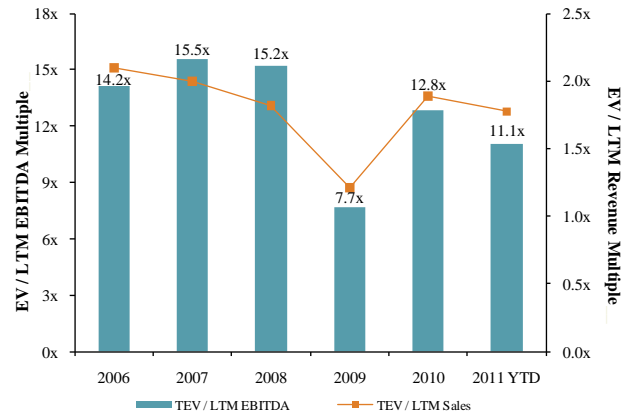
Note: Transactions based on publicly available information

Healthcare and
Life Sciences
M&A Trends

Announced Healthcare and Life Sciences Transactions



Median Healthcare and Life Sciences Transaction Multiples

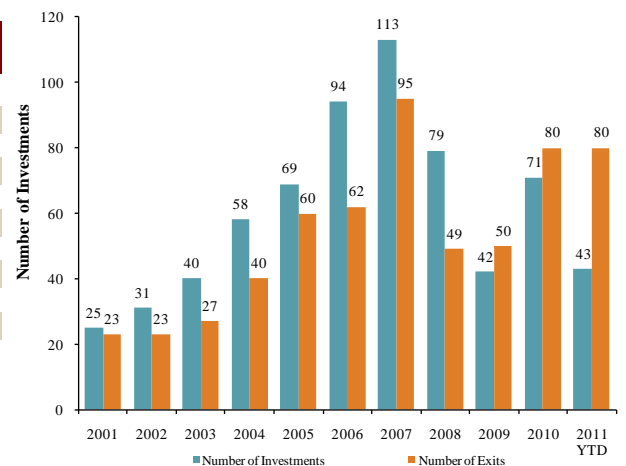


Announced
Private Equity
M&A Activity

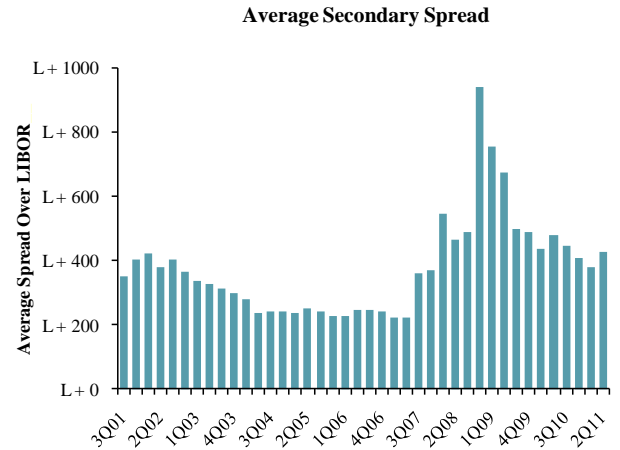
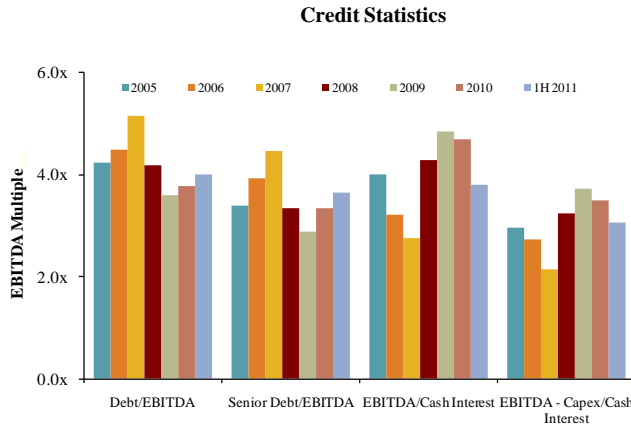
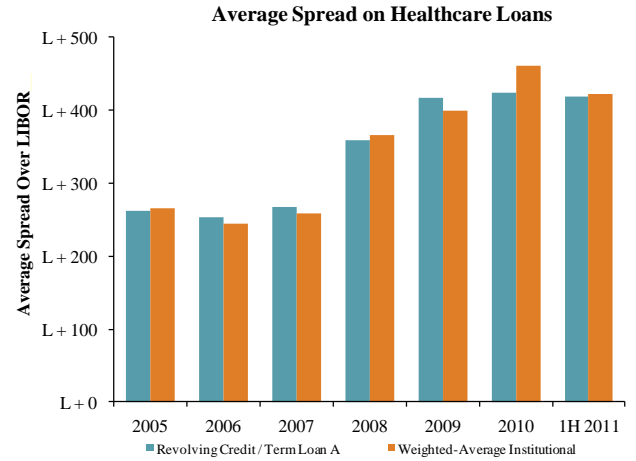
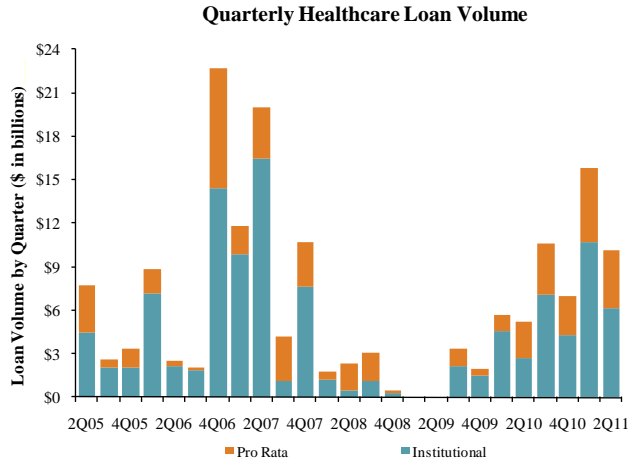
PEG Investments by Segment (Last 3 Years)

HC&LS Industry Segment	Number of Companies
Biotechnology	4
Healthcare Technology	16
Healthcare Distributors	8
Healthcare Equipment	22
Healthcare Facilities	29
Healthcare Services	50
Healthcare Supplies	10
Life Sciences Tools & Services	10
Managed Healthcare	4
Pharmaceuticals	23

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
09/12/11	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
08/10/11	Royalty Pharma	Pharmaceutical preparations	2,750,000,000	1,900,000,000	Term Loan B	BB+ / Baa2	275
08/10/11	Royalty Pharma	Pharmaceutical preparations	2,750,000,000	850,000,000	Term Loan B	BB+ / Baa2	300
08/17/11	Kinetic Concepts	Surgical appliances and supplies	2,150,000,000	1,250,000,000	Bridge Loan	B+ / Ba1	N/A
08/17/11	Kinetic Concepts	Surgical appliances and supplies	2,150,000,000	900,000,000	Bridge Loan	B+ / Ba1	N/A
08/09/11	Covidien International Finance SA	Surgical and medical instruments	1,500,000,000	1,500,000,000	Revolver/Line >= 1 Yr.	A / NR	87.5
08/05/11	3M Co	Surgical and medical instruments	1,500,000,000	1,500,000,000	Revolver/Line >= 1 Yr.	AA- / Aa2	N/A
07/18/11	St Joseph Health System	Health and allied services	1,200,000,000	1,200,000,000	Revolver/Line >= 1 Yr.	NR / NR	N/A
08/19/11	Immucor Inc	Diagnostic substances	1,115,000,000	615,000,000	Term Loan B	B- / Caa1	575
08/19/11	Immucor Inc	Diagnostic substances	1,115,000,000	400,000,000	Bridge Loan	B- / Caa1	N/A
08/19/11	Immucor Inc	Diagnostic substances	1,115,000,000	100,000,000	Revolver/Line >= 1 Yr.	B- / Caa1	550
08/01/11	Capsugel, Capsugel Financeco SCA	Pharmaceutical preparations	1,070,000,000	920,000,000	Term Loan B	AA / A1	400
08/01/11	Capsugel, Capsugel Financeco SCA	Pharmaceutical preparations	1,070,000,000	150,000,000	Revolver/Line >= 1 Yr.	AA / A1	400
08/10/11	Royalty Pharma	Pharmaceutical preparations	850,000,000	850,000,000	Term Loan A	BB+ / NR	225
08/16/11	VCA Antech, Vicar Operating Inc	Offices of health practitioners	706,250,000	581,250,000	Term Loan A	BB / NR	175
08/16/11	VCA Antech, Vicar Operating Inc	Offices of health practitioners	706,250,000	125,000,000	Revolver/Line >= 1 Yr.	BB / NR	175
07/06/11	CareFusion Corp	Surgical and medical instruments	550,000,000	550,000,000	Revolver/Line >= 1 Yr.	BBB- / Baa3	162.5
07/26/11	Edwards Lifesciences Corp	Surgical appliances and supplies	500,000,000	500,000,000	Revolver/Line >= 1 Yr.	NR / NR	100
07/01/11	Alkermes Inc	Pharmaceutical preparations	450,000,000	310,000,000	Term Loan B	BB / B1	525
07/01/11	Alkermes Inc	Pharmaceutical preparations	450,000,000	140,000,000	Term Loan	B / B1	800
08/22/11	Insight Pharmaceuticals Corp	Medicinals and botanicals	420,000,000	255,000,000	Term Loan B	NR / NR	600
08/22/11	Insight Pharmaceuticals Corp	Medicinals and botanicals	420,000,000	145,000,000	Term Loan	NR / NR	1175
08/22/11	Insight Pharmaceuticals Corp	Medicinals and botanicals	420,000,000	20,000,000	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 ⁽⁶⁾		TEV/Fwd Multiples				
	8/31/2011	% 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.	\$20.24	(18.8%)	2.1%	\$25.99	\$17.50	\$566	\$46	\$21	\$593	\$534	\$70	\$56	Jul-11	Oct-10	\$558	\$74	\$59	1.1x	8.5x	1.1x	8.0x			
Laboratory Corp. of America Holdings	83.53	(17.2%)	15.0%	100.94	72.94	8,457	2,003	195	10,363	5,344	1,233	1,046	Jun-11	Dec-10	5,574	1,317	1,069	1.9x	8.4x	1.9x	7.9x			
Quest Diagnostics Inc.	50.07	(14.3%)	15.1%	61.21	43.85	7,925	4,328	994	12,090	7,413	1,536	1,272	Jun-11	Dec-10	7,498	1,551	1,249	1.6x	7.7x	1.6x	7.8x			
Number of Companies	3	Median:	(17.2%)	15.0%	Total	\$16,948				\$13,291					\$13,631			1.6x	8.4x	1.6x	7.9x			
		Mean:	(16.8%)	10.7%					\$7,682									1.6x	8.2x	1.5x	7.9x			
Contract Pharma Manufacturing																								
Akorn, Inc.	\$8.04	18.1%	136.5%	\$8.20	\$3.32	\$761	\$99	\$46	\$725	\$103	\$25	\$20	Jun-11	Dec-10	\$128	\$39	\$31	7.0x	11.7x	5.7x	18.8x			
Cambrex Corporation.	4.97	1.6%	19.2%	6.78	3.87	146	116	35	222	242	47	24	Jun-11	Dec-10	251	NA	23	0.9x	4.8x	0.9x	NA			
Integrated Biopharma Inc.	0.20	(46.7%)	14.3%	0.28	0.03	2	13	1	14	41	(1)	(2)	Mar-11	Jun-10	NA	NA	NA	0.3x	NM	NA	NA			
Patheon Inc.	1.64	(28.5%)	(32.2%)	2.88	1.59	211	275	39	441	687	98	40	Apr-11	Oct-10	687	76	33	0.7x	4.6x	0.6x	5.8x			
West Pharmaceutical Services, Inc.	40.12	(13.7%)	19.3%	47.96	32.74	1,351	380	95	1,605	1,152	183	106	Jun-11	Dec-10	1,184	196	116	1.4x	8.6x	1.4x	8.2x			
Number of Companies	5	Median:	(13.7%)	19.2%	Total	\$2,471				\$2,224					\$2,250			0.9x	6.7x	1.1x	8.2x			
		Mean:	(13.8%)	31.4%					\$601									2.1x	7.4x	2.1x	10.9x			
Contract Research Organizations																								
Albany Molecular Research Inc.	\$3.49	(30.6%)	(42.5%)	\$6.97	\$3.36	\$107	\$10	\$10	\$88	\$210	\$4	(\$14)	Jun-11	Dec-10	\$222	\$15	(\$3)	0.4x	23.1x	0.4x	6.1x			
Charles River Laboratories International, Inc.	33.12	(14.4%)	17.2%	42.84	28.43	1,701	789	159	2,334	1,127	278	188	Jun-11	Dec-10	1,143	267	195	2.1x	8.4x	2.0x	8.7x			
Covance Inc.	49.56	(15.8%)	30.7%	63.86	37.88	3,010	93	368	2,697	2,108	297	195	Jun-11	Dec-10	2,071	324	218	1.3x	9.1x	1.3x	8.3x			
ICON plc	21.31	(16.7%)	(3.1%)	26.22	18.53	1,288	0	192	1,073	920	106	71	Jun-11	Dec-10	962	81	43	1.2x	10.1x	1.1x	13.2x			
PAREXEL International Corporation	20.38	(19.0%)	2.7%	27.91	15.26	1,202	247	119	1,360	1,422	155	90	Jun-11	Jun-11	1,359	179	110	1.0x	8.8x	1.0x	7.6x			
Pharmaceutical Product Development Inc.	31.48	9.1%	37.0%	33.07	23.07	3,585	0	350	3,223	1,545	294	229	Jun-11	Dec-10	1,526	327	257	2.1x	10.4x	2.1x	9.9x			
Number of Companies	6	Median:	(16.3%)	10.0%	Total	\$10,894				\$7,331					\$7,282			1.2x	9.6x	1.2x	8.5x			
		Mean:	(14.6%)	7.0%					\$1,796									1.3x	11.6x	1.3x	9.0x			
Disease Management																								
Alere Inc.	\$24.97	(37.6%)	(10.7%)	\$41.18	\$21.67	\$2,147	\$2,773	\$319	\$4,973	\$2,267	\$464	\$78	Jun-11	Dec-10	\$2,362	\$615	\$494	2.2x	10.7x	2.1x	8.1x			
Corac Group plc	0.17	(39.6%)	(49.7%)	0.55	0.15	41	0	34	9	1	(7)	(7)	Jun-11	Dec-10	2	(7)	(11)	6.7x	NM	3.8x	NM			
Healthways Inc.	12.56	(22.5%)	0.5%	17.62	9.50	423	233	4	656	698	135	84	Jun-11	Dec-10	690	119	68	0.9x	4.9x	0.9x	5.5x			
Number of Companies	3	Median:	(37.6%)	(10.7%)	Total	\$2,611				\$2,966					\$3,055			2.2x	7.8x	2.1x	6.8x			
		Mean:	(33.2%)	(20.0%)					\$1,879									3.3x	7.8x	2.3x	6.8x			
Emergency Services																								
Air Methods Corp.	\$66.55	9.0%	82.4%	\$77.22	\$36.87	\$844	\$100	\$56	\$900	\$586	\$107	\$81	Jun-11	Dec-10	\$669	\$119	\$88	1.5x	8.4x	1.3x	7.6x			
Number of Companies	1	Median:	9.0%	82.4%	Total	\$844				\$586					\$669			1.5x	8.4x	1.3x	7.6x			
		Mean:	9.0%	82.4%					\$900									1.5x	8.4x	1.3x	7.6x			
Health Care Staffing																								
AMN Healthcare Services Inc.	\$5.51	(36.3%)	24.4%	\$9.33	\$4.52	\$223	\$220	\$4	\$462	\$861	\$48	\$31	Jun-11	Dec-10	\$939	\$59	\$42	0.5x	9.6x	0.5x	7.8x			
Cross Country Healthcare, Inc.	4.93	(35.7%)	(33.6%)	9.32	4.13	154	50	10	186	477	20	9	Jun-11	Dec-10	506	22	11	0.4x	9.2x	0.4x	8.3x			
On Assignment Inc.	7.60	(32.0%)	73.9%	11.67	4.32	281	77	16	340	510	40	32	Jun-11	Dec-10	585	51	40	0.7x	8.5x	0.6x	6.7x			
Team Health Holdings, Inc.	18.69	(16.6%)	48.2%	24.13	12.14	1,223	400	49	1,574	2,867	169	141	Jun-11	Dec-10	1,701	182	150	0.5x	9.3x	0.9x	8.6x			
Number of Companies	4	Median:	(33.8%)	36.3%	Total	\$1,881				\$4,715					\$3,731			0.5x	9.3x	0.5x	8.1x			
		Mean:	(30.1%)	28.2%					\$641									0.5x	9.2x	0.6x	7.9x			

Payer, Provider, & Pharmacy Support Services

Company Name (Ticker)	Stock Price					Equity Mkt. Value	Total Debt	Cash and Equiv.	Total Ent. Value	Lastest Twelve Months (LTM)			LTM Period ⁽³⁾	Lastest FYE Date ⁽⁵⁾	Forward Estimate			TEV/LTM Multiples ⁽⁵⁾		TEV/Fwd Multiples			
	8/31/2011	% 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.	\$40.03	(8.4%)	49.8%	\$46.01	\$26.92	\$14,927	\$4,565	\$1,444	\$18,581	\$33,811	\$3,494	\$3,041	Jun-11	Dec-10	\$33,234	\$3,404	\$2,985	0.5x	5.3x	0.6x	5.5x		
CIGNA Corporation	46.74	(6.3%)	45.1%	52.95	32.39	12,629	3,230	1,656	14,085	21,599	2,661	2,430	Jun-11	Dec-10	21,726	2,548	2,226	0.7x	5.3x	0.6x	5.5x		
Coventry Health Care Inc.	32.88	(6.5%)	69.9%	37.86	19.57	4,885	1,818	1,359	5,057	11,957	1,026	911	Jun-11	Dec-10	12,178	881	752	0.4x	4.9x	0.4x	5.7x		
Health Net Inc.	24.69	(23.1%)	3.4%	34.03	20.51	2,199	584	142	2,617	13,075	520	485	Jun-11	Dec-10	11,804	520	484	0.2x	5.0x	0.2x	5.0x		
HealthSpring Inc.	39.04	(11.0%)	88.1%	48.95	20.90	2,651	345	301	2,735	4,390	453	405	Jun-11	Dec-10	5,432	521	461	0.6x	6.0x	0.5x	5.3x		
Humana Inc.	77.64	(3.6%)	62.5%	84.32	48.13	12,953	1,917	1,756	13,302	35,373	2,409	2,127	Jun-11	Dec-10	36,915	2,331	2,170	0.4x	5.5x	0.4x	5.7x		
UnitedHealth Group, Inc.	47.52	(2.9%)	49.8%	53.50	31.84	51,139	11,194	9,790	52,558	98,364	9,197	8,439	Jun-11	Dec-10	101,645	8,560	7,588	0.5x	5.7x	0.5x	6.1x		
WellPoint Inc.	63.30	(19.0%)	27.5%	81.92	49.91	22,830	9,660	2,402	30,790	59,293	5,372	4,752	Jun-11	Dec-10	60,012	4,462	4,012	0.5x	5.7x	0.5x	6.9x		
Number of Companies	8	Median:	(7.4%)	49.8%	Total	\$124,213				\$277,862					\$282,946			0.5x	5.4x	0.5x	5.6x		
		Mean:	(10.1%)	49.5%					\$17,466									0.5x	5.4x	0.5x	5.7x		
Government:																							
AMERIGROUP Corporation	\$49.47	(30.2%)	34.1%	\$75.74	\$36.71	\$2,456	\$251	\$602	\$2,125	\$6,064	\$475	\$460	Jun-11	Dec-10	\$6,216	\$388	\$349	0.4x	4.5x	0.3x	5.5x		
Centene Corp.	31.89	(8.4%)	57.7%	39.35	20.31	1,604	341	492	1,473	4,845	236	191	Jun-11	Dec-10	5,255	249	196	0.3x	6.2x	0.3x	5.9x		
Molina Healthcare Inc.	19.23	(29.2%)	13.7%	29.03	15.98	886	167	464	593	4,407	186	135	Jun-11	Dec-10	4,648	178	127	0.1x	3.2x	0.1x	3.3x		
WellCare Health Plans, Inc.	45.83	(6.9%)	84.7%	55.75	24.91	1,958	35	1,233	737	5,706	517	491	Jun-11	Dec-10	6,059	376	348	0.1x	1.4x	0.1x	2.0x		
Number of Companies	4	Median:	(18.8%)	45.9%	Total	\$6,904				\$21,022					\$22,178			0.2x	3.8x	0.2x	4.4x		
		Mean:	(18.7%)	47.6%					\$1,232									0.2x	3.8x	0.2x	4.2x		
Information Services																							
Data/Analytics:																							
Accelys Inc.	\$6.50	(10.1%)	7.4%	\$8.95	\$6.00	\$359	\$0	\$44	\$244	\$115	(\$8)	(\$25)	Mar-11	Dec-10	\$147	\$30	\$21	2.1x	NM	1.7x	8.1x		
eResearchTechnology, Inc.	5.21	(17.8%)	(29.3%)	8.59	4.47	256	21	30	245	175	43	21	Jun-11	Dec-10	179	48	25	1.4x	5.6x	1.4x	5.1x		
National Research Corp.	33.77	(5.1%)	34.3%	44.44	24.53	227	17	3	239	70	21	16	Jun-11	Dec-10	75	NA	NA	3.4x	11.3x	3.2x	NA		
Number of Companies	3	Median:	(10.1%)	7.4%	Total	\$843				\$359					\$147			2.1x	8.5x	1.7x	6.6x		
		Mean:	(11.0%)	4.1%					\$243									2.3x	8.5x	2.1x	6.6x		
eHealth:																							
WebMD Health Corp.	35.32	(25.9%)	(30.7%)	58.55	31.66	2,072	800	1,065	1,724	577	151	132	Jun-11	Dec-10	\$588	\$201	\$144	3.0x	11.4x	3.2x	10.1x		
Number of Companies	1	Median:	(25.9%)	(30.7%)	Total	\$2,072				\$577					\$588			3.0x	11.4x	3.2x	10.1x		
		Mean:	(25.9%)	(30.7%)					\$1,724									3.0x	11.4x	3.2x	10.1x		
Hospital/Physician:																							
Allscripts Healthcare Solutions, Inc.	\$17.96	(10.7%)	7.8%	\$23.13	\$13.85	\$3,375	\$424	\$145	\$3,683	\$1,240	\$211	\$112	Jun-11	Dec-10	\$1,440	\$388	\$300	3.0x	17.5x	2.6x	9.5x		
athenahealth, Inc.	57.99	29.5%	115.3%	61.78	27.02	2,029	0	46	1,924	280	47	35	Jun-11	Dec-10	321	68	35	6.9x	40.6x	6.0x	28.5x		
Cerner Corporation	65.96	9.8%	81.1%	68.12	36.75	11,151	115	185	10,584	1,979	528	399	Jul-11	Jan-11	2,117	675	461	5.3x	20.1x	5.0x	15.7x		
Computer Programs & Systems Inc.	70.82	12.9%	73.3%	79.06	40.08	783	0	10	759	173	41	39	Jun-11	Dec-10	183	45	43	4.4x	18.5x	4.1x	16.8x		
HMS Holdings Corp.	26.23	0.8%	50.8%	28.27	17.45	2,223	0	116	2,105	339	94	75	Jun-11	Dec-10	374	112	86	6.2x	22.4x	5.6x	18.7x		
MedAssets, Inc.	11.43	(21.4%)	(42.3%)	22.50	9.09	673	943	57	1,574	481	133	52	Jun-11	Dec-10	578	181	61	3.3x	11.8x	2.7x	8.7x		
Merge Healthcare Incorporated	5.92	(2.5%)	134.9%	6.69	2.46	531	250	47	736	200	45	26	Jun-11	Dec-10	235	62	50	3.7x	16.3x	3.1x	11.9x		
Quality Systems Inc.	92.02	6.9%	64.2%	94.25	56.20	2,696	0	117	2,571	371	112	104	Jun-11	Mar-11	429	143	128	6.9x	22.9x	6.0x	17.9x		
SXC Health Solutions, Corp.	14.16	0.0%	0.0%	18.00	11.55	991	1,087	326	2,102	1,349	133	79	Jun-11	Dec-10	1,559	166	100	1.6x	15.8x	1.3x	12.7x		
Transcend Services, Inc.	25.82	(3.1%)	81.6%	30.25	14.00	276	0	16	253	110	24	22	Jun-11	Dec-10	128	28	25	2.3x	10.4x	2.0x	8.9x		
Number of Companies	10	Median:	0.4%	68.7%	Total	\$24,727				\$6,521					\$7,364			4.0x	18.0x	3.6x	14.2x		
		Mean:	2.2%	56.7%					\$2,629									4.4x	19.6x	3.8x	14.9x		

Payer, Provider, & Pharmacy Support Services

Company Name (Ticker)	Stock Price					Equity Mkt. Value	Total Debt	Cash and Equiv.	Total Ent. Value	Lastest Twelve Months (LTM)			LTM Period ⁽¹⁾	Lastest FYE Date ⁽²⁾	Forward Estimate			TEV/LTM Multiples ⁽⁵⁾		TEV/ Fwd Multiples			
	8/31/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA
	3 mos.	12 mos.	High	Low																			
<i>Specialty Managed Care</i>																							
Assurant Inc.	35.17	(4.9%)	(3.8%)	41.90	30.65	3,322	1,065	940	3,253	8,319	951	818	Jun-11	Dec-10	8,183	NA	770	0.4x	3.4x	0.4x	NA		
CorVel Corporation	45.62	(13.8%)	24.0%	54.19	37.06	527	0	12	509	391	60	47	Jun-11	Mar-11	423	NA	NA	1.3x	8.5x	1.2x	NA		
Number of Companies	2	Median:	(9.4%)	10.1%	Total	\$3,849				\$8,711					\$8,606			0.8x	5.9x	0.8x	NA		
		Mean:	(9.4%)	10.1%					\$1,881									0.8x	5.9x	0.8x	NA		
<i>Specialty Pharmacy Management</i>																							
BioScrip Inc.	\$6.33	(17.3%)	30.5%	\$7.85	\$4.00	\$346	\$273	\$0	\$620	\$1,772	\$54	\$42	Jun-11	Dec-10	\$1,776	\$70	\$47	0.3x	11.4x	0.3x	8.8x		
Express Scripts Inc.	46.94	(21.2%)	10.2%	60.89	43.01	22,916	4,089	766	26,714	45,002	2,511	2,282	Jun-11	Dec-10	45,710	2,848	2,630	0.6x	10.6x	0.6x	9.4x		
Catalyst Health Solutions, Inc.	53.72	(12.0%)	34.0%	67.58	31.40	2,623	324	183	2,906	4,397	170	145	Jun-11	Dec-10	5,222	183	142	0.7x	17.1x	0.6x	15.9x		
Omnicare Inc.	29.71	(5.5%)	54.7%	33.01	19.46	3,441	1,959	451	4,879	6,244	621	471	Jun-11	Dec-10	6,137	604	492	0.8x	7.9x	0.8x	8.1x		
PharMerica Corporation	14.73	19.4%	89.8%	14.80	7.82	433	274	12	692	2,001	82	52	Jun-11	Dec-10	2,104	86	50	0.3x	8.5x	0.3x	8.1x		
Number of Companies	5	Median:	(12.0%)	34.0%	Total	\$29,760				\$59,417					\$60,949			0.6x	10.6x	0.6x	8.8x		
		Mean:	(7.3%)	43.9%					\$7,162									0.5x	11.1x	0.5x	10.0x		

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 ⁽³⁾	Forward Estimate			TEV/ LTM Multiples ⁽⁵⁾		TEV/ Fwd Multiples			
	8/31/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA
	3 mos.	12 mos.	High	Low																			
Dental Products																							
3M Co.	\$82.98	(12.1%)	5.6%	\$98.19	\$76.50	\$58,877	\$5,600	\$2,747	\$60,365	\$28,574	\$7,279	\$6,110	Jun-11	Dec-10	\$30,184	\$7,884	\$6,652	2.1x	8.3x	2.0x	7.7x		
Danaher Corp.	45.81	(16.0%)	26.1%	56.09	36.72	31,405	6,573	1,594	37,493	14,035	2,878	2,446	Jul-11	Dec-10	16,419	3,334	2,768	2.7x	12.8x	2.3x	11.2x		
DENTSPLY International Inc.	35.20	(10.3%)	26.7%	40.16	28.06	4,975	951	575	5,286	2,290	467	398	Jun-11	Dec-10	2,353	459	389	2.3x	11.3x	2.2x	11.5x		
Sirona Dental Systems Inc.	46.66	(13.7%)	48.2%	57.87	31.52	2,623	389	300	2,684	878	225	149	Jun-11	Sep-10	909	257	201	3.1x	11.9x	3.0x	10.4x		
Young Innovations Inc.	27.41	(4.1%)	4.5%	33.40	25.79	220	0	1	219	106	28	24	Jun-11	Dec-10	108	29	25	2.1x	7.8x	2.0x	7.6x		
Number of Companies	5	Median:	(12.1%)	26.1%	Total	\$98,100				\$45,882					\$49,973			2.3x	11.3x	2.2x	10.4x		
		Mean:	(11.2%)	22.2%					\$21,209									2.4x	10.4x	2.3x	9.7x		
Durable Medical Equipment																							
Hill-Rom Holdings, Inc.	\$30.30	(33.6%)	(5.6%)	\$48.80	\$27.31	\$1,914	\$153	\$235	\$1,784	\$1,558	\$299	\$212	Jun-11	Sep-10	\$1,581	\$316	\$205	1.1x	6.0x	1.1x	5.6x		
Invacare Corporation	25.12	(25.2%)	9.7%	34.52	22.46	803	256	33	1,021	1,784	137	100	Jun-11	Dec-10	1,810	NA	NA	0.6x	7.5x	0.6x	NA		
ResMed Inc.	30.97	(3.8%)	2.8%	35.90	25.75	4,693	100	672	4,058	1,243	341	270	Jun-11	Jun-11	1,430	362	283	3.3x	11.9x	2.8x	11.2x		
Steris Corp.	32.18	(10.8%)	11.9%	38.00	27.76	1,907	210	193	1,962	1,337	252	196	Jun-11	Mar-11	1,408	284	228	1.5x	7.8x	1.4x	6.9x		
Number of Companies	4	Median:	(18.0%)	6.2%	Total	\$9,316				\$5,922					\$6,229			1.3x	7.6x	1.3x	6.9x		
		Mean:	(18.4%)	4.7%					\$2,206									1.6x	8.3x	1.5x	7.9x		
Life Sciences Tools																							
Agilent Technologies Inc.	\$36.87	(26.1%)	36.7%	\$55.33	\$27.43	\$12,832	\$2,168	\$2,975	\$11,907	\$6,463	\$1,384	\$1,127	Jul-11	Oct-10	\$6,651	\$1,498	\$1,301	1.8x	8.6x	1.8x	7.9x		
Becton, Dickinson and Company	81.38	(7.0%)	19.3%	89.75	68.83	17,696	2,725	749	18,493	7,651	2,235	1,739	Jun-11	Sep-10	7,809	2,300	1,777	2.4x	8.3x	2.4x	8.0x		
Life Technologies Corporation	42.00	(19.2%)	(1.8%)	57.25	35.30	7,579	2,739	694	9,775	3,636	1,105	697	Jun-11	Dec-10	3,755	1,304	1,088	2.7x	8.8x	2.6x	7.5x		
Number of Companies	3	Median:	(19.2%)	19.3%	Total	\$38,108				\$17,751					\$18,215			2.4x	8.6x	2.4x	7.9x		
		Mean:	(17.4%)	18.1%					\$13,392									2.3x	8.6x	2.3x	7.8x		
Medical Devices and Products																							
Abbott Laboratories	\$52.51	0.5%	6.4%	\$54.24	\$45.07	\$81,736	\$18,219	\$2,740	\$91,152	\$37,299	\$10,360	\$7,416	Jun-11	Dec-10	\$38,831	\$11,510	\$8,916	2.4x	8.8x	2.3x	7.9x		
ArthroCare Corporation	32.38	(5.5%)	25.1%	36.00	25.27	889	0	148	779	358	84	60	Jun-11	Dec-10	365	96	70	2.2x	9.2x	2.1x	8.1x		
Baxter International Inc.	55.98	(5.9%)	31.6%	62.50	42.70	31,811	4,400	2,168	34,440	13,542	3,849	3,172	Jun-11	Dec-10	13,795	3,977	3,291	2.5x	9.0x	2.5x	8.7x		
Boston Scientific Corporation	6.78	(5.6%)	30.6%	7.96	5.04	10,378	4,201	595	14,409	7,818	1,938	1,155	Jun-11	Dec-10	7,778	1,806	1,117	1.8x	7.4x	1.9x	8.0x		
CR Bard Inc.	95.26	(14.8%)	24.0%	113.84	75.88	8,254	901	748	8,243	2,821	907	794	Jun-11	Dec-10	2,917	932	829	2.9x	9.1x	2.8x	8.8x		
Hanger Orthopedic Group Inc.	18.78	(25.3%)	43.9%	28.47	13.12	625	506	20	1,111	868	141	116	Jun-11	Dec-10	940	155	124	1.3x	7.9x	1.2x	7.2x		
Hologic Inc.	16.64	(22.6%)	17.3%	23.24	14.15	4,362	1,470	573	5,219	1,751	602	303	Jun-11	Sep-10	1,781	639	538	3.0x	8.7x	2.9x	8.2x		
Hospira Inc.	46.20	(16.4%)	(10.0%)	60.49	42.34	7,617	1,760	597	8,774	4,008	872	634	Jun-11	Dec-10	4,252	1,079	869	2.2x	9.6x	2.1x	8.1x		
Johnson & Johnson	65.80	(2.2%)	15.4%	68.05	57.44	180,315	18,726	22,356	169,359	63,396	19,506	16,480	Jul-11	Jan-11	65,355	20,440	17,188	2.7x	8.7x	2.6x	8.3x		
Medtronic, Inc.	35.07	(13.8%)	11.5%	43.33	30.18	37,208	10,052	1,382	44,739	16,209	5,471	4,643	Jul-11	Apr-11	16,643	6,172	5,336	2.8x	8.2x	2.7x	7.2x		
Stryker Corp.	48.84	(21.7%)	13.1%	65.21	43.51	18,966	1,021	735	17,312	7,823	2,383	1,935	Jun-11	Dec-10	8,345	2,433	1,985	2.2x	7.3x	2.1x	7.1x		
Thermo Fisher Scientific, Inc.	54.93	(16.1%)	30.4%	65.86	42.70	20,976	4,027	2,789	23,640	11,185	2,218	1,440	Jul-11	Dec-10	11,856	2,374	2,126	2.1x	10.7x	2.0x	10.0x		
Zimmer Holdings, Inc.	56.89	(16.0%)	20.6%	69.93	47.09	10,836	1,147	576	11,038	4,353	1,540	1,191	Jun-11	Dec-10	4,480	1,652	1,289	2.5x	7.2x	2.5x	6.7x		
Number of Companies	13	Median:	(14.8%)	20.6%	Total	\$413,972				\$171,431					\$177,338			2.4x	8.7x	2.3x	8.1x		
		Mean:	(12.7%)	20.0%					\$33,094									2.4x	8.6x	2.3x	8.0x		
Medical / Surgical / Dental Supplies																							
AmerisourceBergen Corporation	\$39.58	(4.0%)	45.1%	\$43.47	\$27.46	\$10,657	\$1,362	\$1,912	\$10,019	\$79,525	\$1,330	\$1,215	Jun-11	Sep-10	\$79,982	\$1,331	\$1,226	0.1x	7.5x	0.1x	7.5x		
Cardinal Health, Inc.	42.50	(6.4%)	41.9%	47.06	30.30	14,645	2,502	1,962	15,093	102,644	1,881	1,567	Jun-11	Jun-11	106,974	2,140	1,829	0.1x	8.0x	0.1x	7.1x		
Henry Schein Inc.	65.91	(8.2%)	24.8%	74.98	53.33	6,091	443	117	6,798	7,995	663	555	Jun-11	Dec-10	8,347	704	587	0.9x	10.1x	0.8x	9.7x		
McKesson Corporation	79.93	(6.6%)	37.7%	87.32	58.08	19,687	3,989	3,612	20,560	114,614	2,448	2,012	Jun-11	Mar-11	119,303	2,964	2,472	0.2x	8.4x	0.2x	6.9x		
Owens & Minor Inc.	29.44	(14.9%)	10.4%	35.71	25.68	1,877	212	186	1,930	8,389	233	201	Jun-11	Dec-10	8,569	252	218	0.2x	8.3x	0.2x	7.7x		
Patterson Companies Inc.	29.22	(15.5%)	15.6%	36.93	25.45	3,505	525	389	3,657	3,413	410	369	Jul-11	Apr-11	3,539	419	377	1.1x	8.9x	1.0x	8.7x		
PSS World Medical Inc.	23.58	(19.3%)	28.4%	29.47	18.54	1,257	219	29	1,457	2,070	167	135	Jul-11	Apr-11	2,173	180	146	0.7x	8.7x	0.7x	8.1x		
Number of Companies	7	Median:	(8.2%)	28.4%	Total	\$57,720				\$318,651					\$328,888			0.2x	8.4x	0.2x	7.7x		
		Mean:	(10.7%)	29.1%					\$8,502									0.5x	8.6x	0.5x	8.0x		

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 ⁽³⁾	Forward Estimate			TEV/ LTM Multiples ⁽⁵⁾		TEV/ Fwd Multiples				
	8/31/2011	% 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.	\$20.36	(28.9%)	(21.9%)	\$42.50	\$17.60	\$1,898	\$9,149	\$271	\$11,293	\$13,625	\$1,710	\$1,139	Jun-11	Dec-10	\$13,882	\$1,847	\$1,188	0.8x	6.4x	0.8x	6.1x			
Health Management Associates Inc.	8.22	(27.9%)	31.5%	11.74	6.29	2,089	3,216	96	5,084	5,442	781	522	Jun-11	Dec-10	5,733	816	551	0.9x	6.5x	0.9x	6.2x			
Lifepoint Hospitals Inc.	36.70	(12.6%)	20.7%	43.45	28.95	1,908	1,584	276	3,237	3,452	541	367	Jun-11	Dec-10	3,554	539	376	0.9x	6.0x	0.9x	6.0x			
Tenet Healthcare Corp.	5.28	(17.2%)	34.7%	7.70	3.93	2,500	4,117	267	6,767	9,443	1,140	733	Jun-11	Dec-10	9,682	1,232	823	0.7x	5.9x	0.7x	5.5x			
Universal Health Services Inc.	41.60	(23.7%)	32.5%	56.46	31.58	4,068	3,780	52	8,075	6,695	1,043	781	Jun-11	Dec-10	7,607	1,196	899	1.2x	7.7x	1.1x	6.8x			
Number of Companies	5	Median:	(23.7%)	31.5%	Total	\$12,463				\$38,657					\$40,458			0.9x	6.4x	0.9x	6.1x			
		Mean:	(22.1%)	19.5%					\$6,891									0.9x	6.5x	0.9x	6.1x			
Assisted Living																								
Assisted Living Concepts Inc.	\$13.43	(19.9%)	(1.2%)	\$19.61	\$12.16	\$311	\$104	\$3	\$411	\$234	\$62	\$40	Jun-11	Dec-10	\$234	\$65	\$43	1.8x	6.6x	1.8x	6.3x			
Brookdale Senior Living Inc.	16.11	(37.6%)	20.2%	28.30	13.04	1,965	2,423	37	4,348	2,257	385	97	Jun-11	Dec-10	2,312	405	110	1.9x	11.3x	1.9x	10.7x			
Capital Senior Living Corp.	7.18	(25.3%)	44.8%	10.91	5.00	198	173	30	320	238	34	19	Jun-11	Dec-10	261	36	NA	1.3x	9.7x	1.2x	8.8x			
Emeritus Corp.	17.49	(25.3%)	13.7%	26.35	14.37	775	2,250	80	2,989	1,141	184	73	Jun-11	Dec-10	1,257	218	85	2.6x	16.4x	2.4x	13.7x			
Five Star Quality Care Inc.	3.25	(57.9%)	(23.3%)	8.95	2.86	155	66	26	165	1,260	45	27	Jun-11	Dec-10	1,290	49	47	0.1x	3.6x	0.1x	3.4x			
Skilled Healthcare Group, Inc.	5.43	(52.1%)	61.6%	15.93	3.30	206	493	1	685	868	132	107	Jun-11	Dec-10	874	131	104	0.8x	5.1x	0.8x	5.2x			
Sunrise Senior Living Inc.	7.42	(25.4%)	235.7%	12.44	2.72	428	582	42	950	1,347	59	28	Jun-11	Dec-10	1,305	44	NA	0.7x	18.2x	0.7x	21.4x			
Number of Companies	7	Median:	(25.4%)	20.2%	Total	\$4,038				\$7,345					\$7,533			1.3x	9.7x	1.2x	8.8x			
		Mean:	(34.8%)	50.2%					\$1,409									1.3x	10.1x	1.3x	9.9x			
Diagnostic Imaging																								
Alliance Healthcare Services, Inc.	\$1.59	(63.3%)	(62.1%)	\$4.99	\$1.00	\$85	\$673	\$102	\$748	\$485	\$140	\$35	Jun-11	Dec-10	\$492	\$144	\$27	1.5x	5.2x	1.5x	5.2x			
RadNet, Inc.	3.00	(37.0%)	63.0%	5.19	1.80	112	530	0	642	587	103	47	Jun-11	Dec-10	603	109	47	1.1x	5.8x	1.1x	5.9x			
Varian Medical Systems Inc.	56.96	(15.7%)	7.0%	72.19	51.49	6,675	18	584	6,125	2,530	635	584	Jul-11	Oct-10	2,601	651	599	2.4x	9.6x	2.4x	9.4x			
Number of Companies	3	Median:	(37.0%)	7.0%	Total	\$6,872				\$3,602					\$3,696			1.5x	5.8x	1.5x	5.9x			
		Mean:	(38.6%)	2.6%					\$2,505									1.7x	6.9x	1.6x	6.8x			
Dialysis Services																								
DaVita, Inc.	\$73.58	(12.5%)	13.9%	\$89.76	\$63.06	\$6,872	\$4,300	\$1,006	\$10,902	\$6,619	\$1,256	\$1,011	Jun-11	Dec-10	\$6,904	\$1,349	\$1,097	1.6x	8.6x	1.6x	8.1x			
Fresenius Medical Care AG & Co. KGAA	68.17	(5.8%)	19.8%	80.37	59.06	20,615	7,177	620	27,751	12,456	2,504	1,974	Jun-11	Dec-10	13,053	2,652	2,123	2.2x	11.1x	2.1x	10.5x			
Number of Companies	2	Median:	(9.1%)	16.8%	Total	\$27,487				\$19,074					\$19,957			1.9x	9.9x	1.9x	9.3x			
		Mean:	(9.1%)	16.8%					\$19,326									1.9x	9.9x	1.9x	9.3x			
Home Care / Hospice																								
Addus HomeCare Corp.	\$5.01	(11.5%)	(4.0%)	\$6.38	\$2.80	\$54	\$40	\$1	\$70	\$275	\$15	\$11	Jun-11	Dec-10	\$275	\$16	\$12	0.3x	4.7x	0.3x	4.5x			
Almost Family Inc.	19.77	(34.6%)	(21.8%)	40.76	16.97	185	2	55	131	335	46	43	Jun-11	Dec-10	341	40	36	0.4x	2.9x	0.4x	3.3x			
Amedisys Inc.	16.97	(45.8%)	(26.7%)	38.87	14.94	497	163	149	633	1,537	190	155	Jun-11	Dec-10	1,494	158	121	0.4x	3.3x	0.4x	4.0x			
Gentiva Health Services Inc.	7.61	(68.9%)	(63.0%)	29.21	6.09	233	1,028	92	1,166	1,769	232	203	Jun-11	Dec-10	1,833	212	180	0.7x	5.0x	0.6x	5.5x			
LHC Group, Inc.	19.98	(25.9%)	(0.1%)	31.69	16.84	375	0	0	382	659	92	84	Jun-11	Dec-10	650	82	78	0.6x	4.1x	0.6x	4.6x			
Lincare Holdings Inc.	21.53	(29.0%)	(6.4%)	31.79	19.65	2,011	533	134	2,422	1,721	450	333	Jun-11	Dec-10	1,799	454	334	1.4x	5.4x	1.3x	5.3x			
Chemed Corp.	58.05	(14.1%)	16.3%	72.25	50.19	1,243	163	60	1,355	1,321	163	142	Jun-11	Dec-10	1,368	191	159	1.0x	8.3x	1.0x	7.1x			
Number of Companies	7	Median:	(29.0%)	(6.4%)	Total	\$4,598				\$7,617					\$7,760			0.6x	4.7x	0.6x	4.6x			
		Mean:	(32.8%)	(15.1%)					\$880									0.7x	4.8x	0.7x	4.9x			
Long-Term Care																								
The Ensign Group, Inc.	\$23.32	(22.0%)	40.1%	\$34.85	\$16.63	\$489	\$140	\$51	\$591	\$707	\$107	\$88	Jun-11	Dec-10	\$761	\$113	\$91	0.8x	5.5x	0.8x	5.3x			
Kindred Healthcare Inc.	12.94	(47.3%)	10.1%	28.99	10.88	674	1,444	19	2,052	4,674	251	120	Jun-11	Dec-10	5,571	364	195	0.4x	8.2x	0.4x	5.6x			
National Healthcare Corp.	34.43	(27.8%)	(0.8%)	53.08	30.00	476	10	34	534	736	102	74	Jun-11	Dec-10	758	127	59	0.7x	4.8x	0.7x	4.2x			
Sun Healthcare Group, Inc.	4.26	(57.3%)	0.0%	15.01	2.75	107	152	86	170	1,936	119	83	Jun-11	Dec-10	1,939	108	66	0.1x	1.4x	0.1x	1.6x			
Number of Companies	4	Median:	(37.5%)	5.1%	Total	\$1,747				\$8,052					\$9,028			0.6x	5.2x	0.5x	4.7x			
		Mean:	(38.6%)	12.4%					\$837									0.5x	5.0x	0.5x	4.2x			

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 ⁽³⁾	Forward Estimate			TEV/LTM Multiples ⁽⁵⁾		TEV/ Fwd Multiples	
	8/31/2011	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
<u>Physician Practice Management</u>																					
Multispecialty / Primary Care:																					
Continuicare Corp.	\$6.36	35.0%	95.7%	\$6.38	\$3.27	\$386	\$0	\$45	\$341	\$324	\$43	\$39	Mar-11	Jun-10	\$324	\$45	\$42	1.1x	8.0x	1.1x	7.6x
IPC The Hospitalist Company, Inc.	40.10	(21.0%)	71.7%	52.25	23.54	659	0	18	634	413	47	44	Jun-11	Dec-10	459	52	49	1.5x	13.4x	1.4x	12.1x
Number of Companies	2	Median:	7.0%	83.7%	Total		\$1,044			\$737					\$783			1.3x	10.7x	1.2x	9.9x
		Mean:	7.0%	83.7%					\$488									1.3x	10.7x	1.2x	9.9x
Specialty:																					
Integramed America Inc.	\$8.53	(15.5%)	(8.0%)	\$11.04	\$7.95	\$101	\$13	\$45	\$60	\$258	\$15	\$7	Jun-11	Dec-10	\$274	\$19	\$10	0.2x	4.1x	0.2x	3.2x
MEDNAX, Inc.	65.31	(13.1%)	40.9%	75.47	46.77	3,185	67	15	3,217	1,495	360	337	Jun-11	Dec-10	1,585	387	363	2.2x	8.9x	2.0x	8.3x
Number of Companies	2	Median:	(14.3%)	16.5%	Total		\$3,286			\$1,753					\$1,860			1.2x	6.5x	1.1x	5.8x
		Mean:	(14.3%)	16.5%					\$1,638									1.2x	6.5x	1.1x	5.8x
Dental:																					
American Dental Partners, Inc.	\$10.98	(17.4%)	2.8%	\$13.86	\$9.96	\$170	\$87	\$6	\$251	\$290	\$50	\$26	Jun-11	Dec-10	\$294	\$46	\$24	0.9x	5.1x	0.9x	5.5x
Birner Dental Management Services Inc.	17.92	(7.6%)	4.1%	21.99	16.12	33	4	1	36	65	5	2	Jun-11	Dec-10	NA	NA	NA	0.6x	7.2x	NA	NA
Number of Companies	2	Median:	(12.5%)	3.4%	Total		\$203			\$355					\$294			0.7x	6.1x	0.9x	5.5x
		Mean:	(12.5%)	3.4%					\$144									0.7x	6.1x	0.9x	5.5x
<u>Psychiatric Hospitals / Management</u>																					
Magellan Health Services Inc.	\$49.87	(5.8%)	13.8%	\$56.76	\$41.10	\$1,522	\$1	\$155	\$1,214	\$2,891	\$287	\$232	Jun-11	Dec-10	\$2,813	\$259	\$201	0.4x	4.2x	0.4x	4.7x
Providence Service Corp.	10.64	(21.8%)	(21.3%)	18.27	8.84	138	168	58	259	900	57	44	Jun-11	Dec-10	935	55	42	0.3x	4.5x	0.3x	4.7x
Universal Health Services Inc.	41.60	(23.7%)	32.5%	56.46	31.58	4,068	3,780	52	8,075	6,695	1,043	781	Jun-11	Dec-10	7,607	1,196	899	1.2x	7.7x	1.1x	6.8x
Number of Companies	4	Median:	(21.8%)	13.8%	Total		\$5,728			\$10,486					\$11,356			0.4x	4.4x	0.4x	4.7x
		Mean:	(17.1%)	8.3%					\$2,387									0.5x	4.1x	0.6x	5.4x
<u>Surgicenters / Rehabilitation</u>																					
Surgery Centers:																					
AmSurg Corp.	\$22.63	(12.7%)	35.8%	\$28.00	\$16.60	\$708	\$301	\$38	\$1,166	\$734	\$262	\$237	Jun-11	Dec-10	\$795	\$277	\$248	1.6x	4.5x	1.5x	4.2x
Lifepoint Hospitals Inc.	36.70	(12.6%)	20.7%	43.45	28.95	1,908	1,584	276	3,237	3,452	541	367	Jun-11	Dec-10	3,554	539	376	0.9x	6.0x	0.9x	6.0x
Number of Companies	2	Median:	(12.6%)	28.2%	Total		\$2,616			\$4,186					\$4,349			1.3x	5.2x	1.2x	5.1x
		Mean:	(12.6%)	28.2%					\$2,201									1.3x	5.2x	1.2x	5.1x
Rehabilitation / Long Term Acute Care:																					
HEALTHSOUTH Corp.	\$21.39	(23.8%)	31.5%	\$28.50	\$16.41	\$2,038	\$1,440	\$141	\$3,887	\$2,085	\$454	\$373	Jun-11	Dec-10	\$2,037	\$453	\$382	1.9x	8.4x	1.9x	8.6x
Select Medical Holdings Corporation	7.25	(23.7%)	1.4%	9.66	5.48	1,118	1,448	15	2,585	2,618	338	269	Jun-11	Dec-10	2,732	383	311	1.0x	7.7x	0.9x	6.8x
US Physical Therapy Inc.	19.86	(22.8%)	23.9%	26.23	15.62	236	17	11	256	223	42	36	Jun-11	Dec-10	236	37	39	1.1x	6.1x	1.1x	6.9x
Number of Companies	3	Median:	(23.7%)	23.9%	Total		\$3,392			\$4,925					\$5,005			1.1x	7.7x	1.1x	6.9x
		Mean:	(23.4%)	18.9%					\$2,243									1.3x	7.4x	1.3x	7.4x

Announced U.S.
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Announced	Target	Seller	Buyer	Enterprise Value (\$mm)	Enterprise Value			Private Equity Involvement
					Sales	EBITDA	EBIT	
8/31/2011	Concentric Medical, Inc.	Glynn Capital Management	Stryker Corp. (NYSE:SYK)	\$135.0	-	-	-	Yes
8/31/2011	Breathe Oxygen Services, LLC	-	Inogen, Inc.	-	-	-	-	No
8/31/2011	The Westerly Hospital	-	Lawrence & Memorial Hospital, Inc.	-	-	-	-	No
8/31/2011	MINOS Medical, Inc.	-	Insigtra Medical, Inc.	-	-	-	-	No
8/30/2011	Amnis Corporation	TVM Capital GmbH	Millipore Corporation	-	-	-	-	No
8/30/2011	McNEIL-PPC, Inc., MONISTAT® North American Brand Portfolio	McNEIL-PPC, Inc.	Insight Pharmaceuticals Corporation	-	-	-	-	No
8/30/2011	Creative Healthcare Systems Inc.	-	Prognosis Health Information Systems LLC	-	-	-	-	No
8/29/2011	Pfizer Inc., Consumer Products Manufacturing Site in Henrico	Pfizer Inc. (NYSE:PFE)	Fareva SA	-	-	-	-	No
8/29/2011	Georgia Vascular Clinic and Vascular Institute of Georgia	-	Saint Joseph's Health System, Inc.	-	-	-	-	No
8/28/2011	University Village, Inc.	-	Triad Senior Living, Inc.	\$5.5	-	-	-	No
8/26/2011	Hualapai Mountain Medical Center, LLC	MedCath Corp. (NasdaqGS:MDTH)	Kingman Regional Medical Center	\$31.0	-	-	-	No
8/26/2011	CardioVascular Associates P.C.	-	Brookwood Health Services, Inc.	-	-	-	-	No
8/25/2011	Baxa Corporation	Goldman Sachs Private Capital Investing	Baxter International Inc. (NYSE:BAX)	\$380.0	2.5x	-	-	Yes
8/25/2011	Adaptogenix LLC	-	AL International, Inc. (OTCPK:JCOF.D)	-	-	-	-	No
8/25/2011	NeuroDyne Medical, Corp.	-	Zynex NeuroDiagnostic Inc.	-	-	-	-	No
8/25/2011	Arcadian Management Services, Inc.	Three Arch Partners; Morgan Stanley Venture Partners	Humana Inc. (NYSE:HUM)	-	-	-	-	Yes
8/25/2011	American Veterinary Supply Corp.	-	Webster Veterinary Supply, Inc.	-	-	-	-	No
8/24/2011	The Grange Nursing Home (Inc.)	-	-	-	-	-	-	No
8/24/2011	Medical Education Technologies, Inc.	Baird Capital Partners	CAE Healthcare, Inc.	\$130.0	2.2x	-	-	Yes
8/24/2011	Premier Technology Resources, LLC	-	Millennium Healthcare, Inc. (OTCPK:MHCC)	-	-	-	-	No
8/24/2011	Navvis Healthcare, LLC	-	Healthways Inc. (NasdaqGS:HWAY)	\$28.6	-	-	-	No
8/24/2011	Hospice Care of the Southwest, Two Hospices in Conroe and Livingston	Hospice Care of the Southwest	American Hospice Management, LLC	-	-	-	-	No
8/23/2011	PharMerica Corporation (NYSE:PMC)	-	Omnicare Inc. (NYSE:OCR)	\$700.2	0.4x	8.6x	13.5x	No
8/23/2011	Integrity CMI Inc.	-	PBS Biotech Inc.	-	-	-	-	No
8/23/2011	Ensign Whittier East LLC and Ensign Pleasanton LLC	-	The Ensign Group, Inc. (NasdaqGS:ENSG)	-	-	-	-	No
8/23/2011	Anchen Pharmaceuticals, Inc.	-	Par Pharmaceutical Companies Inc. (NYSE:PRX)	\$410.0	-	-	-	No
8/22/2011	Travanti Pharma, Inc. IontoPatch Business	Travanti Pharma, Inc.	The TapeMark Company	-	-	-	-	No
8/22/2011	Medical Device Consultants, Inc.	-	Aptiv Solutions	-	-	-	-	No
8/22/2011	American Billing Services, Inc.	-	PracticeMax, Inc.	-	-	-	-	No
8/22/2011	QTC Management, Inc.	Spectrum Equity Investors	Lockheed Martin Corporation (NYSE:LMT)	-	-	-	-	Yes
8/19/2011	Senior Whole Health, LLC	Noro-Moseley Partners; Flexpoint Ford, LLC	TA Associates, Inc.	-	-	-	-	Yes
8/19/2011	Jacob Thorpe's General Dentistry Practice	-	-	-	-	-	-	No
8/19/2011	Aptuit, Inc., Clinical Trial Supplies Business	Aptuit, Inc.	Catalent Pharma Solutions, Inc.	\$410.0	-	-	-	No
8/19/2011	Mallinckrodt LLC, TussCaps	Mallinckrodt, LLC	Hi Tech Pharmacal Co. Inc. (NasdaqGS:HITK)	\$24.1	2.6x	-	-	No
8/17/2011	Ceremed, Inc., Ostene® Product Line	Ceremed, Inc.	Baxter International Inc. (NYSE:BAX)	-	-	-	-	No
8/16/2011	Metro Urgent Care	-	Concentra Urgent Care	-	-	-	-	No
8/16/2011	Ivertexo Internet Solutions Inc.	-	AXIOM Systems, Inc.	-	-	-	-	No
8/16/2011	Schick Shadel Hospital Inc.	-	Ascend Health Corporation	-	-	-	-	No
8/15/2011	Seven Senior Living Facilities	-	Sunrise Senior Living Investments,	\$65.0	-	-	-	No
8/15/2011	Intrasphere Technologies, Inc.	New York Community Investment Company	Deloitte Consulting	-	-	-	-	No
8/12/2011	Attends Healthcare Products, Inc.	KPS Capital Partners, LP	Domtar Corporation (NYSE:UFS)	\$315.0	1.6x	-	-	Yes
8/12/2011	Comprehensive Medical Billing Solutions, Inc.	-	Intermedix Corporation	-	-	-	-	No
8/11/2011	Professional HealthCare At Home, LLC	Mainsail Partners	Kindred Healthcare Inc. (NYSE:KND)	\$51.0	1.0x	-	-	Yes
8/10/2011	Columbus Surgical Specialists, Inc.	-	Ohiohealth Corporation	-	-	-	-	No
8/10/2011	Asian American Home Care, Inc.	-	Harden Healthcare Texas, LLC	-	-	-	-	No
8/10/2011	HealthCare Strategies, Inc.	-	Aprima Medical Software, Inc.	-	-	-	-	No
8/10/2011	Data Health Systems, Inc.	-	DHS Holding, Co. (OTCPK:DHSM)	-	-	-	-	No
8/10/2011	New England Healthcare Portfolio	Westport Capital Partners LLC	-	\$83.0	-	-	-	Yes
8/9/2011	The AmeriHealth Mercy Family of Companies	Mercy Health Plan	Blue Cross Blue Shield of Michigan,	\$340.0	-	-	-	No
8/9/2011	The Family Cancer Center, PLLC	-	Baptist Memorial Medical Group Inc.	-	-	-	-	No
8/9/2011	Centric Health Resources, Inc.	-	Dohmen Investment Group, LLC	-	-	-	-	No
8/9/2011	Arbors Senior Care LLC, Seasons By Riviera	Arbors Senior Care LLC	SNH SE Properties Trust	\$4.9	-	-	-	No
8/9/2011	XStream Systems, Inc.	-	Veracity Networks, LLC	-	-	-	-	No
8/8/2011	XStream Systems, Inc., Certain Assets	XStream Systems, Inc.	Kimball Electronics, Inc.	-	-	-	-	No

**Announced U.S.
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(Continued)**

Announced	Target	Seller	Buyer	Enterprise Value (\$mm)	Enterprise Value			Private Equity Involvement
					Sales	EBITDA	EBIT	
8/8/2011	Genentech Inc., Clinical biologic Manufacturing Facility and Process Development Assets in Oceanside	Genentech, Inc.	Gilead Sciences Inc. (NasdaqGS:GILD)	-	-	-	-	No
8/8/2011	Goodman Orthodontics PC	-	Great Expressions Dental Centers,	-	-	-	-	No
8/8/2011	Rainbow Veterinary Hospital	-	Entest Biomedical, Inc. (OTCPK:ENTB)	\$2.0	-	-	-	No
8/8/2011	Inpatient Management Inc.	-	Eagle Hospital Physicians LLC	-	-	-	-	No
8/5/2011	Optical Equipment Group, LLC	Indo Equipment Group S.L.	Opti-Vue Inc.	-	-	-	-	No
8/5/2011	Bay Area In-Patient Group, A Medical Corporation	-	Sound Physicians, Inc.	-	-	-	-	No
8/5/2011	Lake Norman Medical Equipment, Inc.	-	-	-	-	-	-	No
8/4/2011	Emeritus Corp., A 170-Unit Assisted Living Community In Texas	Emeritus Corp. (NYSE:ESC)	-	\$5.8	-	-	-	No
8/3/2011	Apex Physical Therapy LLC	-	E&A Physical Therapy	-	-	-	-	No
8/3/2011	Zion Clinic, S.C.	-	Aurora Health Care, Inc.	-	-	-	-	No
8/3/2011	Rainier Surgical, Inc. and Ortho-Medical Products, Inc.	Andover Medical, Inc. (OTCPK:ADOV)	Hanger Orthopedic Group Inc. (NYSE:HGR)	-	-	-	-	No
8/3/2011	MK Prosthetic & Orthotic Services, Inc.	-	Hanger Orthopedic Group Inc. (NYSE:HGR)	-	-	-	-	No
8/3/2011	Thoratec LLC	Pharos, LLC	Thoratec Corp. (NasdaqGS:THOR)	\$150.0	-	-	-	No
8/3/2011	Four Senior Living Communities in Indiana and Ohio	-	Capital Senior Living Corp. (NYSE:CSU)	\$53.0	-	-	-	No
8/3/2011	PTRX Inc.	The Entrepreneurs' Fund III	SXC Health Solutions, Corp. (TSX:SXC)	-	-	-	-	No
8/3/2011	Emdeon Inc. (NYSE:EM)	General Atlantic LLC; Hellman & Friedman LLC	Hellman & Friedman LLC; The Blackstone Group, Private Equity Group	\$3,306.3	3.1x	13.1x	30.5x	Yes
8/3/2011	Roche Colorado Corporation	Roche Holdings, Inc.	International Chemical Investors S.E.	-	-	-	-	No
8/2/2011	Cambridge Home Health Care, Inc.	Transition Capital Partners, Ltd.	Almost Family Inc.	\$32.5	0.9x	-	-	Yes
8/2/2011	Liberty Dialysis, LLC	KRG Capital Partners, L.L.C; Bain Capital Ventures	Fresenius Medical Care AG & Co. KGAA (DB:FME)	\$1,700.0	1.7x	-	-	Yes
8/2/2011	Community Dental Services, Inc.	Liberty Partners	Coast Dental Services, Inc.	-	-	-	-	Yes
8/2/2011	Mission Health Services, Hurricane Health and Rehabilitation Center	Mission Health Services	Milestone Healthcare, Inc.	-	-	-	-	No
8/2/2011	Oceanview Healthcare and Rehabilitation Center	-	Keystone Care, Inc.	-	-	-	-	No
8/2/2011	Lakeland Hills Independent & Assisted Living Community	-	Bridgestone Living, Inc.	-	-	-	-	No
8/2/2011	Byrne Medical, Inc.	-	Minntech Corporation	\$109.8	2.8x	-	-	No
8/2/2011	The Intensivist Group Inc.	-	Cogent HMG	-	-	-	-	No
8/2/2011	AMAG Pharmaceuticals, Inc. (NasdaqGS:AMAG)	Palo Alto Investors, LLC; Norges Bank	MSMB Capital Management LLC	\$141.7	2.3x	-	-	Yes
8/2/2011	Six Senior Living Facilities	Metropolitan Connecticut Properties Ventures, LLC	CNL Lifestyle Properties, Inc.; Sunrise Senior Living Investments, Inc.	\$131.0	-	-	-	No
8/1/2011	Northwest Newborn Specialists, PC and Hill Country Maternal Fetal Medicine	-	Pediatrix Medical Group, Inc.	-	-	-	-	No
8/1/2011	PivotHealth, LLC	-	Southwind Health Partners, L.L.C.	\$20.4	-	-	-	No
8/1/2011	Southern Diagnostic Laboratories, LLC	-	Solstas Lab Partners	-	-	-	-	No

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