

Harris Williams & Co.  
middle market®

Healthcare & Life Sciences  
Industry Update  
*August 2011*

Member FINRA/SIPC

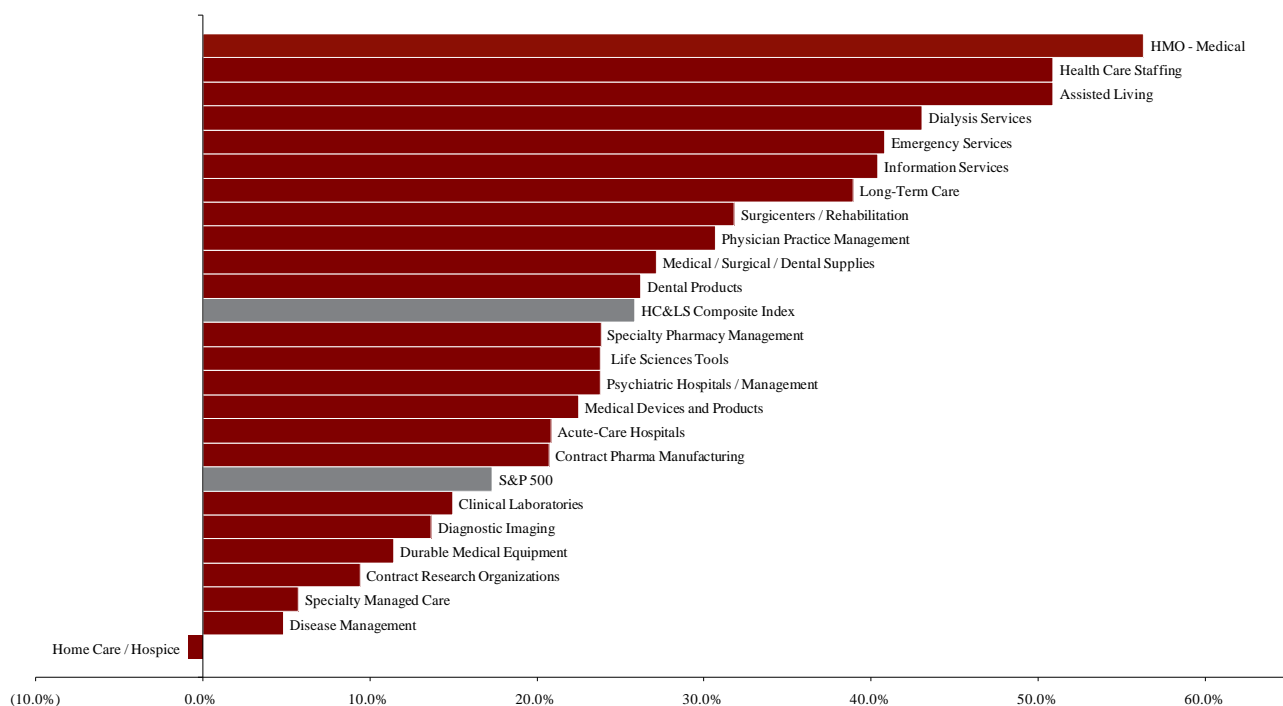


- The biggest story from inside the Beltway over the last month was the battle and eventual deal to raise the U.S. debt ceiling to avoid an impending August 2<sup>nd</sup> default. The [Budget Control Act of 2011](#) will raise the debt ceiling by \$2.1-\$2.4 trillion, while reducing spending by approximately \$2.1 trillion over the next decade. In an interesting [post-deal analysis](#), Michael Hiltzik of the *Los Angeles Times* notes that despite the protracted negotiations over a broad spectrum of cost-cutting measures, healthcare was not raised as a primary issue. Some have found this especially concerning, considering the outsized portion of the Federal Budget currently allocated to healthcare spending, which is forecast to rise in the coming years. A recent article in *The Economist*, entitled “[Looking to Uncle Sam](#)” makes this point and goes further to suggest that Centers for Medicare & Medicaid Services (CMS) actuaries may be underestimating future increases in Medicare and Medicaid spending.
- One potential reason CMS actuaries may be underestimating the future costs of Medicare and Medicaid relates to healthcare reform’s effect on employee benefits, and specifically, the 2014 switch to subsidized exchange policies. A recent report by McKinsey & Company estimates that approximately 30% of employers will stop offering employer-sponsored insurance (ESI) when this switch is made, as opposed to the 7% estimated by the Congressional Budget Office. An ESI exodus of this magnitude could cause substantial strain on an already robust government healthcare budget. Read about the study [here](#).
- While the U.S. government struggles with the issue of how to limit healthcare costs in coming years, an Accountable Care Organization (ACO) success story has surfaced out of California. Duke Helfand, of the *Los Angeles Times* writes that over the past year the partnership of Blue Shield of California, Catholic Healthcare West, and Hill Physicians Medical Group effectively worked together to cut approximately \$20 million in costs. These savings were largely attributable to shorter stays and a drop in readmission rates, which are also indicative of higher quality of care. While news of this successful ACO has encouraged proponents of this model, others caution that patient care must always be the top priority, as opposed to cost cutting. Read the article [here](#).
- One strategy that has been commonly employed by ACOs to reduce costs is the increased use of hospitalists to manage inpatient care. Hospitalists are the fastest-growing segment of the physician market, and there are now approximately 30,000 nationwide. A recently-reported study by Yong-Fang Kuo and Dr. James S. Goodwin from the University of Texas Medical Branch in Galveston reveals that the utilization of these physicians may actually lead to increased costs, despite shorter length of stay for patients cared for by hospitalists. This reported increase is attributable to higher readmission rates and shifting of costs to other providers, such as nursing homes. While this data appears interesting, it should be noted that these statistics do not take into account quality of care, and therefore may not be indicative of actual value ascribable to hospitalist care. Read about the report [here](#).

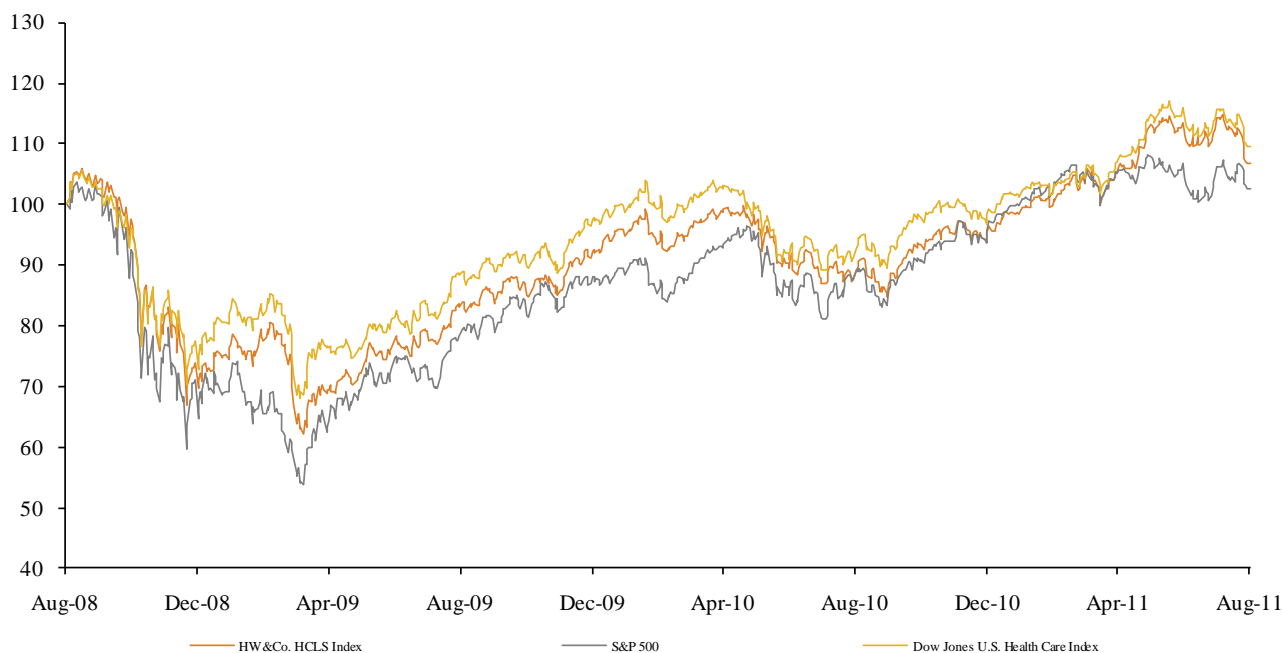
**Key Trading  
Statistics**  
*(detail begins  
on page 6)*

| 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                   | \$8,150                  | (5.9%)                | 16.6%        | 1.7x                      | 8.1x        | 1.7x                          | 8.2x        |
| Contract Pharma Manufacturing               | 5                   | 618                      | (10.2%)               | 21.2%        | 0.9x                      | 7.3x        | 1.2x                          | 8.9x        |
| Contract Research Organizations             | 6                   | 1,906                    | (7.5%)                | 10.4%        | 1.4x                      | 10.5x       | 1.4x                          | 9.4x        |
| Disease Management                          | 3                   | 1,830                    | (20.6%)               | 3.3%         | 2.1x                      | 7.9x        | 2.0x                          | 6.9x        |
| Emergency Services                          | 2                   | 473                      | (7.6%)                | 40.7%        | 1.6x                      | 8.4x        | 1.6x                          | 8.6x        |
| Health Care Staffing                        | 4                   | 759                      | (6.7%)                | 48.3%        | 0.7x                      | 12.8x       | 0.7x                          | 9.9x        |
| HMO - Medical                               | 12                  | 12,521                   | (1.6%)                | 62.0%        | 0.4x                      | 5.9x        | 0.4x                          | 5.9x        |
| Information Services                        | 14                  | 2,055                    | 1.0%                  | 43.8%        | 3.7x                      | 19.2x       | 3.4x                          | 10.8x       |
| Specialty Managed Care                      | 2                   | 2,467                    | (10.2%)               | 5.5%         | 1.0x                      | 6.8x        | 0.9x                          | NA          |
| Specialty Pharmacy Management               | 5                   | 7,879                    | (2.9%)                | 21.5%        | 0.7x                      | 12.1x       | 0.6x                          | 9.7x        |
| Dental Products                             | 5                   | 22,293                   | (10.4%)               | 28.3%        | 2.5x                      | 12.1x       | 2.4x                          | 11.6x       |
| Durable Medical Equipment                   | 4                   | 2,384                    | (6.9%)                | 14.1%        | 1.6x                      | 10.3x       | 1.5x                          | 7.3x        |
| Life Sciences Tools                         | 3                   | 14,412                   | (15.5%)               | 23.8%        | 2.6x                      | 9.3x        | 2.5x                          | 8.3x        |
| Medical Devices and Products                | 13                  | 33,828                   | (7.6%)                | 23.9%        | 2.5x                      | 9.2x        | 2.4x                          | 8.3x        |
| Medical / Surgical / Dental Supplies        | 7                   | 8,684                    | (9.0%)                | 27.0%        | 0.2x                      | 8.7x        | 0.2x                          | 7.9x        |
| Acute-Care Hospitals                        | 5                   | 7,142                    | (15.8%)               | 26.1%        | 0.9x                      | 6.5x        | 0.9x                          | 6.3x        |
| Assisted Living                             | 7                   | 1,489                    | (19.8%)               | 50.1%        | 1.7x                      | 10.8x       | 1.4x                          | 10.0x       |
| Diagnostic Imaging                          | 3                   | 2,740                    | (10.6%)               | 14.5%        | 1.6x                      | 6.2x        | 1.5x                          | 6.0x        |
| Dialysis Services                           | 2                   | 20,670                   | (3.6%)                | 41.1%        | 2.1x                      | 10.7x       | 2.0x                          | 10.0x       |
| Home Care / Hospice                         | 7                   | 1,036                    | (22.4%)               | 1.3%         | 0.7x                      | 6.1x        | 0.7x                          | 6.0x        |
| Long-Term Care                              | 4                   | 723                      | (11.5%)               | 40.1%        | 0.6x                      | 6.0x        | 0.6x                          | 4.6x        |
| Physician Practice Management               | 6                   | 809                      | (6.6%)                | 32.5%        | 1.0x                      | 8.0x        | 1.0x                          | 7.5x        |
| Psychiatric Hospitals / Management          | 4                   | 2,596                    | (9.4%)                | 30.9%        | 0.4x                      | 4.4x        | 0.5x                          | 5.0x        |
| Surgicenters / Rehabilitation               | 5                   | 2,337                    | (5.3%)                | 33.0%        | 1.3x                      | 7.1x        | 1.2x                          | 7.1x        |
| Payer, Provider, & Pharmacy Support Service | 56                  | \$3,866                  | (7.3%)                | 27.3%        | 1.4x                      | 9.9x        | 1.4x                          | 8.7x        |
| Products & Devices                          | 32                  | \$16,320                 | (9.9%)                | 23.4%        | 1.9x                      | 9.9x        | 1.8x                          | 8.7x        |
| Provider-Based Services                     | 43                  | \$4,394                  | (11.7%)               | 30.0%        | 1.1x                      | 7.3x        | 1.1x                          | 6.9x        |
| <b>HC&amp;LS Composite Index</b>            | <b>131</b>          | <b>\$6,658</b>           | <b>(9.5%)</b>         | <b>27.5%</b> | <b>1.4x</b>               | <b>8.9x</b> | <b>1.4x</b>                   | <b>8.0x</b> |
| <b>S&amp;P 500</b>                          |                     |                          | <b>(5.2%)</b>         | <b>17.3%</b> |                           |             |                               |             |

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



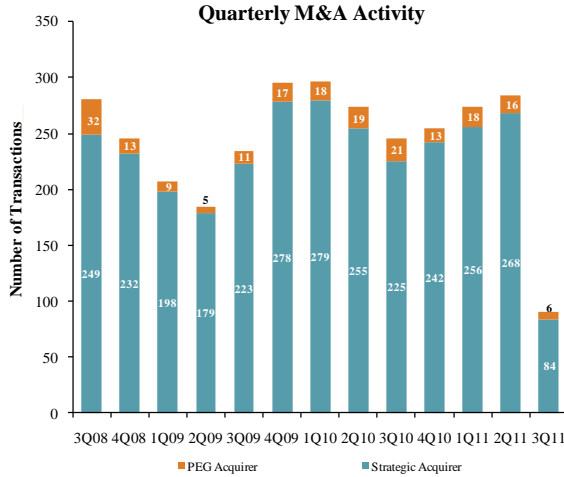
Healthcare and  
Life Sciences  
Industry Stock  
Performance



Top 30 Equity  
Offerings  
(by proceeds)

| Closing Date | Filing Date | Issuer                        | Ticker | Transaction Type | Gross Proceeds (\$mm) |
|--------------|-------------|-------------------------------|--------|------------------|-----------------------|
| 07/08/11     | 07/08/11    | Merrimack Pharm(Atlantic)     | MACK   | IPO              | \$172.5               |
| 07/13/11     | 07/13/11    | ZELTIQ Aesthetics Inc         | ZLTQ   | IPO              | 115.0                 |
| 07/26/11     | 07/26/11    | Accuray Inc                   | ARAY   | Convertible      | 100.0                 |
| 07/29/11     | 07/29/11    | Argos Therapeutics Inc        | ARGS   | IPO              | 86.3                  |
| 07/29/11     | 07/29/11    | AP Pharma Inc                 | APPA   | Follow-On        | 74.3                  |
| 07/28/11     | 07/14/11    | Endocyte Inc                  | ECYT   | Follow-On        | 71.2                  |
| 07/13/11     | 06/07/11    | Ventrus Biosciences Inc       | VTUS   | Follow-On        | 51.8                  |
| 07/15/11     | 07/15/11    | Provectus Pharmaceuticals Inc | PVCT   | Follow-On        | 50.0                  |
| 07/28/11     | 08/03/10    | Horizon Pharma Inc            | HZNP   | IPO              | 49.5                  |
| 07/28/11     | 05/27/11    | BioSante Pharmaceuticals Inc  | BPAX   | Follow-On        | 48.0                  |
| 07/11/11     | 07/11/11    | Emmaus Holdings Inc           | N/A    | IPO              | 39.4                  |
| 07/08/11     | 07/08/11    | Derma Sciences Inc            | DSCI   | Follow-On        | 33.2                  |
| 07/21/11     | 05/31/11    | Pemix Therapeutics Hldg Inc   | PTX    | Follow-On        | 28.0                  |
| 07/14/11     | 03/24/10    | Delcath Systems Inc           | DCTH   | Follow-On        | 23.8                  |
| 07/18/11     | 07/13/11    | InSite Vision Inc             | ISV    | Follow-On        | 22.2                  |
| 07/27/11     | 11/08/10    | CytRx Corp                    | CYTR   | Follow-On        | 20.0                  |
| 07/26/11     | 07/26/11    | Chelsea Therapeutics Intl Ltd | CHTP   | Follow-On        | 19.8                  |
| 07/22/11     | 07/22/11    | Neurogesx Inc                 | NGSX   | Follow-On        | 19.4                  |
| 07/21/11     | 07/21/11    | Celsion Corp                  | CLSN   | Follow-On        | 18.5                  |
| 07/20/11     | 07/20/11    | Celsion Corp                  | CLSN   | Follow-On        | 18.5                  |
| 07/01/11     | 07/01/11    | Novelos Therapeutics Inc      | NVLT   | Follow-On        | 17.3                  |
| 07/19/11     | 05/02/11    | NeoStem Inc                   | NBS    | Follow-On        | 16.5                  |
| 07/11/11     | 07/11/11    | Emmaus Holdings Inc           | N/A    | Follow-On        | 10.7                  |
| 07/19/11     | 07/19/11    | BioLase Technology Inc        | BLTI   | Follow-On        | 7.5                   |
| 07/07/11     | 06/30/11    | Emisphere Technologies Inc    | EMIS   | Follow-On        | 7.5                   |
| 07/05/11     | 06/24/11    | TearLab Corp                  | TLB    | Follow-On        | 7.0                   |
| 07/28/11     | 07/28/11    | TearLab Corp                  | TLB    | Follow-On        | 6.9                   |
| 07/01/11     | 07/01/11    | Celsion Corp                  | CLSN   | Follow-On        | 6.6                   |
| 07/11/11     | 07/11/11    | Next Fuel Inc                 | NXFI   | Follow-On        | 6.3                   |
| 07/06/11     | 07/06/11    | Aradigm Corp                  | ARDM   | Follow-On        | 4.8                   |

Announced  
Healthcare &  
Life Sciences  
M&A



### Top 10 Healthcare Deals

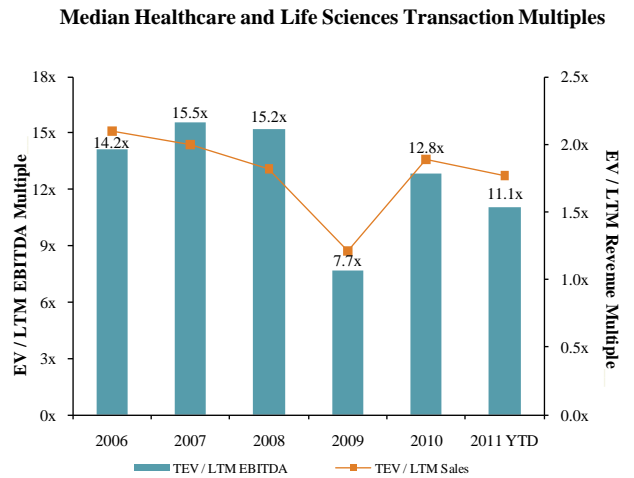
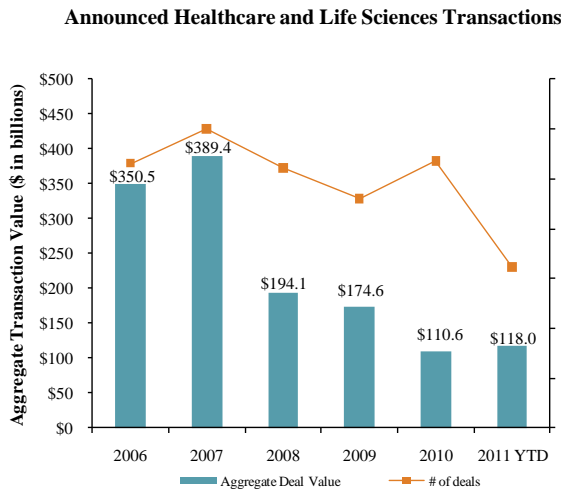
| Announced | Target                                   | Buyer                                |
|-----------|--|--------------------------------------|
| 7/29/2011 | Salar, Inc.                              | Transcend Services, Inc.             |
| 7/25/2011 | Accelerated Rehabilitation Centers, Ltd. | OMERS Private Equity                 |
| 7/21/2011 | MedcoHealth Solutions Inc.               | Express Scripts Inc.                 |
| 7/21/2011 | Amira Pharmaceuticals, Inc.              | Bristol-Myers Squibb Company         |
| 7/18/2011 | Align Networks                           | General Atlantic                     |
| 7/14/2011 | Webmedx, Inc.                            | Nuance Communications, Inc.          |
| 7/12/2011 | Kinetic Concepts Inc.                    | Apax Partners Worldwide LLP          |
| 7/11/2011 | Multimodal Technologies, Inc.            | MedQuist Holdings Inc.               |
| 7/8/2011  | Dermik Laboratories, Inc.                | Valeant International (Barbados) SRL |
| 7/2/2011  | Immucor Inc.                             | TPG Capital                          |

### LTM Deal Statistics

| Aggregate Value (\$bn) | Number of Deals | Median Transaction Multiples |            |
|------------------------|-----------------|------------------------------|------------|
|                        |                 | TEV/Rev                      | TEV/EBITDA |
| \$161.0                | 376             | 1.77x                        | 11.07x     |

Note: Transactions based on publicly available information

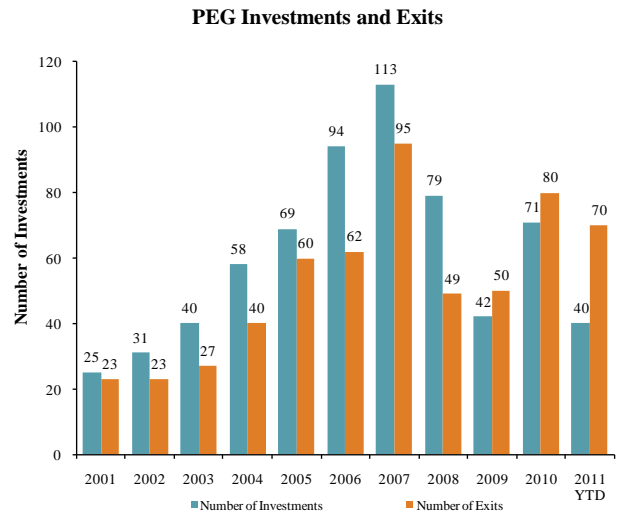
Healthcare and  
Life Sciences  
M&A Trends



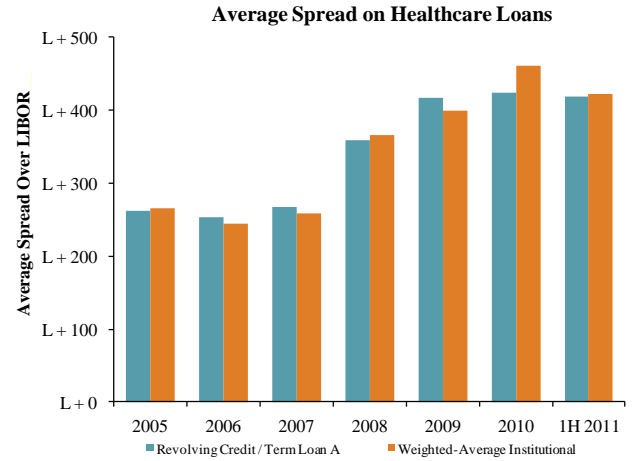
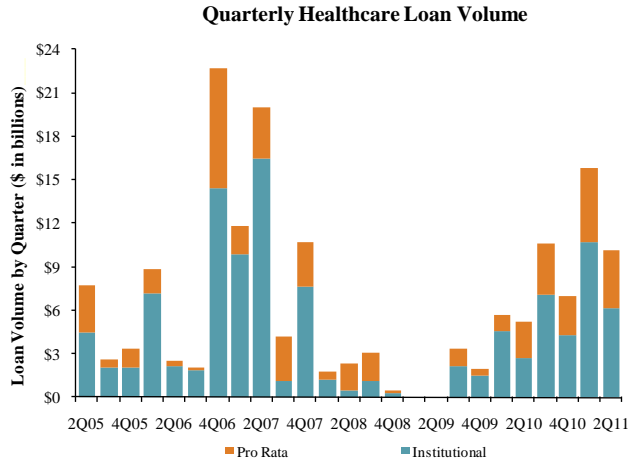
Announced  
Private Equity  
M&A Activity

### PEG Investments by Segment (Last 3 Years)

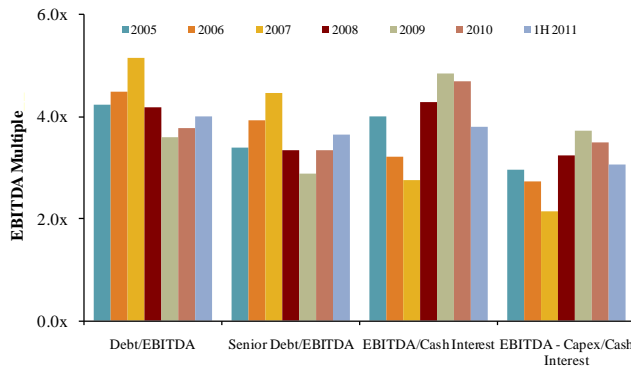
| HC&LS Industry Segment         | Number of Companies |
|--------------------------------|---------------------|
| Biotechnology                  | 3                   |
| Healthcare Technology          | 16                  |
| Healthcare Distributors        | 8                   |
| Healthcare Equipment           | 25                  |
| Healthcare Facilities          | 30                  |
| Healthcare Services            | 53                  |
| Healthcare Supplies            | 10                  |
| Life Sciences Tools & Services | 10                  |
| Managed Healthcare             | 4                   |
| Pharmaceuticals                | 23                  |



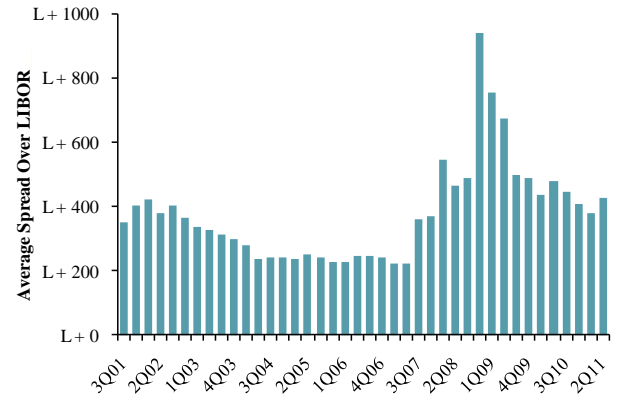
Key Credit  
Statistics



Credit Statistics



Average Secondary Spread



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

| Date Effective | Borrower Name                    | Description                      | Deal Amount       | Tranche Amount    | Type                   | Rating    | Spread |
|----------------|----------------------------------|----------------------------------|-------------------|-------------------|------------------------|-----------|--------|
| 07/26/11       | Royalty Pharma                   | Pharmaceutical preparations      | USD 3,600,000,000 | USD 2,750,000,000 | Term Loan              | NR        | 275    |
| 07/26/11       | Royalty Pharma                   | Pharmaceutical preparations      | USD 3,600,000,000 | USD 850,000,000   | Term Loan              | NR        | 300    |
| 07/25/11       | Immucor Inc                      | Diagnostic substances            | USD 1,100,000,000 | USD 100,000,000   | Revolver/Line >= 1 Yr. | NR        | N/A    |
| 07/25/11       | Immucor Inc                      | Diagnostic substances            | USD 1,100,000,000 | USD 600,000,000   | Term Loan              | NR        | N/A    |
| 07/25/11       | Immucor Inc                      | Diagnostic substances            | USD 1,100,000,000 | USD 400,000,000   | Bridge Loan            | NR        | N/A    |
| 08/01/11       | Capsugel, Capsugel Financeco SCA | Pharmaceutical preparations      | USD 1,070,000,000 | USD 150,000,000   | Revolver/Line >= 1 Yr. | BB-/ B1   | N/A    |
| 08/01/11       | Capsugel, Capsugel Financeco SCA | Pharmaceutical preparations      | USD 1,070,000,000 | USD 920,000,000   | Term Loan              | BB-/ B1   | 450    |
| 07/02/11       | CareFusion Corp                  | Surgical and medical instruments | USD 550,000,000   | USD 550,000,000   | Revolver/Line >= 1 Yr. | NR        | 162.5  |
| 07/01/11       | Alkermes Inc                     | Pharmaceutical preparations      | USD 450,000,000   | USD 140,000,000   | Term Loan              | B / Caa 1 | 800    |
| 07/01/11       | Alkermes Inc                     | Pharmaceutical preparations      | USD 450,000,000   | USD 310,000,000   | Term Loan B            | BB/ B1    | 525    |
| 07/29/11       | Insight Pharmaceuticals Corp     | Medicinals and botanicals        | USD 420,000,000   | USD 110,000,000   | Term Loan              | NR        | N/A    |
| 07/29/11       | Insight Pharmaceuticals Corp     | Medicinals and botanicals        | USD 420,000,000   | USD 20,000,000    | Revolver/Line >= 1 Yr. | NR        | N/A    |
| 07/29/11       | Insight Pharmaceuticals Corp     | Medicinals and botanicals        | USD 420,000,000   | USD 290,000,000   | Term Loan B            | NR        | N/A    |
| 07/09/11       | Examworks Group Inc              | Health and allied services       | USD 262,500,000   | USD 262,500,000   | Revolver/Line >= 1 Yr. | NR        | 275    |
| 07/29/11       | Anmeal Pharmaceuticals LLC       | Pharmaceutical preparations      | USD 250,000,000   | USD 180,000,000   | Term Loan              | NR        | 325    |
| 07/29/11       | Anmeal Pharmaceuticals LLC       | Pharmaceutical preparations      | USD 250,000,000   | USD 70,000,000    | Revolver/Line >= 1 Yr. | NR        | 325    |
| 07/29/11       | Water Pik Inc                    | Dental equipment and supplies    | USD 197,000,000   | USD 20,000,000    | Revolver/Line >= 1 Yr. | B / B2    | N/A    |
| 07/29/11       | Water Pik Inc                    | Dental equipment and supplies    | USD 197,000,000   | USD 177,000,000   | Term Loan              | B / B2    | N/A    |
| 07/21/11       | MCCI Medical Group               | Health and allied services       | USD 155,000,000   | USD 15,000,000    | Revolver/Line >= 1 Yr. | NR        | N/A    |
| 07/21/11       | MCCI Medical Group               | Health and allied services       | USD 155,000,000   | USD 140,000,000   | Term Loan B            | NR        | N/A    |
| 07/15/11       | Ensign Group Inc                 | Skilled nursing care facilities  | USD 150,000,000   | USD 75,000,000    | Revolver/Line >= 1 Yr. | NR        | 250    |
| 07/15/11       | Ensign Group Inc                 | Skilled nursing care facilities  | USD 150,000,000   | USD 75,000,000    | Term Loan A            | NR        | 250    |
| 07/11/11       | DentalOne Partners Inc           | Offices and clinics of dentists  | USD 65,000,000    | USD 17,000,000    | Revolver/Line >= 1 Yr. | NR        | 500    |
| 07/11/11       | DentalOne Partners Inc           | Offices and clinics of dentists  | USD 65,000,000    | USD 48,000,000    | Term Loan              | 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 <sup>(3)</sup> | Lastest FYE Date <sup>(5)</sup> | Forward Estimate |        |       | TEV/LTM Multiples <sup>(6)</sup> |        | TEV/Fwd Multiples |         |        |         |        |
|--|-------------|----------------|---------|---------|---------|-------------------|------------|-----------------|------------------|-----------------------------|--------|--------|---------------------------|---------------------------------|------------------|--------|-------|----------------------------------|--------|-------------------|---------|--------|---------|--------|
|  | 7/29/2011   | % Change       |         | 52 Week |         |                   |            |                 |                  | Revenue                     | EBITDA | EBIT   |                           |                                 | Revenue          | EBITDA | EBIT  | Revenue                          | EBITDA | EBIT              | Revenue | EBITDA | Revenue | EBITDA |
|  |             | 3 mos.         | 12 mos. | High    | Low     |                   |            |                 |                  |                             |        |        |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| <b>Clinical Laboratories</b>                   |             |                |         |         |         |                   |            |                 |                  |                             |        |        |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| Bio-Reference Laboratories Inc.                | \$19.94     | (20.9%)        | (5.2%)  | \$25.99 | \$18.02 | \$557             | \$46       | \$21            | \$582            | \$508                       | \$72   | \$59   | Apr-11                    | Oct-10                          | \$555            | \$72   | \$58  | 1.1x                             | 8.1x   | 1.0x              | 8.0x    |        |         |        |
| Laboratory Corp. of America Holdings           | 90.76       | (5.9%)         | 23.9%   | 100.94  | 72.33   | 9,094             | 2,003      | 195             | 11,153           | 5,344                       | 1,226  | 1,046  | Jun-11                    | Dec-10                          | 5,571            | 1,318  | 1,070 | 2.1x                             | 9.1x   | 2.0x              | 8.5x    |        |         |        |
| Quest Diagnostics Inc.                         | 54.01       | (4.2%)         | 16.6%   | 61.21   | 43.38   | 8,549             | 4,328      | 994             | 12,714           | 7,413                       | 1,536  | 1,272  | Jun-11                    | Dec-10                          | 7,498            | 1,551  | 1,250 | 1.7x                             | 8.1x   | 1.7x              | 8.2x    |        |         |        |
| Number of Companies                            | 3           | <b>Median:</b> | (5.9%)  | 16.6%   | Total   | \$18,200          |            |                 |                  | \$13,265                    |        |        |                           |                                 | \$13,624         |        |       | 1.7x                             | 8.1x   | 1.7x              | 8.2x    |        |         |        |
|  |             | <b>Mean:</b>   | (10.3%) | 11.8%   |         |                   |            |                 | \$8,150          |                             |        |        |                           |                                 |                  |        |       | 1.6x                             | 8.4x   | 1.6x              | 8.2x    |        |         |        |
| <b>Contract Pharma Manufacturing</b>           |             |                |         |         |         |                   |            |                 |                  |                             |        |        |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| Akorn, Inc.                                    | \$6.93      | 4.7%           | 91.4%   | \$7.62  | \$2.95  | \$655             | \$0        | \$46            | \$610            | \$91                        | \$20   | \$15   | Mar-11                    | Dec-10                          | \$114            | \$32   | \$26  | 6.7x                             | 13.9x  | 5.3x              | 19.3x   |        |         |        |
| Cambrex Corporation.                           | 4.41        | (16.2%)        | 21.2%   | 6.78    | 3.54    | 130               | 118        | 35              | 212              | 232                         | 46     | 24     | Mar-11                    | Dec-10                          | 239              | NA     | 25    | 0.9x                             | 4.6x   | 0.9x              | NA      |        |         |        |
| Integrated Biopharma Inc.                      | 0.20        | (62.8%)        | (20.0%) | 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.                                   | 2.15        | (10.2%)        | (13.4%) | 2.94    | 1.82    | 277               | 275        | 39              | 512              | 687                         | 98     | 40     | Apr-11                    | Oct-10                          | 687              | 76     | 33    | 0.7x                             | 5.2x   | 0.7x              | 6.7x    |        |         |        |
| West Pharmaceutical Services, Inc.             | 43.87       | (7.1%)         | 22.3%   | 47.96   | 32.74   | 1,469             | 377        | 95              | 1,741            | 1,152                       | 182    | 105    | Jun-11                    | Dec-10                          | 1,184            | 196    | 116   | 1.5x                             | 9.3x   | 1.5x              | 8.9x    |        |         |        |
| Number of Companies                            | 5           | <b>Median:</b> | (10.2%) | 21.2%   | Total   | \$2,533           |            |                 |                  | \$2,202                     |        |        |                           |                                 | \$2,225          |        |       | 0.9x                             | 7.3x   | 1.2x              | 8.9x    |        |         |        |
|  |             | <b>Mean:</b>   | (18.3%) | 20.3%   |         |                   |            |                 | \$618            |                             |        |        |                           |                                 |                  |        |       | 2.0x                             | 8.3x   | 2.1x              | 11.6x   |        |         |        |
| <b>Contract Research Organizations</b>         |             |                |         |         |         |                   |            |                 |                  |                             |        |        |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| Albany Molecular Research Inc.                 | \$4.78      | (2.2%)         | (27.0%) | \$7.10  | \$3.87  | \$145             | \$13       | \$10            | \$135            | \$206                       | \$6    | (\$12) | Mar-11                    | Dec-10                          | \$221            | \$15   | (\$3) | 0.7x                             | 24.1x  | 0.6x              | 8.8x    |        |         |        |
| Charles River Laboratories International, Inc. | 39.55       | (6.3%)         | 23.8%   | 42.84   | 28.20   | 2,043             | 857        | 159             | 2,728            | 1,127                       | 255    | 164    | Mar-11                    | Dec-10                          | 1,143            | 266    | 192   | 2.4x                             | 10.7x  | 2.4x              | 10.2x   |        |         |        |
| Covance Inc.                                   | 57.25       | (8.5%)         | 44.4%   | 63.86   | 37.44   | 3,473             | 93         | 368             | 3,159            | 2,108                       | 305    | 203    | Jun-11                    | Dec-10                          | 2,065            | 324    | 218   | 1.5x                             | 10.4x  | 1.5x              | 9.8x    |        |         |        |
| ICON plc                                       | 22.33       | (9.1%)         | (3.1%)  | 26.22   | 18.93   | 1,350             | 0          | 192             | 1,134            | 920                         | 106    | 71     | Jun-11                    | Dec-10                          | 961              | 82     | 43    | 1.2x                             | 10.7x  | 1.2x              | 13.8x   |        |         |        |
| PAREXEL International Corporation              | 20.53       | (26.0%)        | (1.9%)  | 27.91   | 16.80   | 1,209             | 292        | 119             | 1,382            | 1,405                       | 171    | 108    | Mar-11                    | Jun-10                          | 1,230            | 153    | 89    | 1.0x                             | 8.1x   | 1.1x              | 9.0x    |        |         |        |
| Pharmaceutical Product Development Inc.        | 28.83       | (6.5%)         | 22.7%   | 32.91   | 22.71   | 3,265             | 0          | 350             | 2,898            | 1,545                       | 294    | 229    | Jun-11                    | Dec-10                          | 1,536            | 327    | 257   | 1.9x                             | 9.3x   | 1.9x              | 8.9x    |        |         |        |
| Number of Companies                            | 6           | <b>Median:</b> | (7.5%)  | 10.4%   | Total   | \$11,484          |            |                 |                  | \$7,310                     |        |        |                           |                                 | \$7,156          |        |       | 1.4x                             | 10.5x  | 1.4x              | 9.4x    |        |         |        |
|  |             | <b>Mean:</b>   | (9.8%)  | 9.8%    |         |                   |            |                 | \$1,906          |                             |        |        |                           |                                 |                  |        |       | 1.4x                             | 12.2x  | 1.5x              | 10.1x   |        |         |        |
| <b>Disease Management</b>                      |             |                |         |         |         |                   |            |                 |                  |                             |        |        |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| Alere Inc.                                     | \$29.49     | (20.6%)        | 3.4%    | \$41.18 | \$26.61 | \$2,527           | \$2,773    | \$319           | \$4,742          | \$2,267                     | \$458  | \$78   | Jun-11                    | Dec-10                          | \$2,362          | \$614  | \$494 | 2.1x                             | 10.0x  | 2.0x              | 7.7x    |        |         |        |
| Corac Group plc                                | 0.21        | (28.6%)        | (44.3%) | 0.56    | 0.21    | 53                | 0          | 34              | 17               | 1                           | (7)    | (7)    | Dec-10                    | Dec-10                          | 2                | (8)    | (11)  | 15.5x                            | NM     | 7.1x              | NM      |        |         |        |
| Healthways Inc.                                | 14.93       | (11.8%)        | 3.3%    | 17.62   | 9.50    | 505               | 227        | 4               | 731              | 698                         | 135    | 84     | Jun-11                    | Dec-10                          | 690              | 119    | 68    | 1.0x                             | 5.4x   | 1.1x              | 6.1x    |        |         |        |
| Number of Companies                            | 3           | <b>Median:</b> | (20.6%) | 3.3%    | Total   | \$3,085           |            |                 |                  | \$2,966                     |        |        |                           |                                 | \$3,054          |        |       | 2.1x                             | 7.7x   | 2.0x              | 6.9x    |        |         |        |
|  |             | <b>Mean:</b>   | (20.3%) | (12.5%) |         |                   |            |                 | \$1,830          |                             |        |        |                           |                                 |                  |        |       | 6.2x                             | 7.7x   | 3.4x              | 6.9x    |        |         |        |
| <b>Emergency Services</b>                      |             |                |         |         |         |                   |            |                 |                  |                             |        |        |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| Air Methods Corp.                              | \$70.10     | 3.7%           | 117.8%  | \$77.22 | \$30.81 | \$886             | \$100      | \$56            | \$930            | \$575                       | \$111  | \$85   | Mar-11                    | Dec-10                          | \$593            | \$108  | \$81  | 1.6x                             | 8.4x   | 1.6x              | 8.6x    |        |         |        |
| Eastland Medical Systems Limited               | 0.03        | (18.9%)        | (36.3%) | 0.08    | 0.02    | 16                | 1          | 1               | 17               | (1)                         | (2)    | (2)    | Dec-10                    | Jun-10                          | NA               | NA     | NA    | NM                               | NM     | NA                | NA      |        |         |        |
| Number of Companies                            | 2           | <b>Median:</b> | (7.6%)  | 40.7%   | Total   | \$902             |            |                 |                  | \$575                       |        |        |                           |                                 | \$593            |        |       | 1.6x                             | 8.4x   | 1.6x              | 8.6x    |        |         |        |
|  |             | <b>Mean:</b>   | (7.6%)  | 40.7%   |         |                   |            |                 | \$473            |                             |        |        |                           |                                 |                  |        |       | 1.6x                             | 8.4x   | 1.6x              | 8.6x    |        |         |        |
| <b>Health Care Staffing</b>                    |             |                |         |         |         |                   |            |                 |                  |                             |        |        |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| AMN Healthcare Services Inc.                   | \$8.06      | (6.6%)         | 24.2%   | \$9.33  | \$4.14  | \$319             | \$219      | \$4             | \$562            | \$775                       | \$41   | \$25   | Mar-11                    | Dec-10                          | \$948            | \$64   | \$42  | 0.7x                             | 13.7x  | 0.6x              | 8.8x    |        |         |        |
| Cross Country Healthcare, Inc.                 | 6.91        | (6.9%)         | (22.5%) | 9.86    | 6.34    | 215               | 52         | 10              | 255              | 469                         | 21     | 10     | Mar-11                    | Dec-10                          | 507              | 24     | 12    | 0.5x                             | 11.9x  | 0.5x              | 10.6x   |        |         |        |
| On Assignment Inc.                             | 10.20       | (7.2%)         | 122.2%  | 11.67   | 4.18    | 377               | 79         | 16              | 440              | 471                         | 32     | 24     | Mar-11                    | Dec-10                          | 571              | 45     | 37    | 0.9x                             | 13.8x  | 0.8x              | 9.8x    |        |         |        |
| Team Health Holdings, Inc.                     | 22.01       | 10.7%          | 72.5%   | 24.13   | 11.81   | 1,428             | 403        | 49              | 1,781            | 2,759                       | 169    | 142    | Mar-11                    | Dec-10                          | 1,691            | 180    | 151   | 0.6x                             | 10.5x  | 1.1x              | 9.9x    |        |         |        |
| Number of Companies                            | 4           | <b>Median:</b> | (6.7%)  | 48.3%   | Total   | \$2,339           |            |                 |                  | \$4,474                     |        |        |                           |                                 | \$3,718          |        |       | 0.7x                             | 12.8x  | 0.7x              | 9.9x    |        |         |        |
|  |             | <b>Mean:</b>   | (2.5%)  | 49.1%   |         |                   |            |                 | \$759            |                             |        |        |                           |                                 |                  |        |       | 0.7x                             | 12.5x  | 0.7x              | 9.8x    |        |         |        |

Payer, Provider, & Pharmacy Support Services

| Company Name (Ticker)                 | Stock Price |                |         |         |         | Equity Mkt. Value | Total Debt | Cash and Equiv. | Total Ent. Value | Lastest Twelve Months (LTM) |         |         | LTM Period <sup>(3)</sup> | Lastest FYE Date <sup>(5)</sup> | Forward Estimate |         |         | TEV/LTM Multiples <sup>(6)</sup> |        | TEV/Fwd Multiples |        |         |        |
|---------------------------------------|-------------|----------------|---------|---------|---------|-------------------|------------|-----------------|------------------|-----------------------------|---------|---------|---------------------------|---------------------------------|------------------|---------|---------|----------------------------------|--------|-------------------|--------|---------|--------|
|                                       | 7/29/2011   | % Change       |         | 52 Week |         |                   |            |                 |                  | Revenue                     | EBITDA  | EBIT    |                           |                                 | Revenue          | EBITDA  | EBIT    | Revenue                          | EBITDA | Revenue           | EBITDA | Revenue | EBITDA |
|                                       |             | 3 mos.         | 12 mos. | High    | Low     |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |        |         |        |
| <b>HMO - Medical</b>                  |             |                |         |         |         |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |        |         |        |
| <b>Commercial:</b>                    |             |                |         |         |         |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |        |         |        |
| Aetna Inc.                            | \$41.49     | 0.3%           | 50.9%   | \$46.01 | \$26.42 | \$15,472          | \$4,090    | \$1,444         | \$18,117         | \$33,811                    | \$3,402 | \$2,951 | Jun-11                    | Dec-10                          | \$33,220         | \$3,384 | \$2,976 | 0.5x                             | 5.3x   | 0.5x              | 5.4x   |         |        |
| CIGNA Corporation                     | 49.77       | 6.3%           | 62.5%   | 52.95   | 30.06   | 13,466            | 3,228      | 1,656           | 15,038           | 21,443                      | 2,465   | 2,250   | Mar-11                    | Dec-10                          | 21,495           | 2,476   | 2,139   | 0.7x                             | 6.1x   | 0.7x              | 6.1x   |         |        |
| Coventry Health Care Inc.             | 32.00       | (0.8%)         | 69.8%   | 37.86   | 18.28   | 4,743             | 1,818      | 1,359           | 4,916            | 11,959                      | 1,027   | 912     | Jun-11                    | Dec-10                          | 12,100           | 862     | 729     | 0.4x                             | 4.8x   | 0.4x              | 5.7x   |         |        |
| Health Net Inc.                       | 28.12       | (15.6%)        | 19.8%   | 34.03   | 23.05   | 2,545             | 399        | 142             | 2,801            | 13,736                      | 343     | 308     | Mar-11                    | Dec-10                          | 12,060           | 474     | 445     | 0.2x                             | 8.2x   | 0.2x              | 5.9x   |         |        |
| HealthSpring Inc.                     | 41.04       | (1.1%)         | 113.0%  | 48.95   | 17.17   | 2,780             | 388        | 301             | 2,868            | 3,777                       | 397     | 357     | Mar-11                    | Dec-10                          | 5,438            | 474     | 420     | 0.8x                             | 7.2x   | 0.5x              | 6.1x   |         |        |
| Humana Inc.                           | 74.58       | (2.0%)         | 61.5%   | 84.32   | 45.66   | 12,559            | 1,956      | 1,756           | 12,758           | 34,679                      | 2,211   | 1,935   | Mar-11                    | Dec-10                          | 37,090           | 2,239   | 2,017   | 0.4x                             | 5.8x   | 0.3x              | 5.7x   |         |        |
| UnitedHealth Group, Inc.              | 49.63       | 0.8%           | 63.0%   | 53.50   | 29.94   | 53,771            | 11,131     | 9,790           | 55,127           | 98,364                      | 9,197   | 8,439   | Jun-11                    | Dec-10                          | 101,539          | 8,557   | 7,612   | 0.6x                             | 6.0x   | 0.5x              | 6.4x   |         |        |
| WellPoint Inc.                        | 67.55       | (12.0%)        | 35.4%   | 81.92   | 48.61   | 24,363            | 9,660      | 2,402           | 32,323           | 59,293                      | 5,372   | 4,752   | Jun-11                    | Dec-10                          | 59,841           | 4,494   | 3,965   | 0.5x                             | 6.0x   | 0.5x              | 7.2x   |         |        |
| Number of Companies                   | 8           | <b>Median:</b> | (1.0%)  | 62.0%   | Total   | \$129,698         |            |                 |                  | \$277,061                   |         |         |                           |                                 | \$282,782        |         |         | 0.5x                             | 6.0x   | 0.5x              | 6.0x   |         |        |
|                                       |             | <b>Mean:</b>   | (3.0%)  | 59.5%   |         |                   |            |                 | \$17,994         |                             |         |         |                           |                                 |                  |         |         | 0.5x                             | 6.2x   | 0.5x              | 6.1x   |         |        |
| <b>Government:</b>                    |             |                |         |         |         |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |        |         |        |
| AMERIGROUP Corporation                | \$55.00     | (19.5%)        | 66.9%   | \$75.74 | \$33.26 | \$2,728           | \$251      | \$602           | \$2,397          | \$6,060                     | \$471   | \$456   | Jun-11                    | Dec-10                          | \$6,282          | \$421   | \$386   | 0.4x                             | 5.1x   | 0.4x              | 5.7x   |         |        |
| Centene Corp.                         | 32.81       | (9.4%)         | 60.9%   | 39.35   | 20.01   | 1,651             | 340        | 492             | 1,518            | 4,845                       | 236     | 191     | Jun-11                    | Dec-10                          | 5,238            | 254     | 195     | 0.3x                             | 6.4x   | 0.3x              | 6.0x   |         |        |
| Molina Healthcare Inc.                | 22.65       | (21.0%)        | 19.2%   | 29.03   | 16.43   | 1,043             | 167        | 464             | 751              | 4,407                       | 186     | 135     | Jun-11                    | Dec-10                          | 4,649            | 179     | 128     | 0.2x                             | 4.0x   | 0.2x              | 4.2x   |         |        |
| WellCare Health Plans, Inc.           | 43.85       | 0.1%           | 79.1%   | 55.75   | 23.84   | 1,866             | 0          | 1,233           | 633              | 5,559                       | 209     | 185     | Mar-11                    | Dec-10                          | 5,921            | 301     | 275     | 0.1x                             | 3.0x   | 0.1x              | 2.1x   |         |        |
| Number of Companies                   | 4           | <b>Median:</b> | (14.5%) | 63.9%   | Total   | \$7,289           |            |                 |                  | \$20,871                    |         |         |                           |                                 | \$22,090         |         |         | 0.2x                             | 4.6x   | 0.2x              | 4.9x   |         |        |
|                                       |             | <b>Mean:</b>   | (12.5%) | 56.3%   |         |                   |            |                 | \$1,325          |                             |         |         |                           |                                 |                  |         |         | 0.2x                             | 4.6x   | 0.2x              | 4.5x   |         |        |
| <b>Information Services</b>           |             |                |         |         |         |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |        |         |        |
| <b>Data/Analytics:</b>                |             |                |         |         |         |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |        |         |        |
| Accelrys Inc.                         | \$7.27      | (4.0%)         | 4.6%    | \$8.95  | \$5.96  | \$403             | \$0        | \$44            | \$290            | \$115                       | (\$8)   | (\$25)  | Mar-11                    | Dec-10                          | \$148            | \$34    | \$22    | 2.5x                             | NM     | 2.0x              | 8.7x   |         |        |
| eResearchTechnology, Inc.             | 6.37        | 0.2%           | (20.5%) | 8.65    | 5.36    | 313               | 21         | 30              | 303              | 161                         | 43      | 23      | Mar-11                    | Dec-10                          | 182              | 52      | 34      | 1.9x                             | 7.1x   | 1.7x              | 5.8x   |         |        |
| National Research Corp.               | 36.43       | 2.3%           | 49.5%   | 36.89   | 22.07   | 245               | 16         | 3               | 257              | 66                          | 20      | 15      | Mar-11                    | Dec-10                          | 75               | NA      | NA      | 3.9x                             | 13.0x  | 3.4x              | NA     |         |        |
| Number of Companies                   | 3           | <b>Median:</b> | 0.2%    | 4.6%    | Total   | \$960             |            |                 |                  | \$341                       |         |         |                           |                                 | \$148            |         |         | 2.5x                             | 10.1x  | 2.0x              | 7.2x   |         |        |
|                                       |             | <b>Mean:</b>   | (0.5%)  | 11.2%   |         |                   |            |                 | \$283            |                             |         |         |                           |                                 |                  |         |         | 2.8x                             | 10.1x  | 2.4x              | 7.2x   |         |        |
| <b>eHealth:</b>                       |             |                |         |         |         |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |        |         |        |
| WebMD Health Corp.                    | 35.25       | (39.1%)        | (23.6%) | 58.55   | 31.66   | 2,083             | 800        | 1,065           | 1,818            | 576                         | 150     | 132     | Jun-11                    | Dec-10                          | \$588            | \$201   | \$142   | 3.2x                             | 12.1x  | 3.4x              | 10.6x  |         |        |
| Number of Companies                   | 1           | <b>Median:</b> | (39.1%) | (23.6%) | Total   | \$2,083           |            |                 |                  | \$576                       |         |         |                           |                                 | \$588            |         |         | 3.2x                             | 12.1x  | 3.4x              | 10.6x  |         |        |
|                                       |             | <b>Mean:</b>   | (39.1%) | (23.6%) |         |                   |            |                 | \$1,818          |                             |         |         |                           |                                 |                  |         |         | 3.2x                             | 12.1x  | 3.4x              | 10.6x  |         |        |
| <b>Hospital/Physician:</b>            |             |                |         |         |         |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |        |         |        |
| Allscripts Healthcare Solutions, Inc. | \$18.15     | (15.7%)        | 8.7%    | \$23.13 | \$16.42 | \$3,453           | \$449      | \$145           | \$3,757          | \$1,074                     | \$173   | \$97    | Mar-11                    | Dec-10                          | \$1,439          | \$359   | \$303   | 3.5x                             | 21.7x  | 2.6x              | 10.5x  |         |        |
| athenahealth, Inc.                    | 58.79       | 27.2%          | 124.7%  | 60.29   | 25.18   | 2,057             | 0          | 46              | 1,952            | 280                         | 47      | 35      | Jun-11                    | Dec-10                          | 321              | 68      | 35      | 7.0x                             | 41.2x  | 6.1x              | 28.7x  |         |        |
| Cerner Corporation                    | 66.49       | 10.7%          | 71.5%   | 68.12   | 36.22   | 11,224            | 115        | 185             | 10,656           | 1,979                       | 526     | 399     | Jul-11                    | Jan-11                          | 2,118            | 673     | 461     | 5.6x                             | 21.2x  | 5.0x              | 15.8x  |         |        |
| Computer Programs & Systems Inc.      | 73.45       | 25.0%          | 77.5%   | 79.06   | 40.00   | 813               | 0          | 10              | 788              | 173                         | 41      | 39      | Jun-11                    | Dec-10                          | 180              | 42      | 43      | 4.5x                             | 19.2x  | 4.4x              | 18.8x  |         |        |
| HMS Holdings Corp.                    | 75.60       | (4.0%)         | 38.1%   | 84.82   | 50.58   | 2,136             | 0          | 116             | 2,019            | 339                         | 94      | 75      | Jun-11                    | Dec-10                          | 371              | 110     | 85      | 6.0x                             | 21.5x  | 5.4x              | 18.4x  |         |        |
| MedAssets, Inc.                       | 12.67       | (20.9%)        | (46.4%) | 25.00   | 12.31   | 743               | 968        | 57              | 1,653            | 428                         | 107     | 41      | Mar-11                    | Dec-10                          | 590              | 185     | 51      | 3.9x                             | 15.4x  | 2.8x              | 9.0x   |         |        |
| Merge Healthcare Incorporated         | 5.08        | 3.0%           | 56.8%   | 6.19    | 2.46    | 428               | 196        | 47              | 619              | 173                         | 31      | 13      | Mar-11                    | Dec-10                          | 235              | 57      | 43      | 3.6x                             | 20.1x  | 2.6x              | 10.9x  |         |        |
| Quality Systems Inc.                  | 91.36       | 1.8%           | 65.5%   | 92.38   | 52.90   | 2,674             | 0          | 117             | 2,548            | 371                         | 112     | 104     | Jun-11                    | Mar-11                          | 428              | 146     | 129     | 7.2x                             | 25.1x  | 5.9x              | 17.5x  |         |        |
| SXC Health Solutions, Corp.           | 17.13       | 0.0%           | 0.0%    | 18.00   | 16.64   | 1,199             | 700        | 326             | 1,831            | 1,321                       | 160     | 110     | Mar-11                    | Dec-10                          | NA               | NA      | NA      | 1.4x                             | 11.4x  | NA                | NA     |         |        |
| Transcend Services, Inc.              | 29.06       | 20.4%          | 94.0%   | 30.25   | 13.69   | 309               | 0          | 16              | 278              | 101                         | 22      | 20      | Mar-11                    | Dec-10                          | 128              | 28      | 26      | 2.7x                             | 12.7x  | 2.2x              | 9.8x   |         |        |
| Number of Companies                   | 10          | <b>Median:</b> | 2.4%    | 61.1%   | Total   | \$25,034          |            |                 |                  | \$6,241                     |         |         |                           |                                 | \$5,810          |         |         | 4.2x                             | 20.6x  | 4.4x              | 15.8x  |         |        |
|                                       |             | <b>Mean:</b>   | 4.8%    | 49.0%   |         |                   |            |                 | \$2,610          |                             |         |         |                           |                                 |                  |         |         | 4.5x                             | 20.9x  | 4.1x              | 15.5x  |         |        |



Payer, Provider, & Pharmacy Support Services

| Company Name (Ticker)                       | Stock Price |                |         |         |        | Equity Mkt. Value | Total Debt | Cash and Equiv. | Total Ent. Value | Lastest Twelve Months (LTM) |        |       | LTM Period <sup>(1)</sup> | Lastest FYE Date <sup>(3)</sup> | Forward Estimate |        |       | TEV/LTM Multiples <sup>(5)</sup> |        | TEV/ Fwd Multiples |        |         |        |
|---|-------------|----------------|---------|---------|--------|-------------------|------------|-----------------|------------------|-----------------------------|--------|-------|---------------------------|---------------------------------|------------------|--------|-------|----------------------------------|--------|--------------------|--------|---------|--------|
|   | 7/29/2011   | % Change       |         | 52 Week |        |                   |            |                 |                  | Revenue                     | EBITDA | EBIT  |                           |                                 | Revenue          | EBITDA | EBIT  | Revenue                          | EBITDA | Revenue            | EBITDA | Revenue | EBITDA |
|   |             | 3 mos.         | 12 mos. | High    | Low    |                   |            |                 |                  |                             |        |       |                           |                                 |                  |        |       |                                  |        |                    |        |         |        |
| <b><u>Specialty Managed Care</u></b>        |             |                |         |         |        |                   |            |                 |                  |                             |        |       |                           |                                 |                  |        |       |                                  |        |                    |        |         |        |
| Assurant Inc.                               | 35.62       | (10.3%)        | (4.2%)  | 41.90   | 33.43  | 3,438             | 972        | 940             | 4,410            | 8,319                       | 951    | 818   | Jun-11                    | Dec-10                          | 8,159            | NA     | 885   | 0.5x                             | 4.6x   | 0.5x               | NA     |         |        |
| CorVel Corporation                          | 46.15       | (10.9%)        | 15.1%   | 54.19   | 35.74  | 536               | 0          | 12              | 524              | 381                         | 59     | 46    | Mar-11                    | Mar-11                          | 446              | NA     | NA    | 1.4x                             | 8.9x   | 1.2x               | NA     |         |        |
| Number of Companies                         | 2           | <b>Median:</b> | (10.6%) | 5.5%    | Total  | \$3,974           |            |                 |                  | \$8,700                     |        |       |                           |                                 | \$8,604          |        |       | 1.0x                             | 6.8x   | 0.9x               | NA     |         |        |
|   |             | <b>Mean:</b>   | (10.6%) | 5.5%    |        |                   |            |                 | \$2,467          |                             |        |       |                           |                                 |                  |        |       | 1.0x                             | 6.8x   | 0.9x               | NA     |         |        |
| <b><u>Specialty Pharmacy Management</u></b> |             |                |         |         |        |                   |            |                 |                  |                             |        |       |                           |                                 |                  |        |       |                                  |        |                    |        |         |        |
| BioScrip Inc.                               | \$7.18      | 55.7%          | 14.7%   | \$7.85  | \$4.00 | \$389             | \$278      | \$0             | \$667            | \$1,743                     | \$55   | \$43  | Mar-11                    | Dec-10                          | \$1,783          | \$69   | \$49  | 0.4x                             | 12.1x  | 0.4x               | 9.7x   |         |        |
| Express Scripts Inc.                        | 54.26       | (4.4%)         | 21.5%   | 60.89   | 42.50  | 26,490            | 4,089      | 766             | 30,288           | 45,002                      | 2,541  | 2,312 | Jun-11                    | Dec-10                          | 45,655           | 2,849  | 2,643 | 0.7x                             | 11.9x  | 0.7x               | 10.6x  |         |        |
| Catalyst Health Solutions, Inc.             | 65.53       | 10.1%          | 90.2%   | 67.58   | 31.40  | 2,899             | 146        | 183             | 2,862            | 4,054                       | 162    | 142   | Mar-11                    | Dec-10                          | 5,149            | 192    | 155   | 0.7x                             | 17.7x  | 0.6x               | 14.9x  |         |        |
| Omnicare Inc.                               | 30.50       | (2.9%)         | 23.9%   | 33.01   | 19.14  | 3,532             | 1,959      | 451             | 4,970            | 6,244                       | 621    | 471   | Jun-11                    | Dec-10                          | 6,137            | 604    | 492   | 0.8x                             | 8.0x   | 0.8x               | 8.2x   |         |        |
| PharMerica Corporation                      | 12.77       | (3.0%)         | (2.0%)  | 14.75   | 6.88   | 375               | 244        | 12              | 607              | 1,920                       | 75     | 46    | Mar-11                    | Dec-10                          | 2,118            | 81     | 47    | 0.3x                             | 8.1x   | 0.3x               | 7.5x   |         |        |
| Number of Companies                         | 5           | <b>Median:</b> | (2.9%)  | 21.5%   | Total  | \$33,685          |            |                 |                  | \$58,962                    |        |       |                           |                                 | \$60,842         |        |       | 0.7x                             | 11.9x  | 0.6x               | 9.7x   |         |        |
|   |             | <b>Mean:</b>   | 11.1%   | 29.7%   |        |                   |            |                 | \$7,879          |                             |        |       |                           |                                 |                  |        |       | 0.6x                             | 11.6x  | 0.5x               | 10.2x  |         |        |

Products & Devices

| Company Name (Ticker)                       | Stock Price |                |         |         |         | Equity Mkt. Value | Total Debt | Cash and Equiv. | Total Ent. Value | Lastest Twelve Months (LTM) |          |         | LTM Period <sup>(3)</sup> | Lastest FYE Date <sup>(3)</sup> | Forward Estimate |          |         | TEV/ LTM Multiples <sup>(5)</sup> |        | TEV/ Fwd Multiples |         |        |         |        |
|---|-------------|----------------|---------|---------|---------|-------------------|------------|-----------------|------------------|-----------------------------|----------|---------|---------------------------|---------------------------------|------------------|----------|---------|-----------------------------------|--------|--------------------|---------|--------|---------|--------|
|   | 7/29/2011   | % Change       |         | 52 Week |         |                   |            |                 |                  | Revenue                     | EBITDA   | EBIT    |                           |                                 | Revenue          | EBITDA   | EBIT    | Revenue                           | EBITDA | EBIT               | Revenue | EBITDA | Revenue | EBITDA |
|   |             | 3 mos.         | 12 mos. | High    | Low     |                   |            |                 |                  |                             |          |         |                           |                                 |                  |          |         |                                   |        |                    |         |        |         |        |
| <b>Dental Products</b>                      |             |                |         |         |         |                   |            |                 |                  |                             |          |         |                           |                                 |                  |          |         |                                   |        |                    |         |        |         |        |
| 3M Co.                                      | \$87.14     | (10.4%)        | 0.9%    | \$98.19 | \$78.40 | \$61,829          | \$5,600    | \$2,747         | \$62,905         | \$28,574                    | \$7,279  | \$6,110 | Jun-11                    | Dec-10                          | \$30,052         | \$7,956  | \$6,722 | 2.2x                              | 8.7x   | 2.1x               | 7.9x    |        |         |        |
| Danaher Corp.                               | 49.11       | (11.1%)        | 28.3%   | 56.09   | 35.24   | 33,668            | 6,573      | 1,594           | 39,755           | 14,035                      | 2,878    | 2,446   | Jul-11                    | Dec-10                          | 16,416           | 3,330    | 2,776   | 2.8x                              | 13.6x  | 2.4x               | 11.9x   |        |         |        |
| DENTSPLY International Inc.                 | 37.89       | 0.9%           | 30.5%   | 40.16   | 27.76   | 5,355             | 951        | 575             | 5,666            | 2,290                       | 467      | 398     | Jun-11                    | Dec-10                          | 2,304            | 458      | 389     | 2.5x                              | 12.1x  | 2.5x               | 12.4x   |        |         |        |
| Sirona Dental Systems Inc.                  | 50.58       | (11.4%)        | 67.3%   | 57.87   | 29.55   | 2,820             | 389        | 300             | 2,905            | 878                         | 224      | 148     | Jun-11                    | Sep-10                          | 882              | 250      | 195     | 3.6x                              | 14.0x  | 3.3x               | 11.6x   |        |         |        |
| Young Innovations Inc.                      | 28.98       | (6.6%)         | 7.9%    | 33.40   | 24.06   | 232               | 0          | 1               | 231              | 106                         | 28       | 24      | Jun-11                    | Dec-10                          | 108              | 29       | 25      | 2.2x                              | 8.2x   | 2.1x               | 8.0x    |        |         |        |
| Number of Companies                         | 5           | <b>Median:</b> | (10.4%) | 28.3%   | Total   | \$103,904         |            |                 |                  | \$45,882                    |          |         |                           |                                 | \$49,762         |          |         | 2.5x                              | 12.1x  | 2.4x               | 11.6x   |        |         |        |
|   |             | <b>Mean:</b>   | (7.7%)  | 27.0%   |         |                   |            |                 | \$22,293         |                             |          |         |                           |                                 |                  |          |         | 2.7x                              | 11.3x  | 2.5x               | 10.4x   |        |         |        |
| <b>Durable Medical Equipment</b>            |             |                |         |         |         |                   |            |                 |                  |                             |          |         |                           |                                 |                  |          |         |                                   |        |                    |         |        |         |        |
| Hill-Rom Holdings, Inc.                     | \$37.29     | (17.2%)        | 16.5%   | \$48.80 | \$31.16 | \$2,355           | \$153      | \$235           | \$2,225          | \$1,558                     | \$299    | \$212   | Jun-11                    | Sep-10                          | \$1,584          | \$321    | \$205   | 1.4x                              | 7.4x   | 1.4x               | 6.9x    |        |         |        |
| Invacare Corporation                        | 29.98       | (8.9%)         | 24.7%   | 34.52   | 22.59   | 957               | 256        | 33              | 1,175            | 1,784                       | 136      | 100     | Jun-11                    | Dec-10                          | 1,810            | NA       | NA      | 0.7x                              | 8.6x   | 0.6x               | NA      |        |         |        |
| ResMed Inc.                                 | 30.29       | (5.0%)         | (5.3%)  | 35.90   | 29.24   | 4,632             | 100        | 672             | 4,040            | 1,243                       | 336      | 268     | Jun-11                    | Jun-11                          | 1,426            | 375      | 302     | 3.4x                              | 12.0x  | 2.8x               | 10.8x   |        |         |        |
| Steris Corp.                                | 34.99       | (2.9%)         | 11.6%   | 38.00   | 28.07   | 2,079             | 210        | 193             | 2,097            | 1,337                       | 251      | 196     | Jun-11                    | Mar-11                          | 1,393            | 287      | 234     | 1.7x                              | 14.9x  | 1.5x               | 7.3x    |        |         |        |
| Number of Companies                         | 4           | <b>Median:</b> | (6.9%)  | 14.1%   | Total   | \$10,023          |            |                 |                  | \$5,922                     |          |         |                           |                                 | \$6,213          |          |         | 1.6x                              | 10.3x  | 1.5x               | 7.3x    |        |         |        |
|   |             | <b>Mean:</b>   | (8.5%)  | 11.9%   |         |                   |            |                 | \$2,384          |                             |          |         |                           |                                 |                  |          |         | 1.8x                              | 10.7x  | 1.6x               | 8.3x    |        |         |        |
| <b>Life Sciences Tools</b>                  |             |                |         |         |         |                   |            |                 |                  |                             |          |         |                           |                                 |                  |          |         |                                   |        |                    |         |        |         |        |
| Agilent Technologies Inc.                   | \$42.16     | (15.5%)        | 49.8%   | \$55.33 | \$26.68 | \$14,674          | \$2,153    | \$2,975         | \$13,860         | \$6,156                     | \$1,165  | \$911   | Apr-11                    | Oct-10                          | \$6,620          | \$1,483  | \$1,282 | 2.3x                              | 11.9x  | 2.1x               | 9.3x    |        |         |        |
| Becton, Dickinson and Company               | 83.61       | (2.7%)         | 23.8%   | 89.75   | 66.87   | 18,290            | 2,725      | 749             | 19,151           | 7,651                       | 2,235    | 1,739   | Jun-11                    | Sep-10                          | 7,789            | 2,305    | 1,775   | 2.6x                              | 8.7x   | 2.5x               | 8.3x    |        |         |        |
| Life Technologies Corporation               | 45.03       | (18.4%)        | 6.2%    | 57.25   | 42.40   | 8,050             | 2,739      | 694             | 10,224           | 3,636                       | 1,104    | 694     | Jun-11                    | Dec-10                          | 3,752            | 1,312    | 1,086   | 2.8x                              | 9.3x   | 2.7x               | 7.8x    |        |         |        |
| Number of Companies                         | 3           | <b>Median:</b> | (15.5%) | 23.8%   | Total   | \$41,013          |            |                 |                  | \$17,444                    |          |         |                           |                                 | \$18,161         |          |         | 2.6x                              | 9.3x   | 2.5x               | 8.3x    |        |         |        |
|   |             | <b>Mean:</b>   | (12.2%) | 26.6%   |         |                   |            |                 | \$14,412         |                             |          |         |                           |                                 |                  |          |         | 2.5x                              | 10.0x  | 2.4x               | 8.5x    |        |         |        |
| <b>Medical Devices and Products</b>         |             |                |         |         |         |                   |            |                 |                  |                             |          |         |                           |                                 |                  |          |         |                                   |        |                    |         |        |         |        |
| Abbott Laboratories                         | \$51.32     | (1.4%)         | 4.8%    | \$54.24 | \$45.07 | \$79,766          | \$18,830   | \$2,740         | \$92,184         | \$37,300                    | \$10,054 | \$7,176 | Jun-11                    | Dec-10                          | \$38,816         | \$11,509 | \$8,915 | 2.5x                              | 9.2x   | 2.4x               | 8.0x    |        |         |        |
| ArthroCare Corporation                      | 33.05       | (6.5%)         | 24.3%   | 36.00   | 24.65   | 903               | 0          | 148             | 830              | 358                         | 84       | 60      | Jun-11                    | Dec-10                          | 370              | 90       | 68      | 2.3x                              | 10.5x  | 2.2x               | 9.2x    |        |         |        |
| Baxter International Inc.                   | 58.17       | 2.2%           | 33.1%   | 62.50   | 42.47   | 33,179            | 4,400      | 2,168           | 35,624           | 13,542                      | 3,849    | 3,172   | Jun-11                    | Dec-10                          | 13,784           | 3,976    | 3,287   | 2.6x                              | 9.3x   | 2.6x               | 9.0x    |        |         |        |
| Boston Scientific Corporation               | 7.16        | (4.4%)         | 27.9%   | 7.96    | 5.04    | 10,942            | 4,201      | 595             | 14,989           | 7,818                       | 1,938    | 1,155   | Jun-11                    | Dec-10                          | 7,791            | 1,839    | 1,103   | 1.9x                              | 7.6x   | 1.9x               | 8.2x    |        |         |        |
| CR Bard Inc.                                | 98.68       | (7.6%)         | 26.8%   | 113.84  | 75.88   | 8,550             | 901        | 748             | 8,539            | 2,821                       | 907      | 794     | Jun-11                    | Dec-10                          | 2,917            | 933      | 829     | 3.0x                              | 9.4x   | 2.9x               | 9.2x    |        |         |        |
| Hanger Orthopedic Group Inc.                | 21.01       | (22.7%)        | 23.9%   | 28.47   | 13.01   | 699               | 506        | 20              | 1,198            | 868                         | 141      | 116     | Jun-11                    | Dec-10                          | 940              | 157      | 125     | 1.4x                              | 8.8x   | 1.3x               | 7.6x    |        |         |        |
| Hologic Inc.                                | 18.57       | (15.7%)        | 32.8%   | 23.24   | 13.76   | 4,857             | 1,470      | 573             | 5,736            | 1,751                       | 597      | 298     | Jun-11                    | Sep-10                          | 1,772            | 636      | 540     | 3.3x                              | 9.6x   | 3.2x               | 9.0x    |        |         |        |
| Hospira Inc.                                | 51.12       | (9.9%)         | (1.0%)  | 60.49   | 49.51   | 8,428             | 1,760      | 597             | 9,586            | 4,008                       | 872      | 634     | Jun-11                    | Dec-10                          | 4,257            | 1,086    | 868     | 2.4x                              | 10.5x  | 2.3x               | 8.8x    |        |         |        |
| Johnson & Johnson                           | 64.79       | (1.4%)         | 12.0%   | 68.05   | 56.99   | 177,599           | 17,830     | 22,356          | 168,562          | 63,396                      | 19,484   | 16,480  | Jul-11                    | Jan-11                          | 65,373           | 20,372   | 17,193  | 2.7x                              | 8.7x   | 2.6x               | 8.3x    |        |         |        |
| Medtronic, Inc.                             | 36.05       | (13.7%)        | (0.1%)  | 43.33   | 30.80   | 38,247            | 9,835      | 1,382           | 45,654           | 15,933                      | 5,365    | 4,561   | Apr-11                    | Apr-11                          | 16,573           | 6,185    | 5,267   | 2.9x                              | 8.5x   | 2.8x               | 7.4x    |        |         |        |
| Stryker Corp.                               | 54.34       | (7.9%)         | 17.7%   | 65.21   | 42.74   | 21,102            | 1,021      | 735             | 19,448           | 7,823                       | 2,383    | 1,935   | Jun-11                    | Dec-10                          | 8,346            | 2,414    | 1,986   | 2.5x                              | 8.2x   | 2.3x               | 8.1x    |        |         |        |
| Thermo Fisher Scientific, Inc.              | 60.09       | 0.2%           | 33.6%   | 65.86   | 41.74   | 23,030            | 4,027      | 2,789           | 25,694           | 11,185                      | 2,217    | 1,439   | Jul-11                    | Dec-10                          | 11,688           | 2,365    | 2,130   | 2.3x                              | 11.6x  | 2.2x               | 10.9x   |        |         |        |
| Zimmer Holdings, Inc.                       | 60.02       | (8.0%)         | 15.1%   | 69.93   | 46.27   | 11,521            | 1,147      | 576             | 11,723           | 4,353                       | 1,565    | 1,216   | Jun-11                    | Dec-10                          | 4,481            | 1,657    | 1,287   | 2.7x                              | 7.5x   | 2.6x               | 7.1x    |        |         |        |
| Number of Companies                         | 13          | <b>Median:</b> | (7.6%)  | 23.9%   | Total   | \$418,822         |            |                 |                  | \$171,156                   |          |         |                           |                                 | \$177,108        |          |         | 2.5x                              | 9.2x   | 2.4x               | 8.3x    |        |         |        |
|   |             | <b>Mean:</b>   | (7.4%)  | 19.3%   |         |                   |            |                 | \$33,828         |                             |          |         |                           |                                 |                  |          |         | 2.5x                              | 9.2x   | 2.4x               | 8.5x    |        |         |        |
| <b>Medical / Surgical / Dental Supplies</b> |             |                |         |         |         |                   |            |                 |                  |                             |          |         |                           |                                 |                  |          |         |                                   |        |                    |         |        |         |        |
| AmerisourceBergen Corporation               | \$38.31     | (5.7%)         | 32.2%   | \$43.47 | \$27.09 | \$10,496          | \$1,362    | \$1,912         | \$9,857          | \$79,525                    | \$1,321  | \$1,215 | Jun-11                    | Sep-10                          | \$79,800         | \$1,330  | \$1,225 | 0.1x                              | 7.5x   | 0.1x               | 7.4x    |        |         |        |
| Cardinal Health, Inc.                       | 43.76       | 0.2%           | 35.4%   | 47.06   | 29.69   | 15,342            | 2,502      | 1,962           | 15,799           | 102,644                     | 1,881    | 1,567   | Jun-11                    | Jun-11                          | 106,692          | 2,192    | 1,797   | 0.2x                              | 8.7x   | 0.1x               | 7.2x    |        |         |        |
| Henry Schein Inc.                           | 66.46       | (9.0%)         | 28.7%   | 74.98   | 50.97   | 6,131             | 443        | 117             | 6,955            | 7,995                       | 663      | 555     | Jun-11                    | Dec-10                          | 8,191            | 700      | 588     | 0.9x                              | 10.6x  | 0.8x               | 9.9x    |        |         |        |
| McKesson Corporation                        | 81.12       | (2.3%)         | 27.0%   | 87.32   | 57.81   | 19,980            | 3,989      | 3,612           | 20,853           | 114,614                     | 2,448    | 2,012   | Jun-11                    | Mar-11                          | 119,158          | 2,975    | 2,487   | 0.2x                              | 8.5x   | 0.2x               | 7.0x    |        |         |        |
| Owens & Minor Inc.                          | 30.50       | (11.5%)        | 14.0%   | 35.71   | 25.68   | 1,945             | 212        | 186             | 1,998            | 8,389                       | 233      | 201     | Jun-11                    | Dec-10                          | 8,573            | 252      | 218     | 0.2x                              | 8.6x   | 0.2x               | 7.9x    |        |         |        |
| Patterson Companies Inc.                    | 30.84       | (11.1%)        | 18.3%   | 36.93   | 24.88   | 3,699             | 531        | 389             | 3,841            | 3,416                       | 417      | 376     | Apr-11                    | Apr-11                          | 3,570            | 430      | 386     | 1.1x                              | 9.2x   | 1.1x               | 8.9x    |        |         |        |
| PSS World Medical Inc.                      | 23.93       | (16.8%)        | 25.1%   | 29.47   | 18.30   | 1,283             | 219        | 29              | 1,483            | 2,070                       | 167      | 135     | Jul-11                    | Apr-11                          | 2,172            | 180      | 147     | 0.7x                              | 8.9x   | 0.7x               | 8.2x    |        |         |        |
| Number of Companies                         | 7           | <b>Median:</b> | (9.0%)  | 27.0%   | Total   | \$58,875          |            |                 |                  | \$318,654                   |          |         |                           |                                 | \$328,156        |          |         | 0.2x                              | 8.7x   | 0.2x               | 7.9x    |        |         |        |
|   |             | <b>Mean:</b>   | (8.0%)  | 25.8%   |         |                   |            |                 | \$8,684          |                             |          |         |                           |                                 |                  |          |         | 0.5x                              | 8.8x   | 0.5x               | 8.1x    |        |         |        |

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 <sup>(3)</sup> | Lastest FYE Date <sup>(3)</sup> | Forward Estimate |         |         | TEV/LTM Multiples <sup>(5)</sup> |        | TEV/Fwd Multiples |         |        |         |        |
|--------------------------------------|-------------|----------------|---------|---------|---------|-------------------|------------|-----------------|------------------|-----------------------------|---------|---------|---------------------------|---------------------------------|------------------|---------|---------|----------------------------------|--------|-------------------|---------|--------|---------|--------|
|                                      | 7/29/2011   | % Change       |         | 52 Week |         |                   |            |                 |                  | Revenue                     | EBITDA  | EBIT    |                           |                                 | Revenue          | EBITDA  | EBIT    | Revenue                          | EBITDA | EBIT              | Revenue | EBITDA | Revenue | EBITDA |
|                                      |             | 3 mos.         | 12 mos. | High    | Low     |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |         |        |         |        |
| <b>Acute-Care Hospitals</b>          |             |                |         |         |         |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |         |        |         |        |
| Community Health Systems, Inc.       | \$25.84     | (15.9%)        | (14.2%) | \$42.50 | \$22.33 | \$2,428           | \$8,852    | \$271           | \$11,526         | \$13,625                    | \$1,718 | \$1,133 | Jun-11                    | Dec-10                          | \$13,955         | \$1,852 | \$1,179 | 0.8x                             | 6.5x   | 0.8x              | 6.2x    |        |         |        |
| Health Management Associates Inc.    | 9.50        | (15.8%)        | 37.7%   | 11.74   | 6.13    | 2,405             | 2,985      | 96              | 5,159            | 5,442                       | 781     | 522     | Jun-11                    | Dec-10                          | 5,725            | 815     | 549     | 0.9x                             | 6.6x   | 0.9x              | 6.3x    |        |         |        |
| Lifepoint Hospitals Inc.             | 37.10       | (10.8%)        | 23.7%   | 43.45   | 29.73   | 1,929             | 1,584      | 276             | 3,258            | 3,452                       | 541     | 367     | Jun-11                    | Dec-10                          | 3,554            | 539     | 376     | 0.9x                             | 6.0x   | 0.9x              | 6.0x    |        |         |        |
| Tenet Healthcare Corp.               | 5.56        | (19.8%)        | 26.1%   | 7.70    | 3.92    | 2,722             | 4,090      | 267             | 6,940            | 9,372                       | 1,128   | 728     | Mar-11                    | Dec-10                          | 9,737            | 1,240   | 841     | 0.7x                             | 6.2x   | 0.7x              | 5.6x    |        |         |        |
| Universal Health Services Inc.       | 49.64       | (9.4%)         | 44.8%   | 56.46   | 30.51   | 4,848             | 3,753      | 52              | 8,829            | 6,695                       | 1,043   | 781     | Jun-11                    | Dec-10                          | 7,609            | 1,200   | 870     | 1.3x                             | 8.5x   | 1.2x              | 7.4x    |        |         |        |
| Number of Companies                  | 5           | <b>Median:</b> | (15.8%) | 26.1%   | Total   | \$14,332          |            |                 |                  | \$38,586                    |         |         |                           |                                 | \$40,580         |         |         | 0.9x                             | 6.5x   | 0.9x              | 6.2x    |        |         |        |
|                                      |             | <b>Mean:</b>   | (14.3%) | 23.6%   |         |                   |            |                 | \$7,142          |                             |         |         |                           |                                 |                  |         |         | 1.0x                             | 6.8x   | 0.9x              | 6.3x    |        |         |        |
| <b>Assisted Living</b>               |             |                |         |         |         |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |         |        |         |        |
| Assisted Living Concepts Inc.        | \$15.67     | (13.1%)        | (1.9%)  | \$19.61 | \$13.08 | \$363             | \$114      | \$3             | \$469            | \$234                       | \$60    | \$37    | Mar-11                    | Dec-10                          | \$236            | \$65    | \$42    | 2.0x                             | 7.9x   | 2.0x              | 7.2x    |        |         |        |
| Brookdale Senior Living Inc.         | 21.39       | (21.5%)        | 50.1%   | 28.30   | 12.66   | 2,609             | 2,464      | 37              | 5,036            | 2,238                       | 382     | 91      | Mar-11                    | Dec-10                          | 2,334            | 415     | 123     | 2.3x                             | 13.2x  | 2.2x              | 12.1x   |        |         |        |
| Capital Senior Living Corp.          | 8.79        | (5.2%)         | 66.5%   | 10.91   | 4.87    | 242               | 174        | 30              | 386              | 224                         | 34      | 20      | Mar-11                    | Dec-10                          | 268              | 38      | NA      | 1.7x                             | 11.6x  | 1.4x              | 10.0x   |        |         |        |
| Emeritus Corp.                       | 19.65       | (19.8%)        | 11.8%   | 26.35   | 15.20   | 870               | 2,028      | 80              | 2,820            | 1,073                       | 171     | 68      | Mar-11                    | Dec-10                          | 1,248            | 219     | 92      | 2.6x                             | 16.7x  | 2.3x              | 12.9x   |        |         |        |
| Five Star Quality Care Inc.          | 4.95        | (40.9%)        | 35.6%   | 8.95    | 3.50    | 235               | 66         | 26              | 238              | 1,260                       | 44      | 27      | Jun-11                    | Dec-10                          | 1,290            | 49      | 45      | 0.2x                             | 5.3x   | 0.2x              | 4.8x    |        |         |        |
| Skilled Healthcare Group, Inc.       | 8.80        | (27.4%)        | 262.1%  | 15.93   | 2.30    | 335               | 508        | 1               | 842              | 853                         | 128     | 103     | Mar-11                    | Dec-10                          | 882              | 141     | 115     | 1.0x                             | 6.5x   | 1.0x              | 6.0x    |        |         |        |
| Sunrise Senior Living Inc.           | 8.82        | (15.0%)        | 209.5%  | 12.44   | 2.18    | 506               | 155        | 42              | 624              | 1,373                       | 66      | 36      | Mar-11                    | Dec-10                          | 1,344            | 45      | NA      | 0.5x                             | 10.8x  | 0.5x              | 13.9x   |        |         |        |
| Number of Companies                  | 7           | <b>Median:</b> | (19.8%) | 50.1%   | Total   | \$5,160           |            |                 |                  | \$7,256                     |         |         |                           |                                 | \$7,602          |         |         | 1.7x                             | 10.8x  | 1.4x              | 10.0x   |        |         |        |
|                                      |             | <b>Mean:</b>   | (20.4%) | 90.5%   |         |                   |            |                 | \$1,488          |                             |         |         |                           |                                 |                  |         |         | 1.5x                             | 10.3x  | 1.4x              | 9.6x    |        |         |        |
| <b>Diagnostic Imaging</b>            |             |                |         |         |         |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |         |        |         |        |
| Alliance Healthcare Services, Inc.   | \$3.61      | (18.3%)        | 0.8%    | \$5.06  | \$3.27  | \$192             | \$651      | \$102           | \$753            | \$479                       | \$144   | \$40    | Mar-11                    | Dec-10                          | \$508            | \$156   | \$43    | 1.6x                             | 5.1x   | 1.5x              | 4.8x    |        |         |        |
| RadNet, Inc.                         | 3.75        | 2.5%           | 84.7%   | 5.19    | 1.80    | 140               | 523        | 0               | 663              | 571                         | 99      | 44      | Mar-11                    | Dec-10                          | 597              | 111     | 48      | 1.2x                             | 6.2x   | 1.1x              | 6.0x    |        |         |        |
| Varian Medical Systems Inc.          | 62.76       | (10.6%)        | 14.5%   | 72.19   | 51.01   | 7,355             | 18         | 584             | 6,805            | 2,530                       | 633     | 581     | Jul-11                    | Oct-10                          | 2,600            | 651     | 600     | 2.7x                             | 10.8x  | 2.6x              | 10.5x   |        |         |        |
| Number of Companies                  | 3           | <b>Median:</b> | (10.6%) | 14.5%   | Total   | \$7,687           |            |                 |                  | \$3,579                     |         |         |                           |                                 | \$3,705          |         |         | 1.6x                             | 6.2x   | 1.5x              | 6.0x    |        |         |        |
|                                      |             | <b>Mean:</b>   | (8.8%)  | 33.4%   |         |                   |            |                 | \$2,740          |                             |         |         |                           |                                 |                  |         |         | 1.8x                             | 7.3x   | 1.7x              | 7.1x    |        |         |        |
| <b>Dialysis Services</b>             |             |                |         |         |         |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |         |        |         |        |
| DaVita, Inc.                         | \$83.54     | (5.2%)         | 42.7%   | \$89.76 | \$57.25 | \$7,978           | \$4,294    | \$1,006         | \$11,711         | \$6,494                     | \$1,221 | \$982   | Mar-11                    | Dec-10                          | \$6,782          | \$1,319 | \$1,083 | 1.8x                             | 9.5x   | 1.7x              | 8.9x    |        |         |        |
| Fresenius Medical Care AG & Co. KGAA | 76.96       | (2.1%)         | 39.5%   | 80.19   | 58.93   | 23,255            | 6,457      | 620             | 29,629           | 12,208                      | 2,453   | 1,938   | Mar-11                    | Dec-10                          | 13,048           | 2,665   | 2,129   | 2.4x                             | 11.9x  | 2.3x              | 11.1x   |        |         |        |
| Number of Companies                  | 2           | <b>Median:</b> | (3.6%)  | 41.1%   | Total   | \$31,233          |            |                 |                  | \$18,702                    |         |         |                           |                                 | \$19,830         |         |         | 2.1x                             | 10.7x  | 2.0x              | 10.0x   |        |         |        |
|                                      |             | <b>Mean:</b>   | (3.6%)  | 41.1%   |         |                   |            |                 | \$20,670         |                             |         |         |                           |                                 |                  |         |         | 2.1x                             | 10.7x  | 2.0x              | 10.0x   |        |         |        |
| <b>Home Care / Hospice</b>           |             |                |         |         |         |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |         |        |         |        |
| Addus HomeCare Corp.                 | \$5.83      | (2.7%)         | 9.4%    | \$6.21  | \$2.80  | \$63              | \$34       | \$1             | \$96             | \$274                       | \$16    | \$12    | Mar-11                    | Dec-10                          | \$276            | \$16    | \$12    | 0.3x                             | 6.1x   | 0.3x              | 6.0x    |        |         |        |
| Almost Family Inc.                   | 25.27       | (27.1%)        | (4.1%)  | 40.76   | 23.77   | 236               | 1          | 55              | 182              | 338                         | 52      | 49      | Mar-11                    | Dec-10                          | 342              | 47      | 43      | 0.5x                             | 3.5x   | 0.5x              | 3.9x    |        |         |        |
| Amedisys Inc.                        | 25.86       | (22.4%)        | 1.3%    | 38.87   | 22.82   | 762               | 172        | 149             | 787              | 1,586                       | 206     | 173     | Mar-11                    | Dec-10                          | 1,584            | 186     | 148     | 0.5x                             | 3.8x   | 0.5x              | 4.2x    |        |         |        |
| Gentiva Health Services Inc.         | 17.99       | (35.8%)        | (12.7%) | 29.21   | 17.58   | 550               | 1,048      | 92              | 1,509            | 1,609                       | 223     | 197     | Mar-11                    | Dec-10                          | 1,891            | 245     | 215     | 0.9x                             | 6.7x   | 0.8x              | 6.2x    |        |         |        |
| LHC Group, Inc.                      | 22.78       | (23.1%)        | (0.3%)  | 31.69   | 19.61   | 425               | 0          | 0               | 440              | 652                         | 96      | 88      | Mar-11                    | Dec-10                          | 667              | 83      | 80      | 0.7x                             | 4.6x   | 0.7x              | 5.3x    |        |         |        |
| Lincare Holdings Inc.                | 25.59       | (18.6%)        | 7.4%    | 31.79   | 22.55   | 2,425             | 533        | 134             | 2,836            | 1,721                       | 449     | 333     | Jun-11                    | Dec-10                          | 1,799            | 454     | 334     | 1.6x                             | 6.3x   | 1.6x              | 6.2x    |        |         |        |
| Chemed Corp.                         | 60.81       | (12.7%)        | 13.1%   | 72.25   | 49.22   | 1,293             | 163        | 60              | 1,405            | 1,321                       | 163     | 142     | Jun-11                    | Dec-10                          | 1,368            | 189     | 161     | 1.1x                             | 8.6x   | 1.0x              | 7.4x    |        |         |        |
| Number of Companies                  | 7           | <b>Median:</b> | (22.4%) | 1.3%    | Total   | \$5,755           |            |                 |                  | \$7,501                     |         |         |                           |                                 | \$7,926          |         |         | 0.7x                             | 6.1x   | 0.7x              | 6.0x    |        |         |        |
|                                      |             | <b>Mean:</b>   | (20.3%) | 2.0%    |         |                   |            |                 | \$1,036          |                             |         |         |                           |                                 |                  |         |         | 0.8x                             | 5.7x   | 0.8x              | 5.6x    |        |         |        |
| <b>Long-Term Care</b>                |             |                |         |         |         |                   |            |                 |                  |                             |         |         |                           |                                 |                  |         |         |                                  |        |                   |         |        |         |        |
| The Ensign Group, Inc.               | \$28.40     | 2.7%           | 58.0%   | \$34.85 | \$16.35 | \$594             | \$142      | \$51            | \$684            | \$678                       | \$99    | \$82    | Mar-11                    | Dec-10                          | \$764            | \$117   | \$93    | 1.0x                             | 6.9x   | 0.9x              | 5.9x    |        |         |        |
| Kindred Healthcare Inc.              | 18.84       | (25.3%)        | 42.8%   | 28.99   | 11.52   | 979               | 351        | 19              | 1,248            | 4,462                       | 228     | 105     | Mar-11                    | Dec-10                          | 5,422            | 372     | 222     | 0.3x                             | 5.5x   | 0.2x              | 3.4x    |        |         |        |
| National Healthcare Corp.            | 47.57       | 2.4%           | 37.4%   | 53.08   | 33.51   | 658               | 10         | 34              | 714              | 722                         | 99      | 72      | Mar-11                    | Dec-10                          | 789              | 97      | 69      | 1.0x                             | 6.6x   | 0.9x              | 7.3x    |        |         |        |
| Sun Healthcare Group, Inc.           | 7.00        | (40.6%)        | 0.0%    | 15.01   | 6.78    | 176               | 153        | 86              | 243              | 1,920                       | 133     | 92      | Mar-11                    | Dec-10                          | 1,957            | 110     | 80      | 0.1x                             | 1.8x   | 0.1x              | 2.2x    |        |         |        |
| Number of Companies                  | 4           | <b>Median:</b> | (11.5%) | 40.1%   | Total   | \$2,406           |            |                 |                  | \$7,783                     |         |         |                           |                                 | \$8,931          |         |         | 0.6x                             | 6.0x   | 0.6x              | 4.6x    |        |         |        |
|                                      |             | <b>Mean:</b>   | (15.2%) | 34.6%   |         |                   |            |                 | \$723            |                             |         |         |                           |                                 |                  |         |         | 0.6x                             | 5.2x   | 0.5x              | 4.7x    |        |         |        |

## Provider-Based Services

| Company Name (Ticker)                            | Stock Price |                |         |         |         | Equity Mkt. Value | Total Debt | Cash and Equiv. | Total Ent. Value | Lastest Twelve Months (LTM) |        |       | LTM Period <sup>(3)</sup> | Lastest FYE Date <sup>(3)</sup> | Forward Estimate |        |       | TEV/LTM Multiples <sup>(5)</sup> |        | TEV/Fwd Multiples |         |        |         |        |
|--|-------------|----------------|---------|---------|---------|-------------------|------------|-----------------|------------------|-----------------------------|--------|-------|---------------------------|---------------------------------|------------------|--------|-------|----------------------------------|--------|-------------------|---------|--------|---------|--------|
|  | 7/29/2011   | % Change       |         | 52 Week |         |                   |            |                 |                  | Revenue                     | EBITDA | EBIT  |                           |                                 | Revenue          | EBITDA | EBIT  | Revenue                          | EBITDA | EBIT              | Revenue | EBITDA | Revenue | EBITDA |
|  |             | 3 mos.         | 12 mos. | High    | Low     |                   |            |                 |                  |                             |        |       |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| <b><i>Physician Practice Management</i></b>      |             |                |         |         |         |                   |            |                 |                  |                             |        |       |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| <b>Multispecialty / Primary Care:</b>            |             |                |         |         |         |                   |            |                 |                  |                             |        |       |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| Continuicare Corp.                               | \$6.32      | 17.9%          | 65.9%   | \$6.38  | \$3.25  | \$383             | \$0        | \$45            | \$339            | \$324                       | \$43   | \$39  | Mar-11                    | Jun-10                          | \$324            | \$45   | \$42  | 1.0x                             | 7.9x   | 1.0x              | 7.5x    |        |         |        |
| IPC The Hospitalist Company, Inc.                | 45.18       | (12.9%)        | 75.1%   | \$2.25  | 22.66   | 742               | 0          | 18              | 717              | 413                         | 47     | 44    | Jun-11                    | Dec-10                          | 458              | 53     | 49    | 1.7x                             | 15.2x  | 1.6x              | 13.6x   |        |         |        |
| Number of Companies                              | 2           | <b>Median:</b> | 2.5%    | 70.5%   | Total   | \$1,125           |            |                 |                  | \$737                       |        |       |                           |                                 | \$783            |        |       | 1.4x                             | 11.6x  | 1.3x              | 10.6x   |        |         |        |
|  |             | <b>Mean:</b>   | 2.5%    | 70.5%   |         |                   |            |                 | \$528            |                             |        |       |                           |                                 |                  |        |       | 1.4x                             | 11.6x  | 1.3x              | 10.6x   |        |         |        |
| <b>Specialty:</b>                                |             |                |         |         |         |                   |            |                 |                  |                             |        |       |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| Integramed America Inc.                          | \$9.15      | (9.2%)         | 10.8%   | \$11.04 | \$7.95  | \$108             | \$14       | \$45            | \$76             | \$250                       | \$15   | \$8   | Mar-11                    | Dec-10                          | \$272            | \$19   | \$10  | 0.3x                             | 5.0x   | 0.3x              | 4.1x    |        |         |        |
| MEDNAX, Inc.                                     | 68.16       | (3.9%)         | 47.1%   | 75.47   | 44.83   | 3,273             | 177        | 15              | 3,421            | 1,451                       | 348    | 326   | Mar-11                    | Dec-10                          | 1,586            | 387    | 363   | 2.4x                             | 9.8x   | 2.2x              | 8.8x    |        |         |        |
| Number of Companies                              | 2           | <b>Median:</b> | (6.6%)  | 28.9%   | Total   | \$3,382           |            |                 |                  | \$1,701                     |        |       |                           |                                 | \$1,859          |        |       | 1.3x                             | 7.4x   | 1.2x              | 6.5x    |        |         |        |
|  |             | <b>Mean:</b>   | (6.6%)  | 28.9%   |         |                   |            |                 | \$1,749          |                             |        |       |                           |                                 |                  |        |       | 1.3x                             | 7.4x   | 1.2x              | 6.5x    |        |         |        |
| <b>Dental:</b>                                   |             |                |         |         |         |                   |            |                 |                  |                             |        |       |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| American Dental Partners, Inc.                   | \$11.62     | (11.9%)        | 1.0%    | \$13.86 | \$10.05 | \$179             | \$87       | \$6             | \$260            | \$290                       | \$49   | \$26  | Jun-11                    | Dec-10                          | \$294            | \$46   | \$24  | 0.9x                             | 5.3x   | 0.9x              | 5.7x    |        |         |        |
| Birner Dental Management Services Inc.           | 20.90       | 4.8%           | 18.0%   | 21.99   | 16.13   | 39                | 4          | 1               | 42               | 65                          | 5      | 3     | Mar-11                    | Dec-10                          | NA               | NA     | NA    | 0.6x                             | 8.1x   | NA                | NA      |        |         |        |
| Number of Companies                              | 2           | <b>Median:</b> | (3.6%)  | 9.5%    | Total   | \$218             |            |                 |                  | \$355                       |        |       |                           |                                 | \$294            |        |       | 0.8x                             | 6.7x   | 0.9x              | 5.7x    |        |         |        |
|  |             | <b>Mean:</b>   | (3.6%)  | 9.5%    |         |                   |            |                 | \$151            |                             |        |       |                           |                                 |                  |        |       | 0.8x                             | 6.7x   | 0.9x              | 5.7x    |        |         |        |
| <b><i>Psychiatric Hospitals / Management</i></b> |             |                |         |         |         |                   |            |                 |                  |                             |        |       |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| Magellan Health Services Inc.                    | \$52.10     | 0.2%           | 30.9%   | \$56.76 | \$39.31 | \$1,629           | \$1        | \$155           | \$1,273          | \$2,891                     | \$289  | \$234 | Jun-11                    | Dec-10                          | \$2,818          | \$257  | \$198 | 0.4x                             | 4.4x   | 0.5x              | 5.0x    |        |         |        |
| Providence Service Corp.                         | 11.85       | (19.6%)        | (15.0%) | 18.27   | 11.25   | 154               | 170        | 58              | 273              | 887                         | 64     | 51    | Mar-11                    | Dec-10                          | 915              | 57     | 44    | 0.3x                             | 4.3x   | 0.3x              | 4.8x    |        |         |        |
| Universal Health Services Inc.                   | 49.64       | (9.4%)         | 44.8%   | 56.46   | 30.51   | 4,848             | 3,753      | 52              | 8,829            | 6,695                       | 1,043  | 781   | Jun-11                    | Dec-10                          | 7,609            | 1,200  | 870   | 1.3x                             | 8.5x   | 1.2x              | 7.4x    |        |         |        |
| Number of Companies                              | 4           | <b>Median:</b> | (9.4%)  | 30.9%   | Total   | \$6,631           |            |                 |                  | \$10,473                    |        |       |                           |                                 | \$11,343         |        |       | 0.4x                             | 4.3x   | 0.5x              | 5.0x    |        |         |        |
|  |             | <b>Mean:</b>   | (9.6%)  | 20.2%   |         |                   |            |                 | \$2,594          |                             |        |       |                           |                                 |                  |        |       | 0.5x                             | 4.3x   | 0.6x              | 5.7x    |        |         |        |
| <b><i>Surgicenters / Rehabilitation</i></b>      |             |                |         |         |         |                   |            |                 |                  |                             |        |       |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| <b>Surgery Centers:</b>                          |             |                |         |         |         |                   |            |                 |                  |                             |        |       |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| AmSurg Corp.                                     | \$25.43     | (5.3%)         | 37.3%   | \$28.00 | \$16.35 | \$796             | \$301      | \$38            | \$1,253          | \$734                       | \$261  | \$236 | Jun-11                    | Dec-10                          | \$772            | \$269  | \$245 | 1.7x                             | 4.8x   | 1.6x              | 4.7x    |        |         |        |
| Lifepoint Hospitals Inc.                         | 37.10       | (10.8%)        | 23.7%   | 43.45   | 29.73   | 1,929             | 1,584      | 276             | 3,258            | 3,452                       | 541    | 367   | Jun-11                    | Dec-10                          | 3,554            | 539    | 376   | 0.9x                             | 6.0x   | 0.9x              | 6.0x    |        |         |        |
| Number of Companies                              | 2           | <b>Median:</b> | (8.1%)  | 30.5%   | Total   | \$2,725           |            |                 |                  | \$4,186                     |        |       |                           |                                 | \$4,326          |        |       | 1.3x                             | 5.4x   | 1.3x              | 5.4x    |        |         |        |
|  |             | <b>Mean:</b>   | (8.1%)  | 30.5%   |         |                   |            |                 | \$2,255          |                             |        |       |                           |                                 |                  |        |       | 1.3x                             | 5.4x   | 1.3x              | 5.4x    |        |         |        |
| <b>Rehabilitation / Long Term Acute Care:</b>    |             |                |         |         |         |                   |            |                 |                  |                             |        |       |                           |                                 |                  |        |       |                                  |        |                   |         |        |         |        |
| HEALTHSOUTH Corp.                                | \$24.40     | (4.8%)         | 35.9%   | \$28.50 | \$16.20 | \$2,322           | \$1,440    | \$141           | \$4,173          | \$2,085                     | \$457  | \$377 | Jun-11                    | Dec-10                          | \$2,066          | \$457  | \$383 | 2.0x                             | 8.9x   | 2.0x              | 9.1x    |        |         |        |
| Select Medical Holdings Corporation              | 7.85        | (12.0%)        | 20.2%   | 9.66    | 5.62    | 1,211             | 1,484      | 15              | 2,712            | 2,499                       | 328    | 260   | Mar-11                    | Dec-10                          | 2,719            | 382    | 310   | 1.1x                             | 8.3x   | 1.0x              | 7.1x    |        |         |        |
| US Physical Therapy Inc.                         | 24.08       | (1.1%)         | 33.0%   | 26.23   | 15.30   | 284               | 5          | 11              | 291              | 218                         | 41     | 35    | Mar-11                    | Dec-10                          | 233              | 37     | 38    | 1.3x                             | 7.1x   | 1.2x              | 7.8x    |        |         |        |
| Number of Companies                              | 3           | <b>Median:</b> | (4.8%)  | 33.0%   | Total   | \$3,818           |            |                 |                  | \$4,801                     |        |       |                           |                                 | \$5,018          |        |       | 1.3x                             | 8.3x   | 1.2x              | 7.8x    |        |         |        |
|  |             | <b>Mean:</b>   | (6.0%)  | 29.7%   |         |                   |            |                 | \$2,392          |                             |        |       |                           |                                 |                  |        |       | 1.5x                             | 8.1x   | 1.4x              | 8.0x    |        |         |        |

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| Announced | Target  | Seller  | Buyer   | Enterprise Value (\$mm) | Enterprise Value |        |       | Private Equity Involvement |
|-----------|---|---|---|-------------------------|------------------|--------|-------|----------------------------|
|           |   |   |   |                         | Sales            | EBITDA | EBIT  |                            |
| 7/29/2011 | Arrow Medical Supply, Inc.                                | -   | Spectrum Surgical Instruments Corp.                     | -                       | -                | -      | -     | No                         |
| 7/29/2011 | Northwest Plant Breeding Company                          | -   | Dow AgroSciences LLC                                    | -                       | -                | -      | -     | No                         |
| 7/29/2011 | Augusta Laboratory, Inc.                                  | -   | US Clinical Laboratories, LLC                           | -                       | -                | -      | -     | No                         |
| 7/29/2011 | Salar, Inc.   | Maryland Department of Business and Economic Development, Investment Arm    | Transcend Services, Inc. (NasdaqGS:TRCR)                | \$11.0                  | 2.8x             | -      | 9.2x  | No                         |
| 7/29/2011 | Angelini Labopharm LLC                                    | Labopharm Inc. (TSX:DDS)  | Angelini Group  | -                       | -                | -      | -     | No                         |
| 7/29/2011 | HearUSA Inc., Substantially All Assets                    | HearUSA Inc. (OTCPK:HEAR.Q)   | Siemens Hearing Instruments, Inc.                       | -                       | -                | -      | -     | No                         |
| 7/28/2011 | GeneWize Life Sciences, Inc.                              | GeneLink Inc. (OTCBB:GNLK)  | Capsalus Corp. (OTCBB:WELL)                             | -                       | -                | -      | -     | No                         |
| 7/28/2011 | Tomball Regional Medical Center Provider Network          | -   | Community Health Systems, Inc. (NYSE:CYH)               | -                       | -                | -      | -     | No                         |
| 7/28/2011 | Allied Healthcare International Inc. (NasdaqGS:AHCI)      | Octavian Advisors, LP   | Saga Group Ltd.   | \$138.9                 | 0.5x             | 7.9x   | 10.9x | No                         |
| 7/27/2011 | 20 Clinic Physical Therapy Group                          | -   | US Physical Therapy Inc. (NasdaqGS:USPH)                | \$16.5                  | 1.3x             | -      | -     | No                         |
| 7/27/2011 | NorthWorks Occupational Health LLC                        | -   | U.S. Healthworks, Inc.                                  | -                       | -                | -      | -     | No                         |
| 7/27/2011 | Outreach Health Services, Inc. Medicare Services Business | Outreach Health Services, Inc.  | IntegraCare Home Health and Hospice Services, Inc.      | -                       | -                | -      | -     | No                         |
| 7/26/2011 | American Anesthesiology of Florida                        | -   | American Anesthesiology, Inc.                           | -                       | -                | -      | -     | No                         |
| 7/26/2011 | Perrigo Co., Portfolio of Generic Pharmaceutical Products | Perrigo Co. (NasdaqGS:PRGO)   | Watson Pharmaceuticals, Inc. (NYSE:WPI)                 | -                       | -                | -      | -     | No                         |
| 7/26/2011 | Outpatient Surgery of Del Mar, LLC                        | First Physicians Capital Group, Inc. (OTCPK:FPCG)                           | -   | -                       | -                | -      | -     | No                         |
| 7/25/2011 | PharmaStrat Inc.  | -   | Decision Resources, Inc.                                | -                       | -                | -      | -     | No                         |
| 7/25/2011 | Penrod Medical Equipment, LLC                             | -   | -   | -                       | -                | -      | -     | No                         |
| 7/25/2011 | Nexus Biosystems, Inc.                                    | Telegraph Hill Partners   | Brooks Automation Inc. (NasdaqGS:BRKS)                  | \$85.0                  | 2.4x             | -      | -     | Yes                        |
| 7/25/2011 | Accelerated Rehabilitation Centers, Ltd.                  | Gryphon Investors   | OMERS Private Equity                                    | -                       | -                | -      | -     | Yes                        |
| 7/25/2011 | BIT MedTech operation                                     | -   | Source Scientific, LLC                                  | -                       | -                | -      | -     | No                         |
| 7/22/2011 | Henning & Cole Therapy Associates, Ltd.                   | -   | LifeBridge Health, Inc.; Physiotherapy Associates, Inc. | -                       | -                | -      | -     | No                         |
| 7/21/2011 | Central Kentucky Mobility, LLC                            | -   | United Seating & Mobility, LLC                          | -                       | -                | -      | -     | No                         |
| 7/21/2011 | MedcoHealth Solutions Inc. (NYSE:MHS)                     | -   | Express Scripts Inc. (NasdaqGS:ESRX)                    | \$33,464.1              | 0.5x             | 11.1x  | 13.2x | No                         |
| 7/21/2011 | SurgLine, Inc.  | -   | China Nuvo Solar Energy, Inc. (OTCPK:CNUV)              | -                       | -                | -      | -     | No                         |
| 7/21/2011 | Proxsys, LLC  | Clayton Associates, LLC   | athenahealth, Inc. (NasdaqGS:ATHN)                      | \$36.0                  | -                | -      | -     | No                         |
| 7/21/2011 | Amira Pharmaceuticals, Inc.                               | Prospect Venture Partners; Versant Ventures                                 | Bristol-Myers Squibb Company (NYSE:BMJ)                 | \$475.0                 | -                | -      | -     | No                         |
| 7/20/2011 | Icagen, Inc. (NasdaqGM:ICGN)                              | Goldman Sachs Group, Merchant Banking Division; Venrock                     | Pfizer Inc. (NYSE:PFE)                                  | \$42.5                  | 4.2x             | -      | -     | Yes                        |
| 7/20/2011 | Strata Decision Technology, LLC                           | Fox Capital Fund  | Veronis Suhler Stevenson                                | -                       | -                | -      | -     | Yes                        |
| 7/20/2011 | Bioptics, Inc.  | -   | Faxitron X-ray LLC                                      | -                       | -                | -      | -     | No                         |
| 7/19/2011 | Community Medical Center Healthcare System                | -   | Geisinger Health System Foundation                      | -                       | -                | -      | -     | No                         |
| 7/19/2011 | Allos Therapeutics, Inc. (NasdaqGS:ALTH)                  | Calvert Asset Management Company, Inc.; Warburg Pincus LLC; Perseus, L.L.C. | AMAG Pharmaceuticals, Inc. (NasdaqGS:AMAG)              | \$178.9                 | 4.6x             | -      | -     | Yes                        |
| 7/19/2011 | Lahey Clinic, Inc.  | Lahey Clinic Foundation Inc   | Northeast Health Systems, Inc.                          | -                       | -                | -      | -     | No                         |
| 7/19/2011 | Moses Taylor Health Care System, Inc.                     | -   | Community Health Systems, Inc. (NYSE:CYH)               | -                       | -                | -      | -     | No                         |
| 7/19/2011 | Estech, Cannulae Product Line                             | Estech  | Sorin SpA (BIT:SRN)                                     | -                       | -                | -      | -     | No                         |
| 7/19/2011 | ASG Medical Systems, LLC                                  | -   | SYNEO, LLC  | -                       | -                | -      | -     | No                         |
| 7/19/2011 | Kenwood Hospitalists LLC                                  | -   | Sound Physicians, Inc.                                  | -                       | -                | -      | -     | No                         |
| 7/19/2011 | Titterton Veterinary Services, Inc.                       | -   | Entest Biomedical, Inc. (OTCPK:ENTB)                    | \$0.7                   | -                | -      | -     | No                         |
| 7/19/2011 | Endoscopic Technologies, Inc., Cannulae Product Line      | Endoscopic Technologies, Inc.   | Sorin SpA (BIT:SRN)                                     | -                       | -                | -      | -     | No                         |
| 7/18/2011 | Victory Pharma, Inc.                                      | Ampersand Capital Partners; Essex Woodlands Health Ventures                 | Shionogi Inc.   | \$127.0                 | -                | -      | -     | Yes                        |
| 7/18/2011 | TREK Diagnostic Systems, Inc.                             | Magellan Biosciences, Inc.  | Thermo Fisher Scientific, Inc. (NYSE:TMO)               | -                       | -                | -      | -     | No                         |
| 7/18/2011 | Rocket Careers, Inc.                                      | -   | Bench International Search, Inc.                        | -                       | -                | -      | -     | No                         |
| 7/18/2011 | 15 Properties in US                                       | ING Real Estate Community Living Group (ASX:ILF)                            | Chartwell Seniors Housing REIT (TSX:CSHUN)              | \$148.0                 | -                | -      | -     | No                         |
| 7/18/2011 | Align Networks  | H.I.G. Capital  | General Atlantic  | -                       | -                | -      | -     | Yes                        |
| 7/18/2011 | Viccept Therapeutics Incorporated                         | Vivo Ventures, LLC; Sofinnova Ventures, Inc.                                | Allergan Inc. (NYSE:AGN)                                | \$275.0                 | -                | -      | -     | No                         |
| 7/18/2011 | AMHN, Inc (OTCBB:AMHN)                                    | -   | vitaMedMD, LLC  | -                       | -                | -      | -     | No                         |

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| Announced | Target  | Seller  | Buyer   | Enterprise Value (\$mm) | Enterprise Value |        |       | Private Equity Involvement |
|-----------|---|---|---|-------------------------|------------------|--------|-------|----------------------------|
|           |   |   |   |                         | Sales            | EBITDA | EBIT  |                            |
| 7/15/2011 | North Florida Acute Care Specialists, LLC   | -   | IPC The Hospitalist Company, Inc. (NasdaqGS:IPCM)   | -                       | -                | -      | -     | No                         |
| 7/14/2011 | Webmedx, Inc.   | Ferrer Freeman & Co.  | Nuance Communications, Inc. (NasdaqGS:NUAN)   | -                       | -                | -      | -     | Yes                        |
| 7/14/2011 | Coast To Coast Physicians Alliance, P.A.  | -   | IPC The Hospitalist Company, Inc. (NasdaqGS:IPCM)   | -                       | -                | -      | -     | No                         |
| 7/14/2011 | 12 Healthcare Facilities  | -   | American Realty Capital V, LLC  | \$257.5                 | -                | -      | -     | No                         |
| 7/14/2011 | AllerQuest LLC, Minor Determinant Mixture   | AllerQuest, LLC   | ALK-Abelló A/S (CPSE:ALK B)   | -                       | -                | -      | -     | No                         |
| 7/14/2011 | MetroPlex   | L B Realty, Inc.  | The Lovelady Center   | -                       | -                | -      | -     | No                         |
| 7/13/2011 | PartnerMD, PC   | -   | Markel Ventures   | -                       | -                | -      | -     | No                         |
| 7/13/2011 | Sunrise of Fox Chapel and Sunrise of Cranberry  | Sunrise Senior Living Inc. (NYSE:SRZ)   | Concordia Lutheran Ministries   | -                       | -                | -      | -     | No                         |
| 7/13/2011 | Amorcyte Inc.   | Novitas Capital; Colt Ventures  | Neostem, Inc. (AMEX:NBS)  | \$15.7                  | -                | -      | -     | Yes                        |
| 7/13/2011 | Tri Quality, Inc.   | -   | Otto Bock HealthCare LLP  | -                       | -                | -      | -     | No                         |
| 7/12/2011 | Eastwind Surgical, LLC  | -   | Meridian Surgical Partners, LLC   | -                       | -                | -      | -     | No                         |
| 7/12/2011 | Healthnostics, Inc. (OTCPK:HNSS)  | MedBioWeb Corp.   | -   | \$2.6                   | -                | -      | -     | No                         |
| 7/12/2011 | Kinetic Concepts Inc. (NYSE:KCI)  | Goldman Sachs Group, Merchant Banking Division; Goldman Sachs Asset Management, L.P.      | Apax Partners Worldwide LLP; CPP Investment Board; Public Sector Pension Investment Board | \$5,793.2               | 2.8x             | 9.1x   | 11.9x | Yes                        |
| 7/11/2011 | Multimodal Technologies, Inc.   | -   | MedQuist Holdings Inc. (NasdaqGM:MEDH)  | \$132.7                 | -                | -      | -     | No                         |
| 7/11/2011 | STEMTIDE Inc.   | -   | Inolife Technologies, Inc. (OTCPK:INOL)   | \$0.1                   | -                | -      | -     | No                         |
| 7/11/2011 | Nextwave Diagnostic Laboratories and Wilmington Pathology Laboratory                            | -   | Solstas Lab Partners  | -                       | -                | -      | -     | No                         |
| 7/11/2011 | Coral Blood Services, Inc., Blood Cell Collection Operation Assets                              | Coral Blood Services, Inc.  | The American National Red Cross   | \$3.0                   | -                | -      | -     | No                         |
| 7/10/2011 | Vetstreet   | MediMedia USA, Inc.   | Vicar Operating, Inc.   | \$146.0                 | -                | -      | -     | No                         |
| 7/10/2011 | BrightHeart Veterinary Centers  | LLR Partners Inc.; Caltius Capital Management   | VCA Antech Inc. (NasdaqGS:WOOF)   | \$50.0                  | 0.9x             | -      | -     | Yes                        |
| 7/8/2011  | Dermik Laboratories, Inc.   | Sanofi (ENXTPA:SAN)   | Valent International (Barbados) SRL   | \$425.0                 | 1.8x             | -      | -     | No                         |
| 7/8/2011  | Broadmeadow Investment, Renaissance Healthcare and Capitol Healthcare and Pike Creek Healthcare | Cadia Healthcare Group  | Sabra Health Care REIT, Inc. (NasdaqGS:SBRA)  | \$97.5                  | 1.7x             | -      | -     | No                         |
| 7/8/2011  | Arrowhead Electronic Healthcare, LLC  | -   | Bracket   | -                       | -                | -      | -     | No                         |
| 7/7/2011  | QN Diagnostics, LLC   | QuantRX Biomedical Corporation (OTCPK:QTXB)   | NuRx Pharmaceuticals, Inc (OTCPK:NUXP)  | -                       | -                | -      | -     | No                         |
| 7/7/2011  | Wright Dental Care, LLC   | -   | Great Expressions Dental Centers, P.C.  | -                       | -                | -      | -     | No                         |
| 7/7/2011  | Rehab Specialties Inc.  | -   | United Seating & Mobility, LLC  | -                       | -                | -      | -     | No                         |
| 7/7/2011  | PEAK Surgical, Inc.   | Venrock; Western Technology Investment; Signet Healthcare Partners                        | Medtronic, Inc. (NYSE:MDT)  | -                       | -                | -      | -     | No                         |
| 7/7/2011  | Salient Surgical Technologies, Inc.   | Affinity Capital Management; QuestMark Partners; RiverVest Venture Partners, LLC; Americh | Medtronic, Inc. (NYSE:MDT)  | -                       | -                | -      | -     | No                         |
| 7/6/2011  | ACOM Medical Billing  | -   | ACOM Health, Inc.   | -                       | -                | -      | -     | No                         |
| 7/6/2011  | Primedoc Management Services, Inc.  | -   | Eagle Hospital Physicians LLC   | -                       | -                | -      | -     | No                         |
| 7/6/2011  | Portfolio of Six Assisted Living and Dementia Care Properties                                   | -   | Harrison Street Real Estate Capital, LLC; Bickford Senior Living Group, LLC               | \$62.0                  | -                | -      | -     | No                         |
| 7/6/2011  | Cypress Heart, P.A.   | -   | Kansas Medical Center, L.L.C.   | -                       | -                | -      | -     | No                         |
| 7/5/2011  | Healthcare Innovative Solutions, Inc.   | -   | Beacon Partners Inc.  | -                       | -                | -      | -     | Yes                        |
| 7/4/2011  | PhotoMedex, Inc. (NasdaqGM:PHMD)  | Perseus, L.L.C.; Clutterbuck Capital Management LLC                                       | Radiancy, Inc.  | -                       | -                | -      | -     | Yes                        |
| 7/4/2011  | Ansell Sandel Medical Solutions LLC   | -   | Ansell Ltd. (ASX:ANN)   | \$13.5                  | 1.4x             | -      | -     | No                         |
| 7/2/2011  | Immucor Inc. (NasdaqGS:BLUD)  | -   | TPG Capital   | \$1,642.5               | 4.9x             | 11.1x  | 12.6x | Yes                        |
| 7/1/2011  | South Jersey Heart Group, P.C.  | -   | Lourdes Health System   | -                       | -                | -      | -     | No                         |
| 7/1/2011  | Bioscan, Inc., Analytic Instrumentation and Radiochemistry Equipment Business                   | Bioscan, Inc.   | Eckert & Ziegler Strahlen & Medizintechnik AG (XTRA:EUZ)                                  | -                       | -                | -      | -     | No                         |
| 7/1/2011  | Zymetis, Inc.   | Maryland Department of Business and Economic Development                                  | AE Biofuels, Inc. (OTCPK:AEBF)  | \$2.1                   | -                | -      | -     | No                         |
| 7/1/2011  | Kearsley Retirement Community   | NewCourtland Elder Services   | Tryko Partners  | -                       | -                | -      | -     | No                         |
| 7/1/2011  | Ethos Assisted Living, Two Kentucky Assisted Living Homes                                       | Ethos Senior Living LLC   | Senior Care, Inc.   | \$23.2                  | -                | -      | -     | No                         |
| 7/1/2011  | Olympus Endo Technology America Inc   | Village Ventures; BioVentures Investors, LLC  | Gyrus ACMI, Inc.  | \$60.0                  | -                | -      | -     | No                         |
| 7/1/2011  | ArthroCare, Parallax and Contour Product Lines  | ArthroCare Corporation (NasdaqGS:ARTC)  | NeuroTherm, Inc.  | -                       | -                | -      | -     | No                         |
| 7/1/2011  | Four Corners Regional Heart Institute, LLC and  | -   | Mercy Regional Medical Center   | -                       | -                | -      | -     | No                         |
| 7/1/2011  | Pyramid Healthcare, Inc.  | -   | Clearview Capital, LLC  | -                       | -                | -      | -     | No                         |
| 7/1/2011  | Advanced Physical Therapy PC  | Cardinal Equity Partners  | ATI Holdings, LLC   | -                       | -                | -      | -     | Yes                        |

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