

Harris Williams & Co.
middle market®

Healthcare & Life Sciences
Industry Update
January 2011

Member FINRA/SIPC

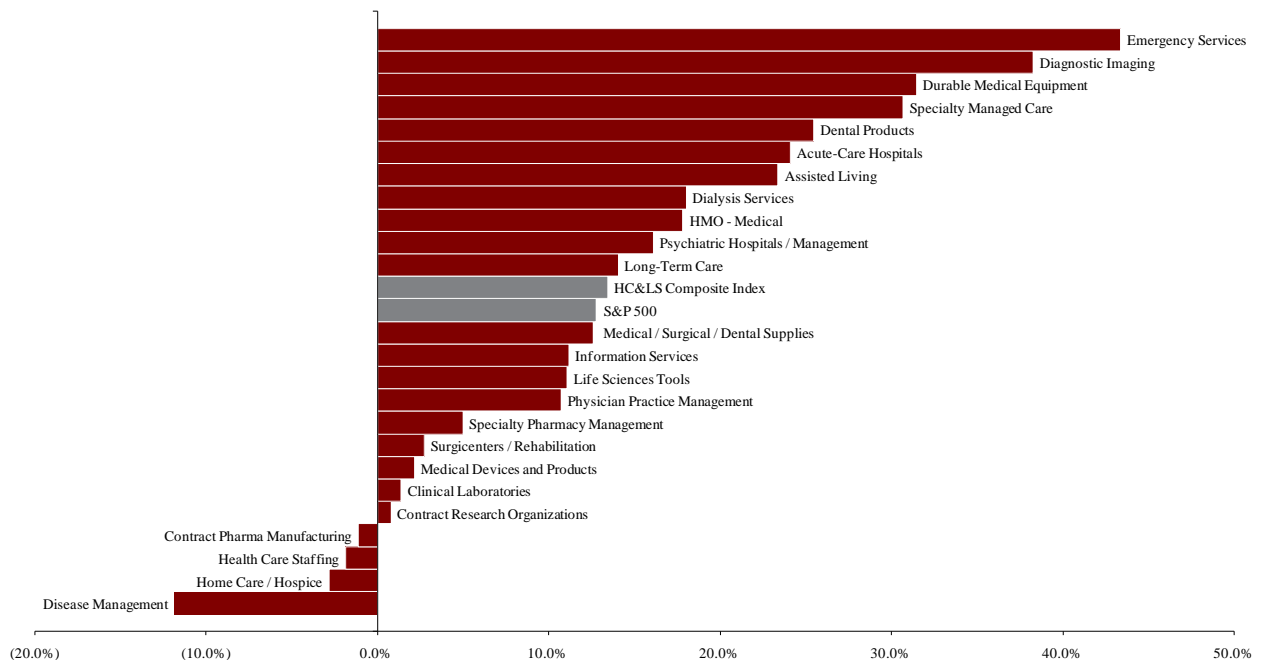


- As hospitals wrap up 2010, many are wondering what key changes and trends 2011 will bring. *Becker's Hospital Review* presents the findings and opinions of two hospital CEOs, three association executives, and two consultants in a summary appropriately titled "10 Key Trends for Hospitals in 2011." Many of the issues addressed relate to healthcare reform and its effects on regulations and reimbursement dynamics; however, other key trends, including HCIT, consolidation, and experimentation will likely drive changes in the industry. Read the article [here](#).
- With healthcare reform weighing heavily on the agenda for 2011, it's appropriate that we include an article addressing the recent federal court ruling against the "individual mandate" for health insurance. *The Economist* provides a concise summary of the implications of the Virginia court's ruling in "Terminal or Curable?" Antagonists of health care reform view this as a major victory, but with multiple cases still pending at the federal court level, closure is likely far on the horizon. Interestingly, should the ruling remain intact in its current form, the implications may be far-reaching and unexpected. Read the article [here](#).
- The Department of Health and Human Services recently released its final figures for 2009 healthcare expenditures. *The Washington Post* summarizes this report, revealing that expenditures were up 4% to \$2.5 trillion, or approximately 17.6% of GDP. This represents the smallest increase in at least 50 years, likely owing to the effects of the recession on out-of-pocket and private health insurance expenditures. In contrast to this deceleration, however, Medicaid expenditures were up 9% as more individuals qualified for this option. Read the article [here](#).
- Lately, there have been a number of strategic acquirers expanding into non-core healthcare services. In early December, IPC The Hospitalist Company, a prolific acquirer as of late, continued its expansion into long-term care services with the acquisition of [Senior Care of Colorado, PC](#). Later in the month, Stanley Black & Decker reached even further afield of its traditional business, by acquiring [InfoLogix, Inc.](#), a provider of enterprise mobility solutions for the healthcare and commercial markets. Hanger Orthopedic Group's acquisition of [Accelerated Care Plus](#), a clinical program provider, closed this month after being announced in mid-October. As healthcare M&A continues to gain momentum through 2011, look for more cash-laden acquirers to put money to work in creative ways.

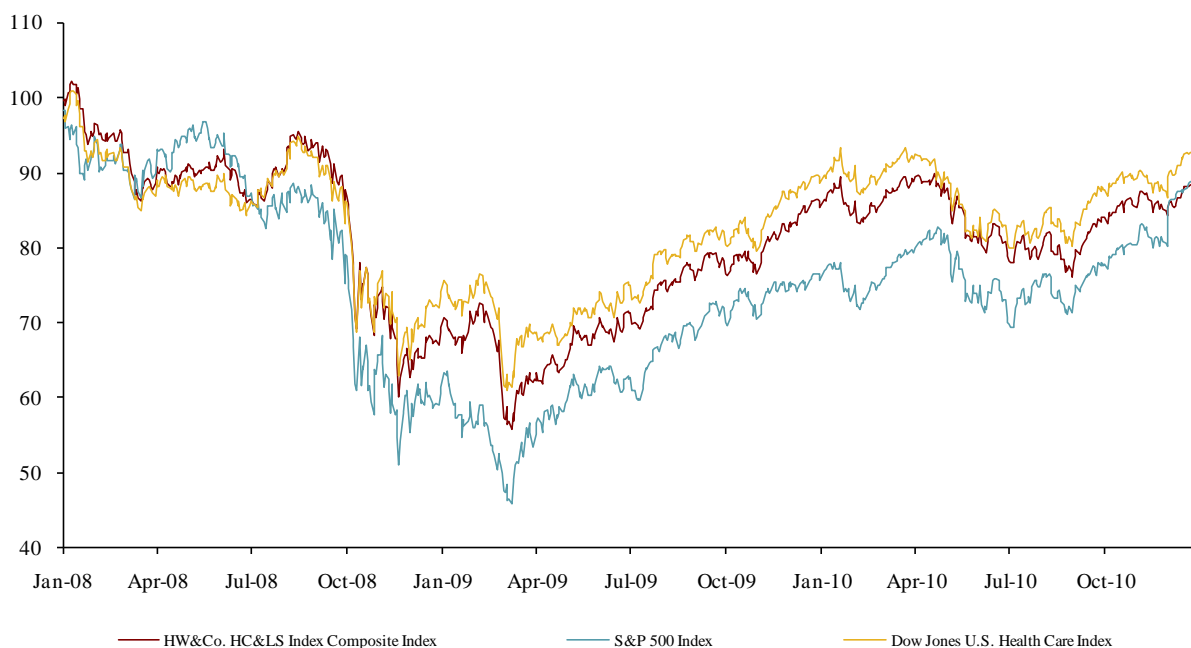
**Key Trading
Statistics**
(detail begins
on page 6)

Sector	Number of Companies	Average Enterprise Value	Change in Stock Price		Median TEV/ LTM Multiples		Median TEV/ Forward Multiples	
			3 mos.	12 mos.	Revenue	EBITDA	Revenue	EBITDA
Clinical Laboratories	4	\$5,761	9.5%	1.4%	1.5x	8.0x	1.4x	8.1x
Contract Pharma Manufacturing	6	1,024	20.9%	(1.1%)	1.2x	8.5x	1.5x	8.7x
Contract Research Organizations	7	1,602	7.2%	0.8%	1.2x	9.7x	1.2x	10.6x
Disease Management	3	2,206	(4.1%)	(11.8%)	1.5x	7.9x	1.5x	4.4x
Emergency Services	2	1,850	28.3%	43.3%	1.3x	9.7x	1.2x	8.7x
Health Care Staffing	4	643	19.9%	(1.8%)	0.7x	13.2x	0.8x	12.6x
HMO - Medical	12	9,801	3.0%	17.8%	0.3x	4.9x	0.3x	4.7x
Information Services	15	1,659	10.0%	11.2%	3.9x	20.3x	3.3x	17.3x
Specialty Managed Care	3	1,575	1.7%	30.7%	0.5x	4.4x	0.5x	5.3x
Specialty Pharmacy Management	5	7,729	11.0%	5.0%	0.6x	14.0x	0.6x	10.9x
Dental Products	5	20,371	11.9%	25.5%	2.5x	11.2x	2.4x	10.9x
Durable Medical Equipment	4	2,648	9.7%	31.4%	1.8x	11.2x	1.6x	7.8x
Life Sciences Tools	4	13,218	21.5%	11.1%	2.7x	9.6x	2.5x	8.8x
Medical Devices and Products	14	30,292	8.9%	2.2%	2.6x	9.2x	2.6x	8.8x
Medical / Surgical / Dental Supplies	7	7,536	6.9%	12.6%	0.2x	8.2x	0.2x	8.1x
Acute-Care Hospitals	5	6,830	20.7%	24.1%	1.0x	7.4x	1.0x	7.2x
Assisted Living	7	1,423	31.3%	23.4%	1.6x	10.6x	1.8x	9.2x
Diagnostic Imaging	3	3,065	14.5%	38.2%	1.6x	6.0x	1.6x	6.0x
Dialysis Services	2	13,608	(1.5%)	18.0%	1.8x	9.1x	1.7x	8.9x
Home Care / Hospice	7	1,171	21.7%	(2.8%)	1.0x	6.3x	0.9x	5.9x
Long-Term Care	4	681	31.7%	14.1%	0.6x	6.0x	0.6x	5.2x
Physician Practice Management	6	730	11.7%	10.7%	0.9x	6.7x	1.1x	6.3x
Psychiatric Hospitals / Management	3	2,345	0.1%	16.1%	0.4x	4.5x	0.4x	4.8x
Surgicenters / Rehabilitation	6	2,023	12.5%	2.7%	1.1x	6.8x	1.1x	6.9x
Payer, Provider, & Pharmacy Support Service:	61	\$3,385	10.7%	9.5%	1.3x	10.1x	1.2x	9.1x
Products & Devices	34	\$14,813	11.8%	16.6%	2.0x	9.9x	1.9x	8.9x
Provider-Based Services	43	\$3,542	15.9%	16.1%	1.1x	7.0x	1.1x	6.7x
HC&LS Composite Index	138	\$5,825	12.9%	13.4%	1.4x	8.9x	1.3x	8.2x
S&P 500			10.2%	12.8%				

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



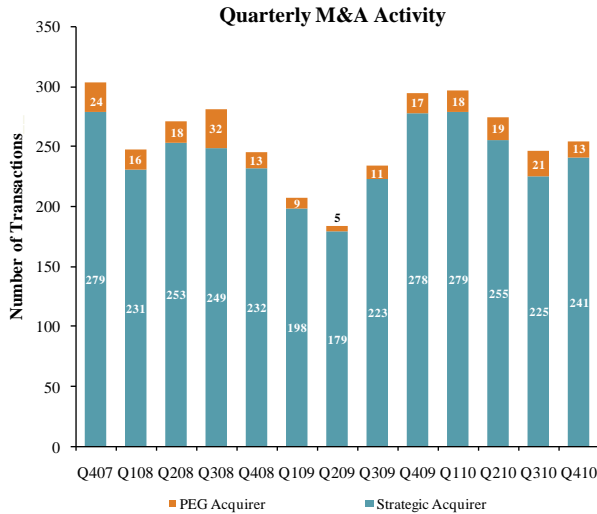
Healthcare and
Life Sciences
Industry Stock
Performance



Top 30 Equity
Offerings
(by proceeds)

Close Date	Filing Date	Issuer	Ticker	Transaction Type	Gross Proceeds (\$mm)
12/22/10	12/22/10	HCA Holdings Inc	HCA	IPO	4,600.0
12/01/10	12/01/10	Omnicare Inc	OCR	Convertible	575.0
12/30/10	12/30/10	Natus Medical Inc	BABY	Follow-On	150.0
12/09/10	12/09/10	Heartware International Inc	HIN	Convertible	143.8
12/06/10	12/06/10	Neurocrine Biosciences Inc	NBIX	Follow-On	125.0
12/23/10	12/23/10	Supernus Pharmaceuticals Inc	SUPN	IPO	100.0
12/07/10	07/09/09	Geron Corp	GERN	Follow-On	100.0
12/02/10	09/21/10	Sequenom Inc	SQNM	Follow-On	96.6
12/21/10	12/21/10	NewLink Genetics Corp	NLNK	IPO	86.3
12/21/10	08/16/10	Reva Medical Inc	RVA	IPO	84.8
12/09/10	12/09/10	Heartware International Inc	HIN	Follow-On	81.3
12/17/10	12/17/10	Peregrine Pharmaceuticals Inc	PPHM	Follow-On	75.0
12/21/10	12/21/10	AMN Healthcare Services Inc	AHS	Follow-On	62.4
12/07/10	12/09/09	Momenta Pharmaceuticals Inc	MNTA	Follow-On	57.4
12/08/10	04/01/09	Insulet Corp	PODD	Follow-On	41.6
12/15/10	12/15/10	Cardica Inc	CRDC	Follow-On	40.0
12/10/10	08/22/08	Hanger Orthopedic Group Inc	HGR	Follow-On	40.0
12/14/10	12/14/10	CEL SCI Corp	CVM	Follow-On	30.0
12/03/10	12/03/10	Catalyst Pharmaceutical	CPRX	Follow-On	30.0
12/08/10	11/10/10	EnteroMedics Inc	ETRM	Follow-On	29.6
12/17/10	12/17/10	International Stem Cell Corp	ISCO	Follow-On	29.5
12/14/10	10/02/09	Lannett Co Inc	LCI	Follow-On	28.8
12/08/10	07/02/10	XenoPort Inc	XNPT	Follow-On	28.6
12/10/10	11/12/10	Aastrom Biosciences Inc	ASTM	Follow-On	22.5
12/14/10	05/03/10	Access Pharmaceuticals Inc	ACCP	Follow-On	21.3
12/27/10	05/14/10	BioSante Pharmaceuticals Inc	BPAX	Follow-On	18.0
12/16/10	07/20/10	Ventrus Biosciences Inc	VTUS	IPO	17.4
12/15/10	12/15/10	Cardica Inc	CRDC	Follow-On	15.2
12/21/10	12/21/10	iBio Inc	IBPM	Follow-On	13.2
12/22/10	11/29/10	Unilife Corp	UNS	Follow-On	12.8

Announced
Healthcare &
Life Sciences
M&A



Top 10 Middle Market Healthcare Deals

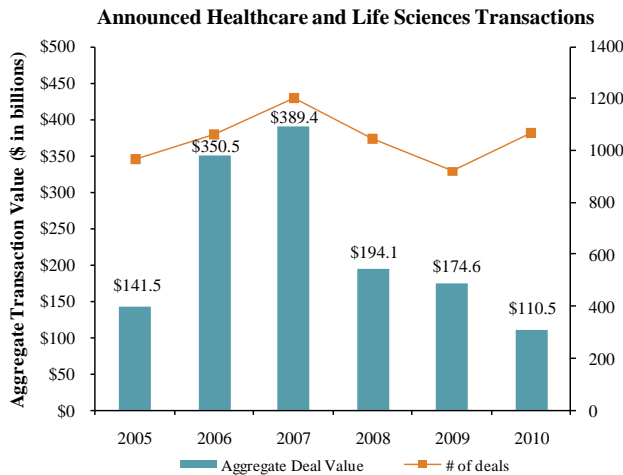
Announced	Target	Buyer
12/29/2010	Community Dental Services, Inc.	Great Expressions Dental Centers
12/27/2010	Jordan Health Services, Inc.	Palladium Equity Partners, LLC
12/24/2010	The St. John Companies, Inc.	Precision Dynamics Corporation
12/23/2010	Guardian Home Care, Inc.	AccentCare / Oak Hill Capital Partners
12/22/2010	InSiteOne, Inc.	Dell Inc.
12/16/2010	GTI Diagnostics, Inc.	Gen-Probe, Inc.
12/14/2010	Matrixx Initiatives Inc.	H.I.G. Capital, LLC
12/7/2010	Medicity, Inc.	Aetna Inc.
12/1/2010	Crowe Paradis Services Corporation	Verisk Analytics, Inc.
12/1/2010	Transave, Inc.	Insmad Incorporated

LTM Deal Statistics

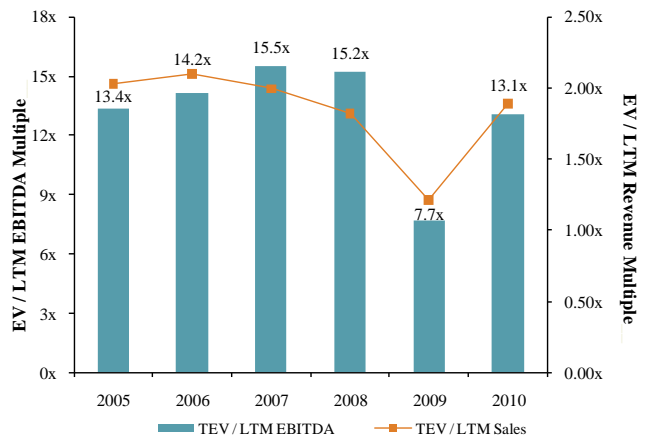
Aggregate Value (\$bn)	Number of Deals	Median Transaction Multiples	
		TEV/Rev	TEV/EBITDA
\$115.6	414	1.89x	12.83x

Note: Transactions based on publicly available information

Healthcare and
Life Sciences
M&A Trends



Median Healthcare and Life Sciences Transaction Multiples

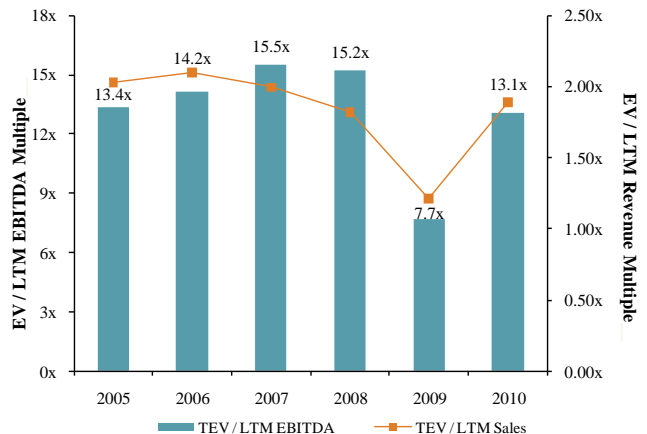


Announced
Private Equity
M&A Activity

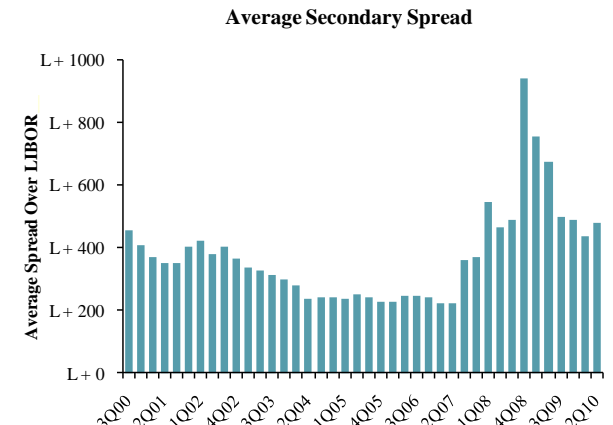
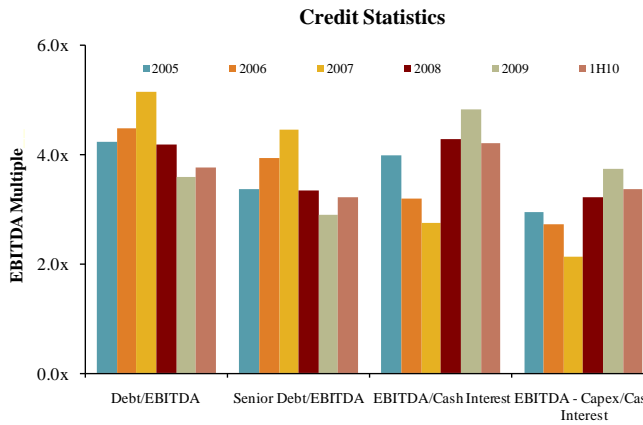
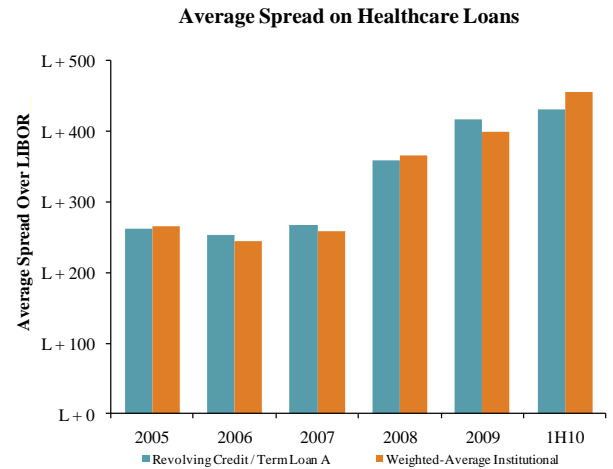
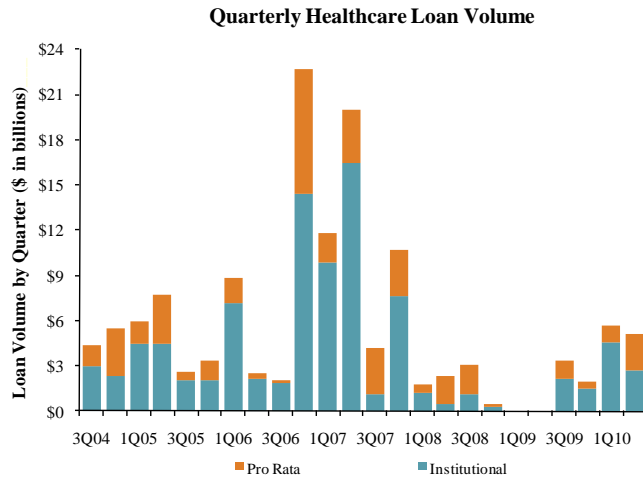
PEG Investments by Segment (Last 3 Years)

HC&LS Industry Segment	Number of Companies
Biotechnology	4
Healthcare Technology	12
Healthcare Distributors	11
Healthcare Equipment	26
Healthcare Facilities	32
Healthcare Services	57
Healthcare Supplies	11
Life Sciences Tools & Services	11
Managed Healthcare	3
Pharmaceuticals	23

PEG Investments and Exits



Key Credit
Statistics



Top 25 Recent
Healthcare &
Life Sciences
Debt Offerings

Date Effective	Borrower Name	Description	Deal Amount	Tranche Amount	Type	Rating	Spread
12/10/10	Pfizer Inc	Pharmaceutical preparations	USD 5,000,000,000	USD 5,000,000,000	Revolver/Line >= 1 Yr.	NR / NR	N/A
12/14/10	Adventist Health Systems	General medical & surgical hospitals	USD 1,750,000,000	USD 1,750,000,000	Revolver/Line >= 1 Yr.	NR / NR	75
12/16/10	Humana Inc	Hospital and medical service plans	USD 1,000,000,000	USD 1,000,000,000	Revolver/Line >= 1 Yr.	NR / NR	237.5
12/30/10	HealthCare Partners LLC	Offices & clinics of medical doctors	USD 600,000,000	USD 15,000,000	Revolver/Line >= 1 Yr.	NR / NR	N/A
12/30/10	HealthCare Partners LLC	Offices & clinics of medical doctors	USD 600,000,000	USD 585,000,000	Term Loan A	NR / NR	N/A
12/06/10	Aveta Holdings LLC, MMM Healthcare, NAMM Holdings	Health and allied services	USD 460,000,000	USD 100,000,000	Term Loan B	B+ / NR	600
12/06/10	Aveta Holdings LLC, MMM Healthcare, NAMM Holdings	Health and allied services	USD 460,000,000	USD 100,000,000	Term Loan C	NR / NR	625
12/06/10	Aveta Holdings LLC, MMM Healthcare, NAMM Holdings	Health and allied services	USD 460,000,000	USD 60,000,000	Revolver/Line >= 1 Yr.	NR / NR	550
12/06/10	Aveta Holdings LLC, MMM Healthcare, NAMM Holdings	Health and allied services	USD 460,000,000	USD 200,000,000	Term Loan B	NR / NR	600
12/01/10	Renal Advantage	Kidney dialysis centers	USD 415,000,000	USD 365,000,000	Term Loan B	B / Ba3	N/A
12/01/10	Renal Advantage	Kidney dialysis centers	USD 415,000,000	USD 50,000,000	Revolver/Line >= 1 Yr.	NR / Ba3	N/A
12/15/10	Smile Brands Group Inc	Offices of health practitioners	USD 375,000,000	USD 240,000,000	Term Loan B	NR / Ba3	525
12/15/10	Smile Brands Group Inc	Offices of health practitioners	USD 375,000,000	USD 35,000,000	Revolver/Line >= 1 Yr.	BB- / NR	500
12/15/10	Smile Brands Group Inc	Offices of health practitioners	USD 375,000,000	USD 100,000,000	Other Loan	NR / NR	N/A
12/28/10	iHealth Technologies Inc	Offices & clinics of medical doctors	USD 300,000,000	USD 50,000,000	Revolver/Line >= 1 Yr.	BB / B2	N/A
12/28/10	iHealth Technologies Inc	Offices & clinics of medical doctors	USD 300,000,000	USD 250,000,000	Term Loan B	BB / B2	N/A
12/22/10	ResCare Inc	Intermediate care facilities	USD 275,000,000	USD 275,000,000	Revolver/Line >= 1 Yr.	NR / Ba2	550
12/01/10	Methodist Le Bonheur Healthcare	General medical & surgical hospitals	USD 273,000,000	USD 273,000,000	Other Loan	NR / NR	70
12/22/10	Virtual Radiologic Corp	Medical laboratories	USD 253,000,000	USD 40,000,000	Revolver/Line >= 1 Yr.	NR / NR	550
12/22/10	Virtual Radiologic Corp	Medical laboratories	USD 253,000,000	USD 213,000,000	Term Loan B	NR / NR	550
12/09/10	Cooper Cos	Ophthalmic goods	USD 250,000,000	USD 250,000,000	Term Loan	NR / NR	200
12/17/10	PSS Inc	Medical and hospital equipment	USD 250,000,000	USD 150,000,000	Revolver/Line >= 1 Yr.	NR / NR	N/A
12/17/10	PSS Inc	Medical and hospital equipment	USD 250,000,000	USD 100,000,000	Term Loan	NR / NR	N/A
12/22/10	AccentCare Inc	Home health care services	USD 205,000,000	USD 25,000,000	Revolver/Line >= 1 Yr.	NR / NR	N/A
12/22/10	AccentCare Inc	Home health care services	USD 205,000,000	USD 180,000,000	Term Loan	NR / NR	N/A

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 ⁽⁵⁾	Lastest FYE Date ⁽⁶⁾	Forward Estimate			TEV/ LTM Multiples ⁽⁵⁾		TEV/ Fwd Multiples				
	12/31/2010	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
	3 mos.	12 mos.	High	Low																				
Clinical Laboratories																								
Bio-Reference Laboratories Inc.	\$22.18	6.3%	13.4%	\$24.67	\$15.42	\$617	\$38	\$17	\$637	\$458	\$60	\$48	Oct-10	Oct-10	\$552	\$70	\$60	1.4x	10.7x	1.2x	9.1x			
Genoptix, Inc.	19.02	33.9%	(46.5%)	39.00	13.51	335	0	20	196	197	47	43	Sep-10	Dec-09	194	41	34	1.0x	4.2x	1.0x	4.7x			
Laboratory Corp. of America Holdings	87.92	12.1%	17.5%	89.48	69.49	8,941	1,351	97	10,215	4,874	1,154	988	Sep-10	Dec-09	4,951	1,199	997	2.1x	8.7x	2.1x	8.5x			
Quest Diagnostics Inc.	53.97	6.9%	(10.6%)	61.72	40.80	9,175	3,167	369	11,996	7,393	1,602	1,349	Sep-10	Dec-09	7,346	1,576	1,312	1.6x	7.3x	1.6x	7.6x			
Number of Companies	4	Median:	9.5%	1.4%	Total	\$19,068				\$12,922					\$13,043			1.5x	8.0x	1.4x	8.1x			
		Mean:	14.8%	(6.6%)					\$5,761									1.5x	7.7x	1.5x	7.5x			
Contract Pharma Manufacturing																								
Akorn Inc.	\$6.07	50.2%	239.1%	\$6.50	\$1.27	\$570	\$6	\$9	\$566	\$81	\$13	\$8	Sep-10	Dec-09	\$85	\$20	\$11	7.0x	37.6x	6.7x	28.3x			
Cambrex Corp.	5.17	21.6%	(7.3%)	6.08	2.85	152	115	43	224	221	40	19	Sep-10	Dec-09	223	NA	NA	2.0x	5.6x	1.0x	NA			
Integrated Biopharma Inc.	0.09	14.1%	(25.8%)	0.24	0.03	2	12	1	13	37	(3)	(3)	Sep-10	Jun-10	NA	NA	NA	0.3x	NM	NA	NA			
King Pharmaceuticals Inc.	14.05	41.1%	14.5%	14.25	7.18	3,512	350	698	3,164	1,565	349	150	Sep-10	Dec-09	1,482	381	273	2.0x	9.1x	2.1x	8.3x			
Patheon Inc.	2.31	0.0%	(10.5%)	2.70	2.03	298	280	57	530	671	90	34	Oct-10	Oct-10	716	106	42	0.8x	5.8x	0.7x	5.0x			
West Pharmaceutical Services, Inc.	41.20	20.1%	5.1%	44.84	32.74	1,372	378	97	1,648	1,121	189	117	Sep-10	Dec-09	1,102	181	108	1.5x	8.5x	1.5x	9.1x			
Number of Companies	6	Median:	20.9%	(1.1%)	Total	\$5,906				\$3,697					\$3,608			1.2x	8.5x	1.5x	8.7x			
		Mean:	24.5%	35.8%					\$1,024									2.1x	13.3x	2.4x	12.7x			
Contract Research Organizations																								
Albany Molecular Research Inc.	\$5.62	(11.9%)	(38.1%)	\$9.73	\$5.00	\$170	\$13	\$23	\$141	\$193	\$14	(\$3)	Sep-10	Dec-09	\$197	\$8	(\$9)	0.7x	10.3x	0.7x	17.3x			
Charles River Laboratories International, Inc.	35.54	7.2%	5.5%	41.65	26.82	2,051	719	137	2,616	1,161	243	147	Sep-10	Dec-09	1,132	239	173	2.3x	10.8x	2.3x	10.9x			
Covance Inc.	51.41	9.9%	(5.8%)	63.53	37.44	3,334	0	389	2,945	2,026	301	202	Sep-10	Dec-09	1,926	277	174	1.5x	9.7x	1.5x	10.6x			
ICON plc	21.90	1.3%	0.8%	30.31	18.93	1,316	0	231	1,085	895	134	100	Sep-10	Dec-09	897	128	94	1.2x	8.1x	1.2x	8.5x			
Kendle International Inc.	10.89	16.8%	(40.5%)	21.79	7.68	162	132	16	278	471	31	15	Sep-10	Dec-09	336	31	15	0.6x	9.1x	0.8x	8.9x			
Parexel International Corp.	21.23	(8.2%)	50.6%	25.64	14.10	1,235	290	71	1,454	1,371	177	115	Sep-10	Jun-10	1,276	188	124	1.1x	8.2x	1.1x	7.7x			
Pharmaceutical Product Development Inc.	27.14	9.5%	15.8%	29.69	20.86	3,226	0	440	2,695	1,439	218	151	Sep-10	Dec-09	1,358	252	185	1.9x	12.9x	2.0x	10.7x			
Number of Companies	7	Median:	7.2%	0.8%	Total	\$11,495				\$7,557					\$7,122			1.2x	9.7x	1.2x	10.6x			
		Mean:	3.5%	(1.7%)					\$1,602									1.3x	9.9x	1.4x	10.7x			
Disease Management																								
Alere Inc.	\$36.60	18.3%	(11.8%)	\$44.87	\$25.36	\$3,105	\$2,415	\$488	\$5,793	\$2,123	\$516	\$152	Sep-10	Dec-09	\$2,128	\$535	\$472	2.7x	11.0x	2.7x	10.8x			
Celera Corporation	6.30	(6.5%)	(8.7%)	7.72	5.35	517	0	36	201	135	(19)	(35)	Sep-10	Dec-09	131	(23)	(36)	1.5x	NM	1.5x	(8.9x)			
Healthways Inc.	11.16	(4.1%)	(39.1%)	19.50	9.50	383	244	2	625	700	130	77	Sep-10	Dec-09	722	141	90	0.9x	4.8x	0.9x	4.4x			
Number of Companies	3	Median:	(4.1%)	(11.8%)	Total	\$4,005				\$2,959					\$2,981			1.5x	7.9x	1.5x	4.4x			
		Mean:	2.6%	(19.9%)					\$2,206									1.7x	7.9x	1.7x	2.1x			
Emergency Services																								
Air Methods Corp.	\$56.27	35.3%	67.4%	\$57.22	\$25.99	\$706	\$111	\$46	\$771	\$529	\$80	\$56	Sep-10	Dec-09	\$553	\$95	\$70	1.5x	9.7x	1.4x	8.2x			
Emergency Medical Services Corp.	64.61	21.3%	19.3%	65.47	42.27	2,850	424	346	2,928	2,780	303	237	Sep-10	Dec-09	2,857	317	252	1.1x	9.7x	1.0x	9.2x			
Number of Companies	2	Median:	28.3%	43.3%	Total	\$3,555				\$3,309					\$3,410			1.3x	9.7x	1.2x	8.7x			
		Mean:	28.3%	43.3%					\$1,850									1.3x	9.7x	1.2x	8.7x			
Health Care Staffing																								
AMN Healthcare Services Inc.	\$6.14	19.5%	(32.2%)	\$10.00	\$4.14	\$240	\$221	\$2	\$487	\$614	\$32	\$19	Sep-10	Dec-09	\$682	\$36	\$22	0.8x	15.1x	0.7x	13.6x			
Cross Country Healthcare, Inc.	8.47	17.8%	(14.5%)	11.03	6.62	263	55	9	309	479	25	13	Sep-10	Dec-09	470	24	11	0.6x	12.2x	0.7x	13.0x			
On Assignment Inc.	8.15	55.2%	14.0%	8.85	4.17	298	78	30	346	417	24	15	Sep-10	Dec-09	433	29	18	0.8x	14.2x	0.8x	12.1x			
Team Health Holdings, Inc.	15.54	20.4%	10.8%	18.46	11.55	1,002	452	25	1,430	2,594	155	130	Sep-10	Dec-09	1,506	158	130	0.6x	9.2x	0.9x	9.1x			
Number of Companies	4	Median:	19.9%	(1.8%)	Total	\$1,804				\$4,103					\$3,091			0.7x	13.2x	0.8x	12.6x			
		Mean:	28.2%	(5.5%)					\$643									0.7x	12.7x	0.8x	11.9x			

Payer, Provider, & Pharmacy Support Services

Company Name (Ticker)	Stock Price					Equity Mkt. Value	Total Debt	Cash and Equiv.	Total Ent. Value	Lastest Twelve Months (LTM)			LTM Period ⁽³⁾	Lastest FYE Date ⁽³⁾	Forward Estimate			TEV/LTM Multiples ⁽⁵⁾		TEV/Fwd Multiples				
	12/31/2010	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
	3 mos.	12 mos.	High	Low																				
HMO - Medical																								
Commercial:																								
Aetna Inc.	\$30.51	(3.5%)	(3.8%)	\$35.96	\$25.00	\$12,207	\$4,617	\$1,796	\$15,029	\$34,462	\$3,202	\$2,779	Sep-10	Dec-09	\$33,750	\$2,578	\$2,551	0.4x	4.7x	0.4x	5.8x			
CIGNA Corporation	36.66	2.5%	3.9%	39.26	29.12	9,932	2,866	1,404	11,411	20,460	2,160	1,986	Sep-10	Dec-09	21,095	2,192	1,886	0.6x	5.3x	0.5x	5.2x			
Coventry Health Care Inc.	26.40	22.6%	8.7%	27.44	16.61	3,920	1,599	1,787	3,733	12,005	1,051	933	Sep-10	Dec-09	11,576	1,061	892	0.3x	3.5x	0.3x	3.5x			
Health Net Inc.	27.29	0.4%	17.2%	29.75	12.90	2,608	499	446	2,660	14,050	405	370	Sep-10	Dec-09	13,364	437	410	0.2x	6.6x	0.2x	6.1x			
HealthSpring Inc.	26.53	2.7%	50.7%	29.80	14.66	1,519	166	238	1,447	2,932	340	310	Sep-10	Dec-09	3,021	333	309	0.5x	4.3x	0.5x	4.3x			
Humana Inc.	54.74	9.0%	24.7%	61.33	43.05	9,214	1,951	2,923	8,241	33,151	2,345	2,079	Sep-10	Dec-09	33,839	2,222	1,945	0.2x	3.5x	0.2x	3.7x			
UnitedHealth Group, Inc.	36.11	2.8%	18.5%	38.06	27.13	39,719	11,005	9,577	41,147	91,909	8,325	7,637	Sep-10	Dec-09	93,696	8,228	7,421	0.4x	4.9x	0.4x	5.0x			
WellPoint Inc.	56.86	0.4%	(2.5%)	70.00	46.52	22,381	9,919	2,246	30,053	59,408	5,388	4,808	Sep-10	Dec-09	58,078	4,819	4,346	0.5x	5.6x	0.5x	6.2x			
Number of Companies	8	Median:	2.6%	12.9%	Total	\$101,499				\$268,377					\$268,419			0.4x	4.8x	0.4x	5.1x			
		Mean:	4.6%	14.7%					\$14,215									0.4x	4.8x	0.4x	5.0x			
Government:																								
AMERIGROUP Corporation	\$43.92	3.4%	62.9%	\$46.67	\$24.13	\$2,177	\$243	\$491	\$1,930	\$5,661	\$400	\$384	Sep-10	Dec-09	\$5,814	\$436	\$402	0.3x	4.8x	0.3x	4.4x			
Centene Corp.	25.34	7.4%	19.7%	26.43	17.60	1,311	264	398	1,191	4,376	217	165	Sep-10	Dec-09	4,427	205	159	0.3x	5.5x	0.3x	5.8x			
Molina Healthcare Inc.	27.85	3.2%	21.8%	31.80	20.02	842	163	426	578	3,969	115	79	Sep-10	Dec-09	4,127	144	97	0.1x	5.0x	0.1x	4.0x			
WellCare Health Plans, Inc.	30.22	4.4%	(17.8%)	37.82	22.25	1,285	0	1,091	194	5,709	144	121	Sep-10	Dec-09	5,454	199	174	0.0x	1.3x	0.0x	1.0x			
Number of Companies	4	Median:	3.9%	20.7%	Total	\$5,616				\$19,715					\$19,822			0.2x	4.9x	0.2x	4.2x			
		Mean:	4.6%	21.6%					\$973									0.2x	4.2x	0.2x	3.8x			
Information Services																								
Data/Analytics:																								
Accelys Inc.	\$8.30	19.3%	44.9%	\$8.95	\$5.33	\$462	\$0	\$143	\$319	\$92	(\$4)	(\$11)	Sep-10	Mar-10	\$116	\$18	\$14	3.5x	NM	2.7x	17.5x			
eResearchTechnology, Inc.	7.35	(1.7%)	22.3%	8.95	5.34	361	21	19	362	119	32	20	Sep-10	Dec-09	139	33	24	3.0x	11.3x	2.6x	11.0x			
National Research Corp.	34.25	31.3%	65.5%	35.33	19.00	228	17	3	242	61	19	15	Sep-10	Dec-09	64	NA	NA	3.9x	12.6x	3.8x	NA			
Number of Companies	3	Median:	19.3%	44.9%	Total	\$1,051				\$272					\$116			3.5x	12.0x	2.7x	14.3x			
		Mean:	16.3%	44.2%					\$308									3.5x	12.0x	3.1x	14.3x			
eHealth:																								
WebMD Health Corp.	51.06	2.4%	32.7%	52.81	37.64	3,058	80	352	2,786	504	106	89	Sep-10	Dec-09	\$514	\$159	\$112	5.5x	26.4x	6.4x	26.6x			
Number of Companies	1	Median:	2.4%	32.7%	Total	\$3,058				\$504					\$514			5.5x	26.4x	6.4x	26.6x			
		Mean:	2.4%	32.7%					\$2,786									5.5x	26.4x	6.4x	26.6x			
Hospital/Physician:																								
Allscripts Healthcare Solutions, Inc.	\$19.27	4.3%	(4.7%)	\$22.55	\$15.65	\$3,605	\$2	\$143	\$4,017	\$705	\$125	\$105	May-10	May-10	\$1,314	\$233	\$228	5.7x	32.0x	3.1x	17.2x			
Athenahealth, Inc.	40.98	24.1%	(9.4%)	47.82	21.51	1,404	11	24	1,317	231	30	20	Sep-10	Dec-09	244	44	19	5.7x	44.3x	5.4x	30.1x			
Cerner Corp.	94.74	12.8%	14.9%	97.76	72.05	7,849	119	212	7,403	1,816	474	349	Oct-10	Jan-10	1,853	554	372	4.1x	15.6x	4.0x	13.4x			
Computer Programs & Systems Inc.	46.84	10.0%	1.7%	49.49	33.92	514	0	2	498	144	27	25	Sep-10	Dec-09	150	29	26	3.5x	18.8x	3.3x	17.3x			
HMS Holdings Corp.	64.77	9.9%	33.0%	67.10	43.13	1,785	0	66	1,719	282	79	64	Sep-10	Dec-09	300	88	66	6.1x	21.8x	5.7x	19.6x			
MedAssets, Inc.	20.19	(4.0%)	(4.8%)	25.08	16.54	1,172	185	0	1,357	380	108	64	Sep-10	Dec-09	406	128	38	3.6x	12.5x	3.3x	10.6x			
Merge Healthcare Incorporated.	3.73	28.6%	11.0%	4.25	1.92	311	195	39	508	113	20	7	Sep-10	Dec-09	152	39	28	4.5x	26.0x	3.3x	13.0x			
Quality Systems Inc.	69.82	5.3%	11.2%	71.81	51.30	2,022	0	107	1,915	318	86	81	Sep-10	Mar-10	348	106	92	6.0x	22.2x	5.5x	18.0x			
SXC Health Solutions, Corp.	42.60	13.4%	48.7%	46.06	23.22	2,592	0	379	2,201	1,865	114	98	Sep-10	Dec-09	1,944	116	99	1.1x	18.6x	1.1x	18.9x			
Transcend Services, Inc.	19.59	28.5%	(8.3%)	21.69	12.00	206	0	1	176	89	14	12	Sep-10	Dec-09	94	17	15	2.0x	12.3x	1.9x	10.2x			
Vital Images Inc.	13.98	5.7%	10.2%	16.92	12.20	196	0	83	71	59	0	(4)	Sep-10	Dec-09	60	5	(2)	1.2x	179.2x	1.2x	14.9x			
Number of Companies	11	Median:	10.0%	10.2%	Total	\$21,657				\$6,002					\$6,862			4.1x	21.8x	3.3x	17.2x			
		Mean:	12.6%	9.4%					\$1,926									3.9x	36.7x	3.4x	16.7x			

Payer, Provider, & Pharmacy Support Services

Company Name (Ticker)	Stock Price					Equity Mkt. Value	Total Debt	Cash and Equiv.	Total Ent. Value	Lastest Twelve Months (LTM)			LTM Period ⁽³⁾	Lastest FYE Date ⁽³⁾	Forward Estimate			TEV/LTM Multiples ⁽⁵⁾		TEV/ Fwd Multiples	
	12/31/2010	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
	3 mos.	12 mos.	High	Low																	
<i>Specialty Managed Care</i>																					
America Service Group Inc.	\$15.14	1.7%	(4.6%)	\$19.30	\$12.84	\$140	\$0	\$15	\$125	\$652	\$28	\$25	Sep-10	Dec-09	\$640	\$24	\$20	0.2x	4.4x	0.2x	5.3x
Assurant Inc.	38.52	(5.4%)	30.7%	41.87	29.08	4,104	1,116	1,168	4,052	8,604	1,085	955	Sep-10	Dec-09	8,549	NA	983	0.5x	3.7x	0.5x	NA
CorVel Corporation	48.35	13.9%	44.2%	49.65	28.75	566	0	19	547	359	58	46	Sep-10	Mar-10	375	NA	NA	1.5x	9.4x	1.5x	NA
Number of Companies	3	Median:	1.7%	30.7%	Total	\$4,810				\$9,615					\$9,564			0.5x	4.4x	0.5x	5.3x
		Mean:	3.4%	23.4%					\$1,575									0.7x	5.9x	0.7x	5.3x
<i>Specialty Pharmacy Management</i>																					
BioScrip Inc.	\$5.23	1.4%	(37.4%)	\$9.84	\$4.00	\$281	\$319	\$51	\$549	\$1,530	\$36	\$27	Sep-10	Dec-09	\$1,638	\$51	\$34	0.4x	15.2x	0.3x	10.9x
Express Scripts Inc.	54.05	11.0%	25.1%	55.68	37.75	28,487	2,494	268	30,713	41,903	2,148	1,950	Sep-10	Dec-09	45,212	2,421	2,217	0.7x	14.0x	0.7x	12.7x
Catalyst Health Solutions, Inc.	46.49	32.1%	27.5%	48.28	31.40	2,088	150	133	2,105	3,395	140	126	Sep-10	Dec-09	3,717	148	132	0.6x	15.1x	0.6x	14.2x
Omnicare Inc.	25.39	6.3%	5.0%	30.63	19.14	2,944	2,209	351	4,801	6,127	660	506	Sep-10	Dec-09	6,146	606	487	0.8x	7.3x	0.8x	7.9x
PharMerica Corporation	11.45	20.1%	(27.9%)	20.95	6.88	336	240	97	479	1,807	86	57	Sep-10	Dec-09	1,849	78	45	0.3x	5.6x	0.3x	6.1x
Number of Companies	5	Median:	11.0%	5.0%	Total	\$34,135				\$54,762					\$58,562			0.6x	14.0x	0.6x	10.9x
		Mean:	14.2%	(1.6%)					\$7,729									0.6x	11.4x	0.5x	10.4x

Products & Devices

Company Name (Ticker)	Stock Price					Equity Mkt. Value	Total Debt	Cash and Equiv.	Total Ent. Value	Lastest Twelve Months (LTM)			LTM Period ⁽³⁾	Lastest FYE Date ⁽³⁾	Forward Estimate			TEV/ LTM Multiples ⁽⁵⁾		TEV/ Fwd Multiples				
	12/31/2010	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
		3 mos.	12 mos.	High	Low																			
Dental Products																								
3M Co.	\$86.30	(0.5%)	4.4%	\$91.49	\$67.98	\$61,692	\$5,758	\$4,466	\$61,926	\$26,075	\$7,094	\$5,959	Sep-10	Dec-09	\$26,532	\$7,104	\$5,976	2.4x	8.8x	2.3x	8.7x			
Danaher Corp.	47.17	16.2%	25.5%	47.59	34.90	30,847	2,862	1,635	32,074	12,726	2,503	2,122	Oct-10	Dec-09	13,096	2,616	2,212	2.5x	12.5x	2.4x	12.3x			
DENTSPLY International Inc.	34.17	6.9%	(2.8%)	38.15	27.76	4,856	771	534	5,166	2,222	460	394	Sep-10	Dec-09	2,226	460	394	2.3x	11.2x	2.3x	11.2x			
Sirona Dental Systems Inc.	41.78	15.9%	31.6%	43.45	29.55	2,311	371	252	2,432	770	195	116	Sep-10	Sep-10	835	222	162	3.2x	12.5x	2.9x	10.9x			
Young Innovations Inc.	32.01	11.9%	29.2%	33.40	21.60	254	4	0	258	102	27	23	Sep-10	Dec-09	102	28	23	2.5x	9.6x	2.5x	9.4x			
Number of Companies	5	Median:	11.9%	25.5%	Total	\$99,960				\$41,895					\$42,791			2.5x	11.2x	2.4x	10.9x			
		Mean:	10.1%	17.6%					\$20,371									2.6x	10.9x	2.5x	10.5x			
Durable Medical Equipment																								
Hill-Rom Holdings, Inc.	\$39.37	9.7%	64.1%	\$43.80	\$23.11	\$2,482	\$152	\$185	\$2,458	\$1,470	\$266	\$184	Sep-10	Sep-10	\$1,544	\$314	\$212	1.7x	9.2x	1.6x	7.8x			
Invacare Corporation	30.16	13.8%	20.9%	30.92	19.58	977	247	32	1,193	1,719	139	101	Sep-10	Dec-09	1,716	NA	100	0.7x	8.6x	0.7x	NA			
ResMed Inc.	34.64	5.6%	32.5%	35.90	25.04	5,237	94	540	4,791	1,127	320	257	Sep-10	Jun-10	1,258	365	295	4.2x	15.0x	3.8x	13.1x			
Steris Corp.	36.46	9.8%	30.4%	38.16	25.65	2,156	210	217	2,150	1,161	162	108	Sep-10	Mar-10	1,293	276	200	1.9x	13.2x	1.7x	7.8x			
Number of Companies	4	Median:	9.7%	31.4%	Total	\$10,854				\$5,477					\$5,810			1.8x	11.2x	1.6x	7.8x			
		Mean:	9.7%	37.0%					\$2,648									2.1x	11.5x	1.9x	9.6x			
Life Sciences Tools																								
Agilent Technologies Inc.	\$41.43	24.2%	33.3%	\$42.08	\$26.68	\$14,401	\$3,691	\$2,649	\$15,451	\$5,444	\$768	\$566	Oct-10	Oct-10	\$6,240	\$1,338	\$1,145	2.8x	16.5x	2.5x	11.5x			
Beckman Coulter Inc.	75.23	54.2%	15.0%	78.27	43.95	5,210	1,338	285	6,228	3,667	840	469	Sep-10	Dec-09	3,685	812	455	1.7x	7.4x	1.7x	7.7x			
Becton, Dickinson and Company	84.52	14.1%	7.2%	85.50	66.47	19,123	1,698	0	19,068	7,372	2,181	1,679	Sep-10	Sep-10	7,695	2,298	1,769	2.6x	8.7x	2.5x	8.3x			
Life Technologies Corporation	55.50	18.9%	6.3%	56.78	41.10	10,363	2,271	503	12,124	3,527	1,134	719	Sep-10	Dec-09	3,589	1,298	1,043	3.4x	10.5x	3.4x	9.3x			
Number of Companies	4	Median:	21.5%	11.1%	Total	\$49,097				\$20,010					\$21,210			2.7x	9.6x	2.5x	8.8x			
		Mean:	27.8%	15.4%					\$13,218									2.6x	10.8x	2.5x	9.2x			
Medical Devices and Products																								
Abbott Laboratories	\$47.91	(8.3%)	(11.3%)	\$56.79	\$44.59	\$74,060	\$18,717	\$3,818	\$89,006	\$33,989	\$9,657	\$7,194	Sep-10	Dec-09	\$35,065	\$10,587	\$8,094	2.6x	9.2x	2.5x	8.4x			
American Medical Systems Holdings Inc.	18.86	(3.7%)	(2.2%)	24.12	17.42	1,442	260	18	1,640	541	173	153	Oct-10	Jan-10	539	181	152	3.0x	9.5x	3.0x	9.1x			
ArthroCare Corporation	31.06	14.3%	31.1%	32.60	22.85	840	0	113	800	360	75	50	Sep-10	Dec-09	356	80	53	2.2x	10.7x	2.2x	10.0x			
Baxter International Inc.	50.62	6.1%	(13.7%)	61.88	40.25	29,498	4,883	2,788	31,825	12,815	3,478	2,800	Sep-10	Dec-09	13,011	3,725	3,075	2.5x	9.2x	2.4x	8.5x			
Boston Scientific Corporation	7.57	23.5%	(15.9%)	9.79	5.04	11,507	6,037	624	16,920	7,883	1,895	1,077	Sep-10	Dec-09	7,792	1,824	1,058	2.1x	8.9x	2.2x	9.3x			
CR Bard Inc.	91.77	12.7%	17.8%	95.72	75.16	8,526	366	662	8,229	2,680	860	758	Sep-10	Dec-09	2,736	876	772	3.1x	9.6x	3.0x	9.4x			
Hanger Orthopedic Group Inc.	21.19	45.7%	53.2%	21.92	13.01	703	408	96	1,016	796	115	98	Sep-10	Dec-09	816	119	98	1.3x	8.8x	1.2x	8.5x			
Hologic Inc.	18.82	17.6%	29.8%	19.72	13.22	4,891	1,481	516	5,856	1,680	603	308	Sep-10	Sep-10	1,747	631	539	3.5x	9.7x	3.4x	9.3x			
Hospira Inc.	55.69	(2.3%)	9.2%	60.49	47.48	9,305	2,243	1,150	10,398	3,980	907	690	Sep-10	Dec-09	3,984	1,074	851	2.6x	11.4x	2.6x	9.7x			
Johnson & Johnson	61.85	(0.2%)	(4.0%)	66.20	56.86	169,856	12,025	14,338	159,755	62,494	19,509	16,595	Oct-10	Jan-10	62,140	19,871	16,818	2.6x	8.2x	2.6x	8.0x			
Medtronic, Inc.	37.09	10.5%	(15.7%)	46.66	30.80	39,815	10,565	0	46,836	15,723	5,712	4,910	Oct-10	Apr-10	15,921	5,843	5,066	3.0x	8.2x	2.9x	8.0x			
Stryker Corp.	53.70	7.3%	6.6%	59.72	42.74	21,325	1,016	926	17,826	7,159	2,345	1,942	Sep-10	Dec-09	7,272	2,220	1,836	2.5x	7.6x	2.5x	8.0x			
Thermo Fisher Scientific, Inc.	55.36	15.6%	16.1%	57.40	41.74	22,004	2,165	930	23,230	10,847	2,112	1,326	Oct-10	Dec-09	10,807	2,218	1,819	2.1x	11.0x	2.1x	10.5x			
Zimmer Holdings, Inc.	53.68	2.6%	(9.2%)	64.77	46.27	10,599	1,139	919	10,756	4,193	1,490	1,152	Sep-10	Dec-09	4,196	1,561	1,225	2.6x	7.2x	2.6x	6.9x			
Number of Companies	14	Median:	8.9%	2.2%	Total	\$404,371				\$165,140					\$166,383			2.6x	9.2x	2.6x	8.8x			
		Mean:	10.1%	6.6%					\$30,292									2.5x	9.2x	2.5x	8.8x			
Medical / Surgical / Dental Supplies																								
AmerisourceBergen Corporation	\$34.12	11.3%	30.9%	\$34.72	\$25.66	\$9,429	\$1,344	\$1,658	\$9,114	\$77,954	\$1,188	\$1,088	Sep-10	Sep-10	\$80,270	\$1,247	\$1,152	0.1x	7.7x	0.1x	7.3x			
Cardinal Health, Inc.	38.31	16.0%	18.8%	39.29	29.69	13,369	2,140	2,712	12,796	98,160	1,679	1,422	Sep-10	Jun-10	100,538	1,784	1,504	0.1x	7.6x	0.1x	7.2x			
Henry Schein Inc.	61.39	4.8%	16.7%	62.63	50.96	5,665	610	204	6,371	7,289	624	528	Sep-10	Dec-09	7,475	621	530	0.9x	10.1x	0.9x	10.3x			
McKesson Corporation	70.38	13.9%	12.6%	71.49	57.23	17,811	2,279	3,050	17,040	109,899	2,444	2,023	Sep-10	Mar-10	111,404	2,569	2,087	0.2x	7.0x	0.2x	6.6x			
Owens & Minor Inc.	29.43	3.4%	2.8%	32.80	25.68	1,864	209	145	1,927	8,094	236	208	Sep-10	Dec-09	8,112	238	210	0.2x	8.2x	0.2x	8.1x			
Patterson Companies Inc.	30.63	6.9%	9.5%	32.84	24.13	3,760	651	329	4,082	3,340	415	373	Oct-10	Apr-10	3,427	422	386	1.2x	9.8x	1.2x	9.7x			
PSS World Medical Inc.	22.60	5.7%	0.0%	24.45	18.15	1,249	193	23	1,422	1,975	153	124	Oct-10	Apr-10	1,976	159	130	0.7x	9.3x	0.7x	9.0x			
Number of Companies	7	Median:	6.9%	12.6%	Total	\$53,146				\$306,710					\$313,203			0.2x	8.2x	0.2x	8.1x			
		Mean:	8.9%	13.0%					\$7,536									0.5x	8.5x	0.5x	8.3x			

Provider-Based Services

Company Name (Ticker)	Stock Price					Equity Mkt. Value	Total Debt	Cash and Equiv.	Total Ent. Value	Lastest Twelve Months (LTM)			LTM Period ⁽³⁾	Lastest FYE Date ⁽³⁾	Forward Estimate			TEV/ LTM Multiples ⁽⁵⁾		TEV/ Fwd Multiples				
	12/31/2010	% Change		52 Week						Revenue	EBITDA	EBIT			Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	Revenue	EBITDA	Revenue	EBITDA
		3 mos.	12 mos.	High	Low																			
Acute-Care Hospitals																								
Community Health Systems, Inc.	\$37.37	20.7%	5.0%	\$42.30	\$25.63	\$3,458	\$9,312	\$568	\$12,651	\$12,675	\$1,714	\$1,118	Sep-10	Dec-09	\$12,942	\$1,754	\$1,133	1.0x	7.2x	1.0x	7.2x			
Health Management Associates Inc.	9.54	24.5%	31.2%	9.88	6.13	2,391	3,280	246	5,405	5,002	728	473	Sep-10	Dec-09	5,156	746	487	1.1x	7.4x	1.0x	7.2x			
Lifepoint Hospitals Inc.	36.75	4.8%	13.0%	39.61	28.48	1,937	1,576	211	3,320	3,156	512	349	Sep-10	Dec-09	3,241	501	352	1.1x	6.5x	1.0x	6.6x			
Tenet Healthcare Corp.	6.69	41.7%	24.1%	6.86	3.92	3,248	4,059	398	7,294	9,165	987	599	Sep-10	Dec-09	9,264	1,061	663	0.8x	7.4x	0.8x	6.9x			
Universal Health Services Inc.	43.42	11.7%	42.4%	44.04	28.40	4,223	1,017	10	5,478	5,300	730	516	Sep-10	Dec-09	5,467	727	503	1.0x	7.5x	1.0x	7.5x			
Number of Companies	5	Median:	20.7%	24.1%	Total	\$15,258				\$35,298					\$36,069			1.0x	7.4x	1.0x	7.2x			
		Mean:	20.7%	23.1%					\$6,830									1.0x	7.2x	1.0x	7.1x			
Assisted Living																								
Assisted Living Concepts Inc.	\$32.53	6.9%	23.4%	\$37.48	\$24.24	\$378	\$134	\$37	\$471	\$232	\$57	\$35	Sep-10	Dec-09	\$233	\$58	\$36	2.0x	8.3x	2.0x	8.1x			
Brookdale Senior Living Inc.	21.41	31.3%	17.7%	22.21	12.66	2,581	2,563	69	5,075	2,170	355	64	Sep-10	Dec-09	2,216	377	74	2.3x	14.3x	2.3x	13.5x			
Capital Senior Living Corp.	6.70	25.7%	33.5%	7.10	4.21	181	178	33	326	201	31	17	Sep-10	Dec-09	211	32	NA	1.6x	10.6x	1.5x	10.3x			
Emeritus Corp.	19.71	15.5%	5.1%	23.79	14.55	858	1,600	43	2,419	953	145	56	Sep-10	Dec-09	1,007	158	61	2.5x	16.7x	2.4x	15.3x			
Five Star Quality Care Inc.	7.07	40.0%	103.7%	7.43	2.72	253	49	37	255	1,245	36	20	Sep-10	Dec-09	1,252	41	42	0.2x	7.1x	0.2x	6.2x			
Skilled Healthcare Group, Inc.	8.98	128.5%	20.5%	9.20	1.43	339	544	3	880	792	111	87	Sep-10	Dec-09	811	117	90	1.1x	7.7x	1.1x	7.6x			
Sunrise Senior Living Inc.	5.45	58.9%	69.3%	5.99	2.18	307	267	42	537	1,456	67	28	Sep-10	Dec-09	NA	NA	NA	0.4x	11.7x	NA	NA			
Number of Companies	7	Median:	31.3%	23.4%	Total	\$4,897				\$7,049					\$5,729			1.6x	10.6x	1.8x	9.2x			
		Mean:	43.8%	39.0%					\$1,423									1.5x	10.9x	1.6x	10.2x			
Diagnostic Imaging																								
Alliance Healthcare Services, Inc.	\$4.24	(7.4%)	(25.7%)	\$5.98	\$3.32	\$224	\$656	\$104	\$788	\$481	\$150	\$44	Sep-10	Dec-09	\$478	\$155	\$42	1.6x	5.1x	1.6x	5.1x			
RadNet, Inc.	2.82	17.5%	38.2%	4.20	1.80	104	518	24	598	535	92	38	Sep-10	Dec-09	543	99	38	1.1x	6.0x	1.1x	6.0x			
Varian Medical Systems Inc.	69.28	14.5%	47.9%	70.97	35.50	8,285	43	520	7,808	2,357	585	537	Oct-10	Oct-10	2,582	651	596	3.3x	13.3x	3.0x	12.0x			
Number of Companies	3	Median:	14.5%	38.2%	Total	\$8,613				\$3,372					\$3,604			1.6x	6.0x	1.6x	6.0x			
		Mean:	8.2%	20.1%					\$3,065									2.0x	8.2x	1.9x	7.7x			
Dialysis Services																								
DaVita, Inc.	\$69.49	0.7%	18.3%	\$74.61	\$56.58	\$6,754	\$3,362	\$535	\$9,983	\$6,366	\$1,203	\$972	Sep-10	Dec-09	\$6,454	\$1,220	\$999	1.6x	8.2x	1.5x	8.2x			
Fresenius Medical Care AG & Co. KGAA	0.00	(3.8%)	17.7%	46.39	35.68	13,131	5,931	572	17,234	11,922	2,368	1,876	Sep-10	Dec-09	9,009	1,788	1,418	2.0x	9.9x	1.9x	9.6x			
Number of Companies	2	Median:	(1.5%)	18.0%	Total	\$19,886				\$18,288					\$15,463			1.8x	9.1x	1.7x	8.9x			
		Mean:	(1.5%)	18.0%					\$13,608									1.8x	9.1x	1.7x	8.9x			
Home Care / Hospice																								
Addus HomeCare Corp.	\$4.10	3.3%	(55.4%)	\$9.72	\$2.80	\$44	\$51	\$1	\$94	\$267	\$15	\$10	Sep-10	Dec-09	\$272	\$16	\$12	0.4x	6.3x	0.3x	5.9x			
Almed Family Inc.	38.42	29.7%	(2.8%)	44.12	23.50	355	3	42	316	330	55	52	Sep-10	Dec-09	338	57	53	1.0x	5.8x	0.9x	5.6x			
Amedsys Inc.	33.50	40.8%	(31.1%)	64.28	22.82	972	193	128	1,039	1,645	259	227	Sep-10	Dec-09	1,639	238	204	0.6x	4.0x	0.6x	4.4x			
Gentiva Health Services Inc.	26.60	21.7%	(1.5%)	30.88	18.93	795	1,076	82	1,791	1,292	169	150	Oct-10	Jan-10	1,445	186	164	1.4x	10.5x	1.2x	9.6x			
LHC Group, Inc.	30.00	29.4%	(10.7%)	37.49	19.61	560	4	7	572	608	105	97	Sep-10	Dec-09	632	101	98	0.9x	5.5x	0.9x	5.7x			
Lincare Holdings Inc.	26.83	7.0%	8.4%	33.45	22.55	2,619	496	177	2,918	1,653	339	327	Sep-10	Dec-09	1,672	451	333	1.8x	8.6x	1.7x	6.5x			
Chemed Corp.	63.51	11.5%	32.4%	64.96	45.90	1,448	157	137	1,467	1,248	162	137	Sep-10	Dec-09	1,272	184	151	1.2x	9.1x	1.2x	8.0x			
Number of Companies	7	Median:	21.7%	(2.8%)	Total	\$6,793				\$7,044					\$7,270			1.0x	6.3x	0.9x	5.9x			
		Mean:	20.5%	(8.7%)					\$1,171									1.0x	7.1x	1.0x	6.5x			
Long-Term Care																								
The Ensign Group, Inc.	\$24.87	38.6%	61.8%	\$26.97	\$15.01	\$517	\$108	\$37	\$588	\$623	\$87	\$70	Sep-10	Dec-09	\$642	\$90	\$73	0.9x	6.8x	0.9x	6.6x			
Kindred Healthcare Inc.	18.37	41.1%	(0.5%)	19.76	11.50	725	165	15	812	4,294	197	75	Sep-10	Dec-09	4,346	213	92	0.2x	4.1x	0.2x	3.8x			
National Healthcare Corp.	46.27	24.8%	28.1%	48.00	33.02	628	10	29	696	681	80	53	Sep-10	Dec-09	704	81	55	1.0x	7.8x	1.0x	8.6x			
Sun Healthcare Group Inc.	12.66	0.0%	0.0%	12.99	9.37	316	450	138	627	1,898	120	72	Sep-10	Dec-09	1,906	169	117	0.3x	5.2x	0.3x	3.7x			
Number of Companies	4	Median:	31.7%	14.1%	Total	\$2,186				\$7,497					\$7,597			0.6x	6.0x	0.6x	5.2x			
		Mean:	26.1%	22.4%					\$681									0.6x	6.0x	0.6x	5.7x			

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Announced	Target	Seller	Buyer	Enterprise Value (\$mm)	Enterprise Value			Private Equity Involvement
					Sales	EBITDA	EBIT	
12/29/2010	Community Dental Services, Inc.	Liberty Partners	Great Expressions Dental Centers, P.C.	-	-	-	-	Yes
12/29/2010	Synbiotics Corporation (OTCPK:SYNB)	SR One	Pfizer Animal Health Inc.	-	-	-	-	No
12/28/2010	Medjet Inc. (OTCPK:MDJT)	-	For The Earth Corp.	-	-	-	-	No
12/27/2010	Jordan Health Services, Inc.	Trinity Hunt Partners	Palladium Equity Partners, LLC	-	-	-	-	Yes
12/27/2010	ReSearch Pharmaceutical Services, Inc.	The Argentum Group; First Analysis Corporation; Cartesian Capital Group, LLC	Warburg Pincus LLC	\$253.9	0.9x	15.4x	21.0x	Yes
12/24/2010	The St. John Companies, Inc.	-	Precision Dynamics Corporation	-	-	-	-	No
12/23/2010	Guardian Home Care, Inc.	Friedman, Fleischer, & Lowe	AccentCare, Inc.; Oak Hill Capital Partners	-	-	-	-	Yes
12/22/2010	InSiteOne, Inc.	Primus	Dell Inc. (NasdaqGS:DELL)	-	-	-	-	Yes
12/22/2010	Advanced Pain Management, S.C.	Excellere Partners	Chicago Growth Partners	-	-	-	-	Yes
12/22/2010	Imaging On Call, LLC	-	RadNet, Inc. (NasdaqGMRDNT)	\$8.0	-	-	-	No
12/21/2010	Surgical Biologics, Inc.	-	MiMedx Group, Inc. (OTCBB:MDXG)	\$7.2	-	-	-	No
12/21/2010	Three Long-Term Acute Care Hospital Facilities	-	Medical Properties Trust Inc. (NYSE:MPW)	\$99.5	-	-	-	No
12/20/2010	Neonatology Associates, PC	-	MEDNAX, Inc. (NYSE:MD)	-	-	-	-	No
12/20/2010	Royal Medical Consultants, Inc.	-	ExamWorks, Inc.	-	-	-	-	No
12/20/2010	American Surgical Holdings, Inc. (OTCBB:ASRG)	Vestal Venture Capital; Rockmore Capital, LLC	Great Point Partners, LLC	-	-	-	-	Yes
12/20/2010	Martek Biosciences Corp. (NasdaqGS:MATK)	CNF Investments LLC	Royal DSM N.V. (ENXTAM:DSM)	\$1,024.1	2.3x	8.3x	11.7x	No
12/20/2010	EMD Crop BioScience, Inc.	Merck KGaA (DB:MRK)	Novozymes A/S (CPSE:NZYMB)	\$275.0	6.0x	-	-	No
12/19/2010	Arresto Biosciences, Inc.	HealthCare Ventures LLC; Kleiner, Perkins, Caufield & Byers; Northgate Capital Group, L.L.C.; DAG Ventures, LLC; Abbott Biotech Ventures Inc.	Gilead Sciences Inc. (NasdaqGS:GILD)	\$225.0	-	-	-	Yes
12/17/2010	Quinnova Pharmaceuticals, Inc.	Safeguard Scientifics, Inc. (NYSE:SFE); Thomas, McNeerney & Partners; H.I.G. Ventures, LLC	Amneal Enterprises, LLC	-	-	-	-	No
12/17/2010	AMHN, Inc (OTCBB:AMHN)	Saddle Ranch Productions, Inc.; Seatac Digital Resources, Inc.	-	\$0.3	7.2x	-	-	No
12/17/2010	Gulfcoast Oncology Associates	-	Florida Cancer Specialists & Research Institute	-	-	-	-	No
12/17/2010	Xcel Orthopaedic Physical Therapy, Stockton	-	U.S. Healthworks, Inc.	-	-	-	-	No
12/16/2010	Dayton Medical Imaging, North and Dayton Medical Imaging, South	-	Kettering Adventist Healthcare	-	-	-	-	No
12/16/2010	GTI Diagnostics, Inc.	The Riverside Company	Gen-Probe Inc. (NasdaqGS:GPRO)	\$53.0	-	-	-	No
12/16/2010	Radiation Therapy Center in Eastern Pennsylvania	-	Alliance Healthcare Services, Inc. (NYSE:AIQ)	-	-	-	-	No
12/16/2010	Cyvex Nutrition, Inc.	-	Omega Protein Corp. (NYSE:OME)	\$11.0	-	-	-	No
12/15/2010	InfoLogix, Inc. (OTCPK:IFLG)	-	Stanley Black & Decker, Inc. (NYSE:SWK)	\$52.4	-	-	-	No
12/15/2010	Technology Imaging Services, Inc.	Huntington Bancshares Inc. (NasdaqGS:HBAN)	International Isotopes Inc. (OTCBB:INIS); RadQual, LLC	-	-	-	-	No
12/15/2010	Rising Pharmaceuticals, Inc.	-	Aceto Corp. (NasdaqGS:ACET)	\$86.0	-	-	-	No
12/15/2010	Holy Cross Hospital	-	Vanguard Health Systems Inc.	-	-	-	-	No
12/15/2010	McNEIL-PPC, Inc., Dramamine(R) Business	McNEIL-PPC, Inc.	Prestige Brands Holdings Inc. (NYSE:PBH)	\$76.0	-	-	-	No
12/15/2010	Xoft, Inc.	Frazier Healthcare Ventures; MPM Capital; Sutter Hill Ventures; Easton Capital Investment Group; RiverVest Venture Partners, LLC; Mosaix Ventures; Frantz Medical Ventures; Cutlass Capital, LLC; Maverick Capital, Ltd.; Chicago Growth Partners; New Science Ventures, LLC	icad Inc. (NasdaqCM:ICAD)	\$52.7	-	-	-	No
12/15/2010	Incept BioSystems, Inc.	Venture Investors, LLC; Angel Healthcare Investors, LLC; 21st Century Jobs Fund; Plymouth Venture Partners; Grand Angels, LLC	Origio a/s (OB:ORO)	\$1.1	-	-	-	No
12/14/2010	The Medipharma Manufacturing Group	-	Torque Medical Holdings, LLC	-	-	-	-	No

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					Sales	EBITDA	EBIT	
12/14/2010	GlaxoSmithKline LLC, Three Over-The-Counter Consumer Products in US	GlaxoSmithKline LLC	Meda AB (OM:MEDA A)	\$34.5	2.4x	-	-	No
12/14/2010	Matrixx Initiatives Inc. (NasdaqGS:MTXX)	-	H.I.G. Capital, LLC	\$51.2	0.9x	36.3x	237.5x	Yes
12/14/2010	NEOdontics International, Inc.	The Edgewater Funds; Bolder Capital, LLC	The Riverside Company	-	-	-	-	Yes
12/14/2010	Medical Practice at 2626 South Loop West in Houston	-	Unity Family Clinic PA	-	-	-	-	No
12/14/2010	GHW Holdings, Inc.	JZ Capital Partners Limited (LSE:JZCP)	-	\$29.4	-	-	-	No
12/14/2010	UltraHealthCare, P.A.	-	MEDNAX, Inc. (NYSE:MD)	-	-	-	-	No
12/13/2010	ROXRO PHARMA, Inc.	Prospect Venture Partners; Sutter Hill Ventures; Thomas Weisel Capital Management, LLC; Mediphase Venture Partners; Fimei - Finanziaria Industriale Mobiliare ed Immobiliare S.P.A.; Kearny Venture Partners	Luitpold Pharmaceuticals, Inc.	-	-	-	-	No
12/13/2010	Wilmington Maternal-Fetal Medicine, PLLC	-	MEDNAX, Inc. (NYSE:MD)	-	-	-	-	No
12/13/2010	Partners Hospice, Inc.	Partners HealthCare at Home, Inc.	Hospice Of The North Shore, Inc	-	-	-	-	No
12/12/2010	Dionex Corp. (NasdaqGS:DNEX)	-	Thermo Fisher Scientific, Inc. (NYSE:TMO)	\$2,129.2	4.9x	20.6x	23.6x	No
12/10/2010	OPKO Health, Inc., Exclusive Rights of Rolapitant	Opko Health, Inc. (AMEX:OPK)	Tesaro, Inc.	-	-	-	-	No
12/10/2010	ACI Medical Devices, Inc.	RoundTable Healthcare Management, LLC; Argon Medical Devices, Inc.	The Pritzker Group	-	-	-	-	Yes
12/10/2010	Occupational Health Partners, Inc.	-	Lakeside Occupational Medical Centers Inc.	-	-	-	-	No
12/10/2010	Humble Surgical Hospital, LLC	-	Grubb & Ellis Healthcare REIT II, Inc.	\$13.1	-	-	-	No
12/9/2010	iCare Academic LLC	-	Lippincott Williams & Wilkins, Inc.	-	-	-	-	No
12/9/2010	Alliance Home Care, Complex Mobility Business in Arkansas	Alliance HomeCare Equipment	United Seating & Mobility, LLC	-	-	-	-	No
12/8/2010	Cambridge Research & Instrumentation, Inc.	Massachusetts Capital Resource Company	Caliper Life Sciences, Inc. (NasdaqGM:CALP)	\$19.7	-	-	-	No
12/8/2010	Endion Hospitalist Systems, Inc.	-	Cogent Healthcare, Inc.	-	-	-	-	No
12/8/2010	The Racers Edge, Inc.	-	MicroHoldings US, Inc. (OTCPK:MCHU)	-	-	-	-	No
12/8/2010	Pharmagistics, LLC	Publicis Life Brands Resolute	J. Knipper & Company, Inc.	-	-	-	-	No
12/8/2010	29 Senior Living Facilities	Sunrise Senior Living Investments, Inc.; US Assisted Living Facilities III, Inc.	Sunrise Senior Living Investments, Inc.; CNL Income Partners, LP	\$261.0	-	-	-	No
12/7/2010	Stonecrest Imaging Shelbyville, LLC	-	Jewish Hospital Services, Inc.	-	-	-	-	No
12/7/2010	Small Bone Innovations, Inc., Shoulder-Related Assets	Small Bone Innovations, Inc.	Fx Solutions S.A.S.	-	-	-	-	No
12/7/2010	Explain My Surgery, LLC	Entertainment Arts Research Inc. (OTCPK:EAR1)	Virtual Medical International, Inc. (OTCBB:QEBR)	\$31.6	-	-	-	No
12/7/2010	Catch Incorporated	-	Axis-Shield plc (LSE:ASD)	\$10.0	-	-	-	No
12/7/2010	Medicity Inc.	-	Aetna Inc. (NYSE:AET)	\$500.0	-	-	-	No
12/7/2010	HealthCare Business Consulting, L.L.C.	-	Equation Consulting, Inc.	-	-	-	-	No
12/6/2010	Pemnic, Inc.	Brook Venture Partners; Sand Hill Capital; Hudson Ventures	Verge Solutions, LLC	-	-	-	-	No
12/6/2010	QOL Medical LLC	Ballast Point Ventures	Cooper Capital LLC	-	-	-	-	No
12/6/2010	Herren Enterprises, Inc.	-	American Medical Response, Inc.	-	-	-	-	No
12/6/2010	Suzann Leslie, D.O., P.A.	-	Metcare of Florida, Inc.	-	-	-	-	No
12/6/2010	Image Solutions, Inc.	-	Computer Sciences Corporation (NYSE:CSC)	-	-	-	-	No
12/6/2010	Prematics, Inc.	Foundation Capital; General Catalyst Partners; Health Evolution Partners	NaviNet, Inc.	-	-	-	-	No
12/6/2010	Synergistic Resources, LLC	-	General Cannabis, Inc. (OTCPK:CANA)	-	-	-	-	No
12/3/2010	Cardiology Associates of Waterbury P.C.	-	Waterbury Hospital	-	-	-	-	No
12/3/2010	Caraco Pharmaceutical Laboratories Ltd. (AMEX:CPD)	-	Sun Pharmaceutical Industries Ltd. (BSE:524715)	\$143.6	0.4x	13.1x	22.7x	No
12/2/2010	Reinsurance Advisory Services Inc.	-	ReSource Intermediaries, Inc.	-	-	-	-	No
12/2/2010	SmartCells Inc.	Beacon Street Capital, L.L.C.; CommonAngels; Angel Healthcare Investors, LLC; Cherrystone Angel Group; Boston Harbor Angels	Merck & Co. Inc. (NYSE:MRK)	-	-	-	-	Yes

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					Sales	EBITDA	EBIT	
12/2/2010	Rehab Tech, Inc., Three Branch Locations in Minnesota, Minneapolis and Wisconsin	RehabTECH, Inc.	United Seating & Mobility, LLC	-	-	-	-	No
12/2/2010	SeQual Technologies, Inc.	First Analysis Corporation; Alafi Capital Company LLC; Ascension Health Ventures, LLC; Dunrath Capital, Inc.; Seneca Health Partners	CAIRE, Inc.	\$60.0	1.7x	-	-	No
12/2/2010	SinoFresh Healthcare Products, Inc.	-	SinoFresh Healthcare Inc. (OTCPK:SFSH)	-	-	-	-	No
12/2/2010	Milford Anesthesia Associates, P.C.	-	Emergency Medical Services Corp. (NYSE:EMS)	-	-	-	-	No
12/2/2010	RL Properties, Inc.	-	New Life Lodge	-	-	-	-	No
12/2/2010	Encompass TSS, LLC	Encompass Group Affiliates, Inc. (OTCPK:ECGA)	Hill-Rom TSS, Inc.	-	-	-	-	No
12/1/2010	Glade Valley Nursing & Rehabilitation Center, Inc.	Adventist Healthcare, Inc.; Frederick Memorial Healthcare System, Inc.	Genesis HealthCare Corporation	-	-	-	-	No
12/1/2010	MedfusionRx, LLC and Medtown South LLC	-	SXC Health Solutions, Inc.	\$105.5	-	-	-	No
12/1/2010	Two Tennessee Nursing Centers	-	Signature Health Care, LLC	-	-	-	-	No
12/1/2010	Crowe Paradis Services Corporation	Clarion Capital Partners, LLC	Verisk Analytics, Inc. (NasdaqGS:VRSK)	\$90.0	-	-	-	Yes
12/1/2010	Serbin Surgery Center Billing, LLC	-	Source Medical Solutions, Inc.	-	-	-	-	No
12/1/2010	Senior Living Management Corp., Three Assisted Living Facilities in Florida	Senior Living Management Corp.	National Health Investors Inc. (NYSE:NHI)	\$10.2	-	-	-	No
12/1/2010	Adventist Healthcare, Inc., Five Nursing Facilities in Rockville	Adventist Healthcare, Inc.	Genesis HealthCare Corporation	-	-	-	-	No
12/1/2010	Pediatric Critical Care Associates, P.S.	-	MEDNAX, Inc. (NYSE:MD)	-	-	-	-	No
12/1/2010	Senior Care of Colorado, PC	-	IPC The Hospitalist Company, Inc. (NasdaqGS:IPCM)	-	-	-	-	No
12/1/2010	Lee-Loy, Ingrid DDS - Family Smiles Dentistry	-	Great Expressions Dental Centers, P.C.	-	-	-	-	No
12/1/2010	Transave, Inc.	Bessemer Venture Partners; Prospect Venture Partners	Insmid Incorporated (NasdaqCM:INSM)	\$94.2	-	-	-	No
12/1/2010	Onset Therapeutics LLC	Collegium Pharmaceutical, Inc.	Precision Dermatology, Inc.	-	-	-	-	No
12/1/2010	Two Communities of 321 units in Florida and a 80-unit Assisted Living Community in Little Rock	-	Emeritus Corp. (NYSE:ESC)	\$32.7	-	-	-	No
12/1/2010	Meridian HMA, Inc.	Health Management Associates Inc. (NYSE:HMA)	Anderson Regional Medical Center	-	-	-	-	No

Contacts

Turner Bredrup
Managing Director
tbredrup@harriswilliams.com
(804) 915-0110

Todd Morris
Managing Director
tmorris@harriswilliams.com
(415) 217-3412

Cheairs Porter
Director
cporter@harriswilliams.com
(804) 915-0130

James Clark
Director
jclark@harriswilliams.com
(804) 915-0119

Geoff Smith
Vice President
gsmith@harriswilliams.com
(804) 915-0195

Andy Dixon
Vice President
adixon@harriswilliams.com
(415) 217-3419

1001 Haxall Point
9th Floor
Richmond, VA 23219
P: (804) 648-0072
F: (804) 648-0073
www.harriswilliams.com

575 Market Street
31st Floor
San Francisco, CA 94105
Phone: (415) 288-4260
Fax: (415) 288-4269

Two International Place
24th Floor
Boston, MA 02110
Phone: (617) 482-7501
Fax: (617) 482-7503

63 Brook Street
London, W1K 4HS
Phone: +44 20 7518 8900
Fax: +44 20 7526 2187

222 South Ninth Street
Suite 3350
Minneapolis, MN 55402
Phone: (612) 359-2700
Fax: (612) 359-2701

1900 East 9th Street
20th Floor
Cleveland, OH 44114
Phone: (216) 689-2400
Fax: (216) 689-2401

1600 Market Street
21st Floor
Philadelphia, PA 19103
Phone: (267) 675-5900
Fax: (267) 675-5901

Sources:

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