

# Healthcare Sector Update



April 2015

## Summary – Healthcare Services

- The S&P Healthcare Services Index has increased by 7.5% over the last three months, outperforming the S&P 500 (0.4% increase over the last three months).
- Over the past three months:
  - > The best performing sectors were Managed Care – Government (up 25.7%) and Contract Research Organizations (up 24.2%).
  - > The worst performing sectors were Specialty Managed Care (down 13.6%) and HCIT (down 5.6%).
- The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.76x and 12.9x, respectively.
- The sectors with the highest valuation multiples include:
  - > HCIT (3.23x LTM Revenue, 20.0x LTM EBITDA).
  - > Assisted Living (2.43x LTM Revenue, 21.7x LTM EBITDA).
  - > Consumer Directed Health and Wellness (3.10x LTM Revenue, 20.8x LTM EBITDA).

## Summary – Pharmaceutical / Medical Devices / Life Sciences

- The S&P 500 – Pharmaceuticals, Biotechnology and Life Sciences Index has risen 4.5% over the last three months, outperforming the S&P 500 (0.4% increase over the last three months).
- Over the past three months:
  - > The best performing sectors were Ophthalmology Devices (up 25.0%), Diagnostic Imaging Devices (up 15.5%) and Neural Implant Devices (up 15.1%).
  - > The worst performing sectors were Orthopedics Devices (down 2.2%) and Surgical Devices (down 0.8%).
- The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 3.47x and 15.3x, respectively.
- The sectors with the highest valuation multiples include:
  - > Biotechnology (9.43x LTM Revenue, 13.6x LTM EBITDA).
  - > Life Science Conglomerates (3.94x LTM Revenue, 19.4x LTM EBITDA).
  - > Ophthalmology Devices (2.22x LTM Revenue, 19.1x LTM EBITDA).

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Valuation and Corporate Finance Advisors

Source: Fairness opinion rankings calculated by number of deals from Thomson Financial Securities full years 2010 through 2014. M&A rankings calculated by number of deals from Thomson Financial Securities full years 2012 through 2014. Middle-market M&A deals < \$200 million. Bankruptcy case ranking provided by The Deal Q4 2014 league table.

**MARKET SECTOR**

	No. of Cos.	Ag. Eqty Mkt. Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	Rev	EBITDA	LTM	2015E	
Acute Care Hospitals	5	\$57,466	2.1%	34.6%	1.24x	8.7x	24.5x	18.3x	1.7x
Assisted Living	4	7,986	5.6%	2.5%	2.43x	21.7x	NM	NM	NM
Care Management / TPA	7	11,665	0.1%	(11.9%)	1.45x	15.3x	23.1x	20.7x	1.3x
Clinical Laboratories	6	31,605	9.7%	27.3%	2.44x	12.9x	21.3x	16.8x	1.7x
Consumer Directed Health & Wellness	9	15,179	(0.9%)	(14.9%)	3.10x	20.8x	45.0x	28.0x	2.3x
Contract Research Orgs	7	24,434	24.2%	31.4%	2.49x	15.3x	25.9x	21.6x	1.3x
Diagnostic Imaging	3	614	(1.6%)	(21.4%)	1.76x	6.3x	22.6x	16.4x	1.6x
Dialysis Services	2	42,722	9.5%	18.3%	2.07x	11.2x	25.7x	22.2x	2.0x
Distribution / Supply	7	126,808	2.5%	17.0%	0.35x	14.5x	28.2x	19.5x	2.0x
Emergency Services	2	2,325	20.0%	(12.8%)	2.78x	9.3x	18.2x	15.3x	0.8x
HCIT	15	48,237	(5.6%)	(16.0%)	3.23x	20.0x	42.9x	26.2x	1.8x
Healthcare REITs	13	94,292	3.8%	19.7%	13.13x	18.9x	23.3x	32.9x	6.4x
Healthcare Staffing	5	13,512	1.7%	30.7%	1.26x	15.4x	33.4x	25.6x	1.4x
Home Care / Hospice	6	5,040	9.5%	64.8%	0.89x	13.2x	26.2x	21.2x	1.9x
Long Term Care	4	4,046	18.2%	10.8%	0.98x	10.3x	25.2x	18.7x	1.2x
Managed Care – Commercial	7	257,088	19.9%	54.6%	0.75x	10.5x	19.8x	17.1x	1.4x
Managed Care – Government	3	15,779	25.7%	79.2%	0.29x	13.7x	31.7x	25.5x	1.6x
Other Services	4	14,337	5.5%	17.1%	2.30x	29.5x	37.1x	32.6x	2.0x
Pharmacy Management	6	85,531	5.8%	19.1%	0.74x	12.7x	42.4x	18.5x	1.4x
Physician Practice Mgmt	2	6,828	1.2%	(2.9%)	1.77x	11.5x	22.8x	20.6x	1.4x
Psychiatric Hospitals	3	7,280	17.0%	39.0%	0.48x	8.3x	36.1x	29.0x	1.4x
Specialty Managed Care	2	4,758	(13.6%)	8.9%	0.31x	4.7x	8.9x	12.3x	1.6x
Surgicenters / Rehabilitation	8	12,302	12.8%	21.3%	2.38x	10.7x	24.6x	19.3x	1.6x
<b>Total / Median (\$MM)</b>	<b>130</b>	<b>\$889,832</b>	<b>5.6%</b>	<b>18.3%</b>	<b>1.76x</b>	<b>12.9x</b>	<b>25.5x</b>	<b>20.6x</b>	<b>1.6x</b>

Source: Capital IQ

**CAPITALIZATION PROFILE**

	No. of Cos.	Ag. Eqty Mkt. Value	% Total No. of Cos.	% Ag. Eqty Mkt. Value	Average Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	33	\$741,507	25.4%	83.3%	10.5%	10.5%	32.2%	92.2%
\$1 billion – \$5 billion	46	124,412	35.4%	14.0%	8.6%	8.6%	18.9%	103.4%
\$250 million – \$1 billion	36	22,376	27.7%	2.5%	3.9%	3.9%	16.4%	91.7%
\$100 million – \$250 million	4	917	3.1%	0.1%	4.8%	4.8%	(32.2%)	113.0%
< \$100 million	11	619	8.5%	0.1%	6.4%	6.4%	0.6%	31.3%
<b>Total / Median (\$MM)</b>	<b>130</b>	<b>\$889,832</b>	<b>100.0%</b>	<b>100.0%</b>	<b>6.4%</b>	<b>6.4%</b>	<b>16.4%</b>	<b>92.2%</b>

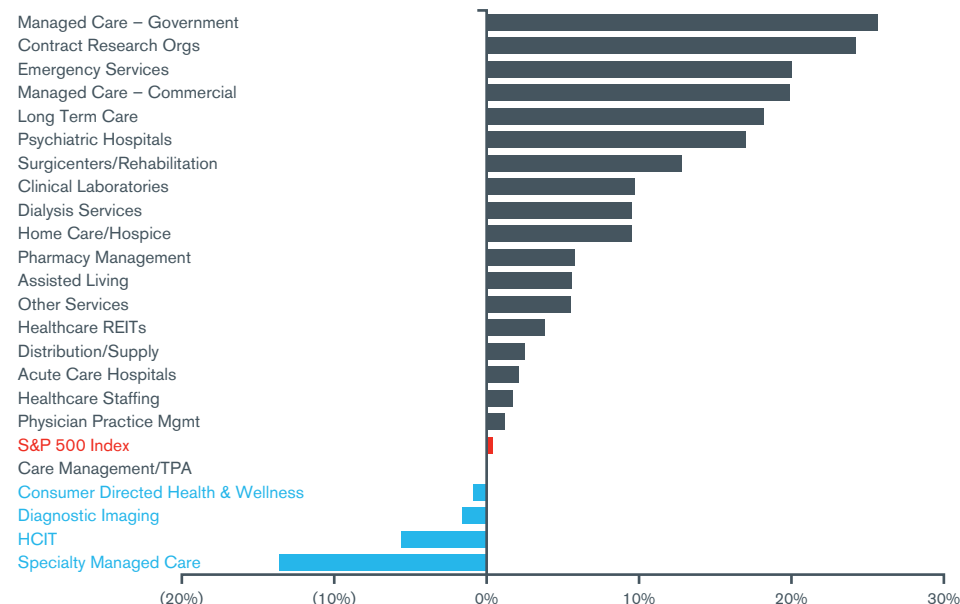
Source: Capital IQ

**MARKET INDICES**

	Value at 3/31/15	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$17,776.1	(0.3%)	(0.3%)	8.0%	34.5%
S&P 500 Index	2,067.9	0.4%	0.4%	10.4%	46.8%
NASDAQ Composite Index	4,900.9	3.5%	3.5%	16.7%	58.5%
Russell 2000 Index	1,252.8	4.0%	4.0%	6.8%	50.9%
AMEX Sector Index – Healthcare	108.4	8.1%	8.1%	(15.8%)	18.7%
S&P Healthcare Facilities (Sub Ind) Index	433.6	2.8%	2.8%	44.2%	149.2%
S&P Healthcare Providers & Services (Industry) Index	657.6	8.9%	8.9%	42.7%	131.3%
S&P Managed Healthcare (Sub Ind) Index	449.8	22.8%	22.8%	85.8%	119.7%
S&P Healthcare Services	441.6	7.5%	7.5%	20.9%	78.1%

Source: Capital IQ

**Median % Change – 3 months**



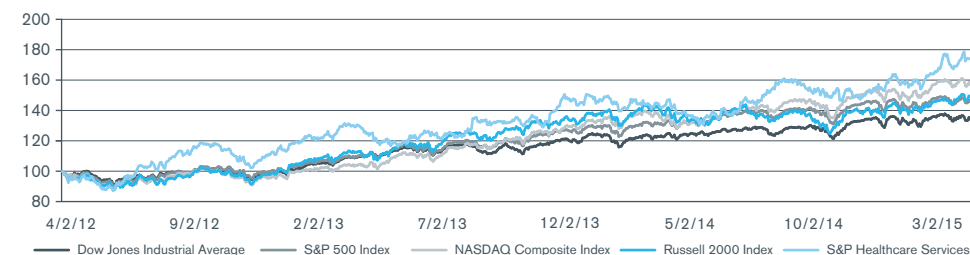
Source: Capital IQ

**INTEREST RATES**

	Value at 3/31/15	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 5 Months	0.00%	0.00%	0.00%	0.00%
U.S. Treasury – 2 years	0.56%	0.00%	0.69%	0.44%
U.S. Treasury – 5 years	1.38%	1.50%	1.66%	1.73%
U.S. Treasury – 10 years	1.93%	2.00%	2.17%	2.72%
U.S. Treasury – 30 years	2.55%	2.60%	2.75%	2.75%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

**Performance of Market Indices for Latest 36 months**



Source: Capital IQ

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 3/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Acute Care Hospitals</b>																	
Community Health Systems, Inc.	CYH	\$52.28	(3.0%)	33.5%	\$57.72	\$34.55	\$6,104	\$23,190	\$18,639.0	\$2,737.0	\$1.32	\$3.90	1.24x	8.5x	39.6x	13.4x	0.78x
HCA Holdings, Inc.	HCA	75.23	2.5%	43.3%	78.44	47.79	31,559	62,169	36,918.0	7,385.0	4.16	4.93	1.68x	8.4x	18.1x	15.3x	1.21x
Lifepoint Hospitals Inc.	LPNT	73.45	2.1%	34.6%	77.84	50.51	3,246	5,388	4,483.1	577.0	2.69	3.97	1.20x	9.3x	27.3x	18.5x	1.74x
Tenet Healthcare Corp.	THC	49.51	(2.3%)	15.7%	63.61	37.95	4,909	17,058	16,615.0	1,952.0	0.34	2.05	1.03x	8.7x	NM	24.2x	2.44x
Universal Health Services Inc.	UHS	117.71	5.8%	43.4%	121.95	73.06	11,647	15,188	8,065.3	1,475.1	5.42	6.42	1.88x	10.3x	21.7x	18.3x	1.84x
<b>Median</b>			<b>2.1%</b>	<b>34.6%</b>									<b>1.24x</b>	<b>8.7x</b>	<b>24.5x</b>	<b>18.3x</b>	<b>1.74x</b>
<b>Assisted Living</b>																	
AdCare Health Systems Inc.	ADK	\$4.38	9.2%	5.3%	\$5.05	\$3.58	\$84	\$232	\$193.3	\$9.8	(\$0.82)	NM	1.20x	23.6x	NM	NM	NM
Brookdale Senior Living Inc.	BKD	37.76	3.0%	12.7%	38.96	29.50	6,929	13,092	3,343.5	605.1	(1.01)	(1.42)	3.92x	21.6x	NM	NM	NM
Capital Senior Living Corp.	CSU	25.94	4.1%	(0.2%)	26.85	20.33	755	1,388	380.1	63.7	(0.83)	0.44	3.65x	21.8x	NM	NM	NM
Five Star Quality Care Inc.	FVE	4.44	7.0%	(8.6%)	5.35	3.23	218	268	1,109.0	14.9	(1.65)	0.02	0.24x	18.0x	NM	NM	NM
<b>Median</b>			<b>5.6%</b>	<b>2.5%</b>									<b>2.43x</b>	<b>21.7x</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>
<b>Care Management / TPA</b>																	
Alere Inc.	ALR	\$48.90	28.7%	42.4%	\$49.47	\$31.94	\$4,131	\$8,088	\$2,576.9	\$499.8	(\$2.28)	\$2.43	3.14x	16.2x	NM	20.2x	1.34x
Care.com, Inc.	CRCM	7.58	(8.5%)	(54.2%)	18.37	6.50	241	169	116.7	(31.5)	(2.77)	(0.64)	1.45x	NM	NM	NM	NM
CorVel Corporation	CRVL	34.41	(7.5%)	(30.8%)	52.63	28.08	702	671	490.7	66.8	1.49	1.62	1.37x	10.0x	23.1x	21.3x	NM
Crawford & Company	CRD.B	8.64	(16.0%)	(20.8%)	12.22	8.04	444	555	1,142.9	87.2	0.55	0.70	0.49x	6.4x	15.7x	12.3x	1.23x
ExamWorks Group, Inc.	EXAM	41.62	0.1%	18.9%	44.00	27.79	1,713	2,138	775.6	108.4	0.25	0.42	2.76x	19.7x	NM	NM	NM
Hooper Holmes Inc.	HH	0.52	1.0%	(11.9%)	0.83	0.44	37	32	28.5	(6.1)	(0.08)	NM	1.11x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	66.76	21.7%	48.8%	66.93	37.94	4,397	4,248	1,761.4	277.0	2.25	2.45	2.41x	15.3x	29.7x	27.2x	1.48x
<b>Median</b>			<b>0.1%</b>	<b>(11.9%)</b>									<b>1.45x</b>	<b>15.3x</b>	<b>23.1x</b>	<b>20.7x</b>	<b>1.34x</b>

Source: Capital IQ as of March 31, 2015; For definitions, see page 9

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 3/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Clinical Laboratories</b>																	
Bio-Reference Laboratories Inc.	BRLI	\$35.24	9.7%	27.3%	\$36.75	\$24.19	\$979	\$1,012	\$859.8	\$115.5	\$1.81	\$2.08	1.18x	8.8x	19.5x	16.9x	0.98x
Invitae Corporation	NVTA	16.76	NM	NM	22.35	16.30	533	632	1.6	(45.0)	(56.14)	(2.13)	394.01x	NM	NM	NM	NM
Laboratory Corp. of America Holdings	LH	126.09	16.9%	28.4%	131.19	95.12	12,647	15,114	6,011.6	1,167.6	5.91	7.60	2.51x	12.9x	21.3x	16.6x	1.72x
Psychemedics Corp.	PMD	16.59	9.5%	(3.2%)	17.47	12.42	89	92	29.2	5.5	0.60	NM	3.14x	16.7x	27.7x	NM	NM
Quest Diagnostics Inc.	DGX	76.85	14.6%	32.7%	78.33	54.90	11,090	14,717	7,435.0	1,409.0	3.78	4.76	1.98x	10.4x	20.3x	16.1x	1.74x
Sonic Healthcare Limited	SHL	15.59	3.0%	(2.6%)	15.96	12.58	6,266	7,788	3,297.2	584.6	0.77	0.82	2.36x	13.3x	21.6x	19.1x	2.66x
<b>Median</b>			<b>9.7%</b>	<b>27.3%</b>									<b>2.44x</b>	<b>12.9x</b>	<b>21.3x</b>	<b>16.8x</b>	<b>1.73x</b>
<b>Contract Research Orgs</b>																	
Albany Molecular Research Inc.	AMRI	\$17.60	8.1%	(5.3%)	\$23.95	\$13.73	\$574	\$688	\$276.6	\$34.2	(\$0.10)	\$0.82	2.49x	20.1x	NM	21.4x	2.68x
Charles River Laboratories International, Inc.	CRL	79.29	24.6%	31.4%	84.69	49.60	3,752	4,386	1,297.7	288.6	2.70	3.60	3.38x	15.2x	29.4x	22.1x	2.14x
ICON Public Limited Company	ICLR	70.53	38.3%	48.3%	72.40	35.33	4,239	4,023	1,503.3	263.7	2.73	3.53	2.68x	15.3x	25.8x	20.0x	1.04x
INC Research Holdings, Inc.	INCR	32.73	27.4%	NM	34.54	19.61	2,005	2,298	809.7	149.5	(0.51)	1.25	2.84x	15.4x	NM	26.3x	1.21x
PAREXEL International Corporation	PRXL	68.99	24.2%	27.5%	70.73	41.79	3,780	3,825	1,993.9	297.1	2.66	2.92	1.92x	12.9x	26.0x	23.6x	1.33x
PRA Health Sciences, Inc.	PRAH	28.84	19.1%	NM	31.99	18.47	1,725	2,608	1,266.6	154.3	(0.83)	1.42	2.06x	16.9x	NM	20.3x	1.08x
Quintiles Transnational Holdings Inc.	Q	66.97	13.8%	31.9%	69.97	46.27	8,358	9,784	4,165.8	720.4	2.72	3.09	2.35x	13.6x	24.6x	21.6x	1.63x
<b>Median</b>			<b>24.2%</b>	<b>31.4%</b>									<b>2.49x</b>	<b>15.3x</b>	<b>25.9x</b>	<b>21.6x</b>	<b>1.33x</b>
<b>Diagnostic Imaging</b>																	
Alliance Healthcare Services, Inc.	AIQ	\$22.18	5.7%	(33.9%)	\$34.46	\$18.92	\$234	\$767	\$436.4	\$121.7	\$0.98	NM	1.76x	6.3x	22.6x	NM	NM
American Shared Hospital Services	AMS	2.54	(9.6%)	(21.4%)	3.24	1.98	14	29	15.4	8.0	(0.19)	NM	1.87x	3.6x	NM	NM	NM
RadNet, Inc.	RDNT	8.40	(1.6%)	195.8%	10.35	2.82	367	966	717.6	114.9	0.03	0.51	1.35x	8.4x	NM	16.4x	1.64x
<b>Median</b>			<b>(1.6%)</b>	<b>(21.4%)</b>									<b>1.76x</b>	<b>6.3x</b>	<b>22.6x</b>	<b>16.4x</b>	<b>1.64x</b>
<b>Dialysis Services</b>																	
DaVita HealthCare Partners Inc.	DVA	\$81.28	7.3%	18.1%	\$83.04	\$66.60	\$17,540	\$25,762	\$12,780.7	\$2,399.8	\$3.33	\$3.76	2.02x	10.7x	24.4x	21.6x	1.84x
Fresenius Medical Care AG & Co. KGAA	FME	82.93	11.7%	18.6%	87.10	50.27	25,182	34,168	16,134.3	2,928.4	3.45	3.64	2.12x	11.7x	27.1x	22.8x	2.18x
<b>Median</b>			<b>9.5%</b>	<b>18.3%</b>									<b>2.07x</b>	<b>11.2x</b>	<b>25.7x</b>	<b>22.2x</b>	<b>2.01x</b>

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Distribution / Supply</b>																	
Aceto Corp.	ACET	\$22.00	1.4%	9.5%	\$23.78	\$16.52	\$640	\$710	\$519.0	\$49.1	\$0.77	\$1.18	1.37x	14.5x	28.5x	18.6x	NM
AmerisourceBergen Corporation	ABC	113.67	26.1%	73.3%	114.73	62.55	24,963	24,660	123,981.4	1,407.1	0.15	4.77	0.20x	17.5x	NM	23.9x	1.86x
Cardinal Health, Inc.	CAH	90.27	11.8%	29.0%	91.59	63.06	29,801	30,896	93,928.0	2,441.0	3.24	4.62	0.33x	12.7x	27.9x	19.5x	1.95x
Henry Schein, Inc.	HSIC	139.62	2.5%	17.0%	143.89	109.34	11,700	12,910	10,371.4	867.4	5.44	5.93	1.24x	14.9x	25.7x	23.6x	2.14x
McKesson Corporation	MCK	226.20	9.0%	28.1%	232.69	162.90	52,670	60,010	173,870.0	3,921.0	7.31	12.03	0.35x	15.3x	30.9x	18.8x	1.17x
Owens & Minor Inc.	OMI	33.84	(3.6%)	(3.4%)	36.35	31.55	2,136	2,688	9,440.2	238.0	1.06	1.93	0.28x	11.3x	31.9x	17.6x	2.29x
Patterson Companies, Inc.	PDCO	48.79	1.4%	16.8%	51.49	37.03	4,898	5,282	4,328.2	410.2	2.14	2.40	1.22x	12.9x	22.8x	20.4x	2.05x
<b>Median</b>			<b>2.5%</b>	<b>17.0%</b>									<b>0.35x</b>	<b>14.5x</b>	<b>28.2x</b>	<b>19.5x</b>	<b>2.00x</b>
<b>Emergency Services</b>																	
Adeptus Health Inc.	ADPT	\$50.22	34.3%	NM	\$50.62	\$23.35	\$495	\$656	\$210.7	\$9.3	(\$0.34)	\$0.56	3.11x	NM	NM	NM	NM
Air Methods Corp.	AIRM	46.59	5.8%	(12.8%)	60.74	40.31	1,829	2,468	1,004.8	264.5	2.56	3.04	2.46x	9.3x	18.2x	15.3x	0.80x
<b>Median</b>			<b>20.0%</b>	<b>(12.8%)</b>									<b>2.78x</b>	<b>9.3x</b>	<b>18.2x</b>	<b>15.3x</b>	<b>0.80x</b>
<b>HCIT</b>																	
Allscripts Healthcare Solutions, Inc.	MDRX	\$11.96	(6.3%)	(33.7%)	\$18.40	\$11.00	\$2,159	\$2,682	\$1,377.9	\$56.9	(\$0.37)	\$0.45	1.95x	47.1x	NM	26.7x	1.18x
athenahealth, Inc.	ATHN	119.39	(18.1%)	(25.5%)	168.18	97.30	4,560	4,654	752.6	61.6	(0.08)	1.16	6.18x	75.6x	NM	NM	NM
Cerner Corporation	CERN	73.26	13.3%	30.2%	74.83	48.39	25,098	23,807	3,312.8	962.0	1.50	2.11	7.19x	24.7x	48.8x	34.7x	1.94x
Computer Programs & Systems Inc.	CPSI	54.26	(10.7%)	(16.0%)	67.42	47.40	614	580	204.7	53.3	2.94	2.70	2.83x	10.9x	18.5x	20.1x	1.55x
Healthstream Inc.	HSTM	25.20	(14.5%)	(5.6%)	32.17	20.76	698	577	170.7	28.1	0.37	0.31	3.38x	20.5x	NM	82.0x	4.10x
HMS Holdings Corp.	HMSY	15.45	(26.9%)	(18.9%)	23.69	15.10	1,365	1,430	443.2	88.0	0.16	0.60	3.23x	16.3x	NM	25.7x	1.11x
Inovalon Holdings, Inc.	INOV	30.21	NM	NM	33.75	25.89	4,460	4,597	361.5	130.2	0.49	0.55	12.72x	35.3x	NM	55.3x	2.55x
MedAssets, Inc.	MDAS	18.82	(4.8%)	(23.8%)	25.57	17.00	1,133	2,011	720.2	215.3	(0.34)	1.19	2.79x	9.3x	NM	15.8x	1.47x
Medical Transcription Billing, Corp.	MTBC	2.14	(8.5%)	NM	5.00	1.96	24	25	18.3	(1.7)	(0.64)	0.06	1.36x	NM	NM	35.7x	NM
Medidata Solutions, Inc.	MDSO	49.04	2.7%	(9.8%)	58.61	32.10	2,668	2,637	335.1	36.3	0.11	0.87	7.87x	72.7x	NM	56.3x	2.18x
Merge Healthcare Incorporated	MRGE	4.47	25.6%	83.2%	4.73	1.97	431	615	212.3	35.9	(0.00)	0.21	2.90x	17.1x	NM	21.6x	0.55x
National Research Corp.	NRCI.B	31.68	(11.9%)	(27.8%)	44.95	30.20	412	380	98.8	32.2	0.74	2.84	3.84x	11.8x	42.9x	11.1x	0.93x
Premier, Inc.	PINC	37.58	12.1%	14.1%	39.20	26.52	1,404	1,092	939.8	315.4	17.95	1.49	1.16x	3.5x	2.1x	25.2x	2.28x
Quality Systems Inc.	QSII	15.98	2.5%	(5.3%)	18.89	13.01	963	839	477.0	43.0	0.36	0.64	1.76x	19.5x	44.4x	25.0x	1.79x
The Advisory Board Company	ABCO	53.28	8.8%	(17.1%)	66.04	37.47	2,248	2,160	581.6	49.9	(0.07)	1.28	3.71x	43.3x	NM	41.5x	2.43x
<b>Median</b>			<b>(5.6%)</b>	<b>(16.0%)</b>									<b>3.23x</b>	<b>20.0x</b>	<b>42.9x</b>	<b>26.2x</b>	<b>1.79x</b>

Source: Capital IQ as of March 31, 2015; For definitions, see page 9

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Consumer Directed Health &amp; Wellness</b>																	
Benefitfocus, Inc.	BNFT	\$36.79	12.0%	(21.7%)	\$49.34	\$19.58	\$1,047	\$1,045	\$137.4	(\$51.7)	(\$2.51)	(\$2.13)	7.60x	NM	NM	NM	NM
Castlight Health, Inc.	CSLT	7.76	(33.7%)	(63.4%)	24.95	6.52	713	521	45.6	(84.8)	(1.16)	(0.70)	11.41x	NM	NM	NM	NM
Connecture, Inc.	CNXR	10.35	14.9%	NM	11.00	8.04	225	249	84.6	(0.5)	(10.27)	(0.08)	2.95x	NM	NM	NM	NM
Everyday Health, Inc.	EVDY	12.86	(12.8%)	(8.1%)	19.89	10.86	405	445	184.3	20.5	0.17	0.74	2.41x	21.7x	NM	17.4x	0.56x
HealthEquity, Inc.	HQY	24.99	(1.8%)	NM	27.74	16.11	1,376	1,265	87.9	22.8	0.21	0.28	14.40x	55.6x	NM	89.6x	2.76x
Healthways Inc.	HWAY	19.70	(0.9%)	14.9%	23.30	13.99	703	953	742.2	48.6	(0.16)	0.40	1.28x	19.6x	NM	49.3x	2.29x
IMS Health Holdings, Inc.	IMS	27.07	5.6%	NM	28.48	21.63	9,090	12,493	2,641.0	600.0	(0.59)	1.44	4.73x	20.8x	NM	18.8x	1.71x
Streamline Health Solutions, Inc.	STRM	3.55	(18.0%)	(29.4%)	5.77	3.22	66	75	27.5	(10.8)	(0.50)	(0.36)	2.73x	NM	NM	NM	NM
WebMD Health Corp.	WBMD	43.84	10.8%	5.9%	53.30	34.48	1,554	1,800	580.4	113.2	0.97	1.57	3.10x	15.9x	45.0x	28.0x	2.40x
<b>Median</b>			<b>(0.9%)</b>	<b>(14.9%)</b>									<b>3.10x</b>	<b>20.8x</b>	<b>45.0x</b>	<b>28.0x</b>	<b>2.29x</b>
<b>Healthcare REITs</b>																	
Aviv REIT, Inc.	AVIV	\$36.50	5.9%	49.3%	\$40.33	\$23.83	\$1,769	\$3,091	\$182.4	\$150.4	\$0.77	\$1.11	16.95x	20.6x	47.3x	32.9x	4.65x
CareTrust REIT, Inc.	CTRE	13.56	10.0%	NM	22.35	11.12	428	761	58.9	40.5	(0.36)	0.23	12.92x	18.8x	NM	59.0x	NM
HCP, Inc.	HCP	43.21	(1.9%)	11.4%	49.61	38.49	19,910	29,755	2,266.3	1,781.4	1.94	1.92	13.13x	16.7x	22.3x	22.5x	7.58x
Health Care REIT, Inc.	HCN	77.36	2.2%	29.8%	84.88	58.91	27,084	38,829	3,305.9	1,717.4	1.43	1.83	11.75x	22.6x	NM	42.2x	8.02x
Healthcare Realty Trust Incorporated	HR	27.78	1.7%	15.0%	31.20	23.41	2,767	4,168	370.6	219.8	0.35	0.46	11.24x	19.0x	NM	60.9x	15.24x
LTC Properties Inc.	LTC	46.00	6.6%	22.2%	48.85	36.46	1,635	1,930	118.4	106.5	1.99	1.97	16.30x	18.1x	23.1x	23.4x	4.44x
National Health Investors Inc.	NHI	71.01	1.5%	17.4%	76.98	56.53	2,668	3,542	177.4	167.5	3.04	3.36	19.96x	21.1x	23.4x	21.2x	3.54x
Newcastle Investment Corp.	NCT	4.85	8.0%	(82.8%)	30.84	4.00	322	–	410.5	NA	1.00	0.55	–	NA	4.9x	8.8x	(0.19x)
Omega Healthcare Investors Inc.	OHI	40.57	3.8%	21.0%	45.46	33.22	5,624	7,998	504.8	467.2	1.74	1.80	15.84x	17.1x	23.3x	22.5x	6.38x
Sabra Health Care REIT, Inc.	SBRA	33.15	9.2%	18.9%	34.44	24.01	1,964	2,989	183.5	157.9	0.78	1.44	16.28x	18.9x	42.5x	23.0x	4.16x
Senior Housing Properties Trust	SNH	22.19	0.4%	(1.2%)	24.60	20.72	5,214	7,987	844.9	474.4	0.81	0.36	9.45x	16.8x	27.4x	61.1x	15.17x
Universal Health Realty Income Trust	UHT	56.25	16.9%	33.2%	57.55	41.15	748	960	62.2	42.5	3.99	1.00	15.43x	22.6x	14.1x	56.1x	NM
Ventas, Inc.	VTR	73.02	1.8%	20.6%	81.93	60.38	24,159	35,238	3,071.3	1,663.1	1.59	1.81	11.47x	21.2x	45.9x	40.2x	8.76x
<b>Median</b>			<b>3.8%</b>	<b>19.7%</b>									<b>13.13x</b>	<b>18.9x</b>	<b>23.3x</b>	<b>32.9x</b>	<b>6.38x</b>

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Healthcare Staffing</b>																	
AMN Healthcare Services Inc.	AHS	\$23.07	17.7%	67.9%	\$23.75	\$10.35	\$1,089	\$1,245	\$1,036.0	\$83.9	\$0.69	\$0.90	1.20x	14.8x	33.4x	25.6x	2.14x
Cross Country Healthcare, Inc.	CCRN	11.86	(5.0%)	47.0%	13.51	5.26	379	448	617.8	15.8	(1.02)	0.28	0.73x	NM	NM	42.7x	4.27x
Envision Healthcare Holdings, Inc.	EVHC	38.35	10.6%	13.4%	39.00	30.36	7,062	8,789	4,397.6	551.1	0.66	1.46	2.00x	15.9x	NM	26.3x	1.42x
IPC Healthcare, Inc.	IPCM	46.64	1.6%	(5.0%)	50.66	36.12	806	871	694.0	72.6	2.21	2.20	1.26x	12.0x	21.1x	21.2x	1.06x
Team Health Holdings, Inc.	TMH	58.51	1.7%	30.7%	63.13	43.18	4,176	4,963	2,819.6	291.8	1.35	2.60	1.76x	17.0x	43.3x	22.5x	1.44x
<b>Median</b>			<b>1.7%</b>	<b>30.7%</b>									<b>1.26x</b>	<b>15.4x</b>	<b>33.4x</b>	<b>25.6x</b>	<b>1.44x</b>
<b>Home Care / Hospice</b>																	
Addus HomeCare Corporation	ADUS	\$23.02	(5.2%)	(0.1%)	\$24.68	\$17.02	\$252	\$242	\$312.9	\$22.9	\$1.08	\$1.28	0.77x	10.5x	21.3x	18.0x	1.20x
Almost Family Inc.	AFAM	44.71	54.4%	93.5%	45.93	19.74	424	467	495.8	27.7	1.47	2.04	0.94x	16.8x	30.4x	22.0x	2.00x
Amedisys Inc.	AMED	26.78	(8.8%)	79.9%	31.27	12.86	902	1,011	1,188.3	66.3	0.40	1.06	0.85x	15.2x	NM	25.2x	2.29x
Chemed Corp.	CHE	119.40	13.0%	33.5%	124.35	80.94	2,030	2,163	1,456.3	196.8	5.57	6.57	1.49x	11.0x	21.4x	18.2x	1.82x
LHC Group, Inc.	LHCG	33.03	5.9%	49.7%	35.40	19.69	588	663	717.9	59.7	1.26	1.61	0.92x	11.1x	26.2x	20.5x	1.24x
Providence Service Corp.	PRSC	53.12	45.8%	87.8%	53.60	28.07	845	1,260	1,481.2	73.1	1.35	1.70	0.85x	17.2x	39.3x	31.2x	1.95x
<b>Median</b>			<b>9.5%</b>	<b>64.8%</b>									<b>0.89x</b>	<b>13.18x</b>	<b>26.21x</b>	<b>21.21x</b>	<b>1.89x</b>
<b>Long Term Care</b>																	
Diversicare Healthcare Services Inc.	DVCR	\$13.85	46.6%	120.9%	\$13.95	\$5.75	\$85	\$131	\$344.2	\$20.3	\$0.20	NM	0.38x	6.4x	NM	NM	NM
Kindred Healthcare Inc.	KND	23.79	30.9%	1.6%	26.81	16.94	1,885	4,542	5,027.6	342.8	(0.24)	1.39	0.90x	13.2x	NM	17.2x	1.12x
National Healthcare Corp.	NHC	63.71	1.4%	14.2%	66.00	50.91	899	913	871.7	104.6	3.14	3.40	1.05x	8.7x	20.3x	18.7x	NM
The Ensign Group, Inc.	ENSG	46.86	5.6%	7.4%	48.00	26.02	1,177	1,188	1,027.4	99.4	1.56	2.36	1.16x	12.0x	30.0x	19.9x	1.33x
<b>Median</b>			<b>18.2%</b>	<b>10.8%</b>									<b>0.98x</b>	<b>10.3x</b>	<b>25.2x</b>	<b>18.7x</b>	<b>1.22x</b>
<b>Managed Care – Commercial</b>																	
Aetna Inc.	AET	\$106.53	19.9%	42.1%	\$109.90	\$66.85	\$37,467	\$45,725	\$58,003.2	\$4,737.1	\$5.68	\$7.16	0.79x	9.7x	18.8x	14.9x	1.42x
Anthem, Inc.	ANTM	154.41	22.9%	55.1%	160.64	90.75	41,195	55,710	73,874.1	5,571.7	8.96	9.85	0.75x	10.0x	17.2x	15.7x	1.42x
Cigna Corp.	CI	129.44	25.8%	54.6%	131.13	73.47	33,463	37,300	34,914.0	3,885.0	7.83	8.31	1.07x	9.6x	16.5x	15.6x	1.32x
Health Net, Inc.	HNT	60.49	13.0%	77.9%	61.55	30.39	4,652	4,282	14,008.6	349.5	1.80	3.26	0.31x	12.3x	33.6x	18.5x	0.89x
Humana Inc.	HUM	178.02	23.9%	57.9%	183.05	103.89	26,637	28,861	48,500.0	2,620.0	7.36	8.87	0.60x	11.0x	24.2x	20.1x	1.74x
UnitedHealth Group Incorporated	UNH	118.29	17.0%	44.3%	123.76	73.61	112,813	124,167	130,474.0	11,330.0	5.70	6.20	0.95x	11.0x	20.8x	19.1x	1.69x
Universal American Corp	UAM	10.68	15.1%	51.1%	10.86	6.88	863	879	2,042.5	5.0	(0.35)	0.21	0.43x	NM	NM	NM	NM
<b>Median</b>			<b>19.9%</b>	<b>54.6%</b>									<b>0.75x</b>	<b>10.5x</b>	<b>19.8x</b>	<b>17.1x</b>	<b>1.42x</b>

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Managed Care – Government</b>																	
Centene Corp.	CNC	\$70.69	36.1%	127.1%	\$71.66	\$27.56	\$8,401	\$7,895	\$15,689.0	\$575.0	\$2.23	\$2.77	0.50x	13.7x	31.7x	25.5x	1.56x
Molina Healthcare, Inc.	MOH	67.29	25.7%	79.2%	67.58	32.86	3,359	2,725	9,372.2	268.6	1.30	2.52	0.29x	10.1x	NM	26.7x	0.87x
WellCare Health Plans, Inc.	WCG	91.46	11.5%	44.0%	95.09	55.43	4,020	3,606	12,959.9	242.7	1.44	3.69	0.28x	14.9x	NM	24.8x	1.95x
Median			25.7%	79.2%									0.29x	13.7x	31.7x	25.5x	1.56x
<b>Other Services</b>																	
Healthcare Services Group Inc.	HCSG	\$32.13	3.9%	10.6%	\$34.75	\$25.51	\$2,290	\$2,203	\$1,293.2	\$74.8	\$0.31	\$0.99	1.70x	29.5x	NM	32.6x	2.04x
PDI, Inc.	PDII	1.35	(24.6%)	(70.5%)	5.44	1.30	21	24	119.9	(9.2)	(0.63)	(1.54)	0.20x	NM	NM	NM	NM
Sharps Compliance Corp.	SMED	6.35	49.1%	38.6%	6.80	3.80	99	82	28.4	1.2	0.08	0.14	2.90x	71.2x	NM	45.4x	1.70x
Stericycle, Inc.	SRCL	140.43	7.1%	23.6%	141.44	108.62	11,928	13,587	2,555.6	717.0	3.79	4.67	5.32x	18.9x	37.1x	30.1x	2.00x
Median			5.5%	17.1%									2.30x	29.5x	37.1x	32.6x	2.00x
<b>Pharmacy Management</b>																	
BioScrip, Inc.	BIOS	\$4.43	(36.6%)	(36.5%)	\$8.75	\$3.41	\$304	\$727	\$984.1	(\$44.3)	(\$2.09)	(\$0.02)	0.74x	NM	NM	NM	NM
Catamaran Corporation	CCT	59.55	14.7%	32.8%	60.19	32.00	12,387	12,773	21,581.9	845.7	1.53	2.55	0.59x	15.1x	42.6x	23.4x	1.05x
Express Scripts Holding Company	ESRX	86.77	2.5%	15.6%	88.83	64.64	63,237	74,983	100,887.1	6,689.1	2.64	5.43	0.74x	11.2x	32.9x	16.0x	1.29x
Omnicare Inc.	OCR	77.06	5.7%	29.1%	79.70	57.00	7,484	9,446	6,417.6	741.7	1.74	4.15	1.47x	12.7x	44.4x	18.5x	1.41x
Omnicell, Inc.	OMCL	35.10	6.0%	22.6%	35.79	25.00	1,269	1,144	440.9	66.6	0.83	1.36	2.59x	17.2x	42.3x	25.8x	1.46x
PharMerica Corporation	PMC	28.19	36.1%	0.8%	30.48	19.42	850	1,168	1,894.5	123.3	0.22	1.62	0.62x	9.5x	NM	17.4x	1.74x
Median			5.8%	19.1%									0.74x	12.7x	42.4x	18.5x	1.41x
<b>Physician Practice Mgmt</b>																	
Birner Dental Management Services Inc.	BDMS	\$13.90	(7.3%)	(22.8%)	\$18.40	\$12.05	\$26	\$35	\$65.1	\$3.6	(\$0.50)	NM	0.54x	9.9x	NM	NM	NM
MEDNAX, Inc.	MD	72.51	9.7%	17.0%	74.57	49.82	6,802	7,318	2,438.9	559.0	3.18	3.53	3.00x	13.1x	22.8x	20.6x	1.42x
Median			1.2%	(2.9%)									1.77x	11.5x	22.8x	20.6x	1.42x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Psychiatric Hospitals</b>																	
AAC Holdings, Inc.	AAC	\$30.58	(1.1%)	NM	\$38.43	\$17.91	\$666	\$652	\$121.6	\$16.8	\$0.41	\$0.60	NM	NM	NM	NM	NM
Acadia Healthcare Company, Inc.	ACHC	71.60	17.0%	58.7%	73.81	38.76	4,725	5,728	1,004.6	205.4	1.50	2.09	NM	NM	47.7x	34.3x	1.50x
Magellan Health, Inc.	MGLN	70.82	18.0%	19.3%	71.00	52.37	1,888	1,819	3,760.1	220.3	2.90	3.00	0.48x	8.3x	24.4x	23.6x	1.39x
Median			17.0%	39.0%									0.48x	8.3x	36.1x	29.0x	1.45x
<b>Specialty Managed Care</b>																	
Assurant Inc.	AIZ	\$61.41	(10.3%)	(5.5%)	\$69.94	\$59.82	\$4,229	\$4,177	\$10,381.7	\$934.7	\$6.44	\$6.11	0.40x	4.5x	9.5x	10.1x	1.62x
Triple-S Management Corporation	GTS	19.88	(16.9%)	23.2%	25.49	14.70	529	493	2,320.1	101.9	2.41	1.36	0.21x	4.8x	8.2x	14.6x	1.65x
Median			(13.6%)	8.9%									0.31x	4.7x	8.9x	12.3x	1.63x
<b>Surgicenters / Rehabilitation</b>																	
AmSurg Corp.	AMSG	\$61.52	12.4%	30.7%	\$65.03	\$40.00	\$2,919	\$5,731	\$1,621.9	\$478.1	\$1.27	\$3.25	3.53x	12.0x	48.3x	18.9x	1.15x
Civitas Solutions, Inc.	CIVI	20.94	23.0%	NM	21.12	11.88	774	1,418	1,286.4	134.1	(0.71)	0.65	1.10x	10.6x	NM	32.2x	NM
Hanger, Inc.	HGR	22.69	3.6%	(32.6%)	35.41	18.25	780	1,315	1,060.7	156.2	1.61	1.87	1.24x	8.4x	13.8x	12.1x	0.99x
HEALTHSOUTH Corp.	HLS	44.36	15.3%	23.5%	46.92	33.05	3,881	6,270	2,374.3	582.7	2.24	2.30	2.64x	10.8x	19.8x	19.3x	2.23x
The Joint Corp.	JYNT	7.87	23.4%	NM	10.50	6.00	76	55	7.1	(1.4)	(0.56)	(0.94)	7.72x	NM	NM	NM	NM
Select Medical Holdings Corporation	SEM	14.83	3.0%	19.1%	16.17	11.46	1,947	3,565	3,020.4	352.8	0.91	0.89	1.18x	10.1x	16.3x	16.7x	1.67x
Surgical Care Affiliates, Inc.	SCAI	34.33	2.0%	11.6%	36.60	26.55	1,337	2,359	850.7	221.4	1.03	1.76	2.77x	10.7x	33.3x	19.5x	1.95x
US Physical Therapy Inc.	USPH	47.50	13.2%	37.4%	50.79	29.56	589	639	301.0	52.7	1.62	1.85	2.12x	12.1x	29.4x	25.7x	1.60x
Median			12.8%	21.3%									2.38x	10.7x	24.6x	19.3x	1.64x

**Definitions**

**PEG Ratio:** Price Earnings to Growth

**EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization

**EPS:** Earnings Per Share

**Enterprise Value:** Market Capitalization + Total Debt + Preferred Equity + Minority Interest – Cash and Short-Term Investments

**LTM:** Last Twelve Months

Source: Capital IQ as of March 31, 2015

MARKET SECTOR	No. of Cos.	Ag. Eqty Mkt. Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	Rev	EBITDA	LTM	2015E	
Biotechnology	74	\$642,419	5.8%	13.9%	9.43x	13.6x	33.6x	27.2x	1.5x
Cardiology Devices	19	180,049	14.6%	22.8%	3.76x	15.4x	27.0x	24.7x	1.9x
Conglomerates	5	467,565	0.4%	2.4%	3.43x	10.9x	24.7x	19.3x	2.1x
Dental Devices	8	21,680	5.8%	23.1%	2.83x	16.2x	27.5x	22.5x	1.7x
Diagnostic Imaging Devices	4	10,541	15.5%	21.5%	1.58x	13.2x	34.9x	20.6x	1.6x
Diversified Medical Devices	20	103,965	9.5%	14.1%	3.61x	16.3x	32.9x	26.5x	2.1x
Infection Prevention Devices	2	6,158	9.1%	44.0%	3.26x	17.2x	38.7x	28.8x	1.9x
Lab Equipment	2	9,274	3.5%	23.4%	2.14x	12.1x	20.3x	25.6x	2.0x
Lab Instrumentation & Devices	4	13,648	6.5%	14.7%	3.37x	15.2x	56.0x	21.9x	2.6x
Large-Cap Pharmaceuticals	6	722,498	7.3%	18.7%	4.66x	16.0x	42.9x	17.9x	2.2x
Life Science Conglomerates	3	85,449	7.2%	13.5%	3.94x	19.4x	36.0x	19.6x	1.8x
Life Science Consumables	6	13,939	10.3%	17.5%	2.73x	14.2x	21.5x	29.5x	1.2x
Mobility Devices	4	3,581	7.4%	27.1%	1.49x	15.7x	25.6x	16.5x	1.5x
Neural Implant Devices	2	3,710	15.1%	16.8%	4.03x	14.5x	43.2x	22.2x	1.5x
Ophthalmology Devices	6	10,508	25.0%	28.0%	2.22x	19.1x	34.3x	23.6x	1.1x
Orthopedics Devices	5	58,823	(2.2%)	13.7%	3.51x	12.0x	28.0x	19.6x	2.2x
Pharmaceuticals	34	95,680	6.7%	41.5%	5.78x	16.9x	39.9x	22.5x	1.4x
Surgical Devices	6	20,739	(0.8%)	6.0%	5.17x	12.2x	44.5x	28.1x	2.0x
<b>Total / Median (\$MM)</b>	<b>210</b>	<b>\$2,470,225</b>	<b>7.3%</b>	<b>18.1%</b>	<b>3.47x</b>	<b>15.3x</b>	<b>34.0x</b>	<b>22.5x</b>	<b>1.9x</b>

Source: Capital IQ

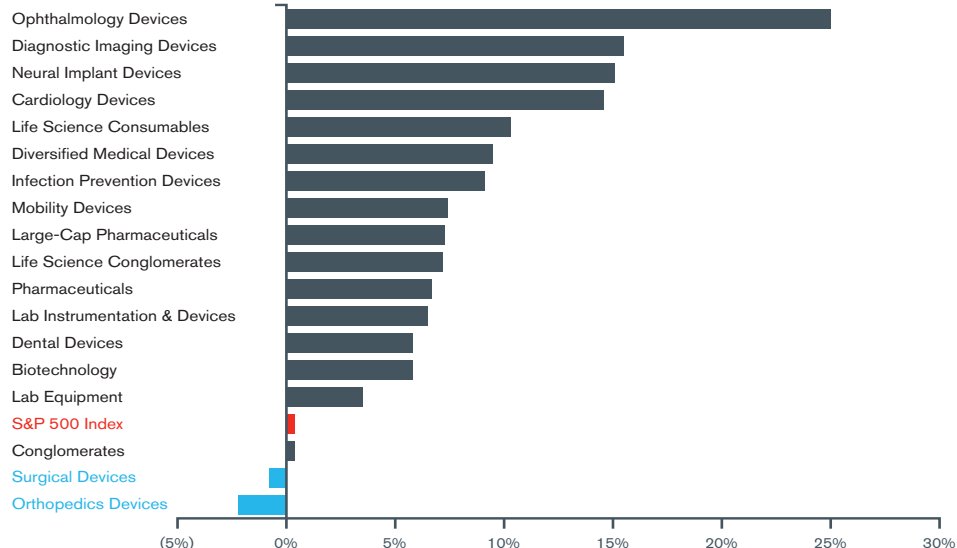
CAPITALIZATION PROFILE	No. of Cos.	Ag. Eqty Mkt. Value	% Total No. of Cos.	% Ag. Eqty Mkt. Value	Average Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	48	\$2,328,084	22.9%	94.2%	8.8%	8.8%	30.7%	118.6%
\$1 billion – \$5 billion	54	110,511	25.7%	4.5%	20.8%	20.8%	35.0%	203.2%
\$250 million – \$1 billion	50	24,415	23.8%	1.0%	12.7%	12.7%	15.1%	88.2%
\$100 million – \$250 million	36	5,860	17.1%	0.2%	12.8%	12.8%	21.5%	167.9%
< \$100 million	22	1,354	10.5%	0.1%	23.5%	23.5%	(4.2%)	92.4%
<b>Total / Median (\$MM)</b>	<b>210</b>	<b>\$2,470,225</b>	<b>100.0%</b>	<b>100.0%</b>	<b>12.8%</b>	<b>12.8%</b>	<b>21.5%</b>	<b>118.6%</b>

Source: Capital IQ

INTEREST RATES	Value at 3/31/15	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 5 Months	0.00%	0.00%	0.00%	0.00%
U.S. Treasury – 2 years	0.56%	0.00%	0.69%	0.44%
U.S. Treasury – 5 years	1.38%	1.50%	1.66%	1.73%
U.S. Treasury – 10 years	1.93%	2.00%	2.17%	2.72%
U.S. Treasury – 30 years	2.55%	2.60%	2.75%	2.75%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

### Median % Change – 3 months



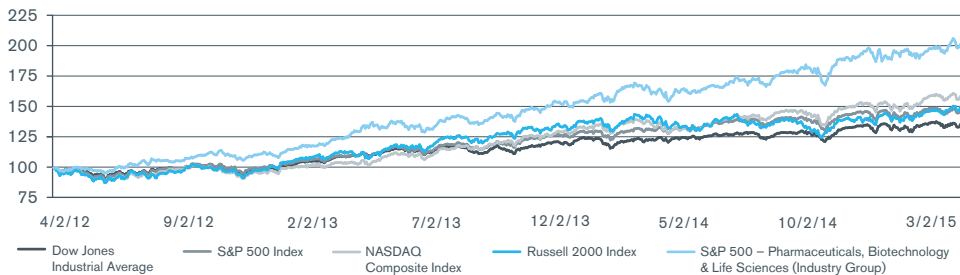
Source: Capital IQ

### MARKET INDICES

MARKET INDICES	Value at 3/31/15	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$17,776.1	(0.3%)	(0.3%)	8.0%	34.5%
S&P 500 Index	2,067.9	0.4%	0.4%	10.4%	46.8%
NASDAQ Composite Index	4,900.9	3.5%	3.5%	16.7%	58.5%
Russell 2000 Index	1,252.8	4.0%	4.0%	6.8%	50.9%
S&P Life Science Tools & Services (Industry) Index	318.1	7.2%	7.2%	10.9%	81.8%
S&P 500 Pharmaceuticals (Industry) Index	605.8	3.9%	3.9%	15.3%	74.1%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	723.0	5.9%	5.9%	24.1%	105.1%
S&P 500 Biotechnology (Industry) Index	3,921.9	5.5%	5.5%	40.2%	198.7%
Dow Jones U.S. Medical Equipment Index	975.5	5.5%	5.5%	21.8%	78.1%
<b>S&amp;P 500 – Pharmaceuticals, Biotechnology &amp; Life Sciences (Industry Group)</b>	<b>798.0</b>	<b>4.5%</b>	<b>4.5%</b>	<b>21.6%</b>	<b>98.5%</b>

Source: Capital IQ

### Performance of Market Indices for Latest 36 months



Source: Capital IQ

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 3/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Biotechnology</b>																	
Acceleron Pharma, Inc.	XLRN	\$38.06	(2.3%)	10.3%	\$48.50	\$23.61	\$1,242	\$1,066	\$14.6	(\$49.3)	(\$1.63)	(\$1.07)	NM	NM	NM	NM	NM
Acorda Therapeutics, Inc.	ACOR	33.28	(18.6%)	(12.2%)	45.45	28.26	1,417	1,400	401.5	61.6	0.42	0.63	3.49x	22.7x	79.2x	53.2x	1.74x
Adamas Pharmaceuticals, Inc.	ADMS	17.49	0.7%	NM	21.63	12.02	310	187	55.8	18.7	0.53	(2.49)	3.35x	10.0x	33.0x	NM	NM
Affimed N.V.	ADMS	6.30	1.6%	NM	9.16	3.55	151	108	4.6	(12.5)	(0.02)	(0.92)	23.65x	NM	NM	NM	NM
Akebia Therapeutics, Inc.	AKBA	11.11	(4.6%)	(43.2%)	31.00	8.47	226	117	-	(37.4)	(8.04)	(0.25)	NA	NM	NM	NM	NM
Alexion Pharmaceuticals, Inc.	ALXN	173.30	(6.3%)	13.9%	203.30	136.37	35,032	33,235	2,233.7	955.8	3.26	5.90	14.88x	34.8x	53.2x	29.4x	1.30x
Alkermes plc	ALKS	60.97	4.1%	38.3%	75.17	38.49	9,028	8,755	618.8	10.9	(0.21)	(0.42)	14.15x	NM	NM	NM	NM
Amarin Corporation plc	AMRN	2.34	138.8%	29.3%	3.33	0.78	409	516	54.2	(95.1)	(0.36)	(0.38)	9.52x	NM	NM	NM	NM
Amgen Inc.	AMGN	159.85	0.4%	29.6%	173.14	108.20	121,304	124,993	20,063.0	8,901.0	6.70	9.27	6.23x	14.0x	23.9x	17.2x	1.63x
Ascendis Pharma A/S	ASND	17.35	NM	NM	21.97	17.00	414	353	16.9	(13.9)	(9.04)	(1.29)	20.85x	NM	NM	NM	NM
Atara Biotherapeutics, Inc.	ATRA	41.57	55.4%	NM	43.66	10.10	1,013	909	-	(28.2)	(5.62)	(1.91)	NA	NM	NM	NM	NM
Athersys, Inc.	ATHX	2.88	82.3%	(11.1%)	3.50	1.08	231	205	1.6	(28.7)	(0.31)	(0.17)	NM	NM	NM	NM	NM
Auspex Pharmaceuticals, Inc.	ASPX	100.27	91.1%	226.0%	100.86	14.75	3,192	3,065	-	(50.2)	(2.68)	(2.97)	NA	NM	NM	NM	NM
Avalanche Biotechnologies, Inc.	AAVL	40.52	(25.0%)	NM	62.48	22.00	1,022	863	0.6	(24.2)	(2.46)	(2.01)	NM	NM	NM	NM	NM
Bellicum Pharmaceuticals, Inc.	BLCM	23.17	0.6%	NM	33.63	18.20	611	420	1.8	(14.0)	(34.04)	(1.26)	NM	NM	NM	NM	NM
Bio Blast Pharma Ltd.	ORPN	6.00	(6.1%)	NM	10.00	4.50	85	53	-	(7.1)	(0.57)	(1.35)	NA	NM	NM	NM	NM
Biogen Inc.	BIIB	422.24	24.4%	38.0%	480.18	272.02	99,063	97,808	9,700.3	4,604.9	12.37	16.94	10.08x	21.2x	34.1x	24.9x	1.51x
BioSpecifics Technologies Corp.	BSTC	39.15	1.4%	51.0%	42.00	22.23	264	243	14.1	7.1	0.66	NM	17.28x	34.1x	59.3x	NM	NM
Calithera Biosciences, Inc.	CALA	16.42	(18.7%)	NM	33.48	6.51	295	193	-	(21.4)	(4.67)	(2.19)	NA	NM	NM	NM	NM
Cara Therapeutics Inc.	CARA	10.05	0.8%	(46.0%)	20.70	7.53	229	177	3.2	(17.3)	(0.85)	(1.38)	NM	NM	NM	NM	NM
Celgene Corporation	CELG	115.28	3.1%	65.2%	129.06	66.85	92,292	91,621	7,670.4	3,070.5	2.39	4.77	11.94x	29.8x	48.2x	24.2x	0.96x
Cepheid	CPHD	56.90	5.1%	10.3%	60.00	36.94	4,067	4,052	470.1	12.4	(0.72)	0.23	8.62x	NM	NM	NM	NM
Coherus Biosciences, Inc.	CHRS	30.58	87.4%	NM	33.30	12.27	1,019	869	31.1	(63.9)	(10.64)	(2.94)	27.92x	NM	NM	NM	NM
ContraFect Corporation	CFRX	5.15	47.1%	NM	6.13	2.50	104	77	-	(16.0)	(3.86)	(0.93)	NA	NM	NM	NM	NM
Curis, Inc.	CRIS	2.40	60.0%	(14.9%)	3.50	1.09	259	237	9.8	(15.7)	(0.22)	(0.27)	24.12x	NM	NM	NM	NM
Dicerna Pharmaceuticals, Inc.	DRNA	24.03	45.9%	(14.9%)	28.25	8.00	428	332	-	(44.4)	(3.00)	(2.60)	NA	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	1.36	44.7%	(8.7%)	1.87	0.80	42	48	12.5	(3.4)	(0.18)	NM	3.82x	NM	NM	NM	NM
Emergent BioSolutions, Inc.	EBS	28.76	5.6%	13.8%	30.96	19.31	1,091	1,061	450.1	97.3	0.80	0.58	2.36x	10.9x	35.9x	49.4x	2.15x
Exelixis, Inc.	EXEL	2.57	78.5%	(27.4%)	4.55	1.26	503	721	25.1	(214.5)	(1.38)	(0.87)	28.71x	NM	NM	NM	NM
FibroGen, Inc.	FGEN	31.38	14.8%	NM	40.59	20.10	1,856	1,809	137.6	(45.6)	(3.17)	(1.81)	13.15x	NM	NM	NM	NM
Forward Pharma A/S	FWP	28.32	36.0%	NM	29.87	17.50	1,317	1,226	-	(19.7)	(1.79)	(1.07)	NA	NM	NM	NM	NM
Genomic Health Inc.	GHDX	30.55	(4.4%)	16.0%	37.75	23.90	983	879	275.7	(16.8)	(0.78)	(0.56)	3.19x	NM	NM	NM	NM

Source: Capital IQ as of March 31, 2015; For definitions, see page 18

## Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 3/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Biotechnology (cont.)</b>																	
Gilead Sciences Inc.	GILD	\$98.13	4.1%	38.5%	\$116.83	\$63.50	\$145,533	\$148,202	\$24,890.0	\$16,687.0	\$7.35	\$9.49	5.95x	8.9x	13.4x	10.3x	0.53x
GlycoMimetics, Inc.	GLYC	8.32	15.6%	(49.1%)	17.46	6.02	158	103	15.0	(11.0)	(0.60)	(0.62)	6.84x	NM	NM	NM	NM
Histogenics Corporation	HSGX	9.99	(9.2%)	NM	12.97	7.04	132	75	-	(31.9)	(6.85)	(2.73)	NA	NM	NM	NM	NM
Immunomedics Inc.	IMMU	3.83	(20.2%)	(9.0%)	5.48	3.04	358	336	4.4	(44.8)	(0.51)	(0.61)	NM	NM	NM	NM	NM
Immune Design Corp.	IMDZ	21.11	(31.4%)	NM	40.13	11.51	358	283	6.4	(29.6)	(4.56)	(1.76)	NM	NM	NM	NM	NM
INSYS Therapeutics, Inc.	INSY	58.13	37.9%	40.3%	62.48	20.52	2,061	1,978	222.1	66.5	1.04	1.81	8.91x	29.7x	55.9x	32.1x	1.20x
Juno Therapeutics Inc.	JUNO	60.66	16.2%	NM	64.55	34.71	5,485	5,050	-	(223.6)	(36.82)	(1.69)	NA	NM	NM	NM	NM
Ligand Pharmaceuticals Incorporated	LGND	77.11	44.9%	14.6%	79.61	41.99	1,510	1,537	64.5	23.4	0.56	1.12	23.81x	NM	NM	69.0x	2.30x
Loxo Oncology, Inc.	LOXO	12.45	6.0%	NM	16.45	9.90	207	101	-	(20.7)	(3.06)	(1.82)	NA	NM	NM	NM	NM
MacroCure Ltd.	MCUR	9.28	27.1%	NM	14.30	6.82	155	109	-	(20.3)	(2.15)	(1.44)	NA	NM	NM	NM	NM
Momenta Pharmaceuticals Inc.	MNTA	15.20	26.2%	30.5%	15.98	9.38	810	619	52.3	(90.7)	(1.91)	(0.39)	11.84x	NM	NM	NM	NM
Myriad Genetics Inc.	MYGN	35.40	3.9%	3.5%	42.50	31.56	2,518	2,352	724.9	204.4	1.45	1.80	3.25x	11.5x	24.5x	19.7x	1.41x
Neotherics, Inc.	NEOT	8.21	9.8%	NM	14.10	6.11	112	46	-	(9.6)	(5.36)	(4.09)	NA	NM	NM	NM	NM
Neurocrine Biosciences Inc.	NBIX	39.71	77.8%	146.6%	45.36	12.17	3,312	3,118	-	(63.6)	(0.81)	(1.03)	NA	NM	NM	NM	NM
Nexvet Biopharma Public Limited Company	NVET	8.03	NM	NM	11.00	7.08	91	103	0.0	(13.2)	(8.79)	(1.42)	NM	NM	NM	NM	NM
Ocular Therapeutix, Inc.	OCUL	41.99	78.5%	NM	44.19	11.90	899	839	0.8	(26.5)	(2.69)	(1.43)	NM	NM	NM	NM	NM
Osiris Therapeutics, Inc.	OSIR	17.58	9.9%	33.9%	18.86	11.80	604	565	59.9	2.7	(0.01)	0.31	9.43x	NM	NM	57.6x	NM
Otonomy, Inc.	OTIC	35.36	6.1%	NM	41.99	15.19	853	697	-	(39.4)	(5.46)	(3.01)	NA	NM	NM	NM	NM
Paratek Pharmaceuticals, Inc.	PRTK	31.26	(18.9%)	NM	39.80	16.00	451	561	4.3	(6.3)	(2.06)	(2.49)	NM	NM	NM	NM	NM
PDL BioPharma, Inc.	PDLI	7.04	(8.8%)	(15.3%)	10.26	6.52	1,145	1,303	487.5	457.8	1.86	2.20	2.67x	2.8x	3.8x	3.2x	NM
Pfenex Inc.	PFNX	15.94	122.0%	NM	18.72	5.28	327	285	10.6	(8.7)	(1.04)	(1.23)	26.80x	NM	NM	NM	NM
ProMetic Life Sciences Inc.	PLI	1.91	15.9%	77.2%	2.27	0.67	1,059	1,083	19.9	(26.3)	0.01	(0.02)	NM	NM	NM	NM	NM
ProQR Therapeutics N.V.	PRQR	21.88	1.0%	NM	27.60	11.00	511	378	0.4	(19.8)	(1.32)	(0.96)	NM	NM	NM	NM	NM
Proton Therapeutics Inc	PRTO	11.63	11.8%	NM	12.65	8.57	191	108	2.9	(7.6)	(3.16)	(1.43)	NM	NM	NM	NM	NM
Regeneron Pharmaceuticals, Inc.	REGN	451.48	10.0%	50.4%	495.50	269.50	46,245	45,803	2,819.6	891.1	3.07	10.86	16.24x	NM	NM	41.6x	2.01x
Roka Bioscience, Inc.	ROKA	3.20	(27.4%)	NM	13.00	2.97	57	23	5.1	(27.3)	(2.93)	(2.02)	4.49x	NM	NM	NM	NM
Sage Therapeutics, Inc.	SAGE	50.23	37.2%	NM	55.01	24.25	1,296	1,169	-	(33.8)	(1.67)	(2.28)	NA	NM	NM	NM	NM
Spark Therapeutics, Inc.	ONCE	77.50	NM	NM	79.50	40.16	1,902	1,910	0.6	(23.4)	(4.64)	(0.92)	NM	NM	NM	NM	NM
Spectrum Pharmaceuticals, Inc.	SPPI	6.07	(12.4%)	(22.6%)	9.27	5.65	399	362	186.8	(6.2)	(0.71)	(0.70)	1.94x	NM	NM	NM	NM
T2 Biosystems, Inc.	TTOO	15.52	(19.3%)	NM	24.50	13.40	312	259	0.1	(30.0)	(4.15)	(2.25)	NM	NM	NM	NM	NM
Targacept, Inc.	TRGT	2.97	12.9%	(37.5%)	4.88	2.25	100	(7.0)	0.3	(29.1)	(0.97)	(1.04)	NM	0.2x	NM	NM	NM
Theravance Inc.	THRX	15.72	11.1%	(49.2%)	32.98	10.58	1,834	2,319	8.4	(32.8)	(0.66)	(0.09)	NM	NM	NM	NM	NM

Source: Capital IQ as of March 31, 2015; For definitions, see page 18

## Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 3/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Biotechnology (cont.)</b>																	
Tokai Pharmaceuticals, Inc.	TKAI	\$11.30	(23.3%)	NM	\$30.00	\$9.67	\$253	\$148	-	(\$23.4)	(\$3.60)	(\$1.37)	NA	NM	NM	NM	NM
TRACON Pharmaceuticals, Inc.	TCON	14.04	NM	NM	21.00	9.02	170	194	3.6	(6.2)	(4.40)	(0.77)	NM	NM	NM	NM	NM
Ultragenyx Pharmaceutical Inc.	RARE	62.09	41.5%	27.0%	65.35	32.02	2,210	2,023	-	(56.1)	(2.25)	(2.38)	NA	NM	NM	NM	NM
United Therapeutics Corporation	UTHR	172.44	33.2%	83.4%	181.61	84.63	8,047	7,478	1,288.5	571.0	6.28	10.17	5.80x	13.1x	27.5x	17.0x	1.22x
Vanda Pharmaceuticals, Inc.	VNDA	9.30	(35.1%)	(42.8%)	17.69	8.34	387	257	50.2	(54.2)	0.55	(1.07)	5.13x	NM	16.9x	NM	NM
Vascular Biogenics Ltd.	VBLT	5.20	(12.0%)	NM	17.02	3.09	103	67	-	(14.6)	(3.09)	(0.36)	NA	NM	NM	NM	NM
Versartis, Inc.	VSAR	18.37	(18.2%)	(38.9%)	36.86	16.15	537	367	-	(46.0)	(4.39)	(3.10)	NA	NM	NM	NM	NM
Vertex Pharmaceuticals Incorporated	VRTX	117.97	(0.7%)	66.8%	136.33	59.79	28,559	28,018	580.4	(579.4)	(3.14)	(0.85)	NM	NM	NM	NM	NM
Vital Therapies, Inc.	VTL	25.01	0.3%	NM	35.20	10.66	600	498	-	(49.3)	(3.54)	(2.42)	NA	NM	NM	NM	NM
Zafgen, Inc.	ZFGN	39.61	28.4%	NM	55.36	16.01	1,064	956	-	(35.5)	(3.00)	(3.01)	NA	NM	NM	NM	NM
<b>Median</b>			<b>5.8%</b>	<b>13.9%</b>									<b>9.43x</b>	<b>13.6x</b>	<b>33.6x</b>	<b>27.2x</b>	<b>1.46x</b>
<b>Cardiology Devices</b>																	
ABIOMED, Inc.	ABMD	\$71.58	88.1%	174.9%	\$74.70	\$20.29	\$2,896	\$2,783	\$213.2	\$23.9	\$0.44	\$0.75	13.05x	NM	NM	95.9x	5.43x
AngioDynamics Inc.	ANGO	17.79	(6.4%)	13.0%	19.80	13.06	635	774	357.8	53.6	0.14	0.72	2.16x	14.4x	NM	24.7x	1.65x
Bellerophon Therapeutics LLC	BLPH	9.18	NM	NM	12.92	0.00	118	102	0.0	(59.4)	(7.56)	(4.98)	NA	NM	NM	NM	NM
Boston Scientific Corporation	BSX	17.75	34.0%	31.3%	18.17	11.10	23,770	27,442	7,308.0	1,675.0	(0.09)	0.89	3.76x	16.4x	NM	19.9x	1.91x
Cardiovascular Systems Inc.	CSII	39.04	29.8%	22.8%	39.68	23.15	1,234	1,133	160.6	(31.1)	(1.07)	(0.99)	7.05x	NM	NM	NM	NM
CareDx, Inc	CDNA	5.55	(23.5%)	NM	10.89	5.35	66	41	27.3	0.5	0.10	(0.80)	1.49x	NM	56.8x	NM	NM
Edwards Lifesciences Corp.	EW	142.46	11.8%	92.1%	150.41	72.79	15,318	14,477	2,322.9	563.4	7.48	4.21	6.23x	25.7x	19.0x	33.8x	2.32x
Greatbatch, Inc.	GB	57.85	17.3%	26.0%	57.90	42.23	1,467	1,578	687.8	128.4	2.14	2.64	2.29x	12.3x	27.0x	21.9x	1.88x
Heartware International Inc.	HTWR	87.77	19.5%	(6.4%)	97.60	69.05	1,513	1,449	278.4	(8.3)	(1.14)	(1.78)	5.21x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	8.38	9.5%	3.8%	8.40	6.48	147	128	70.4	10.6	0.23	0.26	1.82x	12.1x	36.4x	32.0x	1.73x
Lombard Medical, Inc.	EVAR	4.03	(38.0%)	NM	11.34	3.55	65	15	13.3	(33.5)	(2.39)	(1.97)	1.09x	NM	NM	NM	NM
Medtronic plc	MDT	77.99	8.0%	26.7%	79.50	55.85	111,150	108,889	17,410.0	5,704.0	3.11	4.18	6.25x	19.1x	25.0x	18.6x	2.45x
Neovasc Inc.	NVC	9.00	35.4%	48.3%	10.07	3.95	598	584	13.7	(16.2)	(0.31)	(0.27)	NM	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.43	31.2%	202.5%	0.44	0.08	146	156	0.0	(20.5)	(0.15)	(0.08)	NA	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	65.40	0.6%	0.0%	71.90	54.80	18,320	20,759	5,622.0	1,760.0	3.46	3.96	3.69x	11.8x	18.9x	16.5x	1.77x
Stereotaxis Inc.	STXS	2.05	38.5%	(51.8%)	4.74	1.32	43	54	35.0	(4.7)	(0.26)	NM	1.53x	NM	NM	NM	NM
Sunshine Heart Inc.	SSH	4.24	0.0%	(27.4%)	6.90	3.49	77	46	0.3	(25.5)	(1.51)	(1.57)	NM	NM	NM	NM	NM
Thoratec Corp.	THOR	41.89	29.1%	17.0%	42.58	22.50	2,272	2,042	477.6	85.5	0.89	1.17	4.28x	23.9x	47.1x	35.8x	3.85x
TriVascular Technologies, Inc.	TRIV	10.49	(16.5%)	NM	17.99	8.00	214	190	31.8	(49.5)	(3.95)	(2.71)	5.97x	NM	NM	NM	NM
<b>Median</b>			<b>14.6%</b>	<b>22.8%</b>									<b>3.76x</b>	<b>15.4x</b>	<b>27.0x</b>	<b>24.7x</b>	<b>1.91x</b>

Source: Capital IQ as of March 31, 2015; For definitions, see page 18

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 3/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Conglomerates</b>																	
3M Company	MMM	\$164.95	0.4%	21.6%	\$170.50	\$130.60	\$104,796	\$109,202	\$31,821.0	\$8,543.0	\$7.49	\$8.17	3.43x	12.8x	22.0x	20.2x	2.07x
Agilent Technologies Inc.	A	41.55	1.5%	(25.7%)	59.58	37.68	13,953	13,496	6,999.0	1,242.0	1.43	1.76	1.93x	10.9x	29.1x	23.6x	1.84x
Becton, Dickinson and Company	BDX	143.59	3.2%	22.6%	149.98	111.07	29,983	31,331	8,468.0	2,167.0	5.82	7.45	3.70x	14.5x	24.7x	19.3x	2.14x
Johnson & Johnson	JNJ	100.60	(3.8%)	2.4%	109.49	95.10	279,717	265,388	74,331.0	25,032.0	5.70	6.04	3.57x	10.6x	17.6x	16.7x	3.04x
Kimberly-Clark Corporation	KMB	107.11	(7.3%)	(2.8%)	119.01	103.50	39,117	45,626	19,724.0	4,218.0	3.91	5.69	2.31x	10.8x	27.4x	18.8x	2.70x
<b>Median</b>			<b>0.4%</b>	<b>2.4%</b>									<b>3.43x</b>	<b>10.9x</b>	<b>24.7x</b>	<b>19.3x</b>	<b>2.14x</b>
<b>Dental Devices</b>																	
COLTENE Holding AG	CLTN	\$77.03	21.5%	25.6%	\$79.81	\$51.52	\$325	\$328	\$163.5	\$27.7	\$3.73	\$3.93	2.00x	11.8x	20.2x	19.6x	1.72x
DENTSPLY International Inc.	XRAY	50.89	(4.5%)	10.5%	56.25	43.83	7,142	8,184	2,922.6	585.8	2.24	2.55	2.80x	14.0x	22.7x	20.0x	2.09x
Nobel Biocare Holding AG	NOBN	17.62	2.4%	22.6%	19.01	12.21	2,158	2,038	714.6	125.5	0.51	0.56	2.85x	16.2x	32.7x	31.4x	1.76x
Orthofix International N.V.	OFIX	35.89	19.4%	19.0%	36.90	26.96	673	643	407.9	52.9	1.22	1.49	1.58x	12.2x	NM	24.1x	1.20x
Osstem Implant Co., Ltd.	A048260	42.19	29.2%	94.9%	44.54	20.89	599	602	218.6	30.0	1.01	1.88	2.75x	20.1x	49.1x	22.5x	NM
Sirona Dental Systems Inc.	SIRO	89.99	3.0%	20.5%	93.51	72.11	5,218	4,931	1,165.4	269.1	3.16	4.10	4.23x	18.3x	28.5x	22.0x	1.64x
Straumann Holding AG	STMN	274.10	8.6%	28.9%	288.01	180.64	4,280	4,010	715.0	172.6	10.10	9.09	5.61x	23.2x	26.5x	30.2x	2.62x
Tornier N.V.	TRNX	26.22	2.8%	23.6%	28.53	16.68	1,284	1,332	345.0	24.3	(0.60)	(0.32)	3.86x	NM	NM	NM	NM
<b>Median</b>			<b>5.8%</b>	<b>23.1%</b>									<b>2.83x</b>	<b>16.2x</b>	<b>27.5x</b>	<b>22.5x</b>	<b>1.74x</b>
<b>Orthopedics Devices</b>																	
Exactech Inc.	EXAC	\$25.63	8.7%	13.7%	\$26.52	\$19.87	\$357	\$370	\$248.4	\$44.8	\$1.18	\$1.23	1.49x	8.3x	21.7x	20.8x	1.74x
NuVasive, Inc.	NUVA	45.99	(2.5%)	19.7%	51.23	31.35	2,214	2,221	762.4	124.8	(0.36)	1.11	2.91x	17.8x	NM	41.6x	4.04x
Stryker Corporation	SYK	92.25	(2.2%)	13.2%	98.24	75.78	34,961	33,934	9,675.0	2,604.0	1.34	5.00	3.51x	13.0x	68.8x	18.4x	2.37x
Wright Medical Group Inc.	WMGI	25.80	(4.0%)	(17.0%)	32.65	23.56	1,312	1,363	294.5	(41.6)	(4.83)	(1.69)	4.63x	NM	NM	NM	NM
Zimmer Holdings, Inc.	ZMH	117.52	3.6%	24.3%	121.84	90.48	19,979	19,770	4,673.3	1,787.9	4.19	6.38	4.23x	11.1x	28.0x	18.4x	2.12x
<b>Median</b>			<b>(2.2%)</b>	<b>13.7%</b>									<b>3.51x</b>	<b>12.0x</b>	<b>28.0x</b>	<b>19.6x</b>	<b>2.24x</b>
<b>Diagnostic Imaging Devices</b>																	
Analogic Corporation	ALOG	\$90.90	7.4%	10.7%	\$92.31	\$63.28	\$1,128	\$1,012	\$518.3	\$65.6	\$2.56	\$4.10	1.95x	15.4x	35.5x	22.2x	1.64x
Digirad Corporation	DRAD	4.54	4.1%	32.4%	5.48	3.03	87	66	55.6	5.3	0.13	0.22	1.19x	12.5x	34.9x	20.6x	1.29x
Fonar Corp.	FONR	13.04	25.3%	(25.8%)	18.70	9.32	81	98	81.3	15.3	1.70	NM	1.21x	6.4x	7.7x	NM	NM
Hologic Inc.	HOLX	33.03	23.5%	53.6%	33.34	20.24	9,245	12,656	2,549.1	914.4	0.18	1.60	4.96x	13.8x	NM	20.6x	2.50x
<b>Median</b>			<b>15.5%</b>	<b>21.5%</b>									<b>1.58x</b>	<b>13.2x</b>	<b>34.9x</b>	<b>20.6x</b>	<b>1.64x</b>

Source: Capital IQ as of March 31, 2015; For definitions, see page 18

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 3/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Mobility Devices</b>																	
Hill-Rom Holdings, Inc.	HRC	\$49.00	7.4%	27.1%	\$49.35	\$35.45	\$2,769	\$3,237	\$1,757.7	\$283.8	\$1.03	\$2.58	1.84x	11.4x	47.5x	19.0x	1.52x
Invacare Corporation	IVC	19.41	15.8%	1.8%	20.35	11.65	623	605	1,270.2	(4.3)	(2.15)	(0.46)	0.48x	NM	NM	NM	NM
Prism Medical Ltd.	PM	8.43	7.3%	51.3%	8.64	4.58	41	44	38.7	2.2	2.55	0.60	1.15x	20.0x	3.7x	14.1x	NM
ReWalk Robotics Ltd.	RWLK	12.36	(34.5%)	NM	43.71	11.50	148	105	4.0	(19.3)	(6.34)	(1.06)	26.45x	NM	NM	NM	NM
<b>Median</b>			<b>7.4%</b>	<b>27.1%</b>									<b>1.49x</b>	<b>15.7x</b>	<b>25.6x</b>	<b>16.5x</b>	<b>1.52x</b>
<b>Infection Prevention Devices</b>																	
Cantel Medical Corp.	CMN	\$47.50	9.8%	40.9%	\$49.00	\$29.91	\$1,972	\$2,044	\$519.6	\$99.4	\$1.04	\$1.35	3.93x	20.6x	45.7x	35.2x	1.95x
Steris Corp.	STE	70.27	8.4%	47.2%	70.65	47.24	4,186	4,654	1,806.5	337.5	2.21	3.15	2.58x	13.8x	31.8x	22.3x	1.91x
<b>Median</b>			<b>9.1%</b>	<b>44.0%</b>									<b>3.26x</b>	<b>17.2x</b>	<b>38.7x</b>	<b>28.8x</b>	<b>1.93x</b>
<b>Neural Implant Devices</b>																	
Cyberonics Inc.	CYBX	\$64.92	16.6%	(0.5%)	\$76.48	\$48.19	\$1,689	\$1,546	\$292.3	\$101.3	\$2.45	\$2.60	5.29x	15.3x	26.5x	25.0x	1.29x
Integra LifeSciences Holdings Corporation	IART	61.65	13.7%	34.1%	63.00	42.50	2,021	2,580	928.3	188.7	1.03	3.17	2.78x	13.7x	59.9x	19.5x	1.74x
<b>Median</b>			<b>15.1%</b>	<b>16.8%</b>									<b>4.03x</b>	<b>14.5x</b>	<b>43.2x</b>	<b>22.2x</b>	<b>1.51x</b>
<b>Ophthalmology Devices</b>																	
IRIDEX Corporation	IRIX	\$10.68	24.2%	19.6%	\$11.28	\$6.41	\$105	\$92	\$42.5	\$3.0	\$0.97	NM	2.16x	30.5x	11.0x	NM	NM
Lumenis Ltd.	LMNS	11.97	28.2%	6.1%	12.03	8.16	426	373	289.7	28.2	0.36	0.62	1.29x	13.2x	33.3x	19.3x	0.69x
Optos plc	OPTS	5.13	28.9%	77.7%	5.21	2.19	375	386	168.9	21.1	0.18	0.22	2.29x	18.3x	49.5x	23.6x	NM
Presbia PLC	LENS	7.39	NM	NM	9.08	0.00	99	99	0.2	(13.2)	(1.71)	(1.18)	NM	NM	NM	NM	NM
Second Sight Medical Products, Inc.	EYES	12.82	25.0%	NM	24.02	8.05	453	418	3.4	(20.5)	(1.41)	NM	NM	NM	NM	NM	NM
The Cooper Companies Inc.	COO	187.42	15.6%	36.4%	190.00	123.49	9,050	10,445	1,758.0	524.5	5.29	7.78	5.94x	19.9x	35.4x	24.1x	1.59x
<b>Median</b>			<b>25.0%</b>	<b>28.0%</b>									<b>2.22x</b>	<b>19.1x</b>	<b>34.3x</b>	<b>23.6x</b>	<b>1.14x</b>
<b>Surgical Devices</b>																	
Alphatec Holdings, Inc.	ATEC	\$1.45	2.8%	(3.3%)	\$1.92	\$1.20	\$145	\$231	\$207.0	\$26.2	(\$0.16)	NM	1.12x	8.8x	NM	NM	NM
Avinger, Inc.	AVGR	11.09	NM	NM	14.42	9.35	136	285	11.2	(23.6)	(132.63)	(3.81)	25.38x	NM	NM	NM	NM
Bovie Medical Corporation	BVX	2.39	(35.1%)	(38.7%)	5.00	2.20	54	55	27.7	(5.0)	(1.03)	NM	1.98x	NM	NM	NM	NM
CONMED Corporation	CNMD	50.49	12.3%	16.2%	52.24	35.85	1,392	1,567	734.5	128.1	1.16	1.87	2.13x	12.2x	43.5x	27.0x	1.75x
Entellus Medical, Inc.	ENTL	21.90	NM	NM	24.91	0.00	409	517	48.8	(4.5)	(4.62)	(1.10)	10.59x	NM	NM	NM	NM
Intuitive Surgical, Inc.	ISRG	505.03	(4.5%)	15.3%	541.23	346.46	18,603	17,371	2,116.0	701.6	11.11	17.36	8.21x	24.8x	45.5x	29.1x	2.25x
<b>Median</b>			<b>(0.8%)</b>	<b>6.0%</b>									<b>5.17x</b>	<b>12.2x</b>	<b>44.5x</b>	<b>28.07x</b>	<b>2.00x</b>

Source: Capital IQ as of March 31, 2015; For definitions, see page 18



## Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 3/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Diversified Medical Devices</b>																	
Abaxis, Inc.	ABAX	\$64.11	12.8%	64.9%	\$66.89	\$36.77	\$1,445	\$1,336	\$203.0	\$39.7	\$0.87	\$1.21	6.58x	33.7x	73.7x	52.8x	2.88x
AtriCure, Inc.	ATRC	20.49	2.7%	8.9%	22.97	13.19	565	506	106.9	(19.1)	(0.61)	(0.86)	4.73x	NM	NM	NM	NM
Baxter International Inc.	BAX	68.50	(6.5%)	(6.9%)	77.31	65.95	37,232	43,647	16,671.0	4,276.0	3.56	4.15	2.62x	10.2x	19.2x	16.5x	2.78x
Capnia, Inc.	CAPN	6.40	329.1%	NM	9.90	1.02	43	35	0.0	(5.1)	(10.92)	0.05	NA	NM	NM	NM	NM
CR Bard Inc.	BCR	167.35	0.4%	13.1%	180.35	132.81	12,438	12,958	3,323.6	978.7	3.76	8.14	3.90x	13.2x	44.5x	20.6x	1.81x
CryoLife Inc.	CRY	10.37	(8.5%)	4.1%	12.29	8.40	290	256	144.6	14.9	0.25	(0.01)	1.77x	17.2x	41.0x	NM	NM
Hospira Inc.	HSP	87.84	43.4%	103.1%	88.09	42.01	15,142	16,095	4,463.7	729.9	1.95	2.45	3.61x	22.1x	45.0x	35.9x	3.53x
IDEXX Laboratories, Inc.	IDXX	154.48	4.2%	27.2%	168.51	113.49	7,236	7,813	1,485.8	319.1	3.58	4.36	5.26x	24.5x	43.2x	35.4x	2.47x
InfuSystem Holdings, Inc.	INFU	2.71	(14.0%)	(2.4%)	4.50	2.43	60	85	60.7	16.1	0.15	0.24	1.41x	5.3x	18.1x	11.3x	0.56x
Masimo Corporation	MASI	32.98	25.2%	20.8%	33.16	19.30	1,735	1,728	580.0	105.8	1.30	1.31	2.98x	16.3x	25.4x	25.3x	1.56x
Medovex Corp.	MDVX	4.05	NM	NM	5.35	3.46	37	30	0.0	(2.9)	(0.37)	NM	NA	NM	NM	NM	NM
Misonix, Inc.	MSON	13.05	5.5%	104.5%	14.90	5.57	100	91	20.0	(0.1)	0.36	0.42	4.57x	NM	36.3x	31.1x	1.04x
Natus Medical Inc.	BABY	39.47	9.5%	53.0%	40.05	21.54	1,266	1,199	355.8	63.0	1.00	1.45	3.37x	19.0x	39.5x	27.3x	1.47x
Nevro Corp.	NVRO	47.93	23.9%	NM	52.49	24.35	1,192	1,035	32.6	(28.2)	(6.94)	(3.17)	NM	NM	NM	NM	NM
PhotoMedex, Inc.	PHMD	2.01	31.4%	(87.3%)	15.89	1.01	44	111	163.5	(8.3)	(3.26)	(1.33)	0.68x	NM	NM	NM	NM
ResMed Inc.	RMD	71.78	28.0%	60.6%	72.80	44.26	10,089	9,658	1,616.3	491.2	2.46	2.71	5.98x	19.7x	29.2x	26.5x	2.12x
Sientra, Inc.	SIEN	19.19	14.3%	NM	20.93	12.53	286	215	44.7	(5.4)	(2.28)	(1.28)	4.81x	NM	NM	NM	NM
SurModics, Inc.	SRDX	26.03	17.8%	15.2%	26.99	18.00	337	306	57.8	22.0	0.89	0.87	5.30x	13.9x	29.3x	29.9x	2.10x
Teleflex Incorporated	TFX	120.83	5.2%	12.7%	123.09	99.56	5,010	5,778	1,827.1	411.1	4.10	6.23	3.16x	14.1x	29.5x	19.4x	1.73x
Varian Medical Systems, Inc.	VAR	94.09	8.8%	12.0%	95.70	76.73	9,416	8,970	3,076.2	657.7	3.84	4.38	2.92x	13.6x	24.5x	21.5x	2.42x
<b>Median</b>			<b>9.5%</b>	<b>14.1%</b>									<b>3.61x</b>	<b>16.3x</b>	<b>32.9x</b>	<b>26.5x</b>	<b>2.10x</b>
<b>Life Science Conglomerates</b>																	
illumina Inc.	ILMN	\$185.64	0.6%	24.9%	\$213.33	\$127.69	\$26,361	\$26,314	\$1,861.4	\$609.0	\$2.37	\$3.21	14.14x	43.2x	78.3x	57.8x	2.82x
PerkinElmer Inc.	PKI	51.14	16.9%	13.5%	51.60	38.96	5,784	6,663	2,237.2	343.6	1.42	2.61	2.98x	19.4x	36.0x	19.6x	1.81x
Thermo Fisher Scientific, Inc.	TMO	134.34	7.2%	11.7%	139.03	107.33	53,304	66,520	16,889.6	3,967.8	4.71	7.33	3.94x	16.8x	28.5x	18.3x	1.50x
<b>Median</b>			<b>7.2%</b>	<b>13.5%</b>									<b>3.94x</b>	<b>19.4x</b>	<b>36.0x</b>	<b>19.6x</b>	<b>1.81x</b>
<b>Lab Instrumentation &amp; Devices</b>																	
Bruker Corporation	BRKR	\$18.47	(5.9%)	(19.0%)	\$24.93	\$17.26	\$3,113	\$2,976	\$1,808.9	\$216.4	\$0.33	\$0.75	1.65x	13.8x	56.0x	24.6x	2.77x
Great Basin Scientific, Inc.	GBSN	3.90	58.5%	NM	9.08	1.48	20	21	1.6	(11.0)	(17.32)	NM	13.33x	NM	NM	NM	NM
Harvard Bioscience Inc.	HBIO	5.82	2.6%	22.8%	5.93	3.68	193	200	108.7	10.7	0.07	0.27	1.84x	18.8x	83.1x	21.8x	NM
Waters Corporation	WAT	124.32	10.3%	14.7%	125.86	93.56	10,322	9,732	1,989.3	638.3	5.07	5.66	4.89x	15.2x	24.5x	21.9x	2.40x
<b>Median</b>			<b>6.5%</b>	<b>14.7%</b>									<b>3.37x</b>	<b>15.2x</b>	<b>56.0x</b>	<b>21.9x</b>	<b>2.58x</b>

Source: Capital IQ as of March 31, 2015; For definitions, see page 18

## Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 3/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Lab Equipment</b>																	
Kewaunee Scientific Corp.	KEQU	\$17.51	(1.6%)	7.4%	\$19.00	\$15.74	\$46	\$48	\$115.6	\$8.3	\$1.47	NM	0.41x	5.7x	11.9x	NM	NM
Mettler-Toledo International Inc.	MTD	328.65	8.7%	39.4%	333.45	221.00	9,228	9,595	2,486.0	518.1	11.44	12.84	3.86x	18.5x	28.7x	25.6x	2.01x
<b>Median</b>			<b>3.5%</b>	<b>23.4%</b>									<b>2.14x</b>	<b>12.1x</b>	<b>20.3x</b>	<b>25.6x</b>	<b>2.01x</b>
<b>Life Science Consumables</b>																	
Affymetrix Inc.	AFFX	\$12.56	27.3%	76.2%	\$13.11	\$6.25	\$938	\$986	\$349.0	\$37.6	(\$0.05)	\$0.30	2.83x	26.3x	NM	42.4x	1.23x
Bio-Rad Laboratories, Inc.	BIO	135.18	12.1%	5.5%	137.23	102.71	3,933	3,671	2,175.0	307.7	3.05	3.15	1.69x	11.9x	44.3x	42.9x	NM
Cambrex Corporation.	CBM	39.63	83.3%	110.0%	40.65	15.76	1,239	1,253	374.4	82.3	1.84	1.66	3.35x	15.2x	21.5x	23.9x	1.61x
Luminex Corporation	LMNX	16.00	(14.7%)	(11.7%)	21.69	15.05	690	599	227.0	45.4	0.93	0.51	2.64x	13.2x	17.2x	31.1x	1.24x
Bio-Techne Corp.	TECH	100.29	8.5%	17.5%	101.60	82.63	3,724	3,741	408.0	192.9	3.12	3.61	9.17x	19.4x	32.1x	27.8x	2.53x
VWR Corporation	VWR	25.99	0.5%	NM	27.14	20.60	3,414	5,405	4,375.3	458.5	2.49	1.47	1.24x	11.8x	10.4x	17.7x	1.14x
<b>Median</b>			<b>10.3%</b>	<b>17.5%</b>									<b>2.73x</b>	<b>14.2x</b>	<b>21.5x</b>	<b>29.5x</b>	<b>1.24x</b>
<b>Large-Cap Pharmaceuticals</b>																	
AbbVie Inc.	ABBV	\$58.54	(10.5%)	13.9%	\$70.76	\$45.50	\$93,204	\$99,841	\$19,960.0	\$6,708.0	\$1.10	\$4.32	5.00x	14.9x	53.2x	13.5x	0.94x
Bristol-Myers Squibb Company	BMJ	64.50	9.3%	24.2%	69.20	46.30	107,500	108,031	15,879.0	4,019.0	1.20	1.70	6.80x	26.9x	53.8x	37.8x	2.64x
Eli Lilly and Company	LLY	72.65	5.3%	23.4%	77.46	57.35	77,055	80,347	19,615.6	4,707.7	2.23	3.15	4.10x	17.1x	32.6x	23.1x	2.15x
Merck & Co. Inc.	MRK	57.48	1.2%	1.3%	63.62	52.49	163,139	168,982	42,237.0	14,904.0	4.07	3.38	4.00x	11.3x	14.1x	17.0x	2.34x
Pfizer Inc.	PFE	34.79	11.7%	8.3%	35.45	27.51	213,622	214,515	49,605.0	20,939.0	1.41	2.09	4.32x	10.2x	24.6x	16.6x	4.95x
Valeant Pharmaceuticals International, Inc.	VRX	197.61	37.6%	49.9%	208.43	91.62	67,977	81,713	8,257.5	3,922.4	2.67	10.55	9.90x	20.8x	80.9x	18.7x	0.52x
<b>Median</b>			<b>7.3%</b>	<b>18.7%</b>									<b>4.66x</b>	<b>16.0x</b>	<b>42.9x</b>	<b>17.9x</b>	<b>2.24x</b>
<b>Pharmaceuticals</b>																	
Akorn, Inc.	AKRX	\$47.51	31.2%	116.0%	\$55.86	\$20.52	\$5,413	\$6,460	\$593.1	\$208.3	\$0.34	\$1.95	10.89x	31.0x	NM	24.3x	0.93x
Amphastar Pharmaceuticals, Inc.	AMPH	14.96	28.9%	NM	15.79	8.32	667	643	210.5	(3.1)	(0.26)	(0.20)	3.05x	NM	NM	NM	NM
Aratana Therapeutics, Inc.	PETX	16.01	(10.2%)	(13.7%)	20.63	9.20	559	476	0.8	(37.5)	(1.30)	(1.69)	NM	NM	NM	NM	NM
Auris Medical Holding AG	EARS	5.35	37.2%	NM	7.58	3.30	155	98	0.0	(22.3)	(0.66)	(0.98)	NA	NM	NM	NM	NM
BioDelivery Sciences International, Inc.	BDSI	10.50	(12.6%)	24.4%	18.48	6.71	549	491	38.9	(37.6)	(1.12)	0.02	12.61x	NM	NM	NM	NM
BioSynt Inc.	RX	7.27	(30.0%)	50.0%	10.12	3.71	101	95	10.5	3.7	0.19	0.21	8.97x	25.6x	41.9x	35.4x	NM
Catalent, Inc.	CTLT	31.15	11.7%	NM	31.66	19.34	3,861	5,714	1,846.8	427.0	0.64	1.71	3.09x	13.4x	48.4x	18.2x	2.03x
Cipher Pharmaceuticals Inc.	CPH	9.06	(37.4%)	31.3%	15.42	5.83	235	193	27.9	18.9	0.68	0.55	6.92x	10.2x	14.5x	16.5x	NM
Cumberland Pharmaceuticals, Inc.	CPIX	6.66	11.4%	48.0%	7.09	4.20	113	58	36.9	5.5	0.14	NM	1.58x	10.5x	48.4x	NM	NM
Dermira, Inc.	DERM	15.35	(15.2%)	NM	22.94	12.68	378	282	7.3	(31.7)	(4.96)	(3.22)	NM	NM	NM	NM	NM

Source: Capital IQ as of March 31, 2015; For definitions, see page 18

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 3/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2015E
			3 mo	12 mo	High	Low			Rev	EBITDA	2014	2015E	Rev	EBITDA	LTM	2015E	
<b>Pharmaceuticals (cont.)</b>																	
DURECT Corporation	DRRX	\$1.91	142.0%	43.6%	\$2.05	\$0.68	\$217	\$204	\$19.4	(\$20.4)	(\$0.20)	(\$0.24)	10.53x	NM	NM	NM	NM
Endo International plc	ENDP	89.70	24.4%	30.7%	93.03	53.62	15,472	19,504	2,877.2	725.9	(4.95)	4.51	6.78x	26.9x	NM	19.9x	2.02x
Flex Pharma, Inc.	FLKS	19.60	NM	NM	23.36	12.55	352	359	0.0	(9.6)	(5.48)	(1.49)	NA	NM	NM	NM	NM
Foamix Pharmaceuticals Ltd.	FOMX	9.25	32.0%	NM	11.00	4.75	208	158	5.4	(1.6)	(0.79)	(0.76)	29.22x	NM	NM	NM	NM
Heska Corporation	HSKA	25.78	42.2%	144.6%	26.68	10.27	167	178	89.8	6.6	0.41	0.50	1.98x	26.8x	62.9x	51.8x	2.08x
Impax Laboratories Inc.	IPXL	46.87	47.9%	77.4%	47.70	22.12	3,338	2,924	596.0	133.1	0.81	1.56	4.90x	22.0x	57.9x	30.1x	1.36x
Inotek Pharmaceuticals Corporation	ITEK	5.42	NM	NM	6.20	5.05	88	139	0.0	0.0	(13.52)	(1.67)	NA	NA	NM	NM	NM
Kite Pharma, Inc.	KITE	57.68	0.0%	NM	89.21	21.00	2,453	2,086	0.0	(36.4)	(1.91)	0.14	NA	NM	NM	NM	NM
Lannett Company, Inc.	LCI	67.71	57.9%	89.6%	71.26	29.12	2,424	2,241	368.8	202.1	3.42	3.89	6.08x	11.1x	19.8x	17.4x	0.99x
Marinus Pharmaceuticals, Inc.	MRNS	8.99	(14.9%)	NM	16.60	5.49	128	85	0.0	(11.9)	(2.17)	(1.77)	NA	NM	NM	NM	NM
MediWound Ltd.	MDWD	7.24	8.7%	(49.8%)	14.70	4.60	154	89	0.3	(20.3)	(0.95)	(1.12)	NM	NM	NM	NM	NM
Merus Labs International Inc.	MSL	2.11	28.5%	39.3%	2.39	1.02	171	227	26.4	14.3	(0.09)	0.06	8.62x	15.9x	NM	38.1x	NM
Mylan N.V.	MYL	59.35	5.3%	21.5%	65.63	44.74	29,046	37,370	7,719.6	2,085.6	2.34	4.15	4.84x	17.9x	25.4x	14.3x	1.09x
NeuroDerm Ltd.	NDRM	13.42	(4.4%)	NM	19.07	5.67	228	236	0.0	(13.3)	(0.94)	(1.37)	NA	NM	NM	NM	NM
Radius Health, Inc.	RDUS	41.16	5.8%	NM	51.22	7.46	1,557	1,476	0.0	(59.3)	(4.04)	(2.39)	NA	NM	NM	NM	NM
Revanche Therapeutics, Inc.	RVNC	20.73	22.4%	(34.2%)	36.98	14.02	496	329	0.4	(50.0)	(3.24)	(3.31)	NM	NM	NM	NM	NM
SciClone Pharmaceuticals, Inc.	SCLN	8.86	1.1%	94.7%	9.65	4.24	443	357	134.8	26.8	0.48	0.43	2.65x	13.3x	18.5x	20.6x	NM
SteadyMed Ltd.	STDY	2.14	NM	NM	2.23	0.00	27	22	0.0	(15.6)	(2.82)	NM	NA	NM	NM	NM	NM
The Medicines Company	MDCO	28.02	1.3%	(1.4%)	32.44	19.92	1,835	1,710	724.4	(7.7)	(0.50)	1.87	2.36x	NM	NM	14.9x	(1.20x)
Vitae Pharmaceuticals, Inc.	VTAE	11.71	(29.6%)	NM	23.35	5.41	256	195	8.7	(18.3)	(3.61)	(1.64)	22.51x	NM	NM	NM	NM
Xenon Pharmaceuticals Inc.	XENE	16.87	(14.6%)	NM	23.50	9.21	240	156	28.4	11.8	3.28	0.66	5.49x	13.2x	5.1x	25.6x	NM
Zoetis Inc.	ZTS	46.29	7.6%	60.0%	47.92	28.14	23,180	25,974	4,785.0	1,342.0	1.16	1.66	5.43x	19.4x	39.9x	27.9x	2.37x
Zosano Pharma Corporation	ZSAN	10.11	NM	NM	12.40	8.00	121	141	2.9	(9.6)	(2.78)	(2.06)	NM	NM	NM	NM	NM
ZS Pharma, Inc.	ZSPH	42.08	1.2%	NM	52.80	25.51	1,048	956	0.0	(59.2)	(5.47)	(3.61)	NA	NM	NM	NM	NM
<b>Median</b>			<b>6.7%</b>	<b>41.5%</b>									<b>5.78x</b>	<b>16.9x</b>	<b>39.9x</b>	<b>22.5x</b>	<b>1.36x</b>

**Definitions**

**PEG Ratio:** Price Earnings to Growth

**EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization

**EPS:** Earnings Per Share

**Enterprise Value:** Market Capitalization + Total Debt + Preferred Equity + Minority Interest – Cash and Short-Term Investments

**LTM:** Last Twelve Months

Source: Capital IQ as of March 31, 2015

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