

Healthcare Sector Update



August 2014

Summary – Healthcare Services

- The S&P Healthcare Services Index has increased by 11.1% over the last three months, significantly outperforming the S&P 500.
- Over the past three months:
 - The best performing sectors were Acute Care Hospitals (up 25.7%) and Home Care / Hospice (up 17.7%).
 - The worst performing sectors were Emergency Services (down 5.9%) and Other Services (down 4.6%).
- The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.67x and 11.0x, respectively.
- The sectors with the highest valuation multiples include:
 - Consumer Directed Health & Wellness (4.57x LTM Revenue, 26.7x LTM EBITDA)
 - HCIT (3.55x LTM Revenue, 16.0x LTM EBITDA)

Summary – Pharmaceutical / Medical Devices / Life Sciences

- The S&P 500 – Pharmaceuticals, Biotechnology & Life Sciences Index has risen 2.9% over the last three months, slightly outperforming the S&P 500.
- Over the past three months:
 - The best performing sectors were Ophthalmology Devices (up 10.2%) and Life Science Conglomerates (up 10.1%).
 - The worst performing sectors were Biotechnology (down 5.0%) and Mobility Devices (down 1.8%).
- The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 2.78x and 14.1x, respectively.
- The sectors with the highest valuation multiples include:
 - Biotechnology (9.06x LTM Revenue, 15.1x LTM EBITDA)
 - Pharmaceuticals (4.88x LTM Revenue, 14.8x LTM EBITDA)

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MARKET SECTOR	No. of Cos.	Ag. Eqty Mkt. Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	Rev	EBITDA	LTM	2014E	
Acute Care Hospitals	6	\$52,895	25.7%	41.4%	1.55x	10.7x	20.2x	18.5x	1.9x
Assisted Living	6	5,714	11.9%	5.8%	1.88x	16.1x	19.3x	19.7x	1.0x
Care Management / TPA	7	9,161	(4.1%)	19.3%	1.71x	11.2x	20.8x	17.6x	1.1x
Clinical Laboratories	5	25,367	5.1%	16.5%	1.94x	10.0x	20.1x	16.5x	1.5x
Contract Research Orgs	6	21,307	17.3%	20.8%	2.07x	12.7x	23.7x	20.8x	1.4x
Diagnostic Imaging	3	529	1.8%	45.0%	1.87x	6.4x	NM	26.9x	NM
Dialysis Services	2	36,174	3.1%	15.1%	1.95x	10.2x	21.3x	19.2x	2.2x
Distribution / Supply	7	102,726	1.8%	12.0%	0.35x	11.3x	20.5x	18.3x	1.7x
Emergency Services	3	2,282	(5.6%)	67.5%	2.62x	8.3x	26.6x	17.2x	0.8x
HCIT	14	37,506	4.6%	(2.8%)	3.55x	16.0x	45.0x	33.6x	1.9x
Consumer Directed Health & Wellness	8	16,956	11.5%	0.8%	4.57x	26.7x	NM	38.5x	2.1x
Healthcare Staffing	6	13,666	5.4%	(2.4%)	1.21x	13.0x	21.2x	20.3x	1.2x
Home Care / Hospice	6	3,978	17.7%	33.4%	0.77x	13.0x	22.0x	19.7x	1.6x
Long Term Care	4	3,097	(2.2%)	22.4%	0.81x	8.9x	14.6x	16.2x	1.2x
Managed Care – Commercial	7	182,870	9.1%	20.8%	0.63x	8.8x	14.2x	13.6x	1.2x
Managed Care – Government	3	8,860	8.6%	10.0%	0.22x	9.4x	21.3x	20.4x	1.1x
Other Services	4	11,928	(4.6%)	3.8%	1.85x	20.2x	35.4x	30.1x	1.8x
Pharmacy Management	6	69,772	5.0%	12.3%	0.84x	12.2x	33.8x	18.2x	1.2x
Physician Practice Mgmt	2	5,913	(0.5%)	7.3%	1.64x	11.4x	19.9x	18.9x	1.3x
Psychiatric Hospitals	3	5,075	(0.2%)	29.3%	0.46x	10.9x	29.1x	21.3x	1.3x
Specialty Managed Care	2	4,994	4.7%	(1.8%)	0.33x	5.2x	9.8x	11.6x	1.5x
Surgicenters / Rehabilitation	6	10,331	10.5%	22.1%	1.99x	9.9x	21.0x	18.7x	1.4x
Total / Median (\$MM)	116	\$631,101	4.9%	15.8%	1.67x	11.0x	21.1x	19.0x	1.4x

Source: Capital IQ

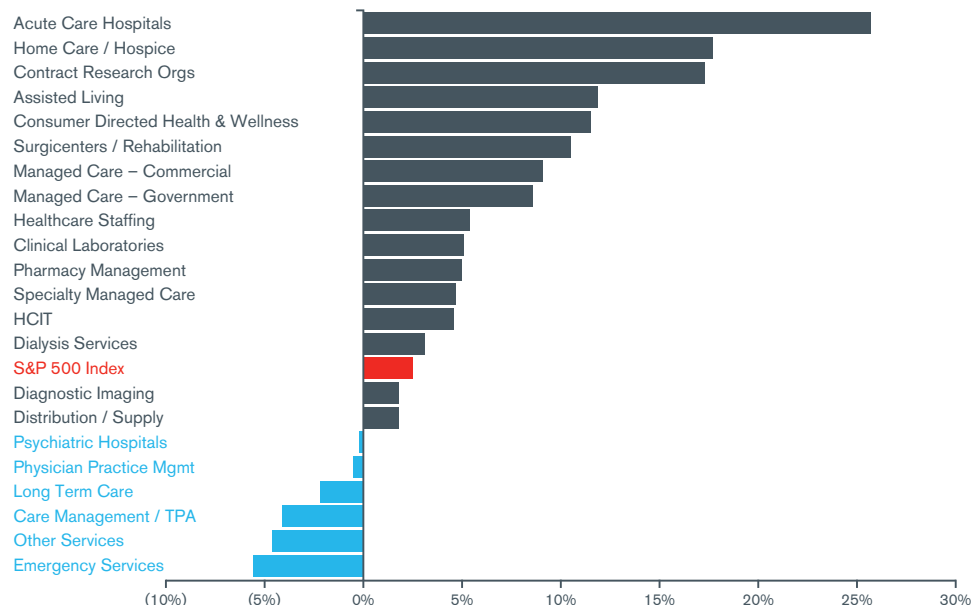
CAPITALIZATION PROFILE	No. of Cos.	Ag. Eqty Mkt. Value	% Total No. of Cos.	% Ag. Eqty Mkt. Value	Median Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	27	\$509,169	23.3%	80.7%	10.1%	85.3%	21.3%	57.2%
\$1 billion – \$5 billion	39	100,542	33.6%	15.9%	5.1%	98.6%	17.9%	59.2%
\$250 million – \$1 billion	31	19,178	26.7%	3.0%	8.4%	114.7%	12.9%	73.0%
\$100 million – \$250 million	7	1,593	6.0%	0.3%	4.8%	106.1%	9.9%	58.5%
< \$100 million	12	618	10.3%	0.1%	9.5%	30.0%	30.2%	7.1%
Total / Median (\$MM)	116	\$631,101	100.0%	100.0%	4.9%	98.6%	15.8%	58.5%

Source: Capital IQ

MARKET INDICES	Value at 7/31/14	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$16,563.3	0.0%	(0.1%)	6.0%	36.5%
S&P 500 Index	1,930.7	2.5%	4.5%	13.1%	50.0%
NASDAQ Composite Index	4,369.8	5.9%	4.6%	18.9%	59.2%
Russell 2000 Index	1,120.1	(0.5%)	(3.7%)	5.7%	41.3%
AMEX Sector Index – Healthcare	101.2	(5.1%)	(15.9%)	6.5%	7.9%
S&P Healthcare Facilities (Sub Ind) Index	378.0	25.2%	27.3%	31.4%	106.2%
S&P Healthcare Providers & Services (Industry) Index	505.2	11.0%	12.9%	19.6%	97.2%
S&P Managed Healthcare (Sub Ind) Index	265.2	6.2%	10.4%	16.3%	95.6%
S&P Healthcare Services	385.3	11.1%	1.7%	20.4%	60.5%

Source: Capital IQ

Median % Change – 3 months



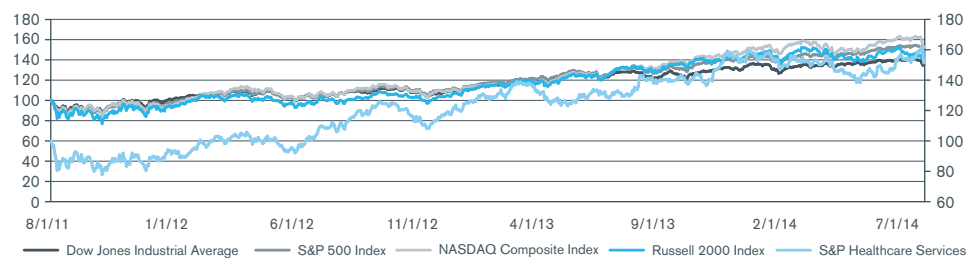
Source: Capital IQ

INTEREST RATES

	Value at 7/31/14	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 5 Months	0.00%	0.00%	0.00%	0.37%
U.S. Treasury – 2 years	0.08%	0.45%	0.42%	0.31%
U.S. Treasury – 5 years	1.76%	1.63%	1.68%	1.39%
U.S. Treasury – 10 years	2.56%	2.51%	2.65%	2.59%
U.S. Treasury – 30 years	3.31%	3.34%	3.46%	3.46%
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 7/31/14	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Acute Care Hospitals																	
Chindex International Inc.	CHDX	\$23.41	(1.8%)	36.7%	\$23.99	\$14.62	\$416	\$417	\$183.4	\$12.7	(\$0.36)	NM	2.27x	32.9x	NM	NM	NM
Community Health Systems, Inc.	CYH	47.70	25.9%	3.6%	50.00	34.55	5,498	22,819	15,508.7	1,987.9	1.51	2.77	1.47x	11.5x	NM	17.2x	0.79x
HCA Holdings, Inc.	HCA	65.31	25.6%	67.5%	66.71	37.75	28,060	57,792	35,354.0	6,921.0	3.37	4.18	1.63x	8.4x	18.5x	15.6x	1.39x
Lifepoint Hospitals Inc.	LPNT	71.72	28.3%	46.0%	76.30	43.97	3,238	5,216	3,906.5	520.9	2.68	3.09	1.34x	10.0x	23.6x	23.2x	2.73x
Tenet Healthcare Corp.	THC	52.77	17.1%	18.2%	55.34	36.87	5,153	16,639	12,641.0	1,455.0	(1.21)	1.31	1.32x	11.4x	NM	40.2x	3.38x
Universal Health Services Inc.	UHS	106.60	30.3%	52.4%	110.43	66.92	10,530	13,948	7,557.2	1,391.6	5.14	5.76	1.85x	10.0x	20.2x	18.5x	1.95x
Median			25.7%	41.4%									1.55x	10.7x	20.2x	18.5x	1.95x
Assisted Living																	
AdCare Health Systems Inc.	ADK	\$4.71	14.9%	4.7%	\$4.90	\$3.62	\$82	\$227	\$223.1	\$13.4	(\$0.79)	(\$0.38)	1.02x	16.9x	NM	NM	NM
Brookdale Senior Living Inc.	BKD	34.65	8.8%	19.0%	36.18	24.42	4,456	7,044	2,571.9	436.2	(0.03)	0.25	2.74x	16.1x	NM	NM	NM
Capital Senior Living Corp.	CSU	24.64	(0.4%)	6.9%	26.89	19.87	715	1,231	349.2	53.4	(0.58)	0.44	3.53x	23.1x	NM	NM	NM
EastSideCapital Spółka Akcyjna	ESC	0.01	99.7%	99.7%	0.01	0.00	3	3	0.6	-	0.00	NM	4.52x	NA	10.9x	NM	NM
Five Star Quality Care Inc.	FVE	4.57	(5.4%)	(22.8%)	6.09	4.41	222	237	1,086.7	42.0	0.15	0.25	0.22x	5.6x	27.7x	18.1x	NM
Skilled Healthcare Group, Inc.	SKH	5.95	15.3%	(8.7%)	7.15	4.08	236	651	834.5	64.4	(0.16)	0.28	0.78x	10.1x	NM	21.4x	1.01x
Median			11.9%	5.8%									1.88x	16.1x	19.3x	19.7x	1.01x
Care Management / TPA																	
Alere Inc.	ALR	\$40.00	19.8%	19.8%	\$40.80	\$29.61	\$3,322	\$7,332	\$2,980.8	\$537.5	(\$1.13)	\$2.54	2.46x	13.6x	NM	15.7x	1.26x
Care.com, Inc.	CRCM	9.49	(22.5%)	NM	29.25	9.33	294	181	95.3	(30.9)	(9.45)	(1.08)	1.89x	NM	NM	NM	NM
CorVel Corporation	CRVL	40.28	(11.6%)	18.9%	53.35	32.89	843	809	485.1	72.4	1.57	1.73	1.67x	11.2x	25.2x	23.3x	NM
Crawford & Company	CRD.B	9.20	(19.4%)	17.0%	12.22	7.14	467	611	1,126.6	98.0	0.92	0.83	0.54x	6.2x	10.7x	11.0x	1.10x
ExamWorks Group, Inc.	EXAM	35.29	(4.1%)	45.3%	38.61	22.10	1,386	1,856	680.6	90.4	(0.29)	0.23	2.73x	20.5x	NM	NM	NM
Hooper Holmes Inc.	HH	0.69	13.1%	81.6%	0.83	0.34	49	46	49.4	(6.1)	(0.15)	NM	0.93x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	41.36	(2.8%)	10.0%	50.55	35.85	2,800	2,670	1,564.3	253.9	1.85	2.14	1.71x	10.5x	20.8x	19.4x	0.98x
Median			(4.1%)	19.3%									1.71x	11.2x	20.8x	17.6x	1.10x

Source: Capital IQ as of July 31, 2014; For definitions, see page 9

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Clinical Laboratories																	
Bio-Reference Laboratories Inc.	BRLI	\$31.39	23.6%	17.3%	\$37.97	\$24.13	\$870	\$912	\$760.3	\$92.7	\$1.45	\$1.90	1.20x	9.8x	22.4x	16.5x	1.09x
Laboratory Corp. of America Holdings	LH	103.69	5.1%	7.2%	108.00	87.01	8,803	11,351	5,846.3	1,133.5	6.25	6.71	1.94x	10.0x	17.3x	15.4x	1.52x
Psychemedics Corp.	PMD	14.03	(11.0%)	16.5%	18.76	12.00	75	79	28.3	6.0	0.72	0.44	2.79x	13.2x	21.3x	31.9x	2.45x
Quest Diagnostics Inc.	DGX	61.10	9.2%	4.8%	64.10	50.46	8,824	12,691	7,192.0	1,398.0	5.31	4.04	1.76x	9.1x	11.5x	15.1x	1.43x
Sonic Healthcare Limited	SHL	16.95	2.7%	27.0%	17.11	13.24	6,795	8,618	3,438.4	626.4	0.84	0.96	2.51x	13.8x	20.1x	17.7x	1.93x
Median			5.1%	16.5%									1.94x	10.0x	20.1x	16.5x	1.52x
Contract Research Orgs																	
Albany Molecular Research Inc.	AMRI	\$19.04	18.6%	49.8%	\$22.30	\$9.71	\$616	\$575	\$246.5	\$42.3	\$0.40	\$0.92	2.33x	13.6x	NM	20.8x	NM
Charles River Laboratories International, Inc.	CRL	54.21	0.9%	19.0%	62.50	44.12	2,622	3,106	1,173.7	256.5	2.15	3.21	2.65x	12.1x	23.7x	16.9x	1.73x
Covance Inc.	CVD	83.92	(4.9%)	1.7%	106.50	79.21	4,818	4,460	2,489.3	401.8	3.15	3.86	1.79x	11.1x	30.6x	21.8x	1.42x
ICON Public Limited Company	ICLR	51.80	33.6%	32.1%	52.97	35.33	3,213	2,849	1,410.7	209.8	1.65	2.65	2.02x	13.6x	23.6x	19.5x	0.93x
PAREXEL International Corporation	PRXL	53.56	18.1%	8.3%	57.25	37.53	3,046	3,045	1,891.9	261.5	1.97	2.38	1.61x	11.6x	25.9x	22.5x	1.23x
Quintiles Transnational Holdings Inc.	Q	54.93	16.5%	22.5%	57.33	40.10	6,991	8,423	3,977.4	635.8	1.77	2.63	2.12x	13.2x	23.2x	20.9x	1.54x
Median			17.3%	20.8%									2.07x	12.7x	23.7x	20.8x	1.42x
Diagnostic Imaging																	
Alliance Healthcare Services, Inc.	AIQ	\$28.55	0.3%	45.0%	\$35.40	\$19.03	\$300	\$829	\$443.8	\$135.7	(\$2.02)	NM	1.87x	6.1x	NM	NM	NM
American Shared Hospital Services	AMS	2.83	1.8%	(3.4%)	3.46	2.26	15	58	17.0	9.0	(0.07)	NM	3.39x	6.4x	NM	NM	NM
RadNet, Inc.	RDNT	5.11	2.8%	83.8%	7.67	1.50	214	840	698.9	104.8	0.05	0.19	1.20x	8.0x	NM	26.9x	NM
Median			1.8%	45.0%									1.87x	6.4x	NM	26.9x	NM
Dialysis Services																	
DaVita HealthCare Partners Inc.	DVA	\$70.44	1.6%	21.0%	\$74.84	\$52.75	\$15,128	\$23,374	\$12,269.6	\$2,413.0	\$2.89	\$3.72	1.91x	9.7x	22.3x	18.9x	1.88x
Fresenius Medical Care AG & Co. KGAA	FME	69.62	4.6%	9.1%	72.96	62.63	21,046	30,298	15,212.7	2,852.8	3.65	3.56	1.99x	10.6x	20.2x	19.5x	2.55x
Median			3.1%	15.1%									1.95x	10.2x	21.3x	19.2x	2.21x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Distribution / Supply																	
Aceto Corp.	ACET	\$16.76	(23.4%)	8.0%	\$25.25	\$14.28	\$482	\$468	\$493.7	\$52.8	\$1.11	\$0.92	0.95x	8.9x	16.6x	18.2x	0.76x
AmerisourceBergen Corporation	ABC	76.91	18.0%	32.0%	79.13	56.24	17,369	18,103	112,449.5	1,169.1	1.57	4.07	0.16x	15.5x	NM	18.9x	1.31x
Cardinal Health, Inc.	CAH	71.65	3.1%	43.0%	74.40	49.65	24,375	25,254	91,084.0	2,592.0	1.08	3.92	0.28x	9.7x	NM	18.3x	1.86x
Henry Schein, Inc.	HSIC	116.25	1.8%	12.0%	120.99	100.64	9,924	11,072	9,920.9	822.8	4.93	5.38	1.12x	13.5x	22.9x	21.6x	1.90x
McKesson Corporation	MCK	191.86	13.4%	56.4%	195.89	120.17	44,435	52,789	149,428.0	3,352.0	5.40	10.33	0.35x	15.7x	33.2x	18.6x	1.34x
Owens & Minor Inc.	OMI	33.09	(1.3%)	(8.0%)	38.55	31.71	2,087	2,214	9,151.3	238.1	1.76	1.85	0.24x	9.3x	20.5x	17.9x	2.85x
Patterson Companies, Inc.	PDCO	39.01	(4.2%)	(4.6%)	44.39	36.59	4,054	4,481	4,063.7	396.4	2.04	2.22	1.10x	11.3x	19.8x	17.6x	1.73x
Median			1.8%	12.0%									0.35x	11.3x	20.5x	18.3x	1.73x
Emergency Services																	
Adeptus Health Inc.	ADPT	\$25.74	NM	NM	\$28.36	\$23.35	\$252	\$368	\$140.4	\$5.4	(\$0.13)	(\$0.20)	2.62x	NM	NM	NM	NM
Air Methods Corp.	AIRM	50.25	(9.7%)	49.6%	59.07	33.50	1,967	2,667	925.5	230.0	1.54	2.64	2.88x	11.6x	25.6x	19.0x	0.99x
InfuSystem Holdings, Inc.	INFU	2.78	(1.4%)	85.3%	3.05	1.27	62	89	59.4	17.7	0.08	0.18	1.50x	5.0x	27.7x	15.4x	0.51x
Median			(5.6%)	67.5%									2.62x	8.3x	26.6x	17.2x	0.75x
HCIT																	
Allscripts Healthcare Solutions, Inc.	MDRX	\$15.92	4.6%	0.7%	\$19.68	\$13.72	\$2,857	\$3,365	\$1,366.3	\$13.3	(\$0.59)	\$0.39	2.46x	NM	NM	41.3x	1.83x
athenahealth, Inc.	ATHN	124.40	0.6%	11.1%	206.70	97.30	4,723	4,830	672.1	61.3	0.07	1.09	7.19x	78.8x	NM	NM	NM
Cerner Corporation	CERN	55.20	7.6%	12.7%	63.07	45.81	18,826	17,993	3,074.9	806.3	1.13	1.66	5.85x	22.3x	45.6x	33.3x	1.90x
Computer Programs & Systems Inc.	CPSI	65.82	4.3%	18.1%	71.89	54.11	735	711	203.2	56.6	2.95	3.23	3.50x	12.6x	21.5x	20.4x	1.62x
Healthstream Inc.	HSTM	24.96	10.2%	(20.8%)	39.77	20.76	688	576	151.5	24.8	0.30	0.34	3.80x	23.3x	NM	74.5x	3.92x
HMS Holdings Corp.	HMSY	18.41	13.9%	(23.9%)	26.60	15.10	1,614	1,735	479.9	120.0	0.45	0.54	3.62x	14.5x	44.9x	33.9x	1.83x
MedAssets, Inc.	MDAS	21.24	(7.0%)	(2.4%)	26.58	19.38	1,276	2,066	683.1	202.5	0.45	1.35	3.02x	10.2x	45.2x	15.7x	1.23x
Medical Transcription Billing, Corp.	MTBC	3.78	NM	NM	5.00	3.64	42	39	10.8	0.9	(0.03)	NM	3.60x	41.8x	NM	NM	NM
Medidata Solutions, Inc.	MDSO	44.84	23.5%	(3.1%)	68.21	32.10	2,426	2,443	305.4	25.2	0.31	0.76	8.00x	97.1x	NM	59.3x	2.77x
Merge Healthcare Incorporated	MRGE	2.46	7.9%	(45.7%)	4.58	1.97	235	443	215.6	28.9	(0.42)	0.15	2.06x	15.4x	NM	16.4x	1.09x
National Research Corp.	NRCI.B	40.00	(9.0%)	2.3%	44.95	26.61	414	398	93.7	29.7	0.63	0.75	4.24x	13.4x	NM	53.3x	3.95x
Premier, Inc.	PINC	28.30	(5.7%)	NM	38.87	26.52	916	685	810.7	282.6	(298.54)	1.34	0.85x	2.4x	NM	21.1x	1.86x
Quality Systems Inc.	QSII	15.51	5.0%	(32.2%)	24.15	14.10	934	818	453.0	51.2	0.10	0.51	1.80x	16.0x	NM	30.7x	2.02x
The Advisory Board Company	ABCO	50.14	(12.4%)	(14.6%)	70.55	46.58	1,820	1,783	539.2	63.4	0.59	1.25	3.31x	28.1x	NM	40.0x	2.25x
Median			4.6%	(2.8%)									3.55x	16.0x	45.0x	33.6x	1.88x

Source: Capital IQ as of July 31, 2014; For definitions, see page 9

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/14	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Consumer Directed Health & Wellness																	
Benefitfocus, Inc.	BNFT	\$38.54	19.0%	NM	\$77.00	\$27.52	\$966	\$915	\$111.6	(\$29.0)	(\$2.99)	(\$2.47)	8.20x	NM	NM	NM	NM
Castlight Health, Inc.	CSLT	13.41	(10.7%)	NM	41.95	10.05	1,200	1,040	27.7	(81.7)	(0.84)	(1.01)	37.62x	NM	NM	NM	NM
Everyday Health, Inc.	EVDY	16.62	18.0%	NM	19.89	11.84	500	716	162.9	13.8	(0.89)	0.44	4.40x	51.9x	NM	37.5x	1.01x
Healthways Inc.	HWAY	17.29	(3.9%)	0.8%	22.20	9.59	611	861	693.2	32.3	(0.25)	0.20	1.24x	26.7x	NM	NM	NM
IMS Health Holdings, Inc.	IMS	26.10	9.9%	NM	27.64	21.63	8,666	12,385	2,614.0	621.0	0.51	1.40	4.74x	19.9x	NM	18.6x	1.58x
Streamline Health Solutions, Inc.	STRM	5.00	0.0%	(32.9%)	8.50	4.17	91	99	29.0	(6.4)	(0.94)	(0.15)	3.41x	NM	NM	NM	NM
Veeva Systems Inc.	VEEV	23.80	23.9%	NM	49.00	17.11	3,042	2,696	234.1	45.6	0.15	0.27	11.52x	59.1x	NM	89.1x	2.55x
WebMD Health Corp.	WBMD	49.83	13.0%	51.0%	53.30	28.03	1,881	2,055	536.4	86.8	0.31	1.26	3.83x	23.7x	NM	39.4x	3.16x
Median			11.5%	0.8%									4.57x	26.7x	NM	38.5x	2.06x
Healthcare Staffing																	
AMN Healthcare Services Inc.	AHS	\$13.10	5.0%	(11.4%)	\$16.20	\$10.35	\$609	\$758	\$997.5	\$81.1	\$0.69	\$0.69	0.76x	9.4x	19.6x	19.1x	1.20x
Cross Country Healthcare, Inc.	CCRN	7.19	1.4%	27.5%	11.54	5.17	224	236	446.1	5.4	(1.75)	(0.02)	0.53x	NM	NM	NM	NM
Envision Healthcare Holdings, Inc.	EVHC	35.75	5.8%	NM	38.02	24.50	6,526	8,251	3,854.2	446.9	0.04	1.13	2.14x	18.5x	NM	31.6x	1.68x
IPC The Hospitalist Company, Inc.	IPCM	49.18	21.4%	(2.4%)	63.70	38.13	846	904	655.7	69.5	2.39	2.42	1.38x	13.0x	21.8x	20.3x	1.22x
On Assignment Inc.	ASGN	27.01	(22.8%)	(11.5%)	39.86	26.23	1,467	1,813	1,753.0	166.7	1.00	1.67	1.03x	10.9x	20.7x	16.2x	1.09x
Team Health Holdings, Inc.	TMH	56.55	16.6%	40.6%	57.73	36.41	3,995	4,396	2,544.6	267.8	1.24	2.29	1.73x	16.4x	38.5x	24.7x	1.61x
Median			5.4%	(2.4%)									1.21x	13.0x	21.2x	20.3x	1.22x
Home Care / Hospice																	
Addus HomeCare Corporation	ADUS	\$22.14	2.4%	12.7%	\$32.40	\$18.91	\$241	\$221	\$285.8	\$18.3	\$1.01	\$1.08	0.77x	12.1x	22.4x	20.5x	1.37x
Almost Family Inc.	AFAM	23.44	9.2%	22.5%	33.97	18.37	221	270	392.4	14.9	0.91	1.38	0.69x	18.1x	33.9x	17.0x	1.54x
Amedisys Inc.	AMED	20.18	48.1%	61.3%	20.93	12.60	671	803	1,192.0	35.3	(2.98)	0.54	0.67x	22.8x	NM	37.6x	4.18x
Chemed Corp.	CHE	101.85	22.3%	44.3%	103.50	64.16	1,761	1,893	1,408.0	183.8	4.16	5.95	1.34x	10.3x	21.6x	17.1x	1.14x
Gentiva Health Services Inc.	GTIV	18.10	140.4%	68.5%	18.50	7.35	667	1,774	1,798.6	128.6	(18.75)	0.89	0.99x	13.8x	NM	20.3x	2.13x
LHC Group, Inc.	LHCG	23.48	13.0%	2.4%	26.90	19.69	418	499	646.6	51.9	1.30	1.23	0.77x	9.6x	20.1x	19.1x	1.74x
Median			17.7%	33.4%									0.77x	13.0x	22.0x	19.7x	1.64x

Source: Capital IQ as of July 31, 2014; For definitions, see page 9

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/14	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Long Term Care																	
Diversicare Healthcare Services Inc.	DVCR	\$6.98	0.5%	30.5%	\$8.25	\$4.56	\$43	\$106	\$302.0	\$5.9	(\$1.00)	NM	0.35x	17.9x	NM	NM	NM
Kindred Healthcare Inc.	KND	23.90	(4.8%)	55.6%	26.81	12.95	1,542	3,108	4,924.4	295.8	(0.93)	1.14	0.63x	10.5x	NM	20.9x	1.55x
National Healthcare Corp.	NHC	54.96	0.4%	14.4%	58.92	45.30	781	803	807.4	110.6	3.87	3.39	0.99x	7.3x	14.3x	16.2x	NM
The Ensign Group, Inc.	ENSG	32.93	(22.5%)	(13.9%)	47.78	26.02	732	929	926.0	129.6	1.16	2.55	1.00x	7.2x	14.9x	12.9x	0.95x
Median			(2.2%)	22.4%									0.81x	8.9x	14.6x	16.2x	1.25x
Managed Care – Commercial																	
Aetna Inc.	AET	\$77.53	8.5%	20.8%	\$85.72	\$60.32	\$27,492	\$34,870	\$54,717.8	\$4,686.2	\$5.33	\$6.57	0.64x	7.4x	13.6x	11.8x	1.11x
Cigna Corp.	CI	90.04	12.5%	15.7%	97.28	72.64	23,754	27,044	33,407.0	2,906.0	5.18	7.31	0.81x	9.3x	12.4x	12.3x	1.20x
Health Net, Inc.	HNT	41.19	20.0%	34.3%	45.61	25.40	3,304	3,066	11,295.6	325.5	2.12	2.28	0.27x	9.4x	22.2x	18.1x	1.10x
Humana Inc.	HUM	117.65	7.2%	28.9%	134.93	89.00	18,148	19,444	44,440.0	2,270.0	7.73	7.78	0.44x	8.6x	17.7x	15.1x	1.46x
UnitedHealth Group Incorporated	UNH	81.05	8.0%	11.3%	87.24	66.72	79,418	91,056	126,023.0	10,701.0	5.50	5.58	0.72x	8.5x	14.8x	14.5x	1.47x
Universal American Corp	UAM	7.94	10.7%	(26.8%)	10.92	6.60	639	725	2,091.4	16.0	(2.20)	0.06	0.35x	NM	NM	NM	NM
WellPoint Inc.	WLP	109.81	9.1%	28.3%	116.50	81.46	30,115	45,074	72,090.0	5,039.1	8.67	8.72	0.63x	8.9x	13.6x	12.6x	1.27x
Median			9.1%	20.8%									0.63x	8.8x	14.2x	13.6x	1.23x
Managed Care – Government																	
Centene Corp.	CNC	\$72.09	8.6%	30.0%	\$81.98	\$54.12	\$4,223	\$4,044	\$12,700.5	\$430.5	\$2.87	\$3.83	0.32x	9.4x	23.5x	18.8x	1.07x
Molina Healthcare, Inc.	MOH	40.85	9.2%	10.0%	47.22	31.10	1,900	1,683	7,564.0	164.6	0.96	2.00	0.22x	10.2x	NM	20.4x	0.81x
WellCare Health Plans, Inc.	WCG	62.38	(7.5%)	2.2%	78.37	55.16	2,737	2,222	11,026.0	296.3	3.98	2.23	0.20x	7.5x	19.2x	28.0x	2.66x
Median			8.6%	10.0%									0.22x	9.4x	21.3x	20.4x	1.07x

Source: Capital IQ as of July 31, 2014; For definitions, see page 9

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/14	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Other Services																	
Healthcare Services Group Inc.	HCSG	\$26.14	(10.2%)	6.2%	\$30.69	\$23.61	\$1,838	\$1,770	\$1,233.8	\$76.3	\$0.67	\$0.87	1.43x	23.2x	38.9x	30.1x	1.79x
PDI, Inc.	PDII	3.59	(24.2%)	(22.8%)	6.25	3.30	55	14	140.7	(6.7)	(0.31)	(0.40)	0.10x	NM	NM	NM	NM
Sharps Compliance Corp.	SMED	4.61	12.2%	79.4%	5.90	2.49	70	56	24.7	0.1	(0.09)	0.11	2.26x	NM	NM	41.9x	1.57x
Stericycle, Inc.	SRCL	117.65	1.0%	1.5%	125.43	108.62	9,964	11,678	2,313.3	676.8	3.56	4.25	5.05x	17.3x	31.9x	27.7x	1.80x
Median			(4.6%)	3.8%									1.85x	20.2x	35.4x	30.1x	1.79x
Pharmacy Management																	
BioScrip Inc.	BIOS	\$7.49	8.2%	(53.9%)	\$16.82	\$5.61	\$513	\$922	\$900.7	\$24.3	(\$0.83)	(\$0.11)	1.02x	37.9x	NM	NM	NM
Catamaran Corporation	CCT	45.49	19.2%	(8.2%)	55.83	37.13	9,411	10,189	18,443.2	763.6	1.27	2.19	0.55x	13.3x	33.8x	20.8x	0.90x
Express Scripts Holding Company	ESRX	69.65	4.6%	6.3%	79.37	59.20	51,921	65,196	100,493.0	6,419.7	2.31	4.89	0.65x	10.2x	30.6x	14.3x	1.15x
Omnicare Inc.	OCR	62.50	5.4%	18.4%	67.49	52.26	6,116	8,024	6,233.0	722.4	0.78	3.69	1.29x	11.1x	NM	16.9x	1.13x
Omnicell, Inc.	OMCL	27.40	3.5%	29.9%	30.33	20.88	1,003	877	406.6	61.5	0.67	1.23	2.16x	14.3x	35.2x	22.5x	1.26x
PharMerica Corporation	PMC	26.99	(0.7%)	84.4%	30.48	11.84	809	1,028	1,770.3	115.1	0.63	1.48	0.58x	8.9x	NM	18.2x	1.82x
Median			5.0%	12.3%									0.84x	12.2x	33.8x	18.2x	1.15x
Physician Practice Mgmt																	
Birner Dental Management Services Inc.	BDMS	\$17.00	(0.9%)	(6.8%)	\$22.40	\$16.75	\$32	\$40	\$64.3	\$3.6	\$0.05	NM	0.63x	11.3x	NM	NM	NM
MEDNAX, Inc.	MD	59.18	(0.1%)	21.5%	64.51	48.11	5,882	6,036	2,284.0	522.7	2.78	3.14	2.64x	11.5x	19.9x	18.9x	1.31x
Median			(0.5%)	7.3%									1.64x	11.4x	19.9x	18.9x	1.31x
Psychiatric Hospitals																	
Acadia Healthcare Company, Inc.	ACHC	\$47.66	13.4%	29.3%	\$53.87	\$36.65	\$2,851	\$3,140	\$789.9	\$154.7	\$0.86	\$1.46	NM	20.3x	39.0x	33.0x	1.41x
Magellan Health, Inc.	MGLN	57.60	(0.2%)	0.8%	63.81	53.51	1,647	1,486	3,736.3	206.9	4.53	2.70	0.40x	7.2x	16.7x	21.3x	1.25x
Providence Service Corp.	PRSC	39.61	(2.5%)	43.7%	43.35	23.91	577	602	1,130.6	55.3	1.41	2.08	0.53x	10.9x	29.1x	19.0x	1.15x
Median			(0.2%)	29.3%									0.46x	10.9x	29.1x	21.3x	1.25x

Source: Capital IQ as of July 31, 2014; For definitions, see page 9

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/14	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E	
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E		
Specialty Managed Care																		
Assurant Inc.	AIZ	\$63.36	(6.0%)	17.0%	\$69.71	\$52.94	\$4,523	\$4,390	\$9,715.7	\$998.6	\$6.30	\$6.33	0.45x	4.4x	9.1x	10.0x	1.72x	
Triple-S Management Corporation	GTS	17.28	15.4%	(20.6%)	21.86	14.70	471	475	2,374.5	79.7	2.01	1.31	0.20x	6.0x	10.5x	13.2x	1.29x	
Median			4.7%	(1.8%)									0.33x	5.2x	9.8x	11.6x	1.51x	
Surgicenters / Rehabilitation																		
AmSurg Corp.	AMSG	\$47.76	10.3%	22.1%	\$52.81	\$36.46	\$2,295	\$3,383	\$1,098.3	\$369.8	\$2.27	\$2.53	3.08x	9.2x	21.0x	18.9x	1.28x	
Surgical Care Affiliates, Inc.	SCAI	29.38	0.0%	NM	37.69	25.50	1,125	1,946	790.8	167.8	(1.39)	0.94	2.46x	11.6x	NM	31.2x	NM	
Hanger, Inc.	HGR	31.65	(8.7%)	(14.3%)	40.71	28.47	1,088	1,595	1,052.7	166.5	1.80	2.06	1.51x	9.6x	18.6x	15.3x	1.53x	
HEALTHSOUTH Corp.	HLS	38.33	10.7%	17.7%	42.41	29.82	3,363	5,019	2,303.3	577.5	2.59	2.07	2.18x	8.7x	23.4x	18.5x	1.32x	
Select Medical Holdings Corporation	SEM	15.54	11.3%	73.2%	16.17	7.90	2,033	3,703	2,949.2	362.2	0.82	0.93	1.26x	10.2x	19.2x	16.7x	1.81x	
US Physical Therapy Inc.	USPH	34.94	13.3%	22.1%	37.25	26.91	427	483	266.8	45.7	1.46	1.62	1.81x	10.6x	23.5x	21.6x	1.36x	
Median			10.5%	22.1%									1.99x	9.9x	21.0x	18.7x	1.36x	

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 July 31, 2014

MARKET SECTOR	No. of Cos.	Ag. Eqty Mkt. Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	Rev	EBITDA	LTM	2014E	
Biotechnology	50	\$511,821	(5.0%)	9.7%	9.06x	15.1x	29.0x	24.6x	1.2x
Cardiology Devices	19	115,054	(0.9%)	11.8%	3.66x	12.6x	25.6x	21.2x	1.9x
Conglomerates	6	492,878	2.1%	16.0%	2.96x	11.3x	21.7x	17.9x	2.0x
Dental Devices	8	19,400	9.8%	24.3%	2.69x	16.2x	30.7x	25.0x	1.9x
Diagnostic Imaging Devices	4	8,255	(0.2%)	24.8%	1.27x	10.3x	24.8x	17.5x	2.1x
Diversified Medical Devices	16	101,128	6.2%	20.3%	2.87x	13.8x	21.5x	20.1x	1.6x
Infection Prevention Devices	2	4,402	3.5%	19.7%	2.57x	13.6x	28.0x	23.5x	1.6x
Lab Equipment	2	7,475	8.7%	25.5%	1.82x	10.7x	18.4x	22.2x	1.7x
Lab Instrumentation & Devices	3	12,734	9.5%	2.5%	1.99x	15.0x	33.7x	25.9x	1.9x
Large-Cap Pharmaceuticals	7	669,597	0.0%	17.1%	4.62x	12.5x	25.1x	16.6x	2.8x
Life Science Conglomerates	3	74,236	10.1%	35.6%	4.26x	19.1x	29.3x	18.8x	1.5x
Life Science Consumables	5	8,829	2.8%	26.6%	2.06x	17.8x	39.1x	29.8x	2.1x
Mobility Devices	3	2,800	(1.8%)	6.3%	0.48x	9.3x	18.2x	36.1x	1.8x
Neural Implant Devices	2	3,130	2.3%	17.4%	3.78x	14.4x	29.7x	21.2x	1.5x
Ophthalmology Devices	4	8,334	10.2%	26.3%	1.62x	19.7x	30.0x	20.2x	1.3x
Orthopedics Devices	6	50,912	5.0%	12.8%	2.86x	9.8x	21.9x	17.3x	1.9x
Pharmaceuticals	24	71,923	6.9%	41.0%	4.88x	14.8x	30.5x	16.7x	1.3x
Surgical Devices	4	17,724	1.5%	18.4%	2.25x	14.8x	34.4x	30.0x	2.4x
Total / Median (\$MM)	168	2,180,632	3.2%	19.0%	2.78x	14.1x	28.5x	21.2x	1.8x

Source: Capital IQ

CAPITALIZATION PROFILE

	No. of Cos.	Ag. Eqty Mkt. Value	% Total No. of Cos.	% Ag. Eqty Mkt. Value	Median Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	48	\$2,071,308	28.6%	95.0%	7.1%	109.1%	26.4%	69.8%
\$1 billion – \$5 billion	36	79,340	21.4%	3.6%	1.3%	85.1%	20.0%	54.6%
\$250 million – \$1 billion	49	25,805	29.2%	1.2%	1.3%	137.2%	28.7%	77.2%
\$100 million – \$250 million	19	3,140	11.3%	0.1%	5.7%	246.0%	42.5%	95.6%
< \$100 million	16	1,038	9.5%	0.0%	(5.6%)	86.5%	11.5%	31.0%
Total / Median (\$MM)	168	\$2,180,632	100.0%	100.0%	3.2%	109.1%	19.0%	69.8%

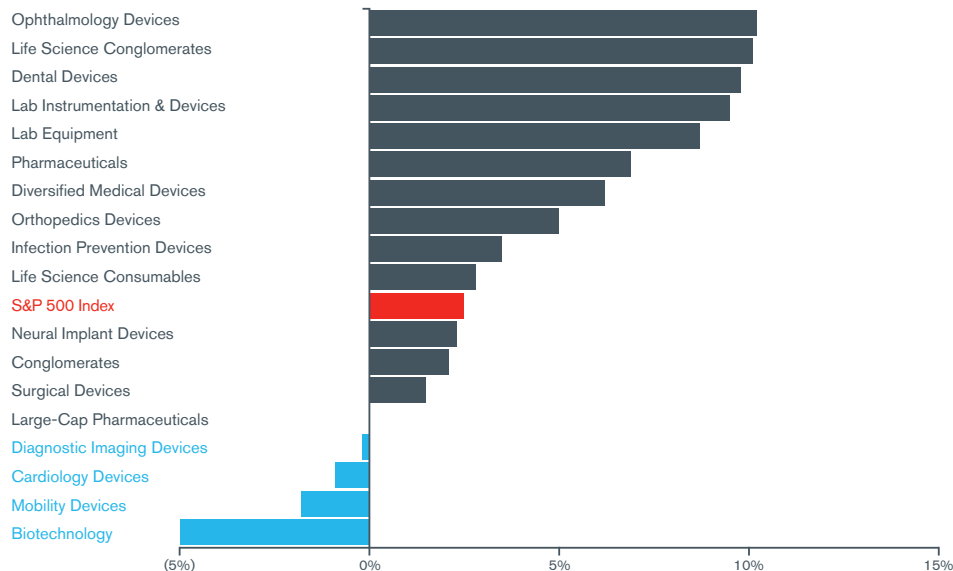
Source: Capital IQ

INTEREST RATES

	Value at 7/31/14	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 5 Months	0.00%	0.00%	0.00%	0.37%
U.S. Treasury – 2 years	0.08%	0.45%	0.42%	0.31%
U.S. Treasury – 5 years	1.76%	1.63%	1.68%	1.39%
U.S. Treasury – 10 years	2.56%	2.51%	2.65%	2.59%
U.S. Treasury – 30 years	3.31%	3.34%	3.46%	3.46%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

Median % Change – 3 months



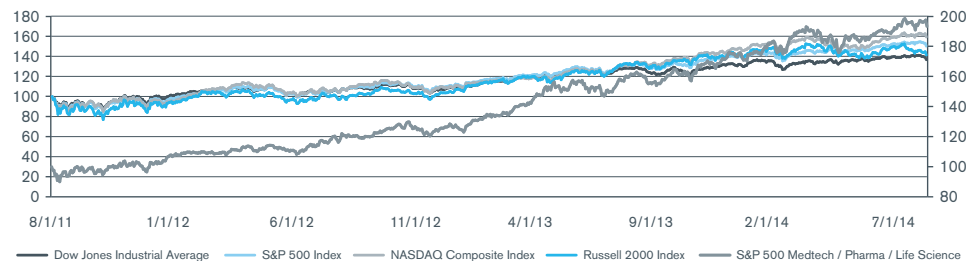
Source: Capital IQ

MARKET INDICES

	Value at 7/31/14	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$16,563.3	0.0%	(0.1%)	6.0%	36.5%
S&P 500 Index	1,930.7	2.5%	4.5%	13.1%	50.0%
NASDAQ Composite Index	4,369.8	5.9%	4.6%	18.9%	59.2%
Russell 2000 Index	1,120.1	(0.5%)	(3.7%)	5.7%	41.3%
S&P Life Science Tools & Services (Industry) Index	287.9	5.0%	5.4%	21.5%	72.8%
S&P 500 Pharmaceuticals (Industry) Index	526.9	(1.6%)	7.7%	14.2%	69.6%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	606.3	2.8%	9.5%	18.7%	96.3%
S&P 500 Biotechnology (Industry) Index	3,234.7	14.2%	15.4%	31.6%	207.1%
Dow Jones U.S. Medical Equipment Index	831.6	6.7%	10.1%	18.3%	62.6%
S&P 500 – Pharmaceuticals, Biotechnology & Life Sciences (Industry Group)	684.8	2.9%	9.7%	19.1%	93.2%

Source: Capital IQ

Performance of Market Indices for Latest 36 months



Source: Capital IQ

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/14	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Biotechnology																	
Acceleron Pharma, Inc.	XLRN	\$29.62	(13.8%)	NM	\$57.89	\$16.78	\$932	\$718	\$45.5	(\$7.4)	(\$4.15)	(\$1.30)	15.76x	NM	NM	NM	NM
Acorda Therapeutics, Inc.	ACOR	29.27	(17.4%)	(22.9%)	39.95	27.51	1,222	779	355.2	47.1	0.39	1.07	2.19x	16.5x	65.5x	27.8x	0.62x
Adamas Pharmaceuticals, Inc.	ADMS	15.91	(13.8%)	NM	21.63	12.02	266	213	40.7	24.0	3.51	(0.25)	5.24x	8.9x	8.0x	NM	NM
Akebia Therapeutics, Inc.	AKBA	22.14	(9.2%)	NM	31.00	16.41	449	316	-	-	(1.31)	(3.65)	NA	NA	NM	NM	NM
Alexion Pharmaceuticals, Inc.	ALXN	158.99	0.5%	36.8%	185.43	100.89	31,451	29,997	1,921.4	779.3	1.27	5.02	15.61x	38.5x	79.7x	31.7x	1.19x
Alkermes plc	ALKS	42.76	(7.6%)	27.3%	54.25	29.36	6,236	5,958	558.8	40.8	0.16	0.33	10.66x	NM	NM	NM	NM
Amarin Corporation plc	AMRN	1.80	11.1%	(67.0%)	7.40	1.28	311	393	35.0	(144.0)	(1.28)	(0.54)	11.23x	NM	NM	NM	NM
Amgen Inc.	AMGN	127.39	14.0%	17.6%	131.24	103.31	96,689	103,829	19,460.0	8,127.0	6.64	8.37	5.34x	12.8x	19.5x	15.2x	1.89x
Athersys, Inc.	ATHX	1.61	9.9%	5.2%	4.33	1.08	124	79	2.8	(24.7)	(0.53)	(0.36)	28.11x	NM	NM	NM	NM
Auspex Pharmaceuticals, Inc.	ASPX	18.21	(15.1%)	NM	35.78	13.25	487	382	-	(16.3)	(371.13)	(1.85)	NA	NM	NM	NM	NM
Biogen Idec Inc.	BIIB	334.39	16.5%	53.3%	358.89	203.55	78,965	77,985	8,344.8	3,640.6	7.81	13.12	9.35x	21.4x	37.2x	25.5x	1.16x
BioSpecifics Technologies Corp.	BSTC	26.14	10.2%	58.5%	28.45	16.45	167	150	13.2	7.1	0.76	0.64	11.34x	21.2x	38.5x	41.2x	NM
Cara Therapeutics Inc.	CARA	12.75	(11.4%)	NM	23.25	10.40	288	221	12.1	(1.4)	(0.74)	(1.09)	18.21x	NM	NM	NM	NM
Celgene Corporation	CELG	87.15	18.6%	18.7%	90.50	65.76	69,677	70,383	7,033.0	2,416.4	1.69	3.68	10.01x	29.1x	50.4x	23.7x	0.92x
Cepheid	CPHD	37.64	(13.4%)	7.9%	55.89	34.42	2,624	2,592	436.8	2.5	(0.27)	0.11	5.93x	NM	NM	NM	NM
Cubist Pharmaceuticals Inc.	CBST	60.90	(13.1%)	(2.3%)	82.12	58.50	4,602	4,832	1,121.4	161.0	(0.27)	1.19	4.31x	30.0x	NM	51.1x	2.13x
Curis, Inc.	CRIS	1.94	(14.2%)	(53.3%)	4.74	1.60	167	139	15.4	(9.7)	(0.15)	(0.20)	9.03x	NM	NM	NM	NM
Dicerna Pharmaceuticals, Inc.	DRNA	15.02	(20.0%)	NM	46.00	14.36	267	137	-	(21.4)	(709.57)	(2.12)	NA	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	1.70	19.7%	(10.5%)	2.00	1.25	53	54	17.6	0.5	(0.01)	NM	3.06x	NM	NM	NM	NM
Emergent BioSolutions, Inc.	EBS	22.00	(16.5%)	24.4%	28.48	17.14	823	914	323.5	66.9	0.85	0.83	2.82x	13.7x	43.1x	26.5x	1.06x
Exelixis, Inc.	EXEL	4.03	13.8%	(20.4%)	8.41	3.02	786	902	21.3	(238.6)	(1.33)	(1.57)	NM	NM	NM	NM	NM
Genomic Health Inc.	GHDX	25.48	(2.9%)	(28.5%)	37.24	23.90	796	695	265.5	(11.6)	(0.42)	(0.88)	2.62x	NM	NM	NM	NM
Gilead Sciences Inc.	GILD	91.55	16.6%	49.1%	94.34	55.96	139,709	138,641	17,436.6	10,458.4	1.81	7.98	7.95x	13.3x	20.7x	11.5x	0.33x
GlycoMimetics, Inc.	GLYC	8.19	(38.3%)	NM	18.99	6.02	155	98	15.2	(4.5)	(8.87)	0.51	6.45x	NM	NM	16.1x	NM
Immunomedics Inc.	IMMU	3.24	(23.0%)	(43.1%)	7.35	3.04	300	278	9.2	(30.7)	(0.17)	(0.44)	NM	NM	NM	NM	NM
Immune Design Corp.	IMDZ	12.00	NM	NM	12.81	11.51	189	164	1.1	(17.3)	(2.28)	NM	NM	NM	NM	NM	NM
INSYS Therapeutics, Inc.	INSY	27.03	(34.2%)	137.4%	57.91	11.25	925	878	129.9	46.3	1.41	1.44	6.76x	19.0x	19.2x	18.7x	0.80x
Ligand Pharmaceuticals Incorporated	LGND	49.17	(22.2%)	3.8%	80.42	36.82	1,019	1,000	54.3	19.4	0.43	0.84	18.41x	NM	NM	58.9x	1.96x
Momenta Pharmaceuticals Inc.	MNTA	10.64	(6.8%)	(38.4%)	19.90	9.85	578	376	45.2	(101.7)	(2.13)	(0.60)	8.31x	NM	NM	NM	NM
Myriad Genetics Inc.	MYGN	36.10	(14.5%)	21.7%	42.50	20.02	2,701	2,489	763.6	311.8	2.32	2.08	3.26x	8.0x	15.3x	17.3x	1.50x
Neurocrine Biosciences Inc.	NBIX	13.58	(3.1%)	(2.9%)	20.29	8.57	1,030	810	2.2	(48.8)	(0.69)	(0.79)	NM	NM	NM	NM	NM
Ocular Therapeutix, Inc.	OCUL	12.86	NM	NM	13.25	11.90	265	254	0.0	(16.3)	(0.91)	NM	NM	NM	NM	NM	NM
Osiris Therapeutics, Inc.	OSIR	14.80	4.0%	29.3%	27.40	10.05	506	468	30.3	(2.1)	(0.03)	0.01	15.43x	NM	NM	NM	NM

Source: Capital IQ as of July 31, 2014; For definitions, see page 17

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/14	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Biotechnology (cont.)																	
PDL BioPharma, Inc.	PDLI	\$9.38	10.5%	15.5%	\$10.21	\$7.38	\$1,506	\$1,692	\$490.7	\$463.1	\$1.66	\$1.47	3.45x	3.7x	5.4x	6.4x	NM
Pfenex Inc.	PFNX	5.85	NM	NM	6.00	5.28	113	111	11.1	(6.0)	(0.37)	NM	10.02x	NM	NM	NM	NM
ProMetic Life Sciences Inc.	PLI	1.13	12.8%	223.7%	1.51	0.34	597	595	20.1	(13.4)	(0.03)	(0.02)	29.58x	NM	NM	NM	NM
Prosensa Holding N.V.	RNA	9.87	41.2%	(68.0%)	34.55	3.43	355	260	28.6	(6.6)	(0.69)	(0.87)	9.09x	NM	NM	NM	NM
Regeneron Pharmaceuticals, Inc.	REGN	316.22	6.5%	17.1%	352.49	227.64	31,900	31,783	2,290.8	836.2	3.81	9.89	13.87x	38.0x	90.7x	32.0x	1.30x
Roka Bioscience, Inc.	ROKA	10.03	NM	NM	13.00	9.15	177	154	2.7	(27.0)	(3.26)	NM	NM	NM	NM	NM	NM
Sage Therapeutics, Inc.	SAGE	28.22	NM	NM	30.75	0.00	704	649	-	(20.6)	(1.92)	NM	NA	NM	NM	NM	NM
Spectrum Pharmaceuticals, Inc.	SPPI	7.04	2.5%	(16.6%)	10.32	6.36	462	420	157.3	(27.3)	(1.02)	(0.70)	2.67x	NM	NM	NM	NM
Targacept, Inc.	TRGT	2.79	(37.2%)	(44.2%)	6.11	2.70	94	(2.1)	0.2	(50.2)	(1.39)	(1.32)	NM	0.0x	NM	NM	NM
Theravance Inc.	THRX	21.70	(19.4%)	(43.7%)	42.85	21.26	2,444	2,361	3.6	(194.5)	(1.67)	(1.17)	NM	NM	NM	NM	NM
Ultragenyx Pharmaceutical Inc.	RARE	43.70	12.7%	NM	69.77	32.02	1,370	1,205	-	(35.4)	(14.87)	(2.10)	NA	NM	NM	NM	NM
United Therapeutics Corporation	UTHR	90.94	(9.1%)	21.4%	116.65	70.34	4,299	4,094	1,203.4	499.2	3.28	8.67	3.40x	8.2x	17.6x	10.5x	1.23x
Vanda Pharmaceuticals, Inc.	VNDA	14.70	5.5%	26.0%	19.25	5.70	498	398	35.0	(40.3)	(0.67)	(2.63)	11.37x	NM	NM	NM	NM
Versartis, Inc.	VSAR	20.40	(33.2%)	NM	36.86	20.29	494	289	-	(22.7)	(1.99)	(3.07)	NA	NM	NM	NM	NM
Vertex Pharmaceuticals Incorporated	VRTX	88.91	31.3%	11.4%	99.74	58.06	21,168	20,487	829.7	(452.6)	(1.98)	(2.12)	24.69x	NM	NM	NM	NM
Vital Therapies, Inc.	VTL	22.90	76.2%	NM	35.20	10.66	499	558	-	(37.4)	(3.14)	(3.06)	NA	NM	NM	NM	NM
Zafgen, Inc.	ZFGN	17.50	NM	NM	20.39	17.35	382	351	-	(14.8)	(1.05)	(1.93)	NA	NM	NM	NM	NM
Median			(5.0%)	9.7%									9.06x	15.10x	28.97x	24.59x	1.19x
Cardiology Devices																	
ABIOMED, Inc.	ABMD	\$25.60	8.1%	2.1%	\$30.77	\$18.15	\$1,033	\$946	\$189.8	\$10.6	\$0.19	\$0.57	4.98x	NM	NM	44.7x	2.08x
AngioDynamics Inc.	ANGO	14.60	8.6%	22.2%	19.00	10.84	515	640	350.6	47.5	(0.07)	0.60	1.82x	13.5x	NM	24.3x	1.85x
Boston Scientific Corporation	BSX	12.78	1.3%	17.0%	14.08	10.54	16,904	20,802	7,220.0	1,627.0	(0.09)	0.82	2.88x	12.8x	70.7x	15.6x	1.62x
Cardiovascular Systems Inc.	CSII	27.00	(6.1%)	31.1%	37.73	18.83	835	693	125.9	(29.4)	(1.19)	(1.08)	5.51x	NM	NM	NM	NM
CareDx, Inc	CDNA	9.71	NM	NM	10.20	8.49	112	123	23.0	0.1	(0.48)	NM	5.32x	NM	NM	NM	NM
Edwards Lifesciences Corp.	EW	90.25	10.8%	26.4%	94.50	60.62	9,521	8,635	2,129.1	498.2	3.44	3.30	4.06x	17.3x	13.0x	27.3x	1.92x
Greatbatch, Inc.	GB	49.51	7.6%	31.0%	51.64	33.24	1,232	1,373	690.7	123.9	1.43	2.33	1.99x	11.1x	26.5x	21.2x	1.93x
Heartware International Inc.	HTWR	84.21	(0.9%)	(8.9%)	105.84	69.31	1,430	1,359	244.5	(27.8)	(3.69)	(2.31)	5.56x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	8.11	(1.2%)	18.7%	8.96	6.39	138	115	67.5	7.6	0.20	0.22	1.70x	15.2x	50.7x	36.9x	1.84x
Lombard Medical, Inc.	EVAR	6.02	(38.8%)	NM	11.34	5.72	97	59	7.0	(19.5)	(2.14)	(2.41)	8.50x	NM	NM	NM	NM
Medtronic, Inc.	MDT	61.74	5.0%	11.8%	65.50	51.22	61,505	59,190	16,893.0	5,575.0	3.52	3.99	3.50x	10.6x	20.4x	15.5x	2.13x
Neovasc Inc.	NVC	0.00	NM	NM	0.00	0.00	0	0	12.4	(4.9)	(0.13)	NM	NM	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.15	6.7%	(71.4%)	0.61	0.11	50	36	0.0	(27.5)	(0.08)	(0.04)	NA	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	65.19	2.7%	24.4%	71.90	49.94	18,559	21,205	5,571.0	1,720.0	2.49	4.00	3.81x	12.3x	21.0x	16.3x	1.66x

Source: Capital IQ as of July 31, 2014; For definitions, see page 17

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/14	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Cardiology Devices (cont.)																	
Stereotaxis Inc.	STXS	\$3.30	(14.7%)	(37.0%)	\$10.85	\$3.09	\$64	\$71	\$38.0	(\$6.4)	(\$5.95)	NM	1.86x	NM	NM	NM	NM
Sunshine Heart Inc.	SSH	4.98	(14.0%)	(32.4%)	13.80	4.77	84	37	0.1	(24.6)	(1.71)	(1.58)	NM	NM	NM	NM	NM
Thoratec Corp.	THOR	32.50	(0.9%)	(0.9%)	43.58	30.01	1,849	1,554	510.8	128.8	1.26	1.75	3.04x	12.1x	25.6x	18.5x	1.79x
TriVascular Technologies, Inc.	TRIV	13.75	(1.7%)	NM	17.99	11.15	279	535	23.6	(46.0)	(5.01)	(3.04)	22.66x	NM	NM	NM	NM
Volcano Corporation	VOLC	16.51	(6.0%)	(17.3%)	24.62	15.38	846	908	392.2	15.8	(0.63)	(0.21)	2.32x	NM	NM	NM	NM
Median			(0.9%)	11.8%									3.66x	12.6x	25.6x	21.2x	1.85x
Conglomerates																	
3M Company	MMM	\$140.89	1.3%	20.0%	\$146.43	\$112.36	\$91,292	\$95,750	\$31,450.0	\$8,298.0	\$6.72	\$7.48	3.04x	11.5x	19.9x	18.8x	1.59x
Agilent Technologies Inc.	A	56.09	3.8%	25.4%	61.22	45.32	18,693	18,439	6,780.0	1,337.0	2.17	3.18	2.72x	13.8x	26.5x	17.7x	1.88x
Becton, Dickinson and Company	BDX	116.24	2.8%	12.1%	120.66	96.73	22,458	23,798	8,305.0	2,143.8	4.69	6.41	2.87x	11.1x	23.6x	18.1x	1.92x
Covidien plc	COV	86.51	21.4%	40.4%	92.68	58.99	39,081	42,961	10,422.0	2,807.0	3.31	4.10	4.12x	15.3x	26.2x	21.1x	2.11x
Johnson & Johnson	JNJ	100.09	(1.2%)	7.0%	106.74	85.50	282,514	270,414	73,540.0	24,667.0	4.81	5.92	3.68x	11.0x	18.5x	16.9x	2.32x
Kimberly-Clark Corporation	KMB	103.87	(7.5%)	5.1%	114.45	91.44	38,839	44,885	21,188.0	4,116.0	5.53	6.09	2.12x	10.9x	18.7x	17.0x	2.43x
Median			2.1%	16.0%									2.96x	11.3x	21.7x	17.9x	2.02x
Dental Devices																	
COLTENE Holding AG	CLTN	\$60.33	(3.8%)	22.2%	\$64.63	\$48.14	\$254	\$266	\$176.6	\$27.2	\$3.45	\$3.96	1.51x	9.8x	17.5x	15.2x	1.26x
DENTSPLY International Inc.	XRAY	46.42	4.0%	8.3%	50.99	41.31	6,581	7,945	2,953.0	577.3	2.16	2.52	2.69x	13.8x	21.2x	18.4x	1.56x
Nobel Biocare Holding AG	NOBN	17.65	30.6%	41.6%	17.98	12.46	2,169	2,041	756.8	124.1	0.47	0.55	2.70x	16.5x	38.6x	32.0x	2.04x
Orthofix International N.V.	OFIX	33.06	9.5%	45.6%	36.90	19.35	610	604	398.5	53.4	(0.80)	1.14	1.52x	11.3x	NM	29.1x	3.41x
Osstem Implant Co., Ltd.	A048260	33.37	34.3%	14.1%	35.75	20.00	474	508	219.9	28.5	0.68	1.70	2.31x	17.8x	39.6x	25.0x	NM
Sirona Dental Systems Inc.	SIRO	80.20	6.6%	13.6%	84.95	64.40	4,623	4,450	1,143.2	280.4	2.72	3.74	3.89x	15.9x	28.4x	21.4x	1.87x
Straumann Holding AG	STMN	237.03	10.1%	53.8%	242.65	154.30	3,682	3,476	749.9	155.6	7.17	8.75	4.63x	22.3x	33.1x	27.1x	1.87x
Tornier N.V.	TRNX	20.73	22.2%	26.4%	24.35	15.17	1,007	1,026	317.3	22.4	(0.79)	(0.42)	3.23x	45.8x	NM	NM	NM
Median			9.8%	24.3%									2.69x	16.2x	30.7x	25.0x	1.87x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E		
Orthopedics Devices																		
Exactech Inc.	EXAC	\$22.74	2.3%	5.3%	\$26.52	\$18.34	\$311	\$324	\$244.4	\$43.2	\$1.12	\$1.21	1.33x	7.5x	19.6x	18.8x	1.04x	
NuVasive, Inc.	NUVA	37.38	10.9%	63.8%	39.89	22.48	1,756	1,871	728.1	117.6	0.17	1.12	2.57x	15.9x	NM	33.3x	2.59x	
Stryker Corporation	SYK	79.77	2.6%	13.2%	86.93	66.44	30,200	29,322	9,287.0	1,413.0	2.63	4.77	3.16x	20.8x	44.6x	16.7x	2.03x	
Symmetry Medical, Inc.	SMA	8.81	6.7%	1.1%	11.11	7.69	330	496	402.5	50.7	(0.99)	0.51	1.23x	9.8x	NM	17.3x	1.20x	
Wright Medical Group Inc.	WMGI	30.82	12.7%	12.4%	33.80	23.70	1,522	1,447	254.5	(58.4)	(6.19)	(1.32)	5.68x	NM	NM	NM	NM	
Zimmer Holdings, Inc.	ZMH	100.07	3.4%	19.9%	108.33	78.00	16,794	16,783	4,659.4	1,726.2	4.43	6.04	3.60x	9.7x	21.9x	16.6x	1.88x	
Median			5.0%	12.8%									2.86x	9.8x	21.9x	17.3x	1.88x	
Diagnostic Imaging Devices																		
Analogic Corporation	ALOG	\$71.91	(4.2%)	0.7%	\$99.97	\$65.63	\$890	\$770	\$541.7	\$63.6	\$2.58	\$4.26	1.42x	12.1x	25.9x	16.9x	1.02x	
Digirad Corporation	DRAD	3.30	3.8%	34.7%	4.85	2.32	61	42	52.5	4.9	0.01	0.12	0.79x	8.6x	24.8x	27.5x	2.29x	
Fonar Corp.	FONR	10.28	(33.5%)	78.5%	27.95	5.12	63	88	79.6	15.4	1.60	NM	1.11x	5.8x	6.0x	NM	NM	
Hologic Inc.	HOLX	26.07	24.2%	14.8%	26.75	19.25	7,241	10,879	2,476.5	858.8	(4.37)	1.49	4.39x	12.7x	NM	17.5x	2.15x	
Median			(0.2%)	24.8%									1.27x	10.3x	24.8x	17.5x	2.15x	
Mobility Devices																		
Hill-Rom Holdings, Inc.	HRC	\$39.40	5.5%	6.3%	\$44.64	\$33.57	\$2,255	\$2,478	\$1,670.8	\$265.2	\$1.57	\$2.37	1.48x	9.3x	34.0x	16.6x	1.85x	
Invacare Corporation	IVC	14.97	(5.3%)	(4.1%)	25.96	14.46	481	514	1,316.5	12.3	(1.60)	(1.19)	0.39x	42.0x	NM	NM	NM	
Prism Medical Ltd.	PM	7.13	(1.8%)	49.0%	7.42	4.18	64	34	71.0	7.2	0.49	0.13	0.48x	4.7x	2.4x	55.6x	NM	
Median			(1.8%)	6.3%									0.48x	9.3x	18.2x	36.1x	1.85x	
Infection Prevention Devices																		
Cantel Medical Corp.	CMN	\$33.53	1.1%	26.3%	\$38.04	\$25.45	\$1,387	\$1,428	\$467.6	\$88.2	\$1.00	\$1.16	3.05x	16.2x	32.6x	29.0x	1.61x	
Steris Corp.	STE	50.88	5.9%	13.0%	55.36	39.90	3,014	3,358	1,614.9	304.7	2.22	2.82	2.08x	11.0x	23.4x	18.0x	1.54x	
Median			3.5%	19.7%									2.57x	13.6x	28.0x	23.5x	1.58x	
Neural Implant Devices																		
Cyberonics Inc.	CYBX	\$59.47	0.5%	14.4%	\$73.52	\$49.65	\$1,586	\$1,458	\$282.0	\$93.1	\$1.74	\$2.27	5.17x	15.7x	29.7x	26.2x	1.54x	
Integra LifeSciences Holdings Corporation	IART	47.42	4.0%	20.4%	49.99	37.18	1,544	2,046	854.6	157.0	(0.60)	2.94	2.39x	13.0x	NM	16.1x	1.41x	
Median			2.3%	17.4%									3.78x	14.4x	29.7x	21.2x	1.48x	

Source: Capital IQ as of July 31, 2014; For definitions, see page 17

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/14	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Ophthalmology Devices																	
IRIDEX Corporation	IRIX	\$7.71	(7.4%)	27.0%	\$11.00	\$5.51	\$77	\$64	\$41.0	\$2.7	\$0.22	\$0.20	1.56x	23.8x	48.0x	38.6x	1.29x
Lumenis Ltd.	LMNS	8.88	3.1%	NM	13.38	8.16	316	270	271.0	25.6	0.58	0.50	1.00x	10.6x	18.9x	17.7x	0.82x
Optos plc	OPTS	3.16	17.2%	19.2%	3.61	2.46	229	265	157.9	11.7	0.09	0.18	1.68x	22.6x	33.3x	17.9x	NM
The Cooper Companies Inc.	COO	160.88	22.0%	26.3%	163.24	116.95	7,712	7,984	1,641.1	473.9	5.93	7.12	4.86x	16.8x	26.7x	22.6x	1.31x
Median			10.2%	26.3%									1.62x	19.7x	30.0x	20.2x	1.29x
Surgical Devices																	
Alphatec Holdings, Inc.	ATEC	\$1.40	3.7%	(39.1%)	\$2.53	\$1.16	\$137	\$219	\$204.1	\$14.7	(\$0.85)	(\$0.03)	1.07x	14.8x	NM	NM	NM
Bovie Medical Corporation	BVX	3.92	(0.8%)	30.7%	5.00	1.94	70	69	24.4	(0.5)	(0.40)	(0.60)	2.83x	NM	NM	NM	NM
CONMED Corporation	CNMD	39.00	(15.8%)	18.9%	50.47	30.86	1,066	1,252	747.1	124.9	1.28	1.87	1.68x	10.0x	31.2x	20.9x	1.60x
Intuitive Surgical, Inc.	ISRG	457.55	26.5%	17.9%	541.23	346.46	16,450	15,471	2,052.1	731.8	16.73	11.71	7.54x	21.1x	37.6x	39.1x	3.27x
Median			1.5%	18.4%									2.25x	14.8x	34.4x	30.0x	2.44x
Diversified Medical Devices																	
Abaxis, Inc.	ABAX	\$47.41	16.7%	12.6%	\$48.46	\$32.11	\$1,065	\$958	\$176.2	\$31.2	\$0.76	\$0.86	5.44x	30.8x	67.7x	55.4x	3.02x
AtriCure, Inc.	ATRC	16.47	6.9%	70.5%	23.00	8.48	452	389	93.0	(13.0)	(0.56)	(0.71)	4.19x	NM	NM	NM	NM
Baxter International Inc.	BAX	74.69	2.6%	2.3%	77.31	62.80	40,458	47,456	16,357.0	4,171.0	3.66	5.16	2.90x	11.4x	21.0x	14.5x	1.81x
CareFusion Corporation	CFN	43.79	12.1%	13.5%	45.81	35.01	9,078	9,266	3,623.0	827.0	1.68	2.53	2.56x	11.2x	24.4x	17.3x	1.54x
CR Bard Inc.	BCR	149.23	8.7%	30.2%	154.16	111.24	11,138	11,727	3,146.3	829.0	8.39	7.42	3.73x	14.1x	15.2x	19.6x	1.53x
CryoLife Inc.	CRY	9.85	8.5%	39.1%	12.14	6.01	275	244	141.1	17.5	0.57	0.20	1.73x	14.0x	18.4x	48.4x	1.61x
Hospira Inc.	HSP	55.47	21.1%	36.3%	56.78	38.11	9,360	10,332	4,279.2	587.7	(0.05)	2.43	2.41x	17.6x	53.5x	22.8x	1.94x
IDEXX Laboratories, Inc.	IDXX	124.48	(1.6%)	27.0%	140.00	92.09	6,258	6,487	1,442.7	335.4	3.48	3.80	4.50x	19.3x	34.0x	32.8x	2.29x
Masimo Corporation	MASI	24.08	(10.0%)	3.4%	32.20	21.26	1,366	1,249	544.9	98.3	1.02	1.25	2.29x	12.7x	21.3x	19.3x	1.16x
Misonix Inc.	MSON	6.70	9.5%	29.2%	7.17	3.86	49	43	15.2	(4.1)	(0.37)	0.11	2.83x	NM	NM	60.9x	2.03x
Natus Medical Inc.	BABY	28.77	15.9%	124.9%	29.55	12.52	906	866	348.0	59.8	0.74	1.22	2.49x	14.5x	31.1x	23.5x	1.47x
PhotoMedex, Inc.	PHMD	10.79	(28.6%)	(32.2%)	16.82	10.47	206	163	217.5	20.2	0.89	0.57	0.75x	8.1x	20.0x	19.0x	0.98x
ResMed Inc.	RMD	51.74	3.8%	8.6%	57.34	41.52	7,261	6,656	1,555.0	482.9	2.23	2.56	4.28x	13.8x	21.6x	20.2x	1.58x
SurModics, Inc.	SRDX	18.99	(12.7%)	(6.2%)	25.99	18.91	258	218	56.4	21.0	0.96	0.95	3.86x	10.4x	19.8x	20.1x	1.20x
Teleflex Incorporated	TFX	107.74	5.5%	35.6%	111.24	74.42	4,460	5,287	1,759.0	384.4	3.46	5.59	3.01x	13.8x	29.7x	19.3x	1.65x
Varian Medical Systems, Inc.	VAR	82.15	3.3%	13.3%	87.85	70.10	8,540	8,032	3,007.6	663.5	4.03	4.39	2.67x	12.1x	21.1x	18.7x	1.73x
Median			6.2%	20.3%									2.87x	13.8x	21.5x	20.1x	1.61x

Source: Capital IQ as of July 31, 2014; For definitions, see page 17

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/31/14	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Life Science Conglomerates																	
Illumina Inc.	ILMN	\$159.91	17.7%	100.3%	\$185.00	\$72.77	\$20,532	\$20,700	\$1,612.5	\$447.9	\$0.90	\$2.29	12.84x	46.2x	NM	69.8x	3.46x
PerkinElmer Inc.	PKI	46.22	10.1%	35.6%	48.26	34.05	5,233	5,923	2,209.4	415.5	1.48	2.46	2.68x	14.3x	27.0x	18.8x	1.49x
Thermo Fisher Scientific, Inc.	TMO	121.50	6.6%	33.4%	127.63	88.13	48,471	63,442	14,884.1	3,318.1	3.50	6.94	4.26x	19.1x	31.6x	17.5x	1.31x
Median			10.1%	35.6%									4.26x	19.1x	29.3x	18.8x	1.49x
Lab Instrumentation & Devices																	
Bruker Corporation	BRKR	\$22.73	10.0%	26.8%	\$24.93	\$17.75	\$3,816	\$3,722	\$1,869.7	\$248.1	\$0.48	\$0.88	1.99x	15.0x	45.5x	25.9x	1.79x
Harvard Bioscience Inc.	HBIO	4.62	9.5%	(13.6%)	6.13	3.68	148	144	105.8	9.3	0.02	0.15	1.36x	15.6x	NM	30.8x	3.08x
Waters Corporation	WAT	103.44	5.0%	2.5%	115.06	94.50	8,770	8,246	1,935.1	595.6	5.20	5.32	4.26x	13.8x	21.8x	19.4x	1.88x
Median			9.5%	2.5%									1.99x	15.0x	33.7x	25.9x	1.88x
Lab Equipment																	
Kewaunee Scientific Corp.	KEQU	\$18.02	7.1%	34.5%	\$18.40	\$13.34	\$47	\$49	\$111.2	\$8.5	\$1.57	NM	0.44x	5.8x	12.2x	NM	NM
Mettler-Toledo International Inc.	MTD	257.14	10.3%	16.6%	267.22	210.00	7,428	7,788	2,435.4	497.3	9.96	11.59	3.20x	15.7x	24.6x	22.2x	1.66x
Median			8.7%	25.5%									1.82x	10.7x	18.4x	22.2x	1.66x
Life Science Consumables																	
Affymetrix Inc.	AFFX	\$8.60	15.7%	126.3%	\$9.80	\$4.17	\$626	\$704	\$341.4	\$28.7	(\$0.23)	\$0.13	2.06x	24.6x	NM	65.3x	3.04x
Bio-Rad Laboratories, Inc.	BIO	114.99	(6.7%)	(5.7%)	134.13	113.02	3,327	3,123	2,142.4	311.2	2.69	3.86	1.46x	10.0x	51.8x	29.8x	2.98x
Cambrex Corporation.	CBM	21.07	2.8%	43.8%	22.55	12.56	645	684	344.6	69.3	0.98	1.01	1.98x	9.9x	32.5x	20.9x	1.18x
Luminex Corporation	LMNX	18.20	(5.3%)	(8.6%)	22.30	15.74	778	689	218.1	36.2	0.17	0.53	3.16x	19.0x	45.7x	34.7x	1.18x
Techne Corp.	TECH	93.32	4.5%	26.6%	96.96	73.60	3,452	3,232	344.7	181.5	3.09	3.52	9.38x	17.8x	30.7x	26.5x	2.12x
Median			2.8%	26.6%									2.06x	17.8x	39.1x	29.8x	2.12x
Large-Cap Pharmaceuticals																	
AbbVie Inc.	ABBV	\$52.34	0.5%	15.1%	\$58.27	\$42.25	\$83,341	\$88,993	\$19,258.0	\$7,147.0	\$2.56	\$3.15	4.62x	12.5x	20.3x	16.6x	1.97x
Allergan Inc.	AGN	165.86	0.0%	82.0%	174.49	85.83	49,245	47,691	6,744.8	2,241.8	4.20	5.80	7.07x	21.3x	38.0x	28.6x	1.47x
Bristol-Myers Squibb Company	BMJ	50.62	1.1%	17.1%	57.49	41.11	83,923	84,540	16,206.0	4,443.0	1.54	1.79	5.22x	19.0x	31.4x	28.2x	2.78x
Eli Lilly and Company	LLY	61.06	3.3%	15.0%	65.70	47.53	65,139	65,349	21,200.1	5,688.2	4.32	2.79	3.08x	11.5x	19.4x	21.9x	2.82x
Merck & Co. Inc.	MRK	56.74	(3.1%)	17.8%	59.84	44.62	165,816	176,062	43,550.0	15,882.0	1.47	3.49	4.04x	11.1x	29.9x	16.2x	3.15x
Pfizer Inc.	PFE	28.70	(8.2%)	(1.8%)	32.96	27.76	182,847	186,384	50,327.0	21,989.0	1.64	2.25	3.70x	8.5x	18.0x	12.8x	2.80x
Valeant Pharmaceuticals International, Inc.	VRX	117.13	(12.8%)	34.1%	156.18	88.88	39,286	55,775	7,528.6	3,539.4	(2.70)	7.96	7.41x	15.8x	NM	14.8x	NM
Median			0.0%	17.1%									4.62x	12.5x	25.1x	16.6x	2.79x

Source: Capital IQ as of July 31, 2014; For definitions, see page 17

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Company Name	Ticker	Price 7/31/14	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Pharmaceuticals																	
Akorn, Inc.	AKRX	\$33.93	34.5%	139.1%	\$37.08	\$14.11	\$3,526	\$3,590	\$334.5	\$112.0	\$0.46	\$0.51	10.73x	32.0x	77.3x	66.3x	2.84x
Amphastar Pharmaceuticals, Inc.	AMPH	8.88	NM	NM	11.07	8.32	396	385	222.6	26.9	0.31	(0.30)	1.73x	14.3x	43.7x	NM	NM
Aratana Therapeutics, Inc.	PETX	11.53	(16.3%)	23.8%	29.32	8.07	340	275	0.3	(21.3)	(0.39)	(1.46)	NM	NM	NM	NM	NM
BioDelivery Sciences International, Inc.	BDSI	12.75	43.1%	195.1%	14.44	4.16	618	547	30.4	(40.7)	(1.51)	(0.64)	17.97x	NM	NM	NM	NM
BioSynt Inc.	RX	7.26	48.6%	401.3%	7.69	1.45	100	97	8.0	2.4	0.12	NM	12.12x	39.9x	52.8x	NM	NM
Cipher Pharmaceuticals Inc.	DND	8.29	7.2%	28.6%	8.79	5.50	211	174	31.9	23.3	0.89	0.73	5.47x	7.5x	8.2x	11.3x	NM
Cumberland Pharmaceuticals, Inc.	CPIX	4.64	4.3%	(17.1%)	5.85	4.20	82	30	29.9	(3.3)	(0.11)	NM	0.99x	NM	NM	NM	NM
DURECT Corporation	DRRX	1.48	13.8%	17.5%	2.69	1.00	164	146	17.5	(19.1)	(0.21)	(0.11)	8.35x	NM	NM	NM	NM
Endo International plc	ENDP	67.08	6.6%	74.4%	82.16	36.18	10,214	13,194	2,559.6	754.8	(5.19)	3.97	5.15x	17.5x	NM	16.9x	1.88x
Heska Corporation	HSKA	13.10	13.8%	89.9%	13.79	5.16	82	93	84.8	6.5	(0.21)	0.38	1.10x	14.3x	29.8x	34.8x	1.55x
Impax Laboratories Inc.	IPXL	23.39	(10.6%)	12.8%	31.04	19.39	1,639	1,248	481.7	65.4	1.47	0.89	2.59x	19.1x	NM	26.4x	0.82x
Kite Pharma, Inc.	KITE	23.50	NM	NM	32.65	21.00	893	874	0.0	(8.5)	(0.22)	(0.63)	NA	NM	NM	NM	NM
Lannett Company, Inc.	LCI	33.61	(2.7%)	142.0%	51.66	11.75	1,196	1,073	233.3	62.8	0.57	2.21	4.60x	17.1x	30.2x	15.2x	0.83x
MediWound Ltd.	MDWD	8.70	(15.1%)	NM	19.31	8.66	185	112	0.1	(13.6)	(0.54)	(0.87)	NM	NM	NM	NM	NM
Merus Labs International Inc.	MSL	2.43	62.6%	165.0%	2.46	0.80	171	173	27.1	14.4	(0.10)	(0.02)	6.38x	12.0x	NM	NM	NM
Mylan, Inc.	MYL	49.37	(2.8%)	47.1%	57.52	33.53	18,451	26,316	6,993.2	1,866.5	1.58	3.38	3.76x	14.1x	30.8x	14.6x	1.07x
Questcor Pharmaceuticals, Inc.	QCOR	89.97	9.5%	35.0%	97.80	47.71	5,529	5,151	985.2	570.7	4.76	6.45	5.23x	9.0x	15.8x	14.0x	0.50x
Radius Health, Inc.	RDUS	8.92	NM	NM	17.32	7.46	261	241	0.0	(60.3)	(3.97)	NM	NA	NM	NM	NM	NM
Revanche Therapeutics, Inc.	RVNC	30.68	(10.5%)	NM	39.86	21.00	695	621	0.7	(38.1)	1.05	(2.84)	NM	NM	NM	NM	NM
Salix Pharmaceuticals Ltd.	SLXP	131.91	19.9%	78.5%	141.81	64.93	8,364	10,806	1,115.6	379.1	2.18	6.52	9.69x	28.5x	NM	20.2x	0.82x
SciClone Pharmaceuticals, Inc.	SCLN	4.82	0.8%	(23.0%)	6.30	4.24	248	162	123.8	14.1	0.20	0.40	1.31x	11.5x	24.2x	12.1x	NM
The Medicines Company	MDCO	23.37	(12.1%)	(24.4%)	41.28	23.25	1,519	1,379	720.3	23.4	0.25	1.42	1.91x	NM	NM	16.5x	1.65x
Zoetis Inc.	ZTS	32.91	8.8%	10.4%	33.34	28.14	16,489	19,663	4,568.0	1,292.0	1.01	1.53	4.30x	15.2x	31.7x	21.5x	1.78x
ZS Pharma, Inc.	ZSPH	28.01	NM	NM	33.00	26.10	552	528	0.0	(35.5)	(3.31)	(2.17)	NA	NM	NM	NM	NM
Median			6.9%	41.0%									4.88x	14.8x	30.5x	16.7x	1.31x

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 July 31, 2014

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Contacts:

Jim Hesburgh

Managing Director
T: +1 212 871 5970
Duff & Phelps Securities, LLC
55 East 52nd Street
Floor 31
New York, NY 10055
jim.hesburgh@duffandphelps.com

Brooks Dexter

Managing Director
T: +1 424 249 1646
Duff & Phelps Securities, LLC
10100 Santa Monica Boulevard
Suite 1100
Los Angeles, CA 90067
brooks.dexter@duffandphelps.com

Paul Kacik

Managing Director
T: +1 424 249 1652
Duff & Phelps Securities, LLC
10100 Santa Monica Boulevard
Suite 1100
Los Angeles, CA 90067
paul.kacik@duffandphelps.com