

Healthcare Sector Update



December 2014

Summary – Healthcare Services

- The S&P Healthcare Services Index has decreased by 4.3% over the last three months, underperforming the S&P 500 (3.2% increase over the last three months).
- Over the past three months:
 - The best performing sectors were Managed Care – Government (up 12.0%), Distribution / Supply (up 11.5%) and Specialty Managed Care (up 11.0%).
 - The worst performing sectors were Consumer Directed Health & Wellness (down 11.1%), Acute Care Hospitals (down 8.6%) and HCIT (down 8.5%).
- The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.71x and 11.3x, respectively.
- The sectors with the highest valuation multiples include:
 - Healthcare REITS (12.63x LTM Revenue, 18.4x LTM EBITDA)
 - Other Services (1.84x LTM Revenue, 72.3x LTM EBITDA)
 - Consumer Directed Health & Wellness (3.11x LTM Revenue, 21.7x LTM EBITDA)
 - HCIT (2.99x LTM Revenue, 18.4x LTM EBITDA).

Summary – Pharmaceutical / Medical Devices / Life Sciences

- The S&P 500 – Pharmaceuticals, Biotechnology & Life Sciences Index has risen 8.5% over the last three months, outperforming the S&P 500 (3.2% increase over the last three months).
- Over the past three months:
 - The best performing sectors were Large-Cap Pharmaceuticals (up 16.6%) and Infection Prevention Devices (up 16.3%).
 - The worst performing sectors were Neural Implant Devices (down 4.4%) and Mobility Devices (down 1.4%).
- The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 3.19x and 14.4x, respectively.
- The sectors with the highest valuation multiples include:
 - Biotechnology (7.98x LTM Revenue, 16.8x LTM EBITDA)
 - Ophthalmology Devices (1.76x LTM Revenue, 21.0x LTM EBITDA); and
 - Large-Cap Pharmaceuticals (5.99x LTM Revenue, 16.8x LTM EBITDA)
 - Pharmaceuticals (5.00x LTM Revenue, 16.8x 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	5	\$53,899	(8.6%)	26.9%	1.35x	9.5x	21.1x	18.3x	1.5x
Assisted Living	5	7,806	(5.2%)	14.0%	0.97x	17.8x	NM	15.4x	1.3x
Care Management / TPA	7	9,848	(0.4%)	8.5%	1.75x	12.4x	21.9x	19.0x	1.3x
Clinical Laboratories	5	25,117	(2.4%)	2.7%	1.90x	9.9x	18.8x	16.1x	1.7x
Consumer Directed Health & Wellness	7	12,501	(11.1%)	(19.5%)	3.11x	21.7x	42.7x	27.5x	2.8x
Contract Research Orgs	8	25,671	6.6%	34.3%	2.11x	13.1x	23.1x	22.8x	1.5x
Diagnostic Imaging	3	611	10.4%	(6.4%)	1.71x	5.9x	NM	29.0x	2.9x
Dialysis Services	2	38,783	3.4%	17.0%	1.98x	10.5x	22.0x	21.2x	2.8x
Distribution / Supply	7	115,195	11.5%	20.4%	0.36x	14.0x	26.3x	21.4x	1.9x
Emergency Services	3	2,101	(1.4%)	12.3%	2.43x	7.5x	19.9x	18.5x	1.0x
HCIT	14	39,821	(8.5%)	(10.2%)	2.99x	18.4x	39.5x	32.3x	2.2x
Healthcare REITs	14	87,840	3.0%	15.5%	12.63x	18.4x	22.8x	27.8x	NM
Healthcare Staffing	6	14,054	0.8%	20.8%	1.14x	11.3x	24.1x	24.7x	1.4x
Home Care / Hospice	6	4,370	4.8%	20.1%	0.80x	11.7x	21.9x	18.3x	1.2x
Long Term Care	4	3,181	0.7%	13.0%	0.70x	8.0x	21.1x	18.7x	1.4x
Managed Care – Commercial	7	212,655	8.8%	32.4%	0.67x	9.7x	16.7x	16.0x	1.6x
Managed Care – Government	3	11,506	12.0%	52.1%	0.22x	9.7x	30.4x	35.9x	1.3x
Other Services	5	13,233	3.7%	(1.7%)	1.84x	72.3x	34.7x	35.8x	2.0x
Pharmacy Management	6	80,717	8.8%	17.1%	0.80x	12.1x	35.0x	19.0x	1.3x
Physician Practice Mgmt	2	6,602	3.5%	1.1%	1.74x	11.7x	21.4x	20.8x	1.6x
Psychiatric Hospitals	4	6,614	9.5%	34.2%	0.46x	9.4x	34.2x	25.4x	1.5x
Specialty Managed Care	2	5,379	11.0%	9.1%	0.35x	5.6x	12.8x	11.6x	1.4x
Surgecenters / Rehabilitation	7	11,054	3.7%	10.8%	1.85x	10.6x	25.8x	19.8x	1.3x
Total / Median (\$MM)	132	\$788,557	3.5%	14.0%	1.71x	11.3x	22.8x	20.8x	1.5x

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	32	\$648,317	24.2%	82.2%	6.3%	94.3%	23.3%	68.4%
\$1 billion – \$5 billion	46	116,406	34.8%	14.8%	1.7%	105.7%	13.2%	61.2%
\$250 million – \$1 billion	40	22,761	30.3%	2.9%	(1.2%)	104.4%	11.4%	61.5%
\$100 million – \$250 million	2	452	1.5%	0.1%	(13.0%)	152.1%	(16.4%)	100.5%
< \$100 million	12	622	9.1%	0.1%	(8.9%)	28.0%	2.9%	7.0%
Total / Median (\$MM)	132	\$788,557	100.0%	100.0%	3.5%	104.4%	14.0%	61.5%

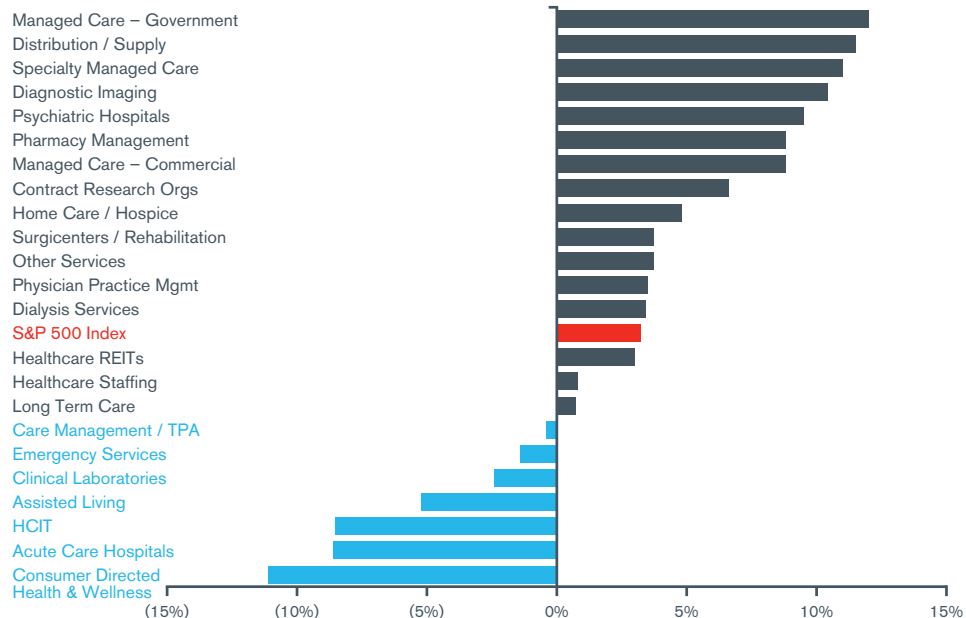
Source: Capital IQ

MARKET INDICES

	Value at 11/30/14	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$17,828.2	4.3%	7.6%	10.8%	48.3%
S&P 500 Index	2,067.6	3.2%	11.9%	14.5%	66.1%
NASDAQ Composite Index	4,791.6	4.6%	14.7%	18.0%	82.5%
Russell 2000 Index	1,173.2	(0.1%)	0.8%	2.7%	60.6%
AMEX Sector Index – Healthcare	100.4	(7.5%)	(16.5%)	(13.6%)	27.2%
S&P Healthcare Facilities (Sub Ind) Index	389.7	(5.3%)	31.2%	30.6%	130.0%
S&P Healthcare Providers & Services (Industry) Index	580.5	8.9%	29.8%	29.0%	125.8%
S&P Managed Healthcare (Sub Ind) Index	344.5	17.5%	43.4%	37.4%	108.3%
S&P Healthcare Services	386.6	(4.3%)	2.1%	2.6%	82.2%

Source: Capital IQ

Median % Change – 3 months



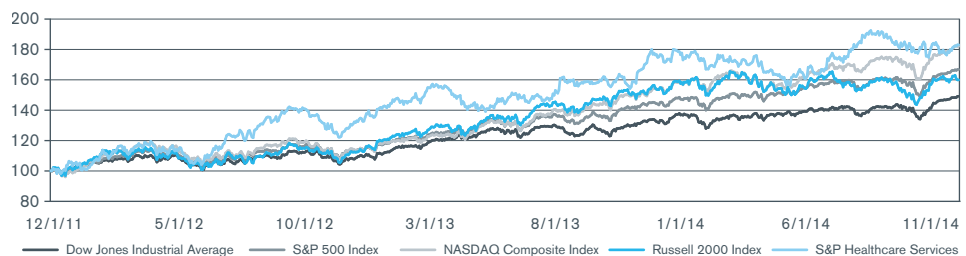
Source: Capital IQ

INTEREST RATES

	Value at 11/30/14	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	0.02%	0.43%	0.47%	0.27%
U.S. Treasury – 5 years	1.50%	1.58%	1.63%	1.34%
U.S. Treasury – 10 years	2.19%	2.30%	2.35%	2.74%
U.S. Treasury – 30 years	2.92%	3.04%	3.08%	3.08%
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 11/30/14	% 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																	
Community Health Systems, Inc.	CYH	\$47.08	(13.3%)	14.1%	\$57.72	\$34.55	\$5,475	\$23,106	\$17,128.7	\$2,240.9	\$1.51	\$3.21	1.35x	10.3x	NM	14.7x	0.88x
HCA Holdings, Inc.	HCA	69.69	(0.2%)	50.1%	73.94	45.07	30,215	59,687	36,118.0	7,141.0	3.37	4.52	1.65x	8.4x	17.8x	15.4x	1.20x
Lifepoint Hospitals Inc.	LPNT	69.19	(7.5%)	35.1%	76.50	49.29	3,132	5,202	4,172.8	547.1	2.68	3.23	1.25x	9.5x	23.5x	21.4x	1.47x
Tenet Healthcare Corp.	THC	48.05	(21.5%)	11.4%	63.61	37.95	4,722	16,602	16,032.0	1,750.0	(1.21)	1.59	1.04x	9.5x	NM	30.3x	1.72x
Universal Health Services Inc.	UHS	104.62	(8.6%)	26.9%	115.64	73.06	10,354	14,066	7,758.6	1,386.0	5.14	5.73	1.81x	10.1x	21.1x	18.3x	1.54x
Median			(8.6%)	26.9%									1.35x	9.5x	21.1x	18.3x	1.47x
Assisted Living																	
AdCare Health Systems Inc.	ADK	\$3.96	(20.0%)	2.6%	\$5.05	\$3.65	\$75	\$220	\$227.3	\$12.4	(\$0.79)	(\$0.21)	0.97x	17.8x	NM	NM	NM
Brookdale Senior Living Inc.	BKD	35.42	1.3%	21.5%	36.18	26.11	6,496	12,674	2,931.4	521.7	(0.03)	2.61	4.32x	24.3x	NM	13.6x	1.29x
Capital Senior Living Corp.	CSU	25.45	11.3%	14.0%	26.89	20.33	740	1,379	367.4	56.9	(0.58)	0.09	3.75x	24.2x	NM	NM	NM
Five Star Quality Care Inc.	FVE	4.40	(5.2%)	(10.8%)	6.09	3.23	214	248	1,086.3	38.6	0.07	(0.02)	0.23x	6.4x	NM	NM	NM
Skilled Healthcare Group, Inc.	SKH	6.98	(5.8%)	35.8%	7.90	4.08	280	677	831.2	66.6	(0.16)	0.41	0.81x	10.2x	NM	17.2x	NM
Median			(5.2%)	14.0%									0.97x	17.8x	NM	15.4x	1.29x
Care Management / TPA																	
Alere Inc.	ALR	\$39.89	12.5%	21.9%	\$43.00	\$31.94	\$3,333	\$7,288	\$2,963.9	\$546.5	(\$1.13)	\$2.10	2.46x	13.3x	NM	19.0x	1.90x
Care.com, Inc.	CRCM	8.50	(7.3%)	NM	29.25	7.74	268	185	105.7	(33.0)	(9.45)	(1.07)	1.75x	NM	NM	NM	NM
CorVel Corporation	CRVL	34.66	(15.3%)	(25.1%)	53.35	28.08	716	688	489.4	70.6	1.57	NM	1.40x	9.7x	21.9x	NM	NM
Crawford & Company	CRD.B	8.97	(0.4%)	(13.2%)	12.22	7.62	466	617	1,142.3	97.1	0.92	0.70	0.54x	6.4x	13.1x	12.8x	1.28x
ExamWorks Group, Inc.	EXAM	39.35	19.4%	33.3%	39.99	27.79	1,576	2,025	732.4	101.2	(0.29)	0.17	2.76x	20.0x	NM	NM	NM
Hooper Holmes Inc.	HH	0.55	(17.7%)	1.9%	0.83	0.45	39	35	56.1	(2.5)	(0.15)	NM	0.63x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	52.39	27.2%	15.1%	54.00	37.94	3,450	3,293	1,700.9	264.7	1.85	2.19	1.94x	12.4x	24.8x	23.9x	1.14x
Median			(0.4%)	8.5%									1.75x	12.4x	21.9x	19.0x	1.28x

Source: Capital IQ as of November 30, 2014; For definitions, see page 9

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/14	% 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	
Clinical Laboratories																	
Bio-Reference Laboratories Inc.	BRLI	\$28.30	(2.6%)	(3.1%)	\$34.00	\$24.13	\$785	\$825	\$796.9	\$97.3	\$1.45	\$1.90	1.04x	8.5x	19.9x	14.9x	0.98x
Laboratory Corp. of America Holdings	LH	104.64	(2.4%)	2.7%	109.47	87.01	8,842	11,299	5,935.9	1,138.4	6.25	6.78	1.90x	9.9x	17.6x	15.4x	1.76x
Psychemedics Corp.	PMD	15.08	5.5%	9.7%	18.76	12.42	81	85	28.9	5.6	0.72	0.55	2.94x	15.3x	23.7x	27.4x	NM
Quest Diagnostics Inc.	DGX	65.31	3.3%	7.2%	65.64	50.46	9,440	13,191	7,308.0	1,397.0	5.31	4.07	1.80x	9.4x	18.8x	16.1x	1.60x
Sonic Healthcare Limited	SHL	14.88	(9.7%)	(1.7%)	15.14	14.50	5,970	7,476	3,690.7	671.3	0.81	0.83	2.03x	11.1x	18.3x	17.8x	2.40x
Median			(2.4%)	2.7%									1.90x	9.9x	18.8x	16.1x	1.68x
Contract Research Orgs																	
Albany Molecular Research Inc.	AMRI	\$16.27	(17.8%)	34.7%	\$23.95	\$9.71	\$531	\$636	\$257.1	\$35.4	\$0.40	\$0.68	2.47x	18.0x	NM	24.1x	NM
Charles River Laboratories International, Inc.	CRL	64.75	9.6%	24.1%	66.11	49.60	3,038	3,708	1,257.3	280.6	2.15	3.36	2.95x	13.2x	25.8x	19.2x	2.12x
Covance Inc.	CVD	102.62	23.8%	21.6%	106.50	73.57	5,807	5,352	2,509.7	416.5	3.15	3.81	2.13x	12.8x	32.9x	26.9x	1.93x
ICON Public Limited Company	ICLR	55.54	12.1%	45.6%	59.81	35.33	3,420	3,171	1,458.5	239.6	1.65	2.76	2.17x	13.2x	21.9x	20.1x	0.95x
INC Research Holdings, Inc.	INCR	24.39	NM	NM	24.42	19.61	1,207	1,610	770.4	139.3	(0.09)	NM	2.09x	11.6x	22.3x	NM	NM
PAREXEL International Corporation	PRXL	58.51	3.7%	41.9%	64.72	38.65	3,219	3,305	1,981.8	295.0	1.96	2.46	1.67x	11.2x	23.7x	23.8x	1.44x
PRA Health Sciences, Inc.	PRAH	21.84	NM	NM	22.94	18.47	1,306	2,517	1,241.6	134.0	(2.23)	NM	2.03x	18.8x	NM	NM	NM
Quintiles Transnational Holdings Inc.	Q	57.82	3.0%	33.9%	60.71	41.43	7,144	8,559	4,105.7	657.2	1.77	2.66	2.08x	13.0x	22.5x	21.8x	1.53x
Median			6.6%	34.3%									2.11x	13.1x	23.1x	22.8x	1.53x
Diagnostic Imaging																	
Alliance Healthcare Services, Inc.	AIQ	\$22.52	(20.8%)	(22.0%)	\$35.40	\$20.06	\$238	\$749	\$437.4	\$127.3	(\$2.02)	NM	1.71x	5.9x	NM	NM	NM
American Shared Hospital Services	AMS	2.54	10.4%	(6.4%)	3.42	1.98	14	40	15.4	8.0	(0.07)	NM	2.61x	5.0x	NM	NM	NM
RadNet, Inc.	RDNT	8.42	26.0%	321.0%	10.35	1.50	360	975	710.4	115.9	0.05	0.29	1.37x	8.4x	NM	29.0x	2.90x
Median			10.4%	(6.4%)									1.71x	5.9x	NM	29.0x	2.90x
Dialysis Services																	
DaVita HealthCare Partners Inc.	DVA	\$76.53	2.5%	28.5%	\$78.52	\$56.85	\$16,446	\$24,217	\$12,519.4	\$2,413.3	\$2.89	\$3.59	1.93x	10.0x	22.7x	21.3x	2.63x
Fresenius Medical Care AG & Co. KGAA	FME	73.68	4.4%	5.5%	74.61	58.19	22,336	31,718	15,665.6	2,901.9	3.65	3.51	2.02x	10.9x	21.3x	21.0x	2.92x
Median			3.4%	17.0%									1.98x	10.5x	22.0x	21.2x	2.77x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Distribution / Supply																	
Aceto Corp.	ACET	\$21.00	9.3%	(2.5%)	\$25.25	\$16.52	\$610	\$676	\$511.7	\$48.3	\$1.11	\$0.88	1.32x	14.0x	26.6x	23.9x	NM
AmerisourceBergen Corporation	ABC	91.05	17.7%	29.1%	91.59	62.55	19,912	20,099	119,569.1	1,374.2	1.57	4.14	0.17x	14.6x	NM	22.0x	1.66x
Cardinal Health, Inc.	CAH	82.19	11.5%	27.2%	82.68	62.55	27,202	28,740	90,631.0	2,390.0	1.08	3.94	0.32x	12.0x	26.0x	20.9x	1.86x
Henry Schein, Inc.	HSIC	137.20	14.6%	20.4%	138.22	109.34	11,554	12,855	10,195.7	843.7	4.93	5.38	1.26x	15.2x	25.8x	25.5x	2.32x
McKesson Corporation	MCK	210.76	8.1%	27.0%	211.25	156.00	48,871	57,234	161,201.0	3,557.0	5.42	10.44	0.36x	16.1x	35.1x	20.2x	1.18x
Owens & Minor Inc.	OMI	34.21	(0.6%)	(10.4%)	38.44	31.55	2,158	2,314	9,266.9	236.9	1.76	1.75	0.25x	9.8x	26.7x	19.5x	3.48x
Patterson Companies, Inc.	PDCO	48.18	19.6%	16.1%	48.88	37.03	4,887	5,269	4,243.1	400.4	2.04	2.25	1.24x	13.2x	22.4x	21.4x	1.89x
Median			11.5%	20.4%									0.36x	14.0x	26.3x	21.4x	1.88x
Emergency Services																	
Adeptus Health Inc.	ADPT	\$30.44	7.6%	NM	\$35.93	\$23.35	\$300	\$443	\$174.3	\$6.9	(\$0.13)	(\$0.19)	2.54x	NM	NM	NM	NM
Air Methods Corp.	AIRM	44.38	(24.3%)	(20.7%)	60.74	42.16	1,740	2,394	983.2	246.0	1.54	2.38	2.43x	9.7x	20.2x	18.6x	1.02x
InfuSystem Holdings, Inc.	INFU	2.76	(1.4%)	45.3%	4.50	1.90	62	87	60.8	16.7	0.08	0.15	1.44x	5.3x	19.7x	18.4x	NM
Median			(1.4%)	12.3%									2.43x	7.5x	19.9x	18.5x	1.02x
HCIT																	
Allscripts Healthcare Solutions, Inc.	MDRX	\$12.02	(18.6%)	(19.5%)	\$19.68	\$11.00	\$2,167	\$2,717	\$1,387.9	\$46.0	(\$0.59)	NM	1.96x	59.1x	NM	NM	NM
athenahealth, Inc.	ATHN	117.30	(18.8%)	(10.6%)	206.70	97.30	4,468	4,576	711.0	59.4	0.07	1.10	6.44x	77.1x	NM	NM	NM
Cerner Corporation	CERN	64.40	11.7%	12.1%	64.75	48.39	21,991	20,806	3,181.1	841.5	1.13	1.65	6.54x	24.7x	NM	39.1x	2.34x
Computer Programs & Systems Inc.	CPSI	58.74	(4.4%)	(4.5%)	71.89	56.60	658	630	209.7	59.8	2.95	3.25	3.00x	10.5x	18.1x	18.1x	1.86x
Healthstream Inc.	HSTM	28.65	10.4%	(14.8%)	34.64	20.76	792	675	162.4	26.4	0.30	0.40	4.16x	25.6x	NM	72.0x	4.36x
HMS Holdings Corp.	HMSY	20.86	(8.7%)	(8.9%)	26.60	15.10	1,831	1,909	452.7	103.7	0.45	0.55	4.22x	18.4x	NM	38.1x	1.89x
MedAssets, Inc.	MDAS	19.34	(15.9%)	(10.2%)	26.09	19.00	1,164	2,059	692.5	207.4	0.45	1.36	2.97x	9.9x	39.5x	14.2x	1.42x
Medical Transcription Billing, Corp.	MTBC	3.06	(9.5%)	NM	5.00	3.00	34	34	14.2	(0.5)	(0.03)	(0.67)	2.38x	NM	NM	NM	NM
Medidata Solutions, Inc.	MDSO	42.71	(8.2%)	(28.2%)	68.21	32.10	2,317	2,297	320.4	25.2	0.31	0.71	7.17x	91.1x	NM	60.4x	3.80x
Merge Healthcare Incorporated	MRGE	3.14	20.8%	34.2%	3.40	1.97	301	496	212.3	38.2	(0.42)	0.18	2.33x	13.0x	NM	17.2x	1.14x
National Research Corp.	NRCI.B	33.81	(12.2%)	(1.1%)	44.95	30.20	414	384	96.6	31.7	0.63	0.76	3.97x	12.1x	46.7x	44.5x	3.71x
Premier, Inc.	PINC	34.02	7.7%	3.4%	38.87	26.52	1,261	1,028	899.3	304.5	(300.62)	1.34	1.14x	3.4x	NM	25.4x	2.16x
Quality Systems Inc.	QSII	14.73	(5.9%)	(36.9%)	23.35	13.01	888	764	462.5	41.5	0.11	0.52	1.65x	18.4x	NM	28.5x	2.37x
The Advisory Board Company	ABCO	42.60	(14.1%)	(34.2%)	70.14	40.76	1,534	1,512	555.1	61.4	0.59	1.32	2.72x	24.6x	NM	32.3x	1.86x
Median			(8.5%)	(10.2%)									2.99x	18.4x	39.5x	32.3x	2.16x

Source: Capital IQ as of November 30, 2014; For definitions, see page 9

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/14	% 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	\$27.09	(18.0%)	(43.9%)	\$77.00	\$20.82	\$692	\$673	\$127.5	(\$47.8)	(\$2.99)	(\$2.34)	5.28x	NM	NM	NM	NM
Castlight Health, Inc.	CSLT	12.43	4.4%	NM	41.95	10.05	1,122	940	36.3	(85.2)	(0.84)	(1.00)	25.94x	NM	NM	NM	NM
Everyday Health, Inc.	EVDY	12.94	(11.1%)	NM	19.89	10.86	399	381	174.4	15.4	(0.89)	0.47	2.19x	24.7x	NM	27.5x	NM
Healthways Inc.	HWAY	15.58	(10.8%)	11.2%	18.73	11.50	551	807	712.3	34.2	(0.25)	0.22	1.13x	23.6x	NM	NM	NM
IMS Health Holdings, Inc.	IMS	25.00	(10.4%)	NM	28.48	21.63	8,331	11,892	2,637.0	603.0	0.51	1.35	4.51x	19.7x	NM	18.5x	1.75x
Streamline Health Solutions, Inc.	STRM	4.08	(14.1%)	(33.4%)	7.10	3.22	75	85	27.4	(9.4)	(0.94)	(0.43)	3.11x	NM	NM	NM	NM
WebMD Health Corp.	WBMD	36.54	(24.4%)	(5.5%)	53.30	34.48	1,331	1,583	564.0	107.7	0.31	0.93	2.81x	14.7x	42.7x	39.2x	3.92x
Median			(11.1%)	(19.5%)									3.11x	21.7x	42.7x	27.5x	2.83x
Healthcare REITs																	
American Realty Capital Healthcare Trust, Inc.	HCT	\$11.33	3.3%	NM	\$11.53	\$9.44	\$1,916	\$2,821	\$243.5	\$86.4	(\$0.15)	NM	11.59x	32.7x	NM	NM	NM
Aviv REIT, Inc.	AVIV	33.70	15.2%	31.1%	34.71	22.74	1,592	2,565	169.6	141.2	0.49	0.87	15.12x	18.2x	44.0x	38.9x	NM
CareTrust REIT, Inc.	CTRE	16.17	(7.4%)	NM	22.35	13.40	363	633	55.7	40.9	(0.02)	0.16	11.37x	15.5x	NM	NM	NM
HCP, Inc.	HCP	44.80	3.4%	21.8%	45.19	35.50	20,575	29,978	2,193.0	1,768.0	1.97	2.04	13.67x	17.0x	22.1x	22.0x	NM
Health Care REIT, Inc.	HCN	73.66	9.0%	31.6%	74.38	52.43	24,136	34,813	3,224.2	1,771.1	0.10	1.10	10.80x	19.7x	NM	67.3x	NM
Healthcare Realty Trust Incorporated	HR	26.41	5.8%	19.3%	26.94	20.85	2,593	3,995	370.4	215.9	(0.14)	0.29	10.79x	18.5x	NM	92.0x	NM
LTC Properties Inc.	LTC	41.79	2.1%	8.5%	42.64	34.77	1,456	1,790	116.8	103.4	1.56	1.87	15.32x	17.3x	22.9x	22.3x	NM
National Health Investors Inc.	NHI	66.28	2.7%	12.6%	67.95	54.75	2,191	2,840	164.7	154.4	2.77	3.07	17.24x	18.4x	21.8x	21.6x	NM
Newcastle Investment Corp.	NCT	4.91	(81.9%)	(85.1%)	35.52	4.00	326	–	627.7	NA	2.40	1.35	–	NA	4.0x	3.6x	NM
Omega Healthcare Investors Inc.	OHI	38.22	1.5%	16.9%	39.53	29.32	4,870	7,171	484.6	452.3	1.46	1.75	14.80x	15.9x	22.7x	21.8x	NM
Sabra Health Care REIT, Inc.	SBRA	28.31	(0.6%)	6.1%	31.17	24.01	1,544	2,807	165.4	141.1	0.68	0.76	16.97x	19.9x	43.9x	37.4x	NM
Senior Housing Properties Trust	SNH	22.53	(3.4%)	(0.5%)	24.60	20.70	4,594	7,275	815.4	458.2	0.98	0.81	8.92x	15.9x	22.8x	27.8x	NM
Universal Health Realty Income Trust	UHT	48.34	9.4%	14.1%	49.29	39.50	625	870	59.6	41.0	1.04	NM	14.58x	21.2x	16.0x	NM	NM
Ventas, Inc.	VTR	71.55	8.8%	25.9%	72.17	54.89	21,058	31,700	3,002.1	1,670.9	1.66	1.65	10.56x	19.0x	44.7x	43.3x	NM
Median			3.0%	15.5%									12.63x	18.4x	22.8x	27.8x	NM
Healthcare Staffing																	
AMN Healthcare Services Inc.	AHS	\$17.12	13.2%	23.3%	\$17.98	\$10.35	\$798	\$935	\$1,005.0	\$84.0	\$0.69	\$0.69	0.93x	11.1x	25.6x	24.7x	2.06x
Cross Country Healthcare, Inc.	CCRN	10.67	33.7%	39.7%	11.54	5.26	333	391	538.9	11.3	(1.75)	0.09	0.73x	NM	NM	NM	NM

Source: Capital IQ as of November 30, 2014; For definitions, see page 9

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/14	% 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		
Healthcare Staffing (cont.)																		
Envision Healthcare Holdings, Inc.	EVHC	\$35.36	(3.3%)	19.4%	\$38.02	\$28.97	\$6,489	\$8,296	\$4,224.7	\$521.7	\$0.04	\$1.19	1.96x	15.9x	NM	29.8x	1.90x	
IPC The Hospitalist Company, Inc.	IPCM	44.08	(8.8%)	(29.9%)	63.55	36.12	759	804	676.4	71.4	2.39	2.26	1.19x	11.3x	19.8x	19.5x	1.23x	
On Assignment Inc.	ASGN	30.73	4.0%	(9.7%)	39.86	25.97	1,609	1,982	1,809.3	178.7	1.00	2.06	1.10x	11.1x	22.6x	14.9x	1.11x	
Team Health Holdings, Inc.	TMH	57.16	(2.3%)	22.3%	63.13	41.37	4,065	4,769	2,650.8	282.1	1.24	2.27	1.80x	16.9x	39.7x	25.2x	1.37x	
Median			0.8%	20.8%									1.14x	11.3x	24.1x	24.7x	1.37x	
Home Care / Hospice																		
Addus HomeCare Corporation	ADUS	\$23.08	5.4%	(20.4%)	\$29.80	\$17.02	\$251	\$241	\$300.2	\$20.1	\$1.01	\$1.08	0.80x	12.0x	22.4x	21.4x	1.43x	
Almost Family Inc.	AFAM	27.61	(1.3%)	(1.0%)	33.97	19.74	262	312	466.2	21.7	0.91	1.84	0.67x	14.4x	27.6x	15.0x	NM	
Amedisys Inc.	AMED	25.42	21.5%	56.1%	26.73	12.86	849	957	1,190.8	51.6	(2.98)	0.72	0.80x	18.5x	NM	35.2x	0.47x	
Chemed Corp.	CHE	110.11	4.3%	41.3%	111.98	72.50	1,873	2,028	1,425.5	183.6	4.16	5.98	1.42x	11.0x	21.4x	18.4x	1.23x	
Gentiva Health Services Inc.	GTIV	19.41	7.4%	57.2%	19.90	7.35	718	1,764	1,969.7	154.3	(18.94)	1.07	0.90x	11.4x	NM	18.1x	1.81x	
LHC Group, Inc.	LHCG	23.51	(8.7%)	(1.0%)	26.00	19.69	418	493	689.7	55.8	1.30	1.29	0.71x	8.8x	19.3x	18.2x	1.24x	
Median			4.8%	20.1%									0.80x	11.7x	21.9x	18.3x	1.24x	
Long Term Care																		
Diversicare Healthcare Services Inc.	DVCR	\$9.99	(9.6%)	95.1%	\$13.32	\$4.56	\$61	\$108	\$347.8	\$15.9	(\$1.00)	NM	0.31x	6.8x	NM	NM	NM	
Kindred Healthcare Inc.	KND	19.89	(3.7%)	18.1%	26.81	16.76	1,385	2,747	5,080.6	290.5	(0.93)	1.03	0.54x	9.5x	NM	19.3x	1.52x	
National Healthcare Corp.	NHC	60.25	5.1%	8.0%	62.87	49.06	849	881	854.9	104.8	3.87	NM	1.03x	8.4x	18.4x	NM	NM	
The Ensign Group, Inc.	ENSG	39.42	12.6%	(12.7%)	47.78	26.02	886	844	987.5	109.9	1.16	2.18	0.85x	7.7x	23.8x	18.1x	1.20x	
Median			0.7%	13.0%									0.70x	8.0x	21.1x	18.7x	1.36x	
Managed Care – Commercial																		
Aetna Inc.	AET	\$87.24	6.2%	26.6%	\$88.11	\$64.68	\$30,682	\$37,820	\$56,414.7	\$4,857.6	\$5.33	\$6.69	0.67x	7.8x	14.6x	13.1x	1.51x	
Cigna Corp.	CI	102.89	8.8%	17.7%	104.55	73.47	26,914	30,551	34,098.0	3,053.0	5.18	7.39	0.90x	10.0x	14.1x	13.9x	1.29x	
Health Net, Inc.	HNT	51.38	8.9%	68.2%	52.32	27.60	4,004	3,388	12,993.4	367.6	2.12	2.30	0.26x	9.2x	25.9x	22.3x	1.28x	
Humana Inc.	HUM	137.97	7.2%	32.7%	140.92	91.00	21,156	23,056	46,359.0	2,244.0	7.73	7.56	0.50x	10.3x	22.3x	18.2x	2.06x	
UnitedHealth Group Incorporated	UNH	98.63	13.8%	32.4%	99.42	69.57	94,664	106,396	128,158.0	10,997.0	5.50	5.64	0.83x	9.7x	17.7x	17.5x	1.87x	
Universal American Corp	UAM	8.80	2.9%	13.8%	9.47	6.60	708	751	2,078.7	22.3	(2.20)	0.09	0.36x	NM	NM	NM	NM	

Source: Capital IQ as of November 30, 2014; For definitions, see page 9

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/14	% 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		
Managed Care – Commercial (cont.)																		
WellPoint Inc.	WLP	\$127.91	9.8%	37.7%	\$129.96	\$81.84	\$34,528	\$49,772	\$72,791.5	\$5,162.3	\$8.67	\$8.81	0.68x	9.6x	15.8x	14.5x	1.63x	
Median			8.8%	32.4%									0.67x	9.7x	16.7x	16.0x	1.57x	
Managed Care – Government																		
Centene Corp.	CNC	\$98.77	26.4%	65.4%	\$100.16	\$54.12	\$5,795	\$5,376	\$14,132.2	\$458.6	\$2.87	\$4.28	0.38x	11.7x	27.8x	23.1x	1.23x	
Molina Healthcare, Inc.	MOH	51.12	6.9%	52.1%	51.80	31.60	2,474	1,784	8,323.8	184.8	0.96	1.28	0.21x	9.7x	NM	39.8x	1.30x	
WellCare Health Plans, Inc.	WCG	73.74	12.0%	(0.8%)	78.37	55.16	3,238	2,587	11,983.8	270.4	3.98	2.05	0.22x	9.6x	32.9x	35.9x	6.29x	
Median			12.0%	52.1%									0.22x	9.7x	30.4x	35.9x	1.30x	
Other Services																		
Healthcare Services Group Inc.	HCSG	\$30.16	10.4%	4.0%	\$31.91	\$24.40	\$2,131	\$2,067	\$1,255.4	\$21.2	\$0.67	\$0.84	1.65x	97.5x	NM	35.8x	1.99x	
The Joint Corp.	JYNT	6.18	NM	NM	7.20	6.00	57	53	6.4	0.1	0.02	NM	8.39x	NM	NM	NM	NM	
PDI, Inc.	PDII	1.93	(33.7%)	(62.3%)	6.25	1.34	30	0	130.0	(10.3)	(0.31)	(1.08)	0.00x	NM	NM	NM	NM	
Sharps Compliance Corp.	SMED	4.36	(1.1%)	(7.4%)	6.80	3.80	67	50	27.3	0.7	(0.09)	0.08	1.84x	72.3x	NM	54.5x	2.18x	
Stericycle, Inc.	SRCL	128.92	8.5%	9.7%	133.48	108.62	10,948	12,607	2,446.6	697.9	3.56	4.27	5.15x	18.1x	34.7x	30.2x	2.01x	
Median			3.7%	(1.7%)									1.84x	72.3x	34.7x	35.8x	2.01x	
Pharmacy Management																		
BioScrip Inc.	BIOS	\$6.48	(23.4%)	(4.8%)	\$9.05	\$5.44	\$445	\$868	\$1,028.6	(\$3.5)	(\$0.83)	(\$0.19)	0.84x	NM	NM	NM	NM	
Catamaran Corporation	CCT	50.63	7.3%	11.5%	51.71	35.51	10,505	11,032	20,370.8	805.9	1.27	2.24	0.54x	13.7x	36.7x	22.6x	1.13x	
Express Scripts Holding Company	ESRX	83.15	12.5%	23.5%	83.37	64.64	61,025	74,888	100,355.9	6,496.4	2.31	4.88	0.75x	11.5x	33.2x	17.0x	1.26x	
Omnicare Inc.	OCR	70.32	10.3%	22.8%	71.51	56.41	6,883	8,812	6,325.8	729.9	0.78	3.71	1.39x	12.1x	29.9x	19.0x	1.26x	
Omnicell, Inc.	OMCL	32.20	14.4%	32.8%	33.15	22.06	1,146	1,042	425.1	64.7	0.67	1.22	2.45x	16.1x	41.9x	26.3x	1.59x	
PharMerica Corporation	PMC	21.81	(12.4%)	(3.4%)	30.48	19.40	714	1,068	1,821.5	115.3	0.63	1.64	0.59x	9.3x	NM	13.3x	1.33x	
Median			8.8%	17.1%									0.80x	12.1x	35.0x	19.0x	1.26x	
Physician Practice Mgmt																		
Birner Dental Management Services Inc.	BDMS	\$15.49	(7.2%)	(16.0%)	\$22.40	\$14.50	\$29	\$39	\$64.8	\$3.6	\$0.05	NM	0.60x	10.8x	NM	NM	NM	
MEDNAX, Inc.	MD	65.46	14.3%	18.2%	66.05	49.82	6,573	6,784	2,355.8	538.4	2.78	3.15	2.88x	12.6x	21.4x	20.8x	1.61x	
Median			3.5%	1.1%									1.74x	11.7x	21.4x	20.8x	1.61x	

Source: Capital IQ as of November 30, 2014; For definitions, see page 9

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/14	% 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	
Psychiatric Hospitals																	
AAC Holdings, Inc.	AAC	\$28.86	NM	NM	\$30.08	\$17.91	\$608	\$658	\$112.3	\$9.1	\$0.12	\$0.29	NM	NM	NM	NM	NM
Acadia Healthcare Company, Inc.	ACHC	62.01	21.1%	34.2%	66.88	38.76	3,716	4,703	899.7	179.8	0.86	NM	NM	NM	44.7x	NM	NM
Magellan Health, Inc.	MGLN	61.19	9.5%	(0.0%)	63.81	52.37	1,670	1,560	3,785.9	195.9	4.53	2.62	0.41x	8.0x	22.2x	23.4x	1.17x
Providence Service Corp.	PRSC	39.13	(14.1%)	42.7%	49.41	23.91	620	675	1,304.4	62.3	1.41	1.43	0.52x	10.8x	34.2x	27.4x	1.82x
Median			9.5%	34.2%									0.46x	9.4x	34.2x	25.4x	1.50x
Specialty Managed Care																	
Assurant Inc.	AIZ	\$67.59	1.3%	4.1%	\$69.71	\$59.17	\$4,749	\$4,604	\$10,159.6	\$1,022.5	\$6.30	\$6.65	0.45x	4.5x	9.4x	10.2x	1.46x
Triple-S Management Corporation	GTS	23.12	20.8%	14.1%	24.25	14.70	630	577	2,335.9	87.0	2.01	1.77	0.25x	6.6x	16.2x	13.0x	1.31x
Median			11.0%	9.1%									0.35x	5.6x	12.8x	11.6x	1.39x
Surgicenters / Rehabilitation																	
AmSurg Corp.	AMSG	\$51.57	(4.1%)	6.7%	\$54.48	\$40.00	\$2,482	\$5,282	\$1,341.5	\$422.7	\$2.27	\$2.64	3.94x	12.5x	38.7x	19.6x	0.87x
Civitas Solutions, Inc.	CIVI	17.13	NM	NM	17.50	11.88	633	1,397	1,244.0	131.1	(0.68)	(0.09)	1.12x	10.7x	35.7x	NM	NM
Hanger, Inc.	HGR	21.45	(4.2%)	(44.8%)	40.71	18.25	738	1,273	1,060.7	156.2	1.80	1.62	1.20x	8.1x	13.0x	13.3x	1.33x
HEALTHSOUTH Corp.	HLS	41.13	4.4%	14.9%	42.41	29.82	3,609	5,235	2,336.0	584.3	2.59	2.05	2.24x	9.0x	26.2x	20.1x	2.16x
Select Medical Holdings Corporation	SEM	14.43	2.9%	66.6%	16.17	8.43	1,889	3,483	2,997.1	362.4	0.82	0.91	1.16x	9.6x	15.7x	15.9x	1.27x
Surgical Care Affiliates, Inc.	SCAI	31.80	6.9%	4.5%	37.69	26.55	1,226	2,181	832.7	188.7	(1.39)	1.41	2.62x	11.6x	NM	22.6x	NM
US Physical Therapy Inc.	USPH	38.87	8.9%	15.1%	44.00	29.56	477	538	290.2	50.6	1.46	1.70	1.85x	10.6x	25.3x	22.9x	1.83x
Median			3.7%	10.8%									1.85x	10.6x	25.8x	19.8x	1.33x

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 November 30, 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	69	\$607,049	2.1%	10.7%	7.98x	16.8x	37.4x	30.8x	1.3x
Cardiology Devices	19	132,057	3.6%	1.7%	3.93x	12.8x	25.6x	22.9x	2.3x
Conglomerates	6	535,943	9.6%	17.1%	3.36x	12.0x	22.7x	20.8x	2.8x
Dental Devices	8	21,323	5.8%	29.9%	2.97x	15.5x	30.1x	24.8x	1.7x
Diagnostic Imaging Devices	4	8,511	(1.0%)	(14.0%)	1.33x	10.6x	26.8x	18.9x	2.2x
Diversified Medical Devices	19	108,453	11.9%	20.1%	3.56x	14.3x	27.1x	22.5x	1.7x
Infection Prevention Devices	2	5,596	16.3%	27.4%	3.14x	16.4x	36.4x	31.1x	2.2x
Lab Equipment	2	8,418	3.3%	9.2%	2.00x	11.9x	20.0x	25.2x	2.1x
Lab Instrumentation & Devices	4	13,062	8.8%	7.9%	1.70x	14.5x	49.3x	21.5x	2.1x
Large-Cap Pharmaceuticals	7	762,014	16.6%	34.9%	5.99x	16.8x	31.5x	20.9x	2.2x
Life Science Conglomerates	3	83,962	6.4%	28.2%	4.14x	15.9x	28.7x	18.9x	1.9x
Life Science Consumables	6	12,527	(1.2%)	7.1%	2.10x	15.0x	36.4x	29.7x	1.2x
Mobility Devices	4	3,451	(1.4%)	10.5%	0.37x	5.9x	23.2x	11.0x	1.6x
Neural Implant Devices	2	3,016	(4.4%)	(8.3%)	3.35x	12.2x	34.3x	20.1x	1.4x
Ophthalmology Devices	5	9,408	9.0%	28.2%	1.76x	21.0x	33.8x	24.9x	1.1x
Orthopedics Devices	6	58,324	4.8%	10.5%	3.23x	10.8x	24.2x	19.3x	2.2x
Pharmaceuticals	31	84,203	8.9%	32.9%	5.00x	16.8x	25.4x	18.8x	1.5x
Surgical Devices	4	20,136	0.0%	20.8%	2.25x	10.9x	41.5x	27.7x	9.2x
Total / Median (\$MM)	201	\$2,477,453	5.3%	13.9%	3.19x	14.4x	29.4x	22.0x	2.0x

Source: Capital IQ

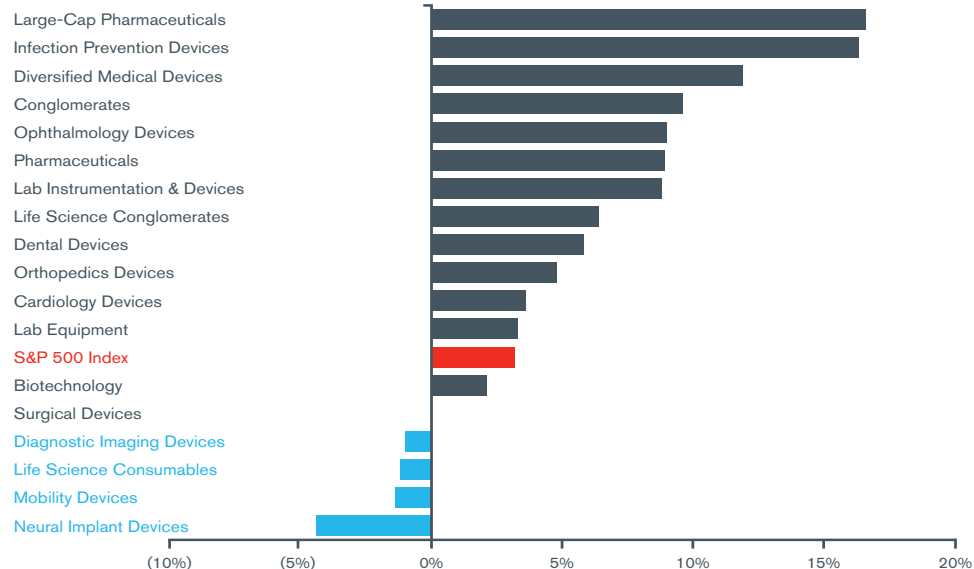
CAPITALIZATION PROFILE	No. of Cos.	Ag. Eqty Mkt. Value	% Total No. of Cos.	% Ag. Eqty Mkt. Value	Median Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	49	\$2,349,019	24.4%	94.8%	10.6%	137.3%	31.2%	83.5%
\$1 billion – \$5 billion	43	92,280	21.4%	3.7%	11.0%	127.9%	17.2%	96.4%
\$250 million – \$1 billion	59	30,296	29.4%	1.2%	9.2%	232.2%	22.1%	115.2%
\$100 million – \$250 million	29	4,507	14.4%	0.2%	(2.9%)	187.9%	1.5%	60.4%
< \$100 million	21	1,352	10.4%	0.1%	(14.8%)	107.6%	(1.0%)	30.6%
Total / Median (\$MM)	201	\$2,477,453	100.0%	100.0%	5.3%	137.3%	13.9%	83.5%

Source: Capital IQ

INTEREST RATES	Value at 11/30/14	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 5 Month	0.00%	0.00%	0.00%	0.00%
U.S. Treasury – 2 year	0.02%	0.43%	0.47%	0.27%
U.S. Treasury – 5 years	1.50%	1.58%	1.63%	1.34%
U.S. Treasury – 10 years	2.19%	2.30%	2.35%	2.74%
U.S. Treasury – 30 years	2.92%	3.04%	3.08%	3.08%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

Median % Change – 3 months



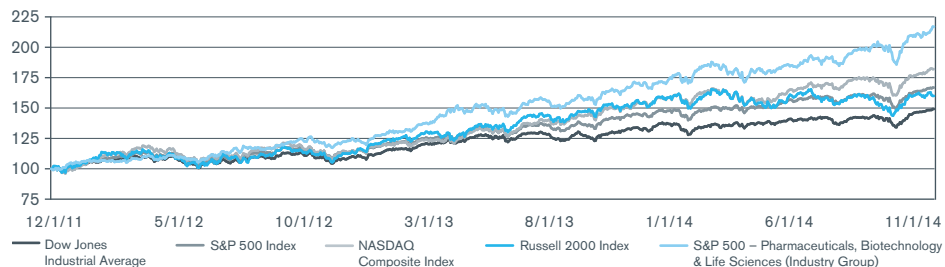
Source: Capital IQ

MARKET INDICES

MARKET INDICES	Value at 11/30/14	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$17,828.2	4.3%	7.6%	10.8%	48.3%
S&P 500 Index	2,067.6	3.2%	11.9%	14.5%	66.1%
NASDAQ Composite Index	4,791.6	4.6%	14.7%	18.0%	82.5%
Russell 2000 Index	1,173.2	(0.1%)	0.8%	2.7%	60.6%
S&P Life Science Tools & Services (Industry) Index	306.8	7.0%	12.3%	19.9%	111.4%
S&P 500 Pharmaceuticals (Industry) Index	598.2	9.7%	22.2%	22.6%	86.1%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	698.4	8.5%	26.2%	26.8%	120.8%
S&P 500 Biotechnology (Industry) Index	3,786.9	6.1%	35.1%	35.9%	240.4%
Dow Jones U.S. Medical Equipment Index	926.8	10.2%	22.7%	25.4%	92.6%
S&P 500 – Pharmaceuticals, Biotechnology & Life Sciences (Industry Group)	782.0	8.5%	25.3%	26.2%	114.8%

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 11/30/14	% 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	\$38.74	44.2%	78.0%	\$57.89	\$21.50	\$1,249	\$1,060	\$22.4	(\$38.3)	(\$4.15)	(\$1.31)	NM	NM	NM	NM	NM
Acorda Therapeutics, Inc.	ACOR	36.45	11.9%	4.7%	39.95	27.51	1,529	1,052	376.2	59.1	0.39	0.47	2.80x	17.8x	66.3x	77.6x	1.72x
Adamas Pharmaceuticals, Inc.	ADMS	14.69	(21.6%)	NM	21.63	12.02	252	114	65.7	36.7	3.51	(0.63)	1.74x	3.1x	7.0x	NM	NM
Affimed N.V.	ADMS	7.65	NM	NM	7.74	3.55	183	131	10.4	(7.8)	(2.25)	(26.32)	12.60x	NM	40.8x	NM	NM
Akebia Therapeutics, Inc.	AKBA	12.08	(46.3%)	NM	31.00	8.60	246	127	-	(33.1)	(1.31)	(44.84)	NA	NM	NM	NM	NM
Alexion Pharmaceuticals, Inc.	ALXN	194.90	15.1%	56.5%	197.64	120.14	38,646	37,021	2,076.2	879.4	1.27	5.20	17.83x	42.1x	81.1x	37.5x	1.22x
Alkermes plc	ALKS	55.02	23.0%	36.3%	56.59	38.26	8,046	7,833	579.0	13.5	0.16	0.27	13.53x	NM	NM	NM	NM
Amarin Corporation plc	AMRN	1.29	(33.2%)	(29.1%)	2.75	0.78	225	313	47.8	(105.0)	(1.28)	(0.59)	6.55x	NM	NM	NM	NM
Amgen Inc.	AMGN	165.31	18.6%	44.9%	167.35	108.20	125,746	130,651	19,743.0	8,441.0	6.64	8.60	6.62x	15.5x	26.0x	19.2x	1.86x
Atara Biotherapeutics, Inc.	ATRA	27.00	NM	NM	29.89	10.10	546	569	-	(21.0)	(1.28)	(1.96)	NA	NM	NM	NM	NM
Athersys, Inc.	ATHX	1.43	1.4%	(31.6%)	4.33	1.08	111	79	2.3	(27.4)	(0.53)	(0.32)	NM	NM	NM	NM	NM
Auspex Pharmaceuticals, Inc.	ASPX	24.23	5.4%	NM	35.78	13.25	668	528	-	(34.5)	(371.13)	(2.51)	NA	NM	NM	NM	NM
Avalanche Biotechnologies, Inc.	AAVL	39.49	33.3%	NM	40.99	22.00	887	722	0.4	(15.8)	(0.74)	(2.05)	NM	NM	NM	NM	NM
Bio Blast Pharma Ltd.	ORPN	6.90	(25.3%)	NM	10.00	4.50	98	64	-	-	(0.14)	(0.45)	NA	NA	NM	NM	NM
Biogen Idec Inc.	BIIB	307.69	(10.3%)	5.7%	358.89	270.27	72,663	71,392	9,028.5	4,089.8	7.81	13.51	7.91x	17.5x	29.1x	22.8x	1.07x
BioSpecifics Technologies Corp.	BSTC	37.92	21.2%	70.9%	42.00	20.32	247	229	13.5	6.8	0.76	0.68	16.97x	33.6x	59.4x	56.2x	NM
Calithera Biosciences, Inc.	CALA	10.67	NM	NM	11.70	6.51	191	227	-	(18.6)	(3.03)	(2.22)	NA	NM	NM	NM	NM
Cara Therapeutics Inc.	CARA	9.24	(9.6%)	NM	23.25	7.53	210	152	3.2	(15.1)	(0.74)	(0.97)	NM	NM	NM	NM	NM
Celgene Corporation	CELG	113.69	19.6%	40.6%	114.50	66.85	90,805	90,781	7,340.8	2,703.7	1.69	3.69	12.37x	33.6x	59.6x	30.8x	1.20x
Cepheid	CPHD	55.08	37.6%	21.3%	56.47	36.94	3,882	3,858	451.9	0.8	(0.27)	(0.52)	8.54x	NM	NM	NM	NM
Coherus Biosciences, Inc.	CHRS	13.73	NM	NM	16.25	12.27	440	330	10.3	(48.4)	(2.80)	NM	NM	NM	NM	NM	NM
ContraFect Corporation	CFRX	2.78	NM	NM	5.20	2.62	56	25	-	(15.0)	(4.24)	(0.96)	NA	NM	NM	NM	NM
Cubist Pharmaceuticals Inc.	CBST	75.81	9.8%	10.7%	82.12	58.50	5,784	5,940	1,164.5	203.5	(0.27)	1.17	5.10x	29.2x	88.4x	64.7x	3.24x
Curis, Inc.	CRIS	1.48	(15.4%)	(53.8%)	3.65	1.19	127	102	9.4	(15.3)	(0.15)	(0.22)	10.85x	NM	NM	NM	NM
Dicerna Pharmaceuticals, Inc.	DRNA	11.82	(14.2%)	NM	46.00	8.00	210	117	-	(36.5)	(709.57)	(2.74)	NA	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	1.28	(26.9%)	(23.8%)	1.87	1.25	40	44	13.6	(3.9)	(0.01)	NM	3.26x	NM	NM	NM	NM
Emergent BioSolutions, Inc.	EBS	24.86	(0.2%)	10.7%	28.48	19.31	934	942	400.3	80.5	0.85	1.19	2.35x	11.7x	43.5x	20.9x	NM
Exelixis, Inc.	EXEL	1.66	(59.9%)	(71.5%)	8.41	1.35	324	487	22.1	(229.5)	(1.33)	(1.42)	22.04x	NM	NM	NM	NM
FibroGen, Inc.	FGEN	22.65	NM	NM	24.75	0.00	1,283	1,249	133.9	(22.6)	(0.32)	NM	9.33x	NM	NM	NM	NM
Forward Pharma A/S	FWP	19.94	NM	NM	26.03	17.50	914	913	-	(13.1)	(9.53)	(1.06)	NA	NM	NM	NM	NM
Genomic Health Inc.	GHDX	33.26	11.9%	(5.5%)	37.75	23.90	1,055	950	275.4	(19.4)	(0.42)	(0.80)	3.45x	NM	NM	NM	NM
Gilead Sciences Inc.	GILD	100.32	(6.7%)	34.1%	116.83	63.50	151,349	154,740	20,695.6	12,982.7	1.81	7.96	7.48x	11.9x	17.9x	12.6x	0.52x
GlycoMimetics, Inc.	GLYC	9.68	18.8%	NM	18.99	6.02	183	122	15.1	(7.4)	(8.87)	(0.46)	8.05x	NM	NM	NM	NM
Immunomedics Inc.	IMMU	4.13	24.0%	(4.4%)	6.17	3.04	385	352	4.6	(42.2)	(0.16)	(0.50)	NM	NM	NM	NM	NM

Source: Capital IQ as of November 30, 2014; For definitions, see page 17

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/14	% 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.)																		
Immune Design Corp.	IMDZ	\$31.81	164.9%	NM	\$36.69	\$11.51	\$537	\$454	\$4.7	(\$20.9)	(\$2.28)	(\$2.31)	NM	NM	NM	NM	NM	
INSYS Therapeutics, Inc.	INSY	38.73	9.7%	31.7%	57.91	20.52	1,337	1,274	195.8	64.5	1.41	1.13	6.51x	19.8x	27.3x	34.4x	1.23x	
Ligand Pharmaceuticals Incorporated	LGND	53.85	3.5%	(3.3%)	80.42	41.99	1,078	1,084	56.3	19.8	0.43	1.53	19.26x	NM	NM	35.2x	1.17x	
Loxo Oncology, Inc.	LOXO	10.30	(20.8%)	NM	16.45	10.00	171	53	–	–	(6.37)	(2.00)	NA	NA	NM	NM	NM	
MacroCure Ltd.	MCUR	7.73	(18.1%)	NM	10.20	6.82	126	72	–	(14.3)	(2.46)	(2.07)	NA	NM	NM	NM	NM	
Momenta Pharmaceuticals Inc.	MNTA	11.73	(0.5%)	(34.1%)	19.90	9.38	605	429	43.8	(104.3)	(2.13)	(1.71)	9.78x	NM	NM	NM	NM	
Myriad Genetics Inc.	MYGN	33.53	(7.4%)	12.7%	42.50	20.02	2,447	2,288	744.6	247.5	2.32	1.52	3.07x	9.2x	18.9x	22.0x	1.44x	
Neothetics, Inc.	NEOT	10.76	NM	NM	14.07	10.47	147	121	–	(8.9)	(2.08)	NM	NA	NM	NM	NM	NM	
Neurocrine Biosciences Inc.	NBIX	19.93	22.2%	103.0%	20.90	8.87	1,515	1,335	0.7	(54.7)	(0.69)	(0.82)	NM	NM	NM	NM	NM	
Ocular Therapeutix, Inc.	OCUL	16.92	2.7%	NM	18.37	11.90	361	295	0.3	(22.5)	(0.91)	(2.24)	NM	NM	NM	NM	NM	
Osiris Therapeutics, Inc.	OSIR	13.15	(8.0%)	(25.2%)	18.41	11.80	451	404	48.6	(1.3)	(0.03)	(0.02)	8.31x	NM	NM	NM	NM	
Otonomy, Inc.	OTIC	24.01	20.5%	NM	28.20	15.19	508	343	–	(37.4)	(4.42)	(3.80)	NA	NM	NM	NM	NM	
Paratek Pharmaceuticals, Inc.	PRTK	19.05	NM	NM	20.95	16.00	275	382	0.6	(5.7)	(12.49)	(2.99)	NM	NM	NM	NM	NM	
PDL BioPharma, Inc.	PDLI	8.26	(18.1%)	(15.5%)	10.26	7.22	1,327	1,535	465.7	443.5	1.66	2.15	3.30x	3.5x	4.2x	3.9x	NM	
Pfenex Inc.	PFNX	8.00	24.0%	NM	8.53	5.28	163	115	12.9	(5.9)	(0.37)	(2.06)	8.97x	NM	NM	NM	NM	
ProMetic Life Sciences Inc.	PLI	1.82	33.7%	107.6%	1.94	0.71	970	991	15.7	(26.0)	(0.03)	(0.01)	NM	NM	NM	NM	NM	
ProQR Therapeutics N.V.	PRQR	15.17	NM	NM	21.87	11.00	337	195	0.0	(16.5)	(0.81)	(0.80)	NM	NM	NM	NM	NM	
Prosensa Holding N.V.	RNA	19.77	117.3%	304.3%	22.80	4.03	714	647	21.4	(18.5)	(0.71)	(0.75)	NM	NM	NM	NM	NM	
Proteon Therapeutics Inc	PRTO	10.54	NM	NM	10.66	10.00	173	278	2.9	(6.1)	(3.07)	(1.60)	NM	NM	NM	NM	NM	
Regeneron Pharmaceuticals, Inc.	REGN	416.11	18.7%	41.6%	419.27	257.69	42,063	41,587	2,627.6	853.0	3.81	9.97	15.83x	48.8x	NM	41.7x	2.08x	
Roka Bioscience, Inc.	ROKA	3.96	(66.2%)	NM	13.00	2.97	70	17	4.4	(27.8)	(3.26)	(2.19)	3.86x	NM	NM	NM	NM	
Sage Therapeutics, Inc.	SAGE	39.54	36.7%	NM	41.22	0.00	1,020	883	–	(27.1)	(1.92)	(2.57)	NA	NM	NM	NM	NM	
Spectrum Pharmaceuticals, Inc.	SPPI	7.21	(11.1%)	(25.1%)	10.32	6.36	474	422	176.5	(10.2)	(1.02)	(0.76)	2.39x	NM	NM	NM	NM	
T2 Biosystems, Inc.	TTOO	17.92	(22.8%)	NM	24.50	13.40	359	295	0.1	(26.9)	(1.53)	(3.27)	NM	NM	NM	NM	NM	
Targacept, Inc.	TRGT	2.43	(12.0%)	(57.7%)	6.11	2.25	83	(14.1)	0.2	(37.9)	(1.39)	(0.94)	NM	0.4x	NM	NM	NM	
Theravance Inc.	THRX	15.13	(35.8%)	(59.9%)	40.82	12.78	1,758	2,200	2.9	(174.9)	(1.67)	(1.41)	NM	NM	NM	NM	NM	
Tokai Pharmaceuticals, Inc.	TKAI	14.67	NM	NM	30.00	9.67	328	223	–	(22.3)	(1.29)	NM	NA	NM	NM	NM	NM	
Ultragenyx Pharmaceutical Inc.	RARE	43.59	(18.3%)	NM	69.77	32.02	1,390	1,189	–	(48.8)	(14.87)	(2.14)	NA	NM	NM	NM	NM	
United Therapeutics Corporation	UTHR	132.57	12.5%	43.6%	136.93	84.63	6,298	5,822	1,231.2	362.8	3.28	7.04	4.73x	16.0x	37.4x	18.8x	1.46x	
Vanda Pharmaceuticals, Inc.	VNDA	13.03	0.7%	11.0%	19.25	8.34	507	451	43.6	(54.0)	(0.67)	(1.69)	10.35x	NM	NM	NM	NM	
Vascular Biogenics Ltd.	VBLT	6.20	NM	NM	7.56	5.25	123	119	–	(14.4)	(1.31)	(0.94)	NA	NM	NM	NM	NM	
Versartis, Inc.	VSAR	18.02	(21.7%)	NM	36.86	16.15	436	255	–	(36.0)	(1.99)	(3.19)	NA	NM	NM	NM	NM	
Vertex Pharmaceuticals Incorporated	VRTX	117.88	26.0%	69.8%	120.91	59.79	28,353	27,703	787.0	(453.4)	(1.98)	(2.99)	NM	NM	NM	NM	NM	
Vital Therapies, Inc.	VTL	20.71	(13.6%)	NM	35.20	10.66	494	415	–	(45.5)	(74.86)	(3.59)	NA	NM	NM	NM	NM	
Zafgen, Inc.	ZFGN	23.61	12.8%	NM	24.00	16.01	536	417	–	(28.6)	(1.05)	(2.74)	NA	NM	NM	NM	NM	
Median			2.1%	10.7%									7.98x	16.75x	37.38x	30.79x	1.33x	

Source: Capital IQ as of November 30, 2014; For definitions, see page 17

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/14	% 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																	
ABIOMED, Inc.	ABMD	\$35.52	36.4%	24.2%	\$36.37	\$20.29	\$1,437	\$1,342	\$197.4	\$14.6	\$0.19	\$0.18	6.80x	NM	NM	NM	NM
AngioDynamics Inc.	ANGO	17.50	24.0%	13.3%	19.00	13.06	621	748	354.3	48.5	(0.07)	0.50	2.11x	15.4x	NM	34.8x	2.32x
Boston Scientific Corporation	BSX	12.87	1.5%	11.1%	14.08	11.10	17,072	21,071	7,331.0	1,638.0	(0.09)	0.83	2.87x	12.9x	61.0x	15.6x	1.48x
Cardiovascular Systems Inc.	CSII	30.66	7.6%	(7.7%)	37.73	23.15	964	849	148.2	(33.4)	(1.19)	(1.24)	5.73x	NM	NM	NM	NM
CareDx, Inc	CDNA	7.05	(29.3%)	NM	10.89	5.40	83	57	25.2	(0.2)	(0.48)	(0.19)	2.26x	NM	NM	NM	NM
Edwards Lifesciences Corp.	EW	129.68	30.6%	97.9%	131.27	60.62	13,872	12,968	2,240.9	526.5	3.44	3.39	5.79x	24.6x	18.1x	38.3x	2.76x
Greatbatch, Inc.	GB	49.57	8.8%	22.0%	51.64	37.98	1,239	1,367	694.7	124.3	1.43	2.36	1.97x	11.0x	25.2x	21.0x	1.91x
Heartware International Inc.	HTWR	73.53	(9.3%)	(23.7%)	105.84	72.76	1,251	1,184	258.3	(21.5)	(3.69)	(2.23)	4.58x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	7.35	0.7%	(10.8%)	8.64	6.48	128	109	69.6	8.8	0.20	0.21	1.57x	12.4x	45.9x	35.0x	2.33x
Lombard Medical, Inc.	EVAR	7.50	(2.3%)	NM	11.34	5.31	121	62	10.8	(31.7)	(2.14)	(2.58)	5.79x	NM	NM	NM	NM
Medtronic, Inc.	MDT	73.87	15.7%	28.9%	74.53	53.33	72,711	71,935	17,255.0	5,622.0	3.52	3.98	4.17x	12.8x	25.6x	18.6x	2.71x
Neovasc Inc.	NVC	6.34	16.8%	56.4%	6.88	2.69	341	322	14.2	(11.7)	(0.13)	(0.13)	22.74x	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.34	151.8%	(25.3%)	0.43	0.09	114	108	0.0	(23.0)	(0.08)	(0.05)	NA	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	67.96	3.6%	16.3%	71.90	54.80	19,431	22,022	5,605.0	1,741.0	2.49	3.98	3.93x	12.6x	22.4x	17.1x	1.69x
Stereotaxis Inc.	STXS	1.60	(45.6%)	(52.1%)	6.34	1.56	33	42	34.3	(7.3)	(5.95)	NM	1.22x	NM	NM	NM	NM
Sunshine Heart Inc.	SSH	4.55	(18.6%)	(49.8%)	11.49	4.15	77	40	0.1	(25.9)	(1.71)	(1.53)	NM	NM	NM	NM	NM
Thoratec Corp.	THOR	31.19	24.8%	(20.8%)	39.81	22.50	1,715	1,467	477.8	95.5	1.26	1.26	3.07x	15.4x	34.7x	24.8x	2.85x
TriVascular Technologies, Inc.	TRIV	13.47	(6.5%)	NM	17.99	11.15	274	236	28.9	(48.7)	(5.01)	(3.34)	8.15x	NM	NM	NM	NM
Volcano Corporation	VOLC	11.06	(11.1%)	(51.4%)	24.62	9.81	571	814	395.1	15.7	(0.63)	(0.17)	2.06x	NM	NM	NM	NM
Median			3.6%	1.7%									3.93x	12.8x	25.6x	22.9x	2.33x
Conglomerates																	
3M Company	MMM	\$160.09	11.2%	19.9%	\$160.86	\$123.61	\$102,589	\$107,281	\$31,671.0	\$8,467.0	\$6.72	\$7.48	3.39x	12.7x	22.0x	21.4x	1.85x
Agilent Technologies Inc.	A	42.74	(25.2%)	(20.2%)	61.22	39.49	14,254	13,991	6,894.0	1,336.0	2.17	2.79	2.03x	10.5x	29.1x	15.3x	1.33x
Becton, Dickinson and Company	BDX	140.33	19.8%	29.2%	142.33	104.94	26,940	28,163	8,432.0	2,164.0	4.69	6.34	3.34x	13.0x	23.4x	22.1x	3.06x
Covidien plc	COV	101.00	16.3%	48.0%	101.66	65.49	45,731	49,268	10,596.0	2,967.0	3.31	4.21	4.65x	16.6x	27.7x	24.0x	2.81x
Johnson & Johnson	JNJ	108.25	4.4%	14.4%	109.49	86.09	303,004	285,270	74,432.0	25,171.0	4.81	5.96	3.83x	11.3x	17.9x	18.2x	2.81x
Kimberly-Clark Corporation	KMB	116.59	8.0%	6.8%	116.78	102.53	43,425	49,261	21,368.0	4,448.0	5.53	5.78	2.31x	11.1x	20.6x	20.2x	2.96x
Median			9.6%	17.1%									3.36x	12.0x	22.7x	20.8x	2.81x
Dental Devices																	
COLTENE Holding AG	CLTN	\$66.25	8.9%	30.8%	\$66.25	\$45.18	\$279	\$296	\$181.6	\$27.9	\$3.51	\$3.73	1.63x	10.6x	19.6x	17.8x	NM
DENTSPLY International Inc.	XRAY	54.98	15.2%	15.6%	55.37	42.99	7,781	9,063	2,957.2	583.6	2.16	2.52	3.06x	15.5x	25.5x	21.9x	1.82x
Nobel Biocare Holding AG	NOBN	17.70	(2.7%)	19.9%	19.10	12.27	2,168	2,048	714.6	125.5	0.48	0.53	2.87x	16.3x	32.7x	33.3x	1.75x
Orthofix International N.V.	OFIX	27.92	(17.7%)	29.1%	36.90	19.69	515	509	398.5	53.4	(0.80)	1.13	1.28x	9.5x	NM	24.8x	1.35x

Source: Capital IQ as of November 30, 2014; For definitions, see page 17

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/14	% 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	
Dental Devices (cont.)																	
Osstem Implant Co., Ltd.	A048260	\$33.15	(10.0%)	40.9%	\$34.41	\$32.20	\$471	\$487	\$227.5	\$33.2	\$0.66	\$1.25	2.14x	14.7x	47.2x	26.5x	NM
Sirona Dental Systems Inc.	SIRO	86.39	6.0%	25.6%	89.08	66.30	4,784	4,483	1,171.1	269.5	2.72	3.67	3.83x	16.6x	27.6x	23.5x	2.23x
Straumann Holding AG	STMN	258.79	5.7%	38.6%	262.41	162.52	4,020	3,875	771.4	170.4	7.30	8.73	5.02x	22.7x	33.9x	29.6x	1.55x
Tornier N.V.	TRNX	26.69	23.5%	47.5%	28.53	16.68	1,305	1,355	335.9	18.4	(0.79)	(0.56)	4.03x	NM	NM	NM	NM
Median			5.8%	29.9%									2.97x	15.5x	30.1x	24.8x	1.75x
Orthopedics Devices																	
Exactech Inc.	EXAC	\$22.18	(7.1%)	(10.9%)	\$26.52	\$19.87	\$306	\$321	\$246.6	\$44.2	\$1.12	\$1.15	1.30x	7.3x	19.5x	19.3x	NM
NuVasive, Inc.	NUVA	43.93	25.2%	32.1%	45.63	30.96	2,067	2,131	748.9	113.4	0.17	1.13	2.85x	18.8x	NM	39.0x	3.41x
Stryker Corporation	SYK	92.91	11.5%	24.8%	93.86	71.22	35,150	34,435	9,525.0	1,748.0	2.63	4.75	3.62x	19.7x	55.3x	19.6x	2.28x
Symmetry Medical, Inc.	SMA	9.01	(2.3%)	(8.2%)	11.11	7.74	338	485	402.7	50.8	(0.99)	0.55	1.20x	9.5x	NM	16.5x	1.37x
Wright Medical Group Inc.	WMGI	29.29	(1.8%)	(1.7%)	33.80	26.76	1,447	1,453	280.0	(76.8)	(6.19)	(1.43)	5.19x	NM	NM	NM	NM
Zimmer Holdings, Inc.	ZMH	112.29	13.1%	22.8%	113.00	89.58	19,017	18,948	4,691.1	1,759.9	4.43	6.05	4.04x	10.8x	24.2x	18.6x	2.13x
Median			4.8%	10.5%									3.23x	10.8x	24.2x	19.3x	2.20x
Diagnostic Imaging Devices																	
Analogic Corporation	ALOG	\$72.84	0.9%	(24.6%)	\$99.97	\$63.28	\$901	\$787	\$517.5	\$56.0	\$2.58	\$3.86	1.52x	14.0x	26.8x	18.9x	NM
Digirad Corporation	DRAD	3.67	(6.6%)	(3.4%)	4.43	3.03	68	46	54.0	5.2	0.01	0.12	0.86x	8.9x	28.6x	30.6x	NM
Fonar Corp.	FONR	11.86	(2.9%)	(38.5%)	27.95	9.32	73	93	81.1	15.0	1.60	NM	1.15x	6.2x	7.4x	NM	NM
Hologic Inc.	HOLX	26.80	7.8%	19.7%	27.35	19.91	7,468	11,034	2,508.8	888.3	(4.37)	1.53	4.40x	12.4x	NM	17.5x	2.21x
Median			(1.0%)	(14.0%)									1.33x	10.6x	26.8x	18.9x	2.21x
Mobility Devices																	
Hill-Rom Holdings, Inc.	HRC	\$45.76	4.5%	10.5%	\$46.29	\$34.94	\$2,632	\$3,025	\$1,686.1	\$270.9	\$1.57	\$2.37	1.79x	11.2x	44.0x	19.3x	1.58x
Invacare Corporation	IVC	15.13	(1.4%)	(32.5%)	25.96	11.65	486	482	1,300.7	0.9	(1.60)	(1.61)	0.37x	NM	NM	NM	NM
Prism Medical Ltd.	PM	7.01	(5.1%)	37.8%	7.44	4.22	33	5	73.0	7.8	0.50	2.66	0.07x	0.7x	2.4x	2.6x	NM
ReWalk Robotics Ltd.	RWLK	26.38	NM	NM	43.71	11.50	300	252	1.7	(11.7)	(2.80)	(3.38)	NM	NM	NM	NM	NM
Median			(1.4%)	10.5%									0.37x	5.9x	23.2x	11.0x	1.58x
Infection Prevention Devices																	
Cantel Medical Corp.	CMN	\$43.54	19.4%	16.7%	\$44.24	\$29.60	\$1,808	\$1,857	\$484.9	\$93.2	\$1.00	\$1.09	3.83x	19.9x	41.9x	39.9x	NM
Steris Corp.	STE	63.75	13.3%	38.2%	65.03	39.90	3,788	4,263	1,738.8	331.9	2.22	2.86	2.45x	12.8x	31.0x	22.3x	2.23x
Median			16.3%	27.4%									3.14x	16.4x	36.4x	31.1x	2.23x
Neural Implant Devices																	
Cyberonics Inc.	CYBX	\$53.25	(7.2%)	(22.5%)	\$73.52	\$48.19	\$1,401	\$1,259	\$288.5	\$98.8	\$1.74	\$2.29	4.37x	12.8x	22.7x	23.3x	1.33x
Integra LifeSciences Holdings Corporation	IART	49.24	(1.5%)	6.0%	51.76	42.50	1,614	2,099	896.9	180.7	(0.60)	2.90	2.34x	11.6x	45.9x	17.0x	1.40x
Median			(4.4%)	(8.3%)									3.35x	12.2x	34.3x	20.1x	1.36x

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/14	% 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	\$8.41	4.9%	(16.6%)	\$11.00	\$6.41	\$83	\$70	\$41.6	\$2.6	\$0.22	\$0.18	1.67x	26.9x	52.4x	46.7x	NM
Lumenis Ltd.	LMNS	10.15	13.2%	NM	13.38	8.16	361	315	265.4	24.5	0.58	0.54	1.19x	12.8x	32.4x	18.8x	0.67x
Optos plc	OPTS	3.83	17.3%	35.8%	3.88	2.30	278	290	157.9	11.7	0.09	0.14	1.84x	24.8x	35.2x	27.7x	NM
Second Sight Medical Products, Inc.	EYES	15.32	NM	NM	23.75	0.00	530	554	2.4	(19.3)	(1.02)	NM	NM	NM	NM	NM	NM
The Cooper Companies Inc.	COO	168.90	3.6%	28.2%	171.54	116.95	8,155	8,348	1,661.6	483.7	5.93	7.66	5.02x	17.3x	28.0x	22.0x	1.60x
Median			9.0%	28.2%									1.76x	21.0x	33.8x	24.9x	1.14x
Surgical Devices																	
Alphatec Holdings, Inc.	ATEC	\$1.28	(17.9%)	(35.7%)	\$2.53	\$1.16	\$127	\$209	\$204.9	\$21.0	(\$0.85)	(\$0.06)	1.02x	10.0x	NM	NM	NM
Bovie Medical Corporation	BVX	3.93	(7.4%)	86.9%	5.00	1.94	70	71	26.3	(3.5)	(0.40)	NM	2.68x	NM	NM	NM	NM
CONMED Corporation	CNMD	42.43	7.4%	4.2%	50.47	35.55	1,168	1,351	742.9	124.1	1.28	1.92	1.82x	10.9x	37.8x	22.1x	NM
Intuitive Surgical, Inc.	ISRG	517.77	10.2%	37.4%	541.23	346.46	18,770	17,756	2,103.2	720.0	16.73	15.57	8.44x	24.7x	45.1x	33.3x	9.24x
Median			0.0%	20.8%									2.25x	10.9x	41.5x	27.7x	9.24x
Diversified Medical Devices																	
Abaxis, Inc.	ABAX	\$57.40	20.2%	59.5%	\$58.24	\$33.62	\$1,294	\$1,189	\$184.3	\$34.8	\$0.76	\$0.87	6.45x	34.1x	75.5x	66.0x	3.30x
AtriCure, Inc.	ATRC	18.73	20.7%	19.6%	23.00	13.19	515	455	99.5	(18.9)	(0.56)	(0.61)	4.58x	NM	NM	NM	NM
Baxter International Inc.	BAX	73.00	(2.6%)	6.6%	77.31	65.53	39,564	46,783	16,813.0	4,187.0	3.66	4.88	2.78x	11.2x	21.8x	15.0x	2.42x
Capnia, Inc.	CAPN	3.33	NM	NM	4.04	3.16	22	20	0.0	(3.5)	(2.65)	NM	NA	NM	NM	NM	NM
CareFusion Corporation	CFN	59.17	28.9%	48.5%	59.34	37.61	12,066	12,321	3,934.0	880.0	1.68	2.68	3.13x	14.0x	29.9x	22.1x	2.06x
CR Bard Inc.	BCR	167.35	12.7%	20.5%	169.19	125.00	12,534	12,965	3,218.3	922.4	8.39	8.37	4.03x	14.1x	16.0x	20.0x	1.44x
CryoLife Inc.	CRY	10.10	0.6%	(8.6%)	12.14	8.40	282	252	141.9	16.0	0.57	0.24	1.78x	15.8x	20.1x	42.1x	NM
Hospira Inc.	HSP	59.64	11.0%	51.7%	60.78	39.31	10,091	11,312	4,421.6	704.8	(0.05)	2.47	2.56x	16.0x	30.5x	24.2x	2.05x
IDEXX Laboratories, Inc.	IDXX	149.35	20.5%	43.4%	153.89	101.33	7,121	7,554	1,487.9	343.9	3.48	3.86	5.08x	22.0x	38.8x	38.7x	2.70x
Masimo Corporation	MASI	26.25	17.0%	(8.3%)	32.20	19.30	1,376	1,383	556.0	95.9	1.02	1.27	2.49x	14.4x	24.3x	20.7x	1.24x
Misonix Inc.	MSON	10.78	58.3%	87.5%	14.90	4.85	81	73	18.5	(0.4)	(0.37)	0.33	3.96x	NM	34.6x	32.7x	NM
Natus Medical Inc.	BABY	34.23	21.8%	48.6%	35.50	20.56	1,093	1,043	352.5	65.0	0.74	1.25	2.96x	16.0x	35.8x	27.4x	1.25x
Nevro Corp.	NVRO	26.99	NM	NM	29.20	24.35	635	594	26.6	(26.5)	(1.68)	NM	22.34x	NM	NM	NM	NM
PhotoMedex, Inc.	PHMD	1.72	(79.0%)	(85.9%)	16.82	1.68	33	98	219.4	(0.4)	0.89	(1.56)	0.45x	NM	NM	NM	NM
ResMed Inc.	RMD	53.20	0.3%	9.0%	53.92	41.52	7,418	6,912	1,577.7	483.4	2.23	2.50	4.38x	14.3x	22.1x	21.3x	1.73x
Sientra, Inc.	SIEN	17.37	NM	NM	19.99	16.15	259	415	41.9	(5.9)	(2.08)	NM	9.91x	NM	NM	NM	NM
SurModics, Inc.	SRDX	21.01	2.9%	(12.9%)	25.99	18.00	286	239	56.4	21.0	0.96	0.92	4.24x	11.4x	23.9x	22.8x	1.52x
Teleflex Incorporated	TFX	119.15	8.8%	21.2%	119.99	90.15	4,934	5,716	1,801.9	405.1	3.46	5.70	3.17x	14.1x	31.5x	20.9x	1.70x
Varian Medical Systems, Inc.	VAR	88.51	4.1%	13.4%	89.90	75.54	8,849	8,371	3,049.8	658.7	4.03	4.10	2.74x	12.7x	23.1x	21.6x	NM
Median			11.9%	20.1%									3.56x	14.3x	27.1x	22.5x	1.73x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Life Science Conglomerates																	
illumina Inc.	ILMN	\$190.89	6.4%	94.8%	\$197.37	\$96.51	\$27,106	\$27,116	\$1,736.3	\$516.9	\$0.90	\$2.64	15.62x	NM	NM	72.2x	2.92x
PerkinElmer Inc.	PKI	45.47	1.4%	19.5%	48.26	37.23	5,136	5,792	2,229.3	421.2	1.48	2.41	2.60x	13.8x	26.3x	18.9x	1.86x
Thermo Fisher Scientific, Inc.	TMO	129.29	7.6%	28.2%	129.77	99.12	51,719	65,658	15,863.7	3,641.0	3.50	6.91	4.14x	18.0x	31.2x	18.7x	1.51x
Median			6.4%	28.2%									4.14x	15.9x	28.7x	18.9x	1.86x
Lab Instrumentation & Devices																	
Bruker Corporation	BRKR	\$19.18	(4.4%)	(0.8%)	\$24.93	\$17.26	\$3,232	\$3,150	\$1,853.0	\$239.0	\$0.48	\$0.75	1.70x	13.2x	49.3x	25.4x	1.96x
Great Basin Scientific, Inc.	GBSN	3.87	NM	NM	9.08	3.50	20	62	1.5	(10.0)	(104.71)	NM	NM	NM	NM	NM	NM
Harvard Bioscience Inc.	HBIO	4.92	8.8%	7.9%	5.15	3.68	160	156	106.2	10.0	0.02	0.26	1.47x	15.7x	80.9x	19.3x	NM
Waters Corporation	WAT	115.90	12.1%	16.4%	117.71	93.56	9,652	9,135	1,970.9	628.1	5.20	5.39	4.64x	14.5x	23.5x	21.5x	2.28x
Median			8.8%	7.9%									1.70x	14.5x	49.3x	21.5x	2.12x
Lab Equipment																	
Kewaunee Scientific Corp.	KEQU	\$17.68	(1.9%)	(0.5%)	\$18.75	\$14.81	\$46	\$52	\$109.7	\$7.9	\$1.57	NM	0.47x	6.6x	13.2x	NM	NM
Mettler-Toledo International Inc.	MTD	293.26	8.4%	18.9%	300.31	221.00	8,372	8,734	2,472.8	507.6	9.96	11.64	3.53x	17.2x	26.8x	25.2x	2.11x
Median			3.3%	9.2%									2.00x	11.9x	20.0x	25.2x	2.11x
Life Science Consumables																	
Affymetrix Inc.	AFFX	\$9.13	5.3%	7.5%	\$10.00	\$6.25	\$672	\$732	\$348.1	\$25.7	(\$0.23)	\$0.24	2.10x	28.5x	NM	37.4x	1.23x
Bio-Rad Laboratories, Inc.	BIO	118.79	(1.2%)	(3.1%)	134.13	102.71	3,446	3,181	2,179.5	316.7	2.69	3.56	1.46x	10.0x	43.2x	33.4x	NM
Cambrex Corporation.	CBM	22.75	3.8%	16.7%	24.14	15.20	698	732	348.9	70.9	0.98	1.16	2.10x	10.3x	18.0x	19.6x	NM
Luminex Corporation	LMNX	18.50	(1.9%)	(5.5%)	21.69	15.74	792	703	224.0	41.9	0.17	0.50	3.14x	16.8x	36.4x	37.1x	1.05x
Bio-Techne Corp.	TECH	91.61	(4.1%)	7.1%	97.15	82.51	3,397	3,391	380.1	188.0	3.09	3.53	8.92x	18.0x	31.6x	26.0x	2.08x
VWR Corporation	VWR	26.81	NM	NM	26.95	20.60	3,522	6,126	4,333.0	461.7	(0.26)	1.16	1.41x	13.3x	54.9x	23.2x	1.26x
Median			(1.2%)	7.1%									2.10x	15.0x	36.4x	29.7x	1.25x
Large-Cap Pharmaceuticals																	
AbbVie Inc.	ABBV	\$69.20	25.2%	42.8%	\$69.48	\$45.50	\$110,267	\$117,600	\$19,619.0	\$6,982.0	\$2.56	\$3.30	5.99x	16.8x	30.1x	20.9x	1.66x
Allergan Inc.	AGN	213.89	30.7%	120.4%	214.64	94.98	63,718	61,685	7,003.2	2,330.0	4.20	6.30	8.81x	26.5x	50.0x	34.0x	1.66x
Bristol-Myers Squibb Company	BMJ	59.05	16.6%	14.9%	59.72	46.30	97,951	98,466	16,062.0	4,290.0	1.54	1.80	6.13x	23.0x	36.5x	32.8x	3.02x
Eli Lilly and Company	LLY	68.12	7.2%	35.6%	68.67	48.88	72,670	73,540	20,303.1	4,830.2	4.32	2.78	3.62x	15.2x	27.3x	24.5x	(32.36x)
Merck & Co. Inc.	MRK	60.40	0.5%	21.2%	61.33	47.61	172,193	185,845	43,075.0	15,629.0	1.47	3.49	4.31x	11.9x	32.9x	17.3x	2.73x
Pfizer Inc.	PFE	31.15	6.0%	(1.8%)	32.96	27.51	196,265	200,259	50,045.0	21,318.0	1.64	2.25	4.00x	9.4x	19.2x	13.9x	15.98x
Valeant Pharmaceuticals International, Inc.	VRX	145.83	24.3%	34.9%	149.38	98.13	48,951	64,179	8,043.1	3,785.4	(2.70)	8.35	7.98x	17.0x	NM	17.5x	NM
Median			16.6%	34.9%									5.99x	16.8x	31.5x	20.9x	2.20x
Pharmaceuticals																	
Akorn, Inc.	AKRX	\$40.07	2.7%	55.6%	\$45.25	\$20.52	\$4,321	\$5,336	\$459.1	\$139.9	\$0.46	\$1.13	11.62x	38.2x	NM	35.5x	1.07x

Source: Capital IQ as of November 30, 2014; For definitions, see page 17

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 11/30/14	% 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 (cont.)																	
Amphastar Pharmaceuticals, Inc.	AMPH	\$10.43	(13.7%)	NM	\$12.52	\$8.32	\$466	\$444	\$209.5	\$6.6	\$0.31	(\$0.14)	2.12x	NM	NM	NM	NM
Aratana Therapeutics, Inc.	PETX	13.25	14.0%	(33.1%)	25.50	9.20	460	367	0.6	(31.0)	(0.39)	(1.38)	NM	NM	NM	NM	NM
Auris Medical Holding AG	EARS	4.49	(27.0%)	NM	7.58	4.10	130	116	0.0	(20.7)	(1.13)	(1.15)	NA	NM	NM	NM	NM
BioDelivery Sciences International, Inc.	BDSI	15.35	(4.1%)	219.8%	18.48	4.77	787	716	40.4	(31.0)	(1.51)	(1.03)	17.72x	NM	NM	NM	NM
BioSynt Inc.	RX	9.29	11.1%	160.3%	11.24	2.76	129	123	10.1	3.4	0.12	NM	12.17x	36.0x	50.6x	NM	NM
Catalent, Inc.	CTLT	28.79	33.9%	NM	29.09	19.34	3,565	5,322	1,831.7	411.0	(0.23)	NM	2.91x	12.9x	NM	NM	NM
Cipher Pharmaceuticals Inc.	CPH	13.45	35.6%	64.0%	14.27	5.92	345	303	32.5	23.7	0.91	0.73	9.32x	12.8x	11.8x	18.5x	NM
Cumberland Pharmaceuticals, Inc.	CPIX	5.15	0.6%	3.2%	5.33	4.20	89	35	35.7	1.9	(0.11)	0.05	0.98x	18.3x	NM	NM	NM
Dermira, Inc.	DERM	17.25	NM	NM	17.87	12.68	424	489	0.0	(31.6)	(2.31)	(2.93)	NA	NM	NM	NM	NM
DURECT Corporation	DRRX	0.92	(41.8%)	(47.4%)	2.69	0.68	105	94	19.4	(20.1)	(0.21)	(0.20)	4.82x	NM	NM	NM	NM
Endo International plc	ENDP	73.17	14.8%	8.9%	82.16	53.62	11,247	14,945	2,662.2	826.3	(5.19)	4.23	5.61x	18.1x	NM	17.3x	2.88x
Foamix Pharmaceuticals Ltd.	FOMX	5.30	NM	NM	11.00	4.75	119	74	3.1	0.2	(0.22)	(0.30)	23.66x	NM	NM	NM	NM
Heska Corporation	HSKA	15.59	12.2%	99.4%	16.72	6.96	98	110	89.0	7.3	(0.21)	0.45	1.24x	15.1x	33.2x	34.9x	1.74x
Impax Laboratories Inc.	IPXL	31.95	29.7%	32.9%	32.92	21.34	2,276	1,834	565.6	117.8	1.47	1.29	3.24x	15.6x	47.5x	24.8x	2.53x
Kite Pharma, Inc.	KITE	41.98	48.5%	NM	48.19	21.00	1,610	1,414	0.0	(25.6)	(1.43)	(1.78)	NA	NM	NM	NM	NM
Lannett Company, Inc.	LCI	49.13	24.8%	66.3%	59.44	26.66	1,757	1,606	321.3	159.1	0.57	3.13	5.00x	10.1x	18.6x	15.7x	0.90x
Marinus Pharmaceuticals, Inc.	MRNS	6.80	(15.2%)	NM	10.58	5.49	95	50	0.0	(9.8)	(0.71)	(2.73)	NA	NM	NM	NM	NM
MediWound Ltd.	MDWD	5.92	(18.9%)	NM	19.31	4.60	126	57	0.1	(16.5)	(0.54)	(0.84)	NM	NM	NM	NM	NM
Merus Labs International Inc.	MSL	1.40	(33.8%)	10.8%	2.35	0.95	108	82	27.4	13.2	(0.10)	(0.09)	2.98x	6.2x	NM	NM	NM
Mylan, Inc.	MYL	58.61	20.6%	32.8%	59.60	41.26	21,936	29,719	7,445.4	1,945.3	1.58	3.56	3.99x	15.3x	25.4x	16.5x	1.17x
NeuroDerm Ltd.	NDRM	7.29	NM	NM	9.12	0.00	124	128	0.0	(6.5)	(9.15)	NM	NA	NM	NM	NM	NM
Radius Health, Inc.	RDUS	24.70	80.6%	NM	27.70	7.46	813	769	0.0	(55.8)	(3.97)	(3.76)	NA	NM	NM	NM	NM
Revanche Therapeutics, Inc.	RVNC	16.44	(29.6%)	NM	39.86	14.02	390	212	0.6	(45.1)	1.05	(3.06)	NM	NM	NM	NM	NM
Salix Pharmaceuticals Ltd.	SLXP	102.69	(35.5%)	21.1%	172.98	82.52	6,544	9,061	1,378.7	465.1	2.18	5.40	6.57x	19.5x	NM	19.0x	1.33x
SciClone Pharmaceuticals, Inc.	SCLN	8.49	23.8%	74.0%	8.89	4.24	431	334	126.1	27.3	0.20	0.56	2.65x	12.3x	20.9x	15.2x	NM
The Medicines Company	MDCO	26.81	4.7%	(26.8%)	41.28	19.92	1,743	1,630	718.4	47.0	0.25	(1.21)	2.27x	34.7x	NM	NM	NM
Vitae Pharmaceuticals, Inc.	VTAE	20.35	NM	NM	21.43	5.41	367	305	23.7	(1.3)	0.11	(1.80)	12.87x	NM	NM	NM	NM
Xenon Pharmaceuticals Inc.	XENE	13.20	NM	NM	18.48	9.21	179	237	26.7	11.6	1.24	NM	8.89x	20.4x	6.9x	NM	NM
Zoetis Inc.	ZTS	44.93	26.8%	44.2%	45.09	28.14	22,525	25,604	4,719.0	1,358.0	1.01	1.53	5.43x	18.9x	40.1x	29.4x	2.36x
ZS Pharma, Inc.	ZSPH	42.96	6.6%	NM	43.71	25.51	894	783	0.0	(49.6)	(3.31)	(4.27)	NA	NM	NM	NM	NM
Median			8.9%	32.9%									5.00x	16.8x	25.4x	18.8x	1.54x

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 November 30, 2014

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