

Healthcare Sector Update



July 2014

Summary – Healthcare Services

- The S&P Healthcare Services Index has increased slightly by 0.3% over the last three months, underperforming the S&P 500.
- Over the past three months:
 - The best performing sectors were Managed Care – Government (up 19.1%) and Acute Care Hospitals (up 16.3%).
 - The worst performing sectors were Diagnostic Imaging (down 19.9%) and Specialty HCIT (down 6.1%).
- The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.73x and 11.6x, respectively.
- The sectors with the highest valuation multiples include:
 - Specialty HCIT (4.00x LTM Revenue, 23.0x LTM EBITDA)
 - Provider Based HCIT (3.20x LTM Revenue, 16.7x LTM EBITDA)

Summary – Pharmaceutical / Medical Devices / Life Sciences

- The S&P 500 – Pharmaceuticals, Biotechnology & Life Sciences Index has risen 4.4% over the last three months, slightly underperforming the S&P 500.
- Over the past three months:
 - The best performing sectors were Pharmaceuticals (up 19.2%) and Infection Prevention Devices (up 11.6%).
 - The worst performing sectors were Lab Instrumentation & Devices (down 3.0%) and Ophthalmology Devices (down 3.0%).
- The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 2.82x and 14.3x, respectively.
- The sectors with the highest valuation multiples include:
 - Biotechnology (9.94x LTM Revenue, 21.9x LTM EBITDA)
 - Large Cap Pharmaceuticals (4.95x LTM Revenue, 13.3x 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	\$46,679	16.3%	35.1%	1.59x	10.3x	18.0x	18.7x	2.1x
Assisted Living	6	7,098	2.5%	(3.0%)	1.83x	15.8x	30.3x	22.6x	2.0x
Care Management / TPA	7	9,354	(2.7%)	52.7%	1.78x	12.1x	21.6x	17.4x	1.2x
Clinical Laboratories	5	24,581	1.5%	5.1%	1.96x	9.9x	19.2x	15.9x	1.5x
Contract Research Orgs	6	21,016	1.5%	27.8%	2.00x	12.6x	25.6x	21.6x	1.4x
Diagnostic Imaging	3	575	(19.9%)	72.6%	1.83x	6.3x	NM	34.1x	NM
Dialysis Services	2	35,518	0.9%	4.8%	1.95x	10.1x	19.3x	19.4x	2.2x
Distribution / Supply	7	99,759	(1.6%)	30.1%	0.37x	11.4x	21.7x	18.1x	1.6x
Emergency Services	3	2,319	(3.3%)	65.2%	2.93x	11.8x	26.3x	17.1x	0.8x
HCIT – Provider Based	9	31,269	(5.7%)	7.4%	3.20x	16.7x	44.5x	27.0x	1.7x
HCIT – Specialty	12	22,010	(6.1%)	10.5%	4.00x	23.0x	44.3x	40.2x	2.3x
Healthcare Staffing	6	13,478	(5.6%)	21.6%	1.33x	14.5x	26.0x	22.3x	1.5x
Home Care / Hospice	6	3,581	3.1%	22.5%	0.77x	12.9x	23.0x	17.0x	1.5x
Long Term Care	4	3,011	2.2%	43.1%	0.79x	8.9x	14.4x	16.6x	1.2x
Managed Care – Commercial	7	187,707	12.9%	27.6%	0.62x	9.1x	14.6x	13.7x	1.2x
Managed Care – Government	3	9,701	19.1%	34.4%	0.26x	10.3x	20.9x	20.3x	1.1x
Other Services	4	12,232	2.8%	13.7%	1.87x	18.6x	38.6x	30.3x	1.9x
Pharmacy Management	5	70,713	3.2%	12.3%	0.64x	11.9x	31.2x	18.6x	1.1x
Physician Practice Mgmt	2	5,813	(2.4%)	13.5%	1.68x	11.8x	20.3x	18.4x	1.3x
Psychiatric Hospitals	3	4,925	6.6%	25.8%	0.44x	10.1x	26.8x	19.4x	1.2x
Specialty Managed Care	2	5,185	8.4%	6.1%	0.36x	5.5x	10.3x	12.0x	1.6x
Surgicenters / Rehabilitation	6	9,685	(0.4%)	24.5%	1.96x	9.9x	19.3x	18.6x	1.5x
Total / Median (\$MM)	114	\$626,209	1.5%	23.5%	1.73x	11.6x	21.7x	18.7x	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	26	\$499,509	22.8%	79.8%	5.1%	77.5%	23.2%	51.9%
\$1 billion – \$5 billion	41	106,642	36.0%	17.0%	1.3%	98.5%	28.6%	59.0%
\$250 million – \$1 billion	29	17,689	25.4%	2.8%	9.5%	103.5%	24.4%	66.8%
\$100 million – \$250 million	8	1,792	7.0%	0.3%	(3.6%)	116.0%	3.4%	70.9%
< \$100 million	10	577	8.8%	0.1%	0.9%	35.9%	32.8%	11.2%
Total / Median (\$MM)	114	\$626,209	100.0%	100.0%	1.5%	98.5%	23.5%	59.0%

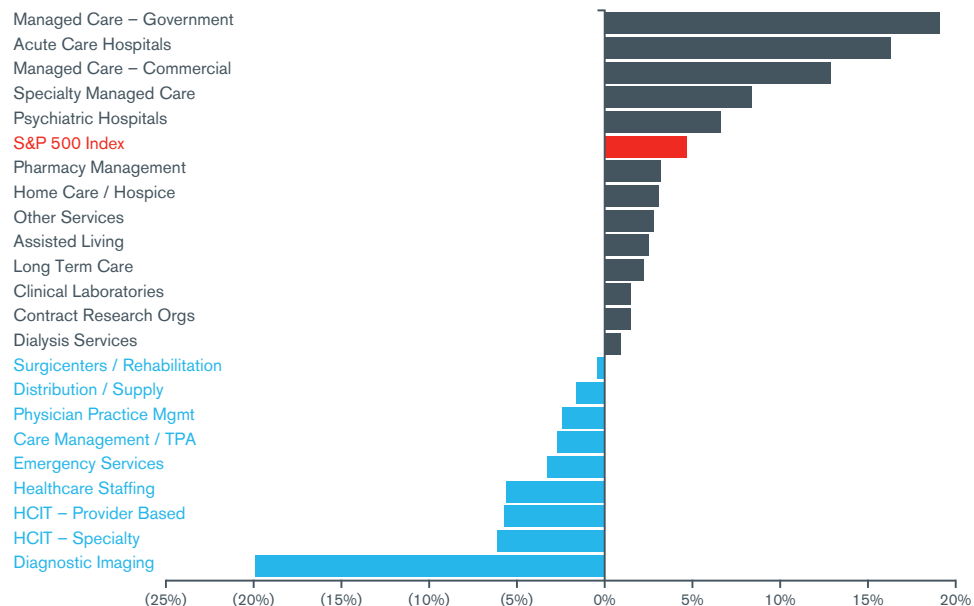
Source: Capital IQ

MARKET INDICES

	Value at 6/30/14	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$16,826.6	2.2%	1.5%	12.4%	33.7%
S&P 500 Index	1,960.2	4.7%	6.1%	21.4%	46.3%
NASDAQ Composite Index	4,408.2	5.0%	5.5%	28.4%	56.5%
Russell 2000 Index	1,193.0	1.7%	2.5%	20.5%	42.0%
AMEX Sector Index – Healthcare	109.8	(14.7%)	(8.7%)	24.2%	16.6%
S&P Healthcare Facilities (Sub Ind) Index	345.3	14.8%	16.3%	18.3%	60.9%
S&P Healthcare Providers & Services (Industry) Index	498.0	8.0%	11.3%	22.4%	68.4%
S&P Managed Healthcare (Sub Ind) Index	290.1	19.8%	20.8%	31.6%	61.2%
S&P Healthcare Services	366.4	0.3%	(3.3%)	18.0%	37.9%

Source: Capital IQ

Median % Change – 3 months



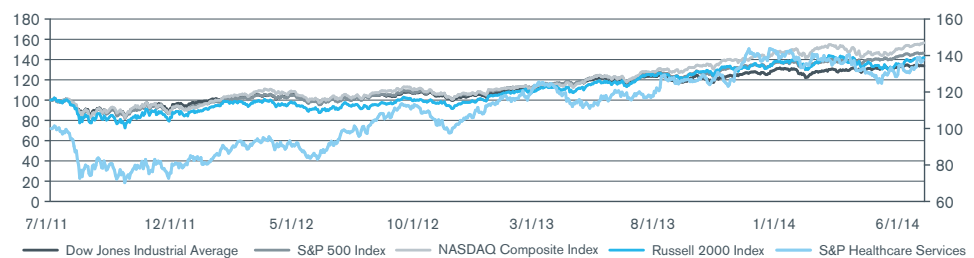
Source: Capital IQ

INTEREST RATES

	Value at 6/30/14	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	0.45%	0.34%	0.41%	0.35%
U.S. Treasury – 5 years	1.63%	1.51%	1.72%	1.36%
U.S. Treasury – 10 years	2.51%	2.46%	2.71%	2.48%
U.S. Treasury – 30 years	3.34%	3.31%	3.55%	3.55%
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 6/30/14	% 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																	
Chindex International Inc.	CHDX	\$23.69	24.2%	46.1%	\$23.99	\$14.62	\$421	\$422	\$183.4	\$12.7	(\$0.36)	NM	2.30x	33.2x	NM	NM	NM
Community Health Systems, Inc.	CYH	45.37	17.4%	(3.2%)	49.87	34.55	5,229	22,460	13,918.7	1,708.9	1.51	2.75	1.61x	13.1x	NM	16.5x	0.76x
HCA Holdings, Inc.	HCA	56.38	10.2%	56.4%	58.55	35.20	24,223	53,859	34,574.0	6,607.0	3.37	3.70	1.56x	8.2x	16.6x	15.2x	1.38x
Lifepoint Hospitals Inc.	LPNT	62.10	15.2%	27.1%	66.02	43.97	2,762	4,708	3,754.4	489.7	2.68	2.69	1.25x	9.6x	22.4x	23.0x	3.00x
Tenet Healthcare Corp.	THC	46.94	12.1%	1.8%	50.25	36.87	4,584	16,070	12,641.0	1,455.0	(1.21)	1.30	1.27x	11.0x	NM	36.1x	2.14x
Universal Health Services Inc.	UHS	95.76	20.2%	43.0%	98.89	63.51	9,460	12,956	7,372.4	1,393.3	5.14	5.12	1.76x	9.3x	18.0x	18.7x	2.10x
Median			16.3%	35.1%									1.59x	10.3x	18.0x	18.7x	2.10x
Assisted Living																	
AdCare Health Systems Inc.	ADK	\$4.28	2.9%	(10.8%)	\$4.98	\$3.62	\$75	\$220	\$223.1	\$13.4	(\$0.79)	(\$0.33)	0.98x	16.4x	NM	NM	NM
Brookdale Senior Living Inc.	BKD	33.34	0.8%	26.1%	34.80	24.42	4,287	6,876	2,571.9	436.2	(0.03)	0.25	2.67x	15.8x	NM	NM	NM
Capital Senior Living Corp.	CSU	23.84	(6.4%)	(0.3%)	26.89	19.87	692	1,208	349.2	53.4	(0.58)	0.54	3.46x	22.6x	NM	44.0x	2.87x
Emeritus Corp.	ESC	31.65	2.1%	36.5%	32.57	18.15	1,552	5,481	1,980.7	347.5	(3.04)	(2.29)	2.77x	15.8x	NM	NM	NM
Five Star Quality Care Inc.	FVE	5.01	6.1%	(10.7%)	6.20	4.41	244	258	1,086.7	42.0	0.15	0.25	0.24x	6.1x	30.3x	19.8x	NM
Skilled Healthcare Group, Inc.	SKH	6.29	25.3%	(5.8%)	7.15	4.08	249	664	834.5	64.4	(0.16)	0.28	0.80x	10.3x	NM	22.6x	1.06x
Median			2.5%	(3.0%)									1.83x	15.8x	30.3x	22.6x	1.96x
Care Management / TPA																	
Alere Inc.	ALR	\$37.42	9.6%	52.7%	\$39.90	\$24.00	\$3,097	\$7,107	\$3,006.8	\$602.5	(\$1.13)	\$2.55	2.36x	11.8x	NM	14.7x	1.18x
CorVel Corporation	CRVL	45.18	(8.7%)	54.4%	53.35	29.17	946	911	478.8	72.9	1.57	1.81	1.90x	12.5x	28.1x	24.9x	NM
Crawford & Company	CRD.B	10.08	(6.1%)	79.4%	12.22	5.69	494	639	1,152.5	106.0	0.92	0.83	0.55x	6.0x	11.7x	12.1x	1.34x
ExamWorks Group, Inc.	EXAM	31.73	(7.4%)	49.5%	38.61	20.90	1,234	1,634	640.3	81.1	(0.29)	0.17	2.55x	20.1x	NM	NM	NM
Healthways Inc.	HWAY	17.54	6.3%	0.9%	22.20	9.59	619	880	674.9	29.6	(0.25)	0.20	1.30x	29.7x	NM	NM	NM
Hooper Holmes Inc.	HH	0.75	31.1%	107.6%	0.77	0.31	53	50	49.4	(6.1)	(0.15)	NM	1.01x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	43.02	(2.7%)	15.5%	50.55	34.65	2,912	2,782	1,564.3	253.9	1.85	2.13	1.78x	11.0x	21.6x	20.2x	0.96x
Median			(2.7%)	52.7%									1.78x	12.1x	21.6x	17.4x	1.18x

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

Healthcare Sector Update

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Company Name	Ticker	Price 6/30/14	% 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	\$30.22	8.2%	5.1%	\$37.97	\$24.13	\$838	\$879	\$760.3	\$92.7	\$1.45	\$1.90	1.16x	9.5x	21.6x	15.9x	1.05x	
Laboratory Corp. of America Holdings	LH	102.40	4.4%	2.3%	108.00	87.01	8,684	11,372	5,798.1	1,150.1	6.25	6.67	1.96x	9.9x	17.0x	15.3x	1.51x	
Psychemedics Corp.	PMD	14.16	(18.3%)	31.8%	18.76	10.75	75	74	27.5	6.4	0.72	0.44	2.70x	11.6x	20.2x	32.2x	2.48x	
Quest Diagnostics Inc.	DGX	58.69	1.5%	(3.2%)	64.10	50.46	8,480	12,342	7,105.0	1,402.0	5.31	4.02	1.74x	8.8x	11.0x	14.6x	1.36x	
Sonic Healthcare Limited	SHL	16.23	0.5%	17.0%	17.17	13.29	6,505	8,335	3,451.2	628.7	0.85	0.97	2.42x	13.3x	19.2x	16.8x	1.84x	
Median			1.5%	5.1%									1.96x	9.9x	19.2x	15.9x	1.51x	
Contract Research Orgs																		
Albany Molecular Research Inc.	AMRI	\$20.12	11.6%	69.5%	\$20.55	\$9.71	\$651	\$610	\$246.5	\$42.3	\$0.40	\$0.88	2.47x	14.4x	NM	23.0x	NM	
Charles River Laboratories International, Inc.	CRL	53.52	(9.9%)	30.4%	62.50	41.05	2,589	3,073	1,173.7	256.5	2.15	3.20	2.62x	12.0x	23.4x	16.7x	1.76x	
Covance Inc.	CVD	85.58	(15.6%)	12.4%	106.50	76.50	4,914	4,503	2,442.2	381.5	3.15	3.83	1.84x	11.8x	27.0x	22.3x	1.41x	
ICON Public Limited Company	ICLR	47.11	2.4%	33.0%	50.00	35.33	2,922	2,558	1,368.9	192.4	1.65	2.35	1.87x	13.3x	24.7x	20.0x	1.04x	
PAREXEL International Corporation	PRXL	52.84	0.6%	14.9%	57.25	37.53	3,005	3,004	1,891.9	261.5	1.97	2.37	1.59x	11.5x	25.6x	22.3x	1.09x	
Quintiles Transnational Holdings Inc.	Q	53.29	6.6%	25.2%	55.00	40.10	6,935	8,263	3,886.2	586.8	1.77	2.55	2.13x	14.1x	26.1x	20.9x	1.58x	
Median			1.5%	27.8%									2.00x	12.6x	25.6x	21.6x	1.41x	
Diagnostic Imaging																		
Alliance Healthcare Services, Inc.	AIQ	\$27.00	(19.9%)	72.6%	\$35.40	\$15.57	\$284	\$813	\$443.8	\$135.7	(\$2.02)	NM	1.83x	6.0x	NM	NM	NM	
American Shared Hospital Services	AMS	2.60	(21.2%)	18.8%	3.46	2.10	14	56	17.0	9.0	(0.07)	NM	3.32x	6.3x	NM	NM	NM	
RadNet, Inc.	RDNT	6.63	142.0%	150.2%	7.67	1.50	277	904	698.9	104.8	0.05	0.19	1.29x	8.6x	NM	34.1x	NM	
Median			(19.9%)	72.6%									1.83x	6.3x	NM	34.1x	NM	
Dialysis Services																		
DaVita HealthCare Partners Inc.	DVA	\$72.32	5.7%	19.7%	\$73.61	\$52.75	\$15,491	\$23,609	\$11,970.8	\$2,376.9	\$2.89	\$3.70	1.97x	9.9x	19.8x	19.6x	1.79x	
Fresenius Medical Care AG & Co. KGAA	FME	66.34	(3.8%)	(10.0%)	74.43	63.04	20,027	28,796	14,993.5	2,824.6	3.65	3.50	1.92x	10.2x	18.8x	19.2x	2.54x	
Median			0.9%	4.8%									1.95x	10.1x	19.3x	19.4x	2.16x	

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Healthcare Sector Update

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Distribution / Supply																	
Aceto Corp.	ACET	\$18.14	(8.8%)	30.2%	\$25.25	\$13.87	\$521	\$508	\$493.7	\$52.8	\$1.11	\$0.97	1.03x	9.6x	17.9x	18.8x	0.78x
AmerisourceBergen Corporation	ABC	72.66	12.1%	30.1%	73.81	54.40	16,410	17,110	104,008.0	1,091.6	1.57	3.88	0.16x	15.7x	49.7x	18.7x	1.28x
Cardinal Health, Inc.	CAH	68.56	(1.6%)	45.3%	74.40	46.52	23,324	24,203	93,610.0	2,538.0	1.08	3.93	0.26x	9.5x	NM	17.4x	1.78x
Henry Schein, Inc.	HSIC	118.66	0.8%	23.9%	120.99	95.94	10,129	11,277	9,697.3	812.5	4.93	5.38	1.16x	13.9x	23.3x	22.1x	2.01x
McKesson Corporation	MCK	186.21	6.2%	62.6%	192.03	113.26	43,125	51,448	137,609.0	3,176.0	5.33	10.26	0.37x	16.2x	31.9x	18.1x	1.16x
Owens & Minor Inc.	OMI	33.98	(1.6%)	0.4%	38.55	31.71	2,144	2,177	9,081.5	242.5	1.76	1.98	0.24x	9.0x	19.4x	17.1x	2.78x
Patterson Companies, Inc.	PDCO	39.51	(3.7%)	5.1%	44.39	36.59	4,106	4,533	4,063.7	396.4	2.04	2.22	1.12x	11.4x	20.1x	17.8x	1.65x
Median			(1.6%)	30.1%									0.37x	11.4x	21.7x	18.1x	1.65x
Emergency Services																	
Adeptus Health Inc.	ADPT	\$25.37	NM	NM	\$26.48	\$25.08	\$238	\$353	\$120.6	\$10.4	(\$0.13)	NM	2.93x	34.1x	NM	NM	NM
Air Methods Corp.	AIRM	51.65	(3.0%)	52.5%	59.07	32.24	2,022	2,722	925.5	230.0	1.54	2.65	2.94x	11.8x	26.3x	19.5x	1.02x
InfuSystem Holdings, Inc.	INFU	2.65	(3.6%)	77.9%	3.05	1.27	59	86	57.8	14.8	0.08	0.18	1.49x	5.8x	26.4x	14.7x	0.49x
Median			(3.3%)	65.2%									2.93x	11.8x	26.3x	17.1x	0.75x
HCIT – Provider Based																	
Accretive Health, Inc.	ACHI	\$7.80	(1.3%)	(27.8%)	\$11.15	\$6.92	\$759	–	\$973.6	\$28.7	\$0.36	\$0.41	–	NM	46.0x	19.3x	0.96x
The Advisory Board Company	ABCO	51.85	(17.8%)	(5.1%)	70.55	46.58	1,898	1,872	520.6	62.8	0.59	1.24	3.60x	29.8x	NM	41.9x	2.51x
Allscripts Healthcare Solutions, Inc.	MDRX	16.05	(10.8%)	24.0%	19.68	12.91	2,881	3,388	1,366.3	13.3	(0.59)	0.39	2.48x	NM	NM	41.2x	1.86x
athenahealth, Inc.	ATHN	125.13	(21.5%)	47.7%	206.70	83.57	4,735	4,830	632.4	58.4	0.07	1.04	7.64x	82.7x	NM	NM	NM
Cerner Corporation	CERN	51.58	(8.1%)	7.4%	63.07	45.81	17,711	16,840	2,939.3	774.0	1.13	1.65	5.73x	21.8x	44.5x	31.2x	1.80x
Computer Programs & Systems Inc.	CPSI	63.60	0.3%	29.4%	71.89	47.23	710	681	203.4	55.6	2.95	3.23	3.35x	12.2x	21.1x	19.7x	1.58x
MedAssets, Inc.	MDAS	22.84	(5.7%)	28.7%	26.58	17.37	1,393	2,169	678.4	202.1	0.45	1.37	3.20x	10.7x	NM	16.7x	1.41x
Merge Healthcare Incorporated	MRGE	2.27	(5.4%)	(36.9%)	4.71	1.97	216	425	218.9	25.5	(0.42)	0.10	1.94x	16.7x	NM	22.7x	1.51x
Quality Systems Inc.	QSII	16.05	(3.6%)	(14.2%)	24.15	14.10	967	853	444.7	61.8	0.10	0.52	1.92x	13.8x	NM	31.1x	2.06x
Median			(5.7%)	7.4%									3.20x	16.7x	44.5x	26.9x	1.69x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
HCIT – Specialty																	
BioTelemetry, Inc.	BEAT	\$7.17	(27.1%)	21.5%	\$11.98	\$5.44	\$189	\$188	\$126.6	\$13.3	(\$0.29)	(\$0.17)	1.49x	14.2x	NM	NM	NM
Castlight Health, Inc.	CSLT	15.20	(29.0%)	NM	41.95	10.05	1,360	1,141	19.4	(74.3)	(0.84)	(0.98)	58.69x	NM	NM	NM	NM
Care.com, Inc.	CRCM	12.66	(22.7%)	NM	29.25	9.57	392	274	88.6	(26.8)	(9.45)	(0.95)	3.09x	NM	NM	NM	NM
Everyday Health, Inc.	EVDY	18.48	36.9%	NM	19.89	11.84	556	772	162.9	13.8	(0.89)	0.44	4.74x	56.0x	NM	41.7x	1.12x
Healthstream Inc.	HSTM	24.30	(8.3%)	(4.0%)	39.77	20.76	670	568	141.0	23.9	0.30	0.32	4.03x	23.7x	NM	77.0x	4.44x
HMS Holdings Corp.	HMSY	20.41	7.9%	(12.4%)	26.77	15.10	1,789	1,911	479.9	120.0	0.45	0.54	3.98x	15.9x	49.7x	37.6x	2.03x
IMS Health Holdings, Inc.	IMS	25.68	NM	NM	26.56	21.63	8,524	12,959	2,576.0	697.0	0.51	1.37	5.03x	18.6x	NM	18.7x	1.56x
Medidata Solutions, Inc.	MDSO	42.81	(18.7%)	10.5%	68.21	32.10	2,316	2,327	290.2	25.7	0.31	0.75	8.02x	90.4x	NM	57.0x	2.66x
Omnicell, Inc.	OMCL	28.71	3.6%	39.7%	30.33	19.29	1,051	943	395.2	56.7	0.67	1.22	2.39x	16.6x	38.9x	23.5x	1.40x
Streamline Health Solutions, Inc.	STRM	4.80	(6.1%)	(26.9%)	8.50	4.17	87	84	28.5	(4.3)	(0.94)	(0.03)	2.95x	NM	NM	NM	NM
Veeva Systems Inc.	VEEV	25.45	(5.4%)	NM	49.00	17.11	3,252	2,907	234.1	45.6	0.15	0.27	12.42x	63.7x	NM	95.3x	2.72x
WebMD Health Corp.	WBMD	48.30	16.0%	64.5%	51.41	26.07	1,823	1,997	536.4	86.8	0.31	1.25	3.72x	23.0x	NM	38.7x	3.10x
Median			(6.1%)	10.5%									4.00x	23.0x	44.3x	40.2x	2.34x
Healthcare Staffing																	
AMN Healthcare Services Inc.	AHS	\$12.30	(10.2%)	(14.1%)	\$16.20	\$10.35	\$572	\$721	\$1,000.6	\$79.3	\$0.69	\$0.69	0.72x	9.1x	17.8x	18.0x	1.12x
Cross Country Healthcare, Inc.	CCRN	6.52	(18.6%)	26.4%	11.54	5.14	203	215	446.1	5.4	(1.75)	0.07	0.48x	NM	NM	NM	NM
Envision Healthcare Holdings, Inc.	EVHC	35.91	7.9%	NM	38.02	24.50	6,506	8,231	3,854.2	446.9	0.04	1.12	2.14x	18.4x	NM	32.0x	2.00x
IPC The Hospitalist Company, Inc.	IPCM	44.22	(9.6%)	(13.9%)	63.70	38.13	758	819	629.2	67.2	2.39	2.41	1.30x	12.2x	18.7x	18.4x	1.05x
On Assignment Inc.	ASGN	35.57	(1.6%)	33.1%	39.86	25.24	1,932	2,303	1,692.2	158.8	1.00	1.59	1.36x	14.5x	33.3x	22.3x	1.57x
Team Health Holdings, Inc.	TMH	49.94	13.3%	21.6%	52.18	36.41	3,508	3,950	2,449.3	248.0	1.24	2.19	1.61x	15.9x	38.1x	22.8x	1.48x
Median			(5.6%)	21.6%									1.33x	14.5x	26.0x	22.3x	1.48x
Home Care / Hospice																	
Addus HomeCare Corporation	ADUS	\$22.48	0.6%	13.9%	\$32.40	\$17.62	\$245	\$228	\$274.6	\$17.6	\$1.01	\$1.08	0.83x	12.9x	23.2x	20.9x	1.39x
Almost Family Inc.	AFAM	22.08	(5.9%)	15.7%	33.97	18.37	209	257	392.4	14.9	0.91	1.38	0.65x	17.2x	32.0x	16.0x	1.45x
Amedisys Inc.	AMED	16.74	13.6%	44.3%	18.70	10.49	549	590	1,202.6	31.1	(2.98)	0.21	0.49x	19.0x	NM	NM	NM
Chemed Corp.	CHE	93.72	5.5%	29.4%	94.03	64.16	1,644	1,790	1,405.0	183.0	4.16	5.88	1.27x	9.8x	22.8x	15.9x	1.06x
Gentiva Health Services Inc.	GTIV	15.06	66.4%	51.2%	16.13	7.35	555	1,662	1,798.6	128.6	(18.75)	0.88	0.92x	12.9x	NM	17.0x	1.79x
LHC Group, Inc.	LHCG	21.37	(2.6%)	9.1%	26.90	19.12	380	461	646.6	51.9	1.30	1.23	0.71x	8.9x	18.3x	17.4x	1.58x
Median			3.1%	22.5%									0.77x	12.9x	23.0x	17.0x	1.45x

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 6/30/14	% 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	
Long Term Care																	
Diversicare Healthcare Services Inc.	DVCR	\$7.58	23.9%	68.4%	\$8.25	\$4.56	\$47	\$109	\$302.0	\$5.9	(\$1.00)	NM	0.36x	18.6x	NM	NM	NM
Kindred Healthcare Inc.	KND	23.10	0.7%	75.9%	26.81	12.50	1,474	3,040	4,924.4	295.8	(0.93)	1.14	0.62x	10.3x	NM	20.2x	1.49x
National Healthcare Corp.	NHC	56.29	3.7%	17.8%	58.15	45.30	800	821	807.4	110.6	3.87	3.39	1.02x	7.4x	14.7x	16.6x	NM
The Ensign Group, Inc.	ENSG	31.08	(28.3%)	(11.8%)	47.78	26.02	691	888	926.0	129.6	1.16	2.71	0.96x	6.9x	14.0x	11.5x	0.84x
Median			2.2%	43.1%									0.79x	8.9x	14.4x	16.6x	1.17x
Managed Care – Commercial																	
Aetna Inc.	AET	\$81.08	9.4%	27.6%	\$82.70	\$60.32	\$28,978	\$36,077	\$51,745.8	\$4,634.4	\$5.33	\$6.49	0.70x	7.8x	14.3x	12.5x	1.12x
Cigna Corp.	CI	91.97	15.8%	26.9%	93.20	71.12	24,708	27,777	32,654.0	2,917.0	5.18	7.30	0.85x	9.5x	13.3x	12.6x	1.23x
Health Net, Inc.	HNT	41.54	24.6%	30.5%	42.34	25.40	3,332	3,094	11,295.6	325.5	2.12	2.31	0.27x	9.5x	22.3x	18.0x	1.10x
Humana Inc.	HUM	127.72	12.9%	51.4%	129.36	82.14	19,769	20,972	42,539.0	2,276.0	7.73	7.82	0.49x	9.2x	18.0x	16.3x	1.67x
UnitedHealth Group Incorporated	UNH	81.75	0.2%	24.8%	83.32	64.65	80,104	90,720	123,857.0	10,526.0	5.50	5.51	0.73x	8.6x	15.0x	14.8x	1.54x
Universal American Corp	UAM	8.33	24.3%	(6.3%)	11.13	6.60	721	753	2,106.0	26.0	(2.20)	0.11	0.36x	NM	NM	NM	NM
WellPoint Inc.	WLP	107.61	8.3%	31.5%	110.03	80.75	30,096	44,490	71,306.9	5,002.1	8.67	8.58	0.62x	8.9x	13.2x	12.5x	1.25x
Median			12.9%	27.6%									0.62x	9.1x	14.6x	13.7x	1.24x
Managed Care – Government																	
Centene Corp.	CNC	\$75.61	22.4%	44.1%	\$77.68	\$52.02	\$4,361	\$4,090	\$11,475.2	\$398.8	\$2.87	\$3.72	0.36x	10.3x	25.1x	20.3x	1.10x
Molina Healthcare, Inc.	MOH	44.63	19.1%	20.0%	46.17	31.10	2,065	1,781	6,881.1	172.7	0.96	2.03	0.26x	10.3x	NM	22.0x	1.01x
WellCare Health Plans, Inc.	WCG	74.66	17.4%	34.4%	78.37	55.12	3,275	2,217	10,257.0	353.1	3.98	4.33	0.22x	6.3x	16.6x	17.3x	1.70x
Median			19.1%	34.4%									0.26x	10.3x	20.9x	20.3x	1.10x

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 6/30/14	% 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	
Other Services																	
Healthcare Services Group Inc.	HCSG	\$29.44	3.7%	20.1%	\$30.58	\$23.61	\$2,069	\$1,985	\$1,233.8	\$76.2	\$0.67	\$0.90	1.61x	26.0x	44.5x	32.6x	1.98x
PDI, Inc.	PDII	4.38	(2.2%)	(6.8%)	6.25	4.05	67	26	140.7	(6.7)	(0.31)	(0.44)	0.19x	NM	NM	NM	NM
Sharps Compliance Corp.	SMED	4.40	1.9%	67.9%	5.90	2.49	67	53	24.7	2.8	(0.09)	0.02	2.13x	18.6x	NM	NM	NM
Stericycle, Inc.	SRCL	118.42	5.7%	7.2%	121.61	108.62	10,029	11,373	2,199.0	654.7	3.56	4.23	5.17x	17.4x	32.7x	28.0x	1.76x
Median			2.8%	13.7%									1.87x	18.6x	38.6x	30.3x	1.87x
Pharmacy Management																	
BioScrip Inc.	BIOS	\$8.34	23.6%	(49.5%)	\$17.62	\$5.61	\$571	\$980	\$900.7	\$24.3	(\$0.83)	(\$0.10)	1.09x	40.3x	NM	NM	NM
Catamaran Corporation	CCT	43.97	(4.0%)	(8.0%)	56.60	37.64	9,055	9,844	16,474.9	725.3	1.27	2.19	0.60x	13.6x	32.1x	20.2x	0.87x
Express Scripts Holding Company	ESRX	69.33	(8.2%)	12.3%	79.37	59.20	53,638	65,579	101,763.9	6,412.8	2.31	4.86	0.64x	10.2x	30.3x	14.3x	1.09x
Omnicare Inc.	OCR	66.57	13.3%	39.5%	67.01	47.49	6,592	8,521	6,125.5	714.9	0.78	3.69	1.39x	11.9x	NM	18.0x	1.20x
PharMerica Corporation	PMC	28.59	3.2%	106.3%	30.48	11.84	857	1,076	1,770.3	115.1	0.63	1.48	0.61x	9.3x	NM	19.3x	1.93x
Median			3.2%	12.3%									0.64x	11.9x	31.2x	18.6x	1.14x
Physician Practice Management																	
Birner Dental Management Services Inc.	BDMS	\$17.89	0.5%	0.0%	\$22.40	\$16.75	\$33	\$42	\$64.3	\$3.6	\$0.05	NM	0.65x	11.7x	NM	NM	NM
MEDNAX, Inc.	MD	58.15	(5.4%)	27.0%	64.51	45.29	5,779	6,000	2,217.6	505.9	2.78	3.15	2.71x	11.9x	20.3x	18.4x	1.28x
Median			(2.4%)	13.5%									1.68x	11.8x	20.3x	18.4x	1.28x
Psychiatric Hospitals																	
Acadia Healthcare Company, Inc.	ACHC	\$45.50	2.2%	37.6%	\$53.87	\$30.70	\$2,717	\$3,373	\$753.6	\$147.7	\$0.86	\$1.37	NM	22.8x	43.8x	33.2x	1.39x
Magellan Health, Inc.	MGLN	62.24	6.6%	11.0%	63.36	53.51	1,674	1,417	3,691.0	239.6	4.53	3.21	0.38x	5.9x	14.0x	19.4x	1.14x
Providence Service Corp.	PRSC	36.59	31.2%	25.8%	43.35	23.91	533	558	1,130.6	55.3	1.41	1.91	0.49x	10.1x	26.8x	19.2x	1.16x
Median			6.6%	25.8%									0.44x	10.1x	26.8x	19.4x	1.16x

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 6/30/14	% 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	
Specialty Managed Care																	
Assurant Inc.	AIZ	\$65.55	2.7%	28.8%	\$69.71	\$50.20	\$4,696	\$4,857	\$9,345.4	\$1,023.2	\$6.30	\$6.33	0.52x	4.7x	9.8x	10.4x	1.81x
Triple-S Management Corporation	GTS	17.93	14.1%	(16.5%)	22.71	14.70	489	493	2,374.5	79.7	2.01	1.31	0.21x	6.2x	10.9x	13.7x	1.34x
Median			8.4%	6.1%									0.36x	5.5x	10.3x	12.0x	1.57x
Surgicenters / Rehabilitation																	
AmSurg Corp.	AMSG	\$45.57	(2.0%)	29.8%	\$52.81	\$35.11	\$1,872	\$2,951	\$1,084.3	\$364.6	\$2.27	\$2.45	2.72x	8.1x	20.2x	18.6x	1.52x
Surgical Care Affiliates, Inc.	SCAI	29.08	(4.4%)	NM	37.69	25.50	1,113	1,935	790.8	167.8	(1.39)	0.94	2.45x	11.5x	NM	30.9x	NM
Hanger, Inc.	HGR	31.45	(5.3%)	(0.6%)	40.71	28.47	1,082	1,588	1,052.7	166.5	1.80	2.06	1.51x	9.5x	18.5x	15.3x	1.53x
HEALTHSOUTH Corp.	HLS	35.87	2.3%	24.5%	37.68	28.70	3,160	4,843	2,265.7	557.0	2.59	1.92	2.14x	8.7x	13.8x	18.7x	1.33x
Select Medical Holdings Corporation	SEM	15.60	30.8%	90.2%	15.86	7.77	2,041	3,711	2,949.2	362.2	0.82	0.94	1.26x	10.2x	19.3x	16.5x	1.79x
US Physical Therapy Inc.	USPH	34.19	1.2%	23.7%	37.25	26.91	418	474	266.8	45.7	1.46	1.62	1.78x	10.4x	23.0x	21.1x	1.33x
Median			(0.4%)	24.5%									1.96x	9.9x	19.3x	18.6x	1.52x

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 June 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	45	\$488,341	(1.4%)	25.5%	9.94x	21.9x	35.0x	27.1x	1.2x
Cardiology Devices	18	118,063	(0.8%)	26.5%	3.62x	13.1x	27.6x	23.5x	2.0x
Conglomerates	6	514,291	5.9%	26.4%	3.05x	12.0x	22.8x	18.3x	2.1x
Dental Devices	8	19,324	10.2%	26.4%	2.49x	14.3x	30.4x	26.2x	1.8x
Diagnostic Imaging Devices	4	8,114	3.7%	38.6%	1.41x	12.0x	26.8x	18.4x	2.3x
Diversified Medical Devices	16	99,219	1.2%	27.4%	2.88x	13.1x	23.1x	21.0x	1.6x
Infection Prevention Devices	2	4,684	11.6%	43.4%	2.75x	14.6x	30.1x	25.3x	1.7x
Lab Equipment	2	7,444	8.4%	32.5%	1.81x	10.5x	18.3x	21.8x	1.7x
Lab Instrumentation & Devices	3	13,075	(3.0%)	4.4%	2.13x	15.6x	35.6x	27.3x	1.9x
Large-Cap Pharmaceuticals	7	687,282	3.3%	26.6%	4.95x	13.3x	25.0x	18.0x	2.3x
Life Science Conglomerates	3	75,302	5.2%	44.1%	4.56x	18.0x	30.5x	19.0x	1.6x
Life Science Consumables	5	8,905	9.4%	34.0%	2.18x	17.7x	39.4x	31.0x	2.1x
Mobility Devices	3	3,030	9.3%	27.9%	1.12x	9.3x	24.3x	12.0x	1.9x
Neural Implant Devices	2	3,199	2.4%	24.3%	3.92x	14.7x	31.2x	21.7x	1.5x
Ophthalmology Devices	4	7,154	(3.0%)	40.6%	1.70x	18.4x	27.5x	19.2x	1.1x
Orthopedics Devices	6	53,280	3.8%	29.1%	2.92x	10.4x	23.4x	17.5x	1.9x
Pharmaceuticals	24	74,276	19.2%	86.0%	4.83x	17.2x	38.4x	18.9x	1.5x
Surgical Devices	4	17,241	(0.7%)	2.2%	2.23x	14.3x	33.6x	29.0x	2.4x
Total / Median (\$MM)	162	2,202,223	3.8%	27.7%	2.82x	14.3x	28.9x	21.4x	1.8x

Source: Capital IQ

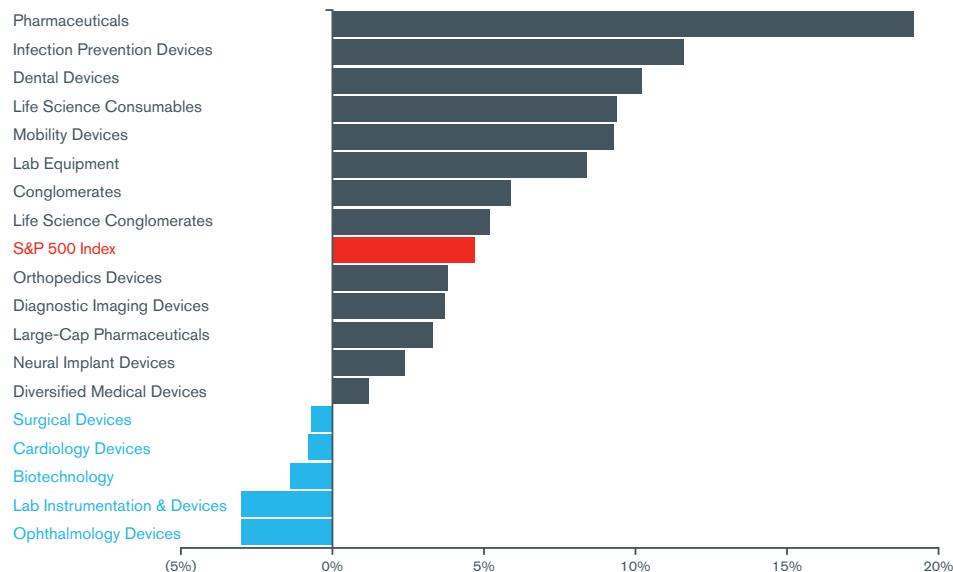
CAPITALIZATION PROFILE	No. of Cos.	Ag. Eqty Mkt. Value	% Total No. of Cos.	% Ag. Eqty Mkt. Value	Median Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	49	\$2,092,263	30.2%	95.0%	9.3%	108.5%	37.9%	70.0%
\$1 billion – \$5 billion	36	80,324	22.2%	3.6%	5.7%	119.6%	46.1%	89.7%
\$250 million – \$1 billion	47	26,113	29.0%	1.2%	6.4%	118.5%	34.9%	59.8%
\$100 million – \$250 million	15	2,569	9.3%	0.1%	(4.6%)	114.3%	35.8%	51.1%
< \$100 million	15	955	9.3%	0.0%	1.7%	230.1%	63.8%	83.2%
Total / Median (\$MM)	162	\$2,202,223	100.0%	100.0%	3.8%	118.5%	27.7%	70.0%

Source: Capital IQ

INTEREST RATES	Value at 6/30/14	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	0.45%	0.34%	0.41%	0.35%
U.S. Treasury – 5 years	1.63%	1.51%	1.72%	1.36%
U.S. Treasury – 10 years	2.51%	2.46%	2.71%	2.48%
U.S. Treasury – 30 years	3.34%	3.31%	3.55%	3.55%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

Median % Change – 3 months



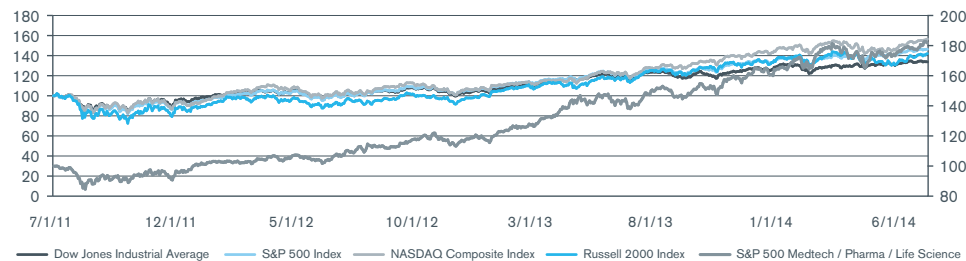
Source: Capital IQ

MARKET INDICES

MARKET INDICES	Value at 6/30/14	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$16,826.6	2.2%	1.5%	12.4%	33.7%
S&P 500 Index	1,960.2	4.7%	6.1%	21.4%	46.3%
NASDAQ Composite Index	4,408.2	5.0%	5.5%	28.4%	56.5%
Russell 2000 Index	1,193.0	1.7%	2.5%	20.5%	42.0%
S&P Life Science Tools & Services (Industry) Index	285.1	(0.6%)	4.4%	25.9%	45.4%
S&P 500 Pharmaceuticals (Industry) Index	541.7	3.1%	10.7%	24.2%	64.8%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	610.1	4.7%	10.2%	29.3%	86.5%
S&P 500 Biotechnology (Industry) Index	3,042.8	8.8%	8.6%	43.3%	175.2%
Dow Jones U.S. Medical Equipment Index	833.2	4.0%	10.3%	25.9%	49.6%
S&P 500 – Pharmaceuticals, Biotechnology & Life Sciences (Industry Group)	685.1	4.4%	9.7%	28.9%	81.6%

Source: Capital IQ

Performance of Market Indices for Latest 36 months



Source: Capital IQ

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 6/30/14	% 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	\$33.97	(0.9%)	NM	\$57.89	\$16.78	\$1,069	\$854	\$45.5	(\$7.4)	(\$4.15)	(\$1.30)	18.77x	NM	NM	NM	NM
Acorda Therapeutics, Inc.	ACOR	33.71	(7.9%)	2.2%	39.95	27.51	1,407	1,140	345.1	44.6	0.39	0.90	3.30x	25.5x	77.9x	37.5x	0.88x
Adamas Pharmaceuticals, Inc.	ADMS	18.28	NM	NM	21.63	12.02	305	253	40.7	24.0	3.51	(0.25)	6.21x	10.5x	9.2x	NM	NM
Akebia Therapeutics, Inc.	AKBA	27.79	39.0%	NM	31.00	16.41	563	431	-	-	(1.31)	(3.65)	NA	NA	NM	NM	NM
Alexion Pharmaceuticals, Inc.	ALXN	156.25	4.6%	69.4%	185.43	93.34	30,906	29,480	1,779.0	694.3	1.27	4.86	16.57x	42.5x	94.5x	32.2x	0.95x
Alkermes plc	ALKS	50.33	19.9%	75.5%	54.25	27.72	7,273	7,084	544.0	75.9	0.16	0.49	13.02x	NM	NM	NM	NM
Amarin Corporation plc	AMRN	1.76	(5.4%)	(69.7%)	7.40	1.28	304	386	35.0	(144.0)	(1.28)	(0.52)	11.03x	NM	NM	NM	NM
Amgen Inc.	AMGN	118.37	(1.8%)	20.0%	128.96	95.05	89,609	101,831	18,959.0	7,611.0	6.64	8.09	5.37x	13.4x	19.2x	14.6x	1.89x
Athersys, Inc.	ATHX	1.79	(44.9%)	7.8%	4.33	1.08	138	93	2.8	(24.7)	(0.53)	(0.36)	NM	NM	NM	NM	NM
Auspex Pharmaceuticals, Inc.	ASPX	22.27	(26.6%)	NM	35.78	13.25	528	423	-	(16.3)	(371.13)	(1.85)	NA	NM	NM	NM	NM
Biogen Idec Inc.	BIIB	315.31	7.2%	46.5%	358.89	203.55	74,792	74,130	7,646.9	3,268.1	7.81	11.53	9.69x	22.7x	39.2x	27.3x	1.34x
BioSpecifics Technologies Corp.	BSTC	26.96	5.7%	72.8%	28.45	15.64	172	156	13.2	7.1	0.76	0.64	11.74x	21.9x	39.7x	42.5x	1.12x
Cara Therapeutics Inc.	CARA	17.02	3.0%	NM	23.25	10.40	385	318	12.1	(1.4)	(0.74)	(1.09)	26.16x	NM	NM	NM	NM
Celgene Corporation	CELG	85.88	23.3%	46.8%	87.37	59.08	68,776	68,811	6,759.3	2,233.7	1.69	3.65	10.18x	30.8x	54.7x	23.6x	0.93x
Cepheid	CPHD	47.94	(5.5%)	39.3%	55.89	30.95	3,343	3,346	416.3	2.4	(0.27)	0.20	8.04x	NM	NM	NM	NM
Cubist Pharmaceuticals Inc.	CBST	69.82	(0.4%)	44.6%	82.12	48.90	5,258	5,518	1,085.7	151.7	(0.27)	1.43	5.08x	36.4x	NM	49.0x	1.61x
Curis, Inc.	CRIS	1.86	(32.4%)	(41.7%)	4.74	1.60	160	132	15.4	(9.7)	(0.15)	(0.21)	8.58x	NM	NM	NM	NM
Dicerna Pharmaceuticals, Inc.	DRNA	22.57	(22.3%)	NM	46.00	15.00	401	271	-	(21.4)	(709.57)	(2.12)	NA	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	1.79	20.1%	7.2%	2.00	1.25	56	57	17.6	0.5	(0.01)	NM	3.22x	NM	NM	NM	NM
Emergent BioSolutions, Inc.	EBS	22.46	(7.8%)	55.8%	28.48	14.49	840	931	323.5	66.9	0.85	0.83	2.88x	13.9x	44.0x	27.1x	1.08x
Exelixis, Inc.	EXEL	3.39	0.3%	(25.3%)	8.41	3.02	660	729	26.6	(227.7)	(1.33)	(1.57)	27.45x	NM	NM	NM	NM
Genomic Health Inc.	GHDX	27.40	5.6%	(13.6%)	37.24	23.90	856	755	265.5	(11.6)	(0.42)	(0.88)	2.84x	NM	NM	NM	NM
Gilead Sciences Inc.	GILD	82.91	20.9%	61.7%	84.88	51.42	127,323	130,973	13,669.0	7,052.8	1.81	6.25	9.58x	18.6x	30.7x	13.3x	0.45x
GlycoMimetics, Inc.	GLYC	8.43	(44.2%)	NM	18.99	6.02	158	101	0.2	(16.0)	(8.87)	(0.55)	NM	NM	NM	NM	NM
Immunomedics Inc.	IMMU	3.65	(14.9%)	(32.9%)	7.35	3.04	338	316	9.2	(30.7)	(0.17)	(0.44)	NM	NM	NM	NM	NM
INSYS Therapeutics, Inc.	INSY	31.23	(23.4%)	238.5%	57.91	9.27	1,069	1,022	129.9	46.3	1.41	1.44	7.87x	22.1x	22.1x	21.6x	0.92x
Ligand Pharmaceuticals Incorporated	LGND	62.29	(1.6%)	66.6%	80.42	36.82	1,291	1,272	53.3	19.9	0.43	0.84	23.86x	NM	NM	74.6x	2.49x
Momenta Pharmaceuticals Inc.	MNTA	12.08	(13.8%)	(19.8%)	19.90	9.85	657	433	38.6	(104.5)	(2.13)	(0.37)	11.20x	NM	NM	NM	NM
Myriad Genetics Inc.	MYGN	38.92	18.4%	44.8%	42.50	20.02	2,912	2,700	763.6	311.8	2.32	2.08	3.54x	8.7x	16.5x	18.7x	1.64x
Neurocrine Biosciences Inc.	NBIX	14.84	(2.7%)	10.9%	20.29	8.57	1,125	906	2.2	(48.8)	(0.69)	(0.78)	NM	NM	NM	NM	NM
Osiris Therapeutics, Inc.	OSIR	15.62	20.7%	55.1%	27.40	10.01	535	496	30.3	(2.1)	(0.03)	0.01	16.35x	NM	NM	NM	NM
PDL BioPharma, Inc.	PDLI	9.68	21.2%	25.4%	10.21	7.38	1,555	1,740	490.7	463.1	1.66	1.47	3.55x	3.8x	5.6x	6.6x	NM
ProMetic Life Sciences Inc.	PLI	1.01	(5.3%)	232.3%	1.54	0.29	533	531	20.5	(13.7)	(0.03)	(0.02)	25.92x	NM	NM	NM	NM

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 6/30/14	% 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.)																	
Prosensa Holding N.V.	RNA	\$12.62	129.1%	(34.4%)	\$34.55	\$3.43	\$454	\$359	\$29.0	(\$6.7)	(\$0.70)	(\$0.69)	12.38x	NM	NM	NM	NM
Regeneron Pharmaceuticals, Inc.	REGN	282.47	(5.9%)	25.6%	352.49	225.78	28,344	28,227	2,290.8	836.2	3.81	9.86	12.32x	33.8x	81.0x	28.7x	1.21x
Spectrum Pharmaceuticals, Inc.	SPPI	8.13	4.6%	9.0%	10.32	6.36	533	491	157.3	(27.3)	(1.02)	(0.69)	3.12x	NM	NM	NM	NM
Targacept, Inc.	TRGT	4.51	(2.4%)	5.6%	6.11	3.52	152	56	0.2	(50.2)	(1.39)	(1.33)	NM	NM	NM	NM	NM
Theravance Inc.	THRX	29.78	(1.3%)	(22.7%)	42.96	22.36	3,354	3,271	3.6	(194.5)	(1.67)	(1.26)	NM	NM	NM	NM	NM
Ultragenyx Pharmaceutical Inc.	RARE	44.89	(1.8%)	NM	69.77	32.02	1,349	1,184	-	(35.4)	(14.87)	(2.12)	NA	NM	NM	NM	NM
United Therapeutics Corporation	UTHR	88.49	(2.4%)	34.4%	116.65	66.01	4,245	3,773	1,161.3	445.3	3.28	8.07	3.25x	8.5x	19.2x	11.0x	1.24x
Vanda Pharmaceuticals, Inc.	VNDA	16.18	1.5%	100.2%	19.25	5.70	548	448	35.0	(40.3)	(0.67)	(2.63)	12.81x	NM	NM	NM	NM
Versartis, Inc.	VSAR	28.04	(6.3%)	NM	36.86	23.51	678	474	-	(22.7)	(1.99)	(3.07)	NA	NM	NM	NM	NM
Vertex Pharmaceuticals Incorporated	VRTX	94.68	39.6%	18.3%	98.80	58.06	22,363	21,580	1,002.1	(331.3)	(1.98)	(2.04)	21.54x	NM	NM	NM	NM
Vital Therapies, Inc.	VTL	27.24	NM	NM	35.20	10.66	594	652	-	(37.4)	(3.14)	(2.93)	NA	NM	NM	NM	NM
Zafgen, Inc.	ZFGN	19.78	NM	NM	20.39	19.62	431	400	-	(14.8)	(1.05)	NM	NA	NM	NM	NM	NM
Median			(1.4%)	25.5%									9.94x	21.89x	34.96x	27.06x	1.16x
Cardiology Devices																	
ABIOMED, Inc.	ABMD	\$25.14	(2.2%)	16.6%	\$30.77	\$18.15	\$988	\$911	\$183.6	\$10.9	\$0.19	\$0.60	4.96x	NM	NM	42.3x	1.97x
AngioDynamics Inc.	ANGO	16.33	5.6%	44.8%	19.00	10.55	576	706	346.6	45.9	(0.07)	0.64	2.04x	15.4x	NM	25.6x	1.95x
Boston Scientific Corporation	BSX	12.77	(3.3%)	37.8%	14.08	9.05	16,891	20,945	7,156.0	1,636.0	(0.09)	0.54	2.93x	12.8x	46.8x	23.5x	2.34x
Cardiovascular Systems Inc.	CSII	31.16	(1.1%)	47.0%	37.73	18.83	964	822	125.9	(29.4)	(1.19)	(1.08)	6.53x	NM	NM	NM	NM
Edwards Lifesciences Corp.	EW	85.84	20.6%	27.7%	88.19	60.62	9,056	8,951	2,071.2	505.3	3.44	3.16	4.32x	17.7x	31.2x	27.1x	2.06x
Greatbatch, Inc.	GB	49.06	9.4%	49.6%	50.17	32.70	1,221	1,377	690.0	117.9	1.43	2.33	2.00x	11.7x	27.6x	21.0x	1.91x
Heartware International Inc.	HTWR	88.50	(3.4%)	(6.9%)	105.84	69.31	1,503	1,432	225.2	(36.9)	(3.69)	(2.89)	6.36x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	8.27	4.7%	26.5%	8.96	6.38	141	129	65.3	6.6	0.20	0.21	1.97x	19.5x	59.3x	39.4x	2.00x
Lombard Medical, Inc.	EVAR	7.20	NM	NM	11.34	6.44	117	78	7.0	(19.5)	(2.14)	(2.41)	11.24x	NM	NM	NM	NM
Medtronic, Inc.	MDT	63.76	5.5%	23.9%	65.50	51.22	63,517	61,202	16,893.0	5,575.0	3.52	3.99	3.62x	11.0x	21.1x	16.0x	2.20x
Neovasc Inc.	NVC	0.00	NM	NM	0.00	0.00	0	0	12.7	(4.9)	(0.13)	NM	NM	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.13	(36.4%)	(75.0%)	0.61	0.11	44	30	0.0	(27.5)	(0.08)	(0.04)	NA	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	69.25	6.9%	51.8%	70.59	45.38	19,683	22,276	5,526.0	1,702.0	2.49	3.99	4.03x	13.1x	26.9x	17.4x	1.85x
Stereotaxis Inc.	STXS	3.55	(11.9%)	129.0%	10.85	1.21	69	76	38.0	(6.4)	(5.95)	NM	1.99x	NM	NM	NM	NM
Sunshine Heart Inc.	SSH	5.60	0.0%	4.3%	13.80	4.78	95	47	0.1	(24.6)	(1.71)	(1.58)	NM	NM	NM	NM	NM
Thoratec Corp.	THOR	34.86	(0.8%)	11.3%	43.58	30.01	1,983	1,688	510.8	128.8	1.26	1.77	3.30x	13.1x	27.4x	19.7x	1.90x
TriVascular Technologies, Inc.	TRIV	15.57	NM	NM	17.99	11.15	315	572	23.6	(46.0)	(5.01)	(3.04)	24.22x	NM	NM	NM	NM
Volcano Corporation	VOLC	17.61	(8.9%)	(2.9%)	24.62	16.54	902	964	392.2	15.8	(0.63)	(0.19)	2.46x	NM	NM	NM	NM
Median			(0.8%)	26.5%									3.62x	13.1x	27.6x	23.5x	1.97x

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

Healthcare Sector Update

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Company Name	Ticker	Price 6/30/14	% 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	
Conglomerates																	
3M Company	MMM	\$143.24	6.7%	31.0%	\$145.53	\$108.21	\$93,719	\$97,958	\$31,068.0	\$8,121.0	\$6.72	\$7.46	3.15x	12.1x	20.8x	19.2x	1.70x
Agilent Technologies Inc.	A	57.44	5.0%	34.3%	61.22	42.72	19,143	18,889	6,780.0	1,337.0	2.17	3.18	2.79x	14.1x	27.2x	18.1x	1.92x
Becton, Dickinson and Company	BDX	118.30	2.4%	19.7%	120.66	96.73	22,856	24,196	8,199.0	2,140.0	4.69	6.42	2.95x	11.3x	24.9x	18.4x	1.96x
Covidien plc	COV	90.18	24.4%	43.5%	92.68	56.79	40,687	44,590	10,329.0	2,788.0	3.31	4.09	4.32x	16.0x	25.9x	22.1x	2.19x
Johnson & Johnson	JNJ	104.62	7.4%	21.8%	106.00	85.50	295,980	283,880	71,922.0	23,640.0	4.81	5.88	3.95x	12.0x	20.0x	17.8x	2.50x
Kimberly-Clark Corporation	KMB	111.22	1.3%	14.5%	113.93	91.44	41,907	47,889	21,112.0	4,217.0	5.53	6.12	2.27x	11.4x	19.9x	18.2x	2.57x
Median			5.9%	26.4%									3.05x	12.0x	22.8x	18.3x	2.08x
Dental Devices																	
COLTENE Holding AG	CLTN	\$64.39	4.2%	27.6%	\$65.63	\$48.88	\$272	\$283	\$179.3	\$27.6	\$3.50	\$4.02	1.58x	10.3x	18.4x	16.0x	1.32x
DENTSPLY International Inc.	XRAY	47.35	4.1%	15.6%	50.99	40.81	6,714	8,190	2,948.8	573.9	2.16	2.52	2.78x	14.3x	21.8x	18.8x	1.75x
Nobel Biocare Holding AG	NOBN	14.78	3.5%	14.8%	17.41	12.49	1,817	1,687	767.0	125.7	0.47	0.56	2.20x	13.4x	31.8x	26.5x	1.70x
Orthofix International N.V.	OFIX	36.25	19.7%	34.8%	36.25	19.35	668	663	398.5	53.4	(0.80)	1.16	1.66x	12.4x	NM	31.3x	3.11x
Osstem Implant Co., Ltd.	A048260	27.54	19.3%	(3.1%)	31.21	20.24	391	425	222.5	28.9	0.68	1.72	1.91x	14.7x	32.3x	27.9x	NM
Sirona Dental Systems Inc.	SIRO	82.46	11.6%	25.2%	82.84	64.40	4,754	4,580	1,143.2	280.4	2.72	3.74	4.01x	16.3x	29.2x	22.0x	1.91x
Straumann Holding AG	STMN	230.03	8.7%	44.9%	235.85	153.54	3,573	3,364	761.4	158.0	7.28	8.77	4.42x	21.3x	31.6x	26.2x	1.81x
Tornier N.V.	TRNX	23.38	13.7%	33.6%	24.35	15.17	1,135	1,155	317.3	22.4	(0.79)	(0.42)	3.64x	NM	NM	NM	NM
Median			10.2%	26.4%									2.49x	14.3x	30.4x	26.2x	1.78x
Orthopedics Devices																	
Exactech Inc.	EXAC	\$25.23	14.2%	27.7%	\$26.52	\$18.34	\$345	\$359	\$241.0	\$42.2	\$1.12	\$1.21	1.49x	8.5x	22.3x	20.9x	1.81x
NuVasive, Inc.	NUVA	35.57	(4.8%)	43.5%	39.89	22.44	1,658	1,729	703.2	101.9	0.17	1.12	2.46x	17.0x	NM	31.9x	2.48x
Stryker Corporation	SYK	84.32	4.7%	30.4%	86.93	63.71	31,965	30,982	9,136.0	1,483.0	2.63	4.81	3.39x	20.9x	41.8x	17.5x	2.11x
Symmetry Medical, Inc.	SMA	8.86	(8.0%)	5.2%	11.11	7.69	332	498	401.6	50.2	(0.99)	0.51	1.24x	9.9x	NM	17.5x	1.22x
Wright Medical Group Inc.	WMGI	31.40	2.9%	19.8%	33.80	23.70	1,551	1,475	254.5	(58.4)	(6.19)	(1.32)	5.80x	NM	NM	NM	NM
Zimmer Holdings, Inc.	ZMH	103.86	10.8%	38.6%	108.33	74.85	17,430	17,527	4,646.0	1,688.6	4.43	6.07	3.77x	10.4x	23.4x	17.1x	1.87x
Median			3.8%	29.1%									2.92x	10.4x	23.4x	17.5x	1.87x
Diagnostic Imaging Devices																	
Analogic Corporation	ALOG	\$78.24	0.8%	7.4%	\$99.97	\$65.63	\$968	\$849	\$541.7	\$63.6	\$2.58	\$4.26	1.57x	13.3x	28.2x	18.4x	1.11x
Digirad Corporation	DRAD	3.56	6.6%	45.9%	4.85	2.32	66	46	50.8	4.1	0.01	0.12	0.91x	11.5x	26.8x	29.7x	2.47x
Fonar Corp.	FONR	12.20	(27.8%)	86.0%	27.95	5.12	75	100	79.6	15.4	1.56	NM	1.26x	6.5x	7.4x	NM	NM
Hologic Inc.	HOLX	25.35	20.7%	31.3%	26.18	18.46	7,005	10,794	2,470.0	862.6	(4.37)	1.42	4.37x	12.5x	NM	17.8x	2.26x
Median			3.7%	38.6%									1.41x	12.0x	26.8x	18.4x	2.26x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Mobility Devices																	
Hill-Rom Holdings, Inc.	HRC	\$41.51	9.3%	23.2%	\$44.64	\$32.85	\$2,375	\$2,598	\$1,670.8	\$265.2	\$1.57	\$2.37	1.56x	9.8x	35.8x	17.5x	1.94x
Invacare Corporation	IVC	18.37	(0.5%)	27.9%	25.96	14.25	591	618	1,330.0	9.9	(1.60)	(0.71)	0.46x	NM	NM	NM	NM
Prism Medical Ltd.	PM	7.19	23.2%	58.1%	7.56	4.20	64	82	73.6	9.3	0.49	1.10	1.12x	8.9x	12.8x	6.5x	NM
Median			9.3%	27.9%									1.12x	9.3x	24.3x	12.0x	1.94x
Infection Prevention Devices																	
Cantel Medical Corp.	CMN	\$36.62	10.4%	62.2%	\$38.04	\$22.69	\$1,515	\$1,555	\$467.6	\$88.2	\$1.00	\$1.16	3.33x	17.6x	35.6x	31.6x	1.75x
Steris Corp.	STE	53.48	12.9%	24.7%	55.36	39.90	3,168	3,512	1,614.9	304.7	2.22	2.82	2.17x	11.5x	24.6x	18.9x	1.62x
Median			11.6%	43.4%									2.75x	14.6x	30.1x	25.3x	1.69x
Neural Implant Devices																	
Cyberonics Inc.	CYBX	\$62.46	0.7%	20.2%	\$73.52	\$49.65	\$1,666	\$1,538	\$282.0	\$93.1	\$1.74	\$2.27	5.45x	16.5x	31.2x	27.5x	1.62x
Integra LifeSciences Holdings Corporation	IART	47.06	4.1%	28.5%	49.99	35.73	1,533	2,035	854.6	157.0	(0.60)	2.96	2.38x	13.0x	NM	15.9x	1.40x
Median			2.4%	24.3%									3.92x	14.7x	31.2x	21.7x	1.51x
Ophthalmology Devices																	
IRIDEX Corporation	IRIX	\$8.31	(3.1%)	40.6%	\$11.00	\$5.30	\$83	\$69	\$39.7	\$2.9	\$0.22	\$0.20	1.73x	23.7x	45.8x	41.6x	1.66x
Lumenis Ltd.	LMNS	9.74	(8.8%)	NM	13.38	8.16	347	301	271.0	25.6	0.58	0.50	1.11x	11.7x	20.7x	19.4x	0.90x
Optos plc	OPTS	3.14	(2.9%)	60.3%	3.67	1.85	228	264	157.9	11.7	0.09	0.18	1.67x	22.6x	32.6x	17.6x	NM
The Cooper Companies Inc.	COO	135.53	2.4%	13.8%	145.34	116.95	6,497	6,769	1,641.1	473.9	5.93	7.13	4.12x	14.3x	22.5x	19.0x	1.07x
Median			(3.0%)	40.6%									1.70x	18.4x	27.5x	19.2x	1.07x
Surgical Devices																	
Alphatec Holdings, Inc.	ATEC	\$1.63	8.7%	(20.5%)	\$2.53	\$1.16	\$159	\$227	\$202.0	\$15.9	(\$0.85)	(\$0.03)	1.13x	14.3x	NM	NM	NM
Bovie Medical Corporation	BVX	3.63	(5.2%)	23.1%	5.00	1.94	65	64	24.4	(0.5)	(0.40)	(0.60)	2.62x	NM	NM	NM	NM
CONMED Corporation	CNMD	44.15	3.9%	41.3%	50.47	30.86	1,202	1,388	751.9	125.7	1.28	1.93	1.85x	11.0x	36.2x	22.9x	1.76x
Intuitive Surgical, Inc.	ISRG	411.80	(5.3%)	(18.6%)	541.23	346.46	15,815	14,255	2,118.4	797.1	16.73	11.76	6.73x	17.9x	30.9x	35.0x	3.10x
Median			(0.7%)	2.2%									2.23x	14.3x	33.6x	29.0x	2.43x

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 6/30/14	% 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	
Diversified Medical Devices																	
Abaxis, Inc.	ABAX	\$44.31	17.0%	(6.7%)	\$51.84	\$32.11	\$995	\$893	\$171.9	\$28.2	\$0.76	\$0.80	5.20x	31.6x	70.3x	55.5x	3.03x
AtriCure, Inc.	ATRC	18.38	1.5%	93.5%	23.00	8.48	504	424	86.9	(13.3)	(0.56)	(0.84)	4.88x	NM	NM	NM	NM
Baxter International Inc.	BAX	72.30	(0.8%)	4.4%	75.88	62.80	39,110	45,778	15,762.0	4,087.0	3.66	5.14	2.90x	11.2x	19.7x	14.1x	1.69x
CareFusion Corporation	CFN	44.35	12.4%	20.4%	44.68	35.01	9,194	9,382	3,623.0	827.0	1.68	2.53	2.59x	11.3x	24.7x	17.5x	1.57x
CR Bard Inc.	BCR	143.01	(1.7%)	31.6%	150.13	106.72	10,906	11,370	3,079.8	816.8	8.39	7.81	3.69x	13.9x	15.5x	18.3x	1.35x
CryoLife Inc.	CRY	8.95	(7.1%)	43.0%	12.14	6.01	251	219	140.0	18.1	0.57	0.20	1.56x	12.1x	17.0x	44.8x	1.79x
Hospira Inc.	HSP	51.37	20.6%	34.1%	52.86	38.06	8,586	9,688	4,169.6	518.2	(0.05)	2.19	2.32x	18.7x	63.3x	23.4x	2.04x
IDEXX Laboratories, Inc.	IDXX	133.57	9.9%	48.9%	136.13	87.99	6,853	7,033	1,405.2	330.1	3.48	3.83	5.00x	21.3x	37.5x	34.8x	2.43x
Masimo Corporation	MASI	23.60	(11.3%)	11.3%	32.20	21.21	1,339	1,222	544.9	98.3	1.02	1.26	2.24x	12.4x	20.9x	18.8x	1.25x
Misonix Inc.	MSON	6.76	6.8%	32.5%	7.17	3.86	49	44	15.2	(4.1)	(0.37)	0.11	2.86x	NM	NM	61.5x	2.05x
Natus Medical Inc.	BABY	25.14	2.6%	84.2%	27.71	11.73	791	765	343.9	55.6	0.74	1.20	2.22x	13.7x	30.7x	21.0x	1.31x
PhotoMedex, Inc.	PHMD	12.25	(20.8%)	(23.1%)	16.82	10.51	233	191	217.5	20.2	0.89	0.56	0.88x	9.4x	22.7x	22.0x	1.31x
ResMed Inc.	RMD	50.63	15.4%	12.2%	57.34	41.52	7,105	6,562	1,554.4	490.8	2.23	2.59	4.22x	13.4x	22.2x	19.6x	1.53x
SurModics, Inc.	SRDX	21.42	(3.3%)	7.0%	25.99	19.55	291	257	56.1	19.9	0.96	0.95	4.59x	12.9x	23.5x	22.7x	1.51x
Teleflex Incorporated	TFX	105.60	(0.1%)	36.3%	109.73	74.42	4,368	5,239	1,711.4	368.8	3.46	5.51	3.06x	14.2x	29.5x	19.2x	1.65x
Varian Medical Systems, Inc.	VAR	83.14	0.8%	23.3%	86.60	65.70	8,643	8,093	2,986.1	671.4	4.03	4.44	2.71x	12.1x	21.3x	18.7x	1.76x
Median			1.2%	27.4%									2.88x	13.1x	23.1x	21.0x	1.65x
Life Science Conglomerates																	
Illumina Inc.	ILMN	\$178.54	25.7%	138.6%	\$183.30	\$72.13	\$22,925	\$22,681	\$1,511.0	\$415.7	\$0.90	\$2.17	15.01x	NM	NM	82.4x	4.26x
PerkinElmer Inc.	PKI	46.84	5.2%	44.1%	47.64	32.22	5,303	6,009	2,192.8	404.1	1.48	2.46	2.74x	14.9x	31.2x	19.0x	1.57x
Thermo Fisher Scientific, Inc.	TMO	118.00	(0.4%)	39.4%	127.63	84.41	47,075	62,921	13,802.3	2,984.6	3.50	6.90	4.56x	21.1x	29.9x	17.1x	1.25x
Median			5.2%	44.1%									4.56x	18.0x	30.5x	19.0x	1.57x
Lab Instrumentation & Devices																	
Bruker Corporation	BRKR	\$24.27	7.8%	50.3%	\$24.93	\$15.41	\$4,074	\$3,981	\$1,869.7	\$248.1	\$0.48	\$0.88	2.13x	16.0x	48.6x	27.7x	1.91x
Harvard Bioscience Inc.	HBIO	4.55	(3.8%)	(3.2%)	6.13	3.68	145	143	105.0	9.2	0.02	0.17	1.36x	15.6x	NM	27.3x	2.73x
Waters Corporation	WAT	104.44	(3.0%)	4.4%	115.06	94.50	8,855	8,334	1,904.4	584.5	5.20	5.32	4.38x	14.3x	22.6x	19.6x	1.86x
Median			(3.0%)	4.4%									2.13x	15.6x	35.6x	27.3x	1.91x

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 6/30/14	% 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	
Lab Equipment																	
Kewaunee Scientific Corp.	KEQU	\$17.60	7.8%	39.1%	\$18.40	\$12.00	\$46	\$44	\$111.2	\$8.4	\$1.57	NM	0.39x	5.2x	11.9x	NM	NM
Mettler-Toledo International Inc.	MTD	253.18	9.1%	25.8%	258.31	202.34	7,398	7,753	2,405.2	492.3	9.96	11.63	3.22x	15.7x	24.8x	21.8x	1.65x
Median			8.4%	32.5%									1.81x	10.5x	18.3x	21.8x	1.65x
Life Science Consumables																	
Affymetrix Inc.	AFFX	\$8.91	34.0%	100.7%	\$9.80	\$3.70	\$648	\$732	\$335.4	\$26.9	(\$0.23)	\$0.13	2.18x	27.2x	NM	66.4x	3.85x
Bio-Rad Laboratories, Inc.	BIO	119.71	(5.5%)	6.7%	134.13	111.49	3,469	3,265	2,142.4	311.2	2.69	3.86	1.52x	10.5x	54.0x	31.0x	3.10x
Cambrex Corporation.	CBM	20.70	13.9%	48.2%	22.34	12.56	634	673	309.5	59.1	0.98	1.01	2.17x	11.4x	31.9x	20.6x	1.16x
Luminex Corporation	LMNX	17.15	(3.9%)	(16.8%)	24.10	15.74	729	649	216.8	36.3	0.17	0.53	2.99x	17.9x	46.9x	32.2x	1.01x
Techne Corp.	TECH	92.57	9.4%	34.0%	96.96	69.30	3,425	3,204	344.7	181.5	3.09	3.52	9.30x	17.7x	30.5x	26.3x	2.10x
Median			9.4%	34.0%									2.18x	17.7x	39.4x	31.0x	2.10x
Large-Cap Pharmaceuticals																	
AbbVie Inc.	ABBV	\$56.44	10.7%	36.5%	\$56.90	\$41.07	\$89,831	\$95,483	\$19,024.0	\$7,190.0	\$2.56	\$3.14	5.02x	13.3x	22.0x	18.0x	2.27x
Allergan Inc.	AGN	169.22	39.8%	100.9%	174.49	82.56	50,353	48,899	6,478.3	2,129.3	4.20	5.70	7.55x	23.0x	40.7x	29.7x	1.66x
Bristol-Myers Squibb Company	BMJ	48.51	(6.4%)	8.5%	57.49	41.11	80,390	81,049	16,365.0	4,217.0	1.54	1.79	4.95x	19.2x	28.0x	27.1x	2.25x
Eli Lilly and Company	LLY	62.17	7.9%	26.6%	63.38	47.53	66,323	66,386	22,194.2	6,383.6	4.32	2.78	2.99x	10.4x	17.4x	22.3x	2.69x
Merck & Co. Inc.	MRK	57.85	3.3%	24.5%	59.84	44.62	169,059	179,305	43,626.0	15,907.0	1.47	3.48	4.11x	11.3x	38.2x	16.6x	3.30x
Pfizer Inc.	PFE	29.68	(6.9%)	6.0%	32.96	27.33	189,091	192,628	50,527.0	22,375.0	1.64	2.24	3.81x	8.6x	18.1x	13.3x	3.20x
Valeant Pharmaceuticals International, Inc.	VRX	125.93	(4.4%)	48.8%	159.07	86.24	42,235	59,637	6,583.2	3,165.9	(2.70)	8.70	9.06x	18.8x	NM	14.5x	0.69x
Median			3.3%	26.6%									4.95x	13.3x	25.0x	18.0x	2.27x
Pharmaceuticals																	
Akorn, Inc.	AKRX	\$33.25	58.3%	145.9%	\$33.31	\$13.34	\$3,455	\$3,520	\$334.5	\$112.0	\$0.46	\$0.51	10.52x	31.4x	75.7x	65.2x	2.82x
Amphastar Pharmaceuticals, Inc.	AMPH	10.01	NM	NM	11.07	8.80	434	424	222.6	26.9	0.31	NM	1.90x	15.7x	49.3x	NM	NM
Aratana Therapeutics, Inc.	PETX	15.61	(16.9%)	106.5%	29.32	7.26	460	395	0.3	(21.3)	(0.39)	(1.46)	NM	NM	NM	NM	NM
BioDelivery Sciences International, Inc.	BDSI	12.07	50.5%	197.3%	12.81	4.05	585	514	30.4	(40.7)	(1.51)	(0.62)	16.89x	NM	NM	NM	NM
BioSyent Inc.	RX	7.04	44.7%	458.5%	7.64	1.26	97	94	8.1	2.5	0.12	NM	11.52x	38.0x	50.3x	NM	NM
Cipher Pharmaceuticals Inc.	DND	8.22	17.3%	85.5%	8.95	4.31	207	175	29.5	21.2	0.91	0.75	5.94x	8.3x	8.4x	11.0x	NM
Cumberland Pharmaceuticals, Inc.	CPIX	4.50	(0.2%)	(11.9%)	5.85	4.20	80	27	29.9	(3.3)	(0.11)	NM	0.91x	NM	NM	NM	NM
DURECT Corporation	DRRX	1.82	33.8%	73.3%	2.69	0.98	201	183	17.5	(19.1)	(0.21)	(0.11)	10.50x	NM	NM	NM	NM

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Pharmaceuticals (cont.)																	
Endo International plc	ENDP	\$70.02	4.7%	90.3%	\$82.16	\$36.18	\$10,662	\$13,514	\$2,493.0	\$785.2	(\$5.19)	\$3.71	5.42x	17.2x	NM	18.9x	1.97x
Heska Corporation	HSKA	10.75	(1.1%)	56.0%	12.74	5.16	67	76	80.2	1.9	(0.21)	0.21	0.95x	40.1x	NM	51.2x	2.56x
Impax Laboratories Inc.	IPXL	29.99	21.1%	50.4%	30.74	19.39	2,101	1,711	481.7	65.4	1.47	0.88	3.55x	26.2x	NM	34.2x	1.05x
Kite Pharma, Inc.	KITE	28.92	NM	NM	32.65	28.32	1,066	1,048	0.0	(8.5)	(0.22)	NM	NA	NM	NM	NM	NM
Lannett Company, Inc.	LCI	49.62	40.8%	316.6%	51.45	11.75	1,765	1,643	233.3	62.8	0.57	2.21	7.04x	26.2x	44.6x	22.5x	0.45x
MediWound Ltd.	MDWD	11.38	(24.6%)	NM	19.31	9.45	242	162	0.1	(10.3)	(0.54)	(0.60)	NM	NM	NM	NM	NM
Merus Labs International Inc.	MSL	2.19	41.6%	186.6%	2.47	0.75	114	116	27.6	14.7	(0.10)	(0.02)	4.20x	7.9x	NM	NM	NM
Mylan, Inc.	MYL	51.56	5.6%	66.2%	57.52	30.01	19,270	27,134	6,993.2	1,866.5	1.58	3.39	3.88x	14.5x	32.2x	15.2x	1.21x
Questcor Pharmaceuticals, Inc.	QCOR	92.49	48.9%	103.5%	94.44	45.39	5,603	5,282	890.9	516.9	4.76	6.60	5.93x	10.2x	17.5x	14.0x	0.50x
Radius Health, Inc.	RDUS	13.00	NM	NM	14.60	7.46	380	360	0.0	(60.3)	(3.97)	NM	NA	NM	NM	NM	NM
Revanche Therapeutics, Inc.	RVNC	34.00	11.8%	NM	39.86	21.00	770	696	0.7	(38.1)	1.05	(2.84)	NM	NM	NM	NM	NM
Salix Pharmaceuticals Ltd.	SLXP	123.35	23.9%	86.5%	126.60	64.93	7,822	10,263	1,115.6	379.1	2.18	6.50	9.20x	27.1x	NM	19.0x	0.82x
SciClone Pharmaceuticals, Inc.	SCLN	5.26	21.2%	6.0%	6.30	4.24	271	185	123.8	14.1	0.20	0.40	1.49x	13.1x	26.5x	13.2x	NM
The Medicines Company	MDCO	29.06	4.2%	(5.5%)	41.28	23.53	1,889	1,749	709.3	88.3	0.25	1.66	2.47x	19.8x	86.6x	17.5x	1.75x
Zoetis Inc.	ZTS	32.27	11.2%	4.5%	33.34	28.14	16,168	19,342	4,568.0	1,292.0	1.01	1.53	4.23x	15.0x	31.1x	21.1x	1.73x
ZS Pharma, Inc.	ZSPH	28.75	NM	NM	30.67	26.10	567	543	0.0	(35.5)	(3.31)	NM	NA	NM	NM	NM	NM
Median			19.2%	86.0%									4.83x	17.2x	38.4x	18.9x	1.47x

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

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