

# Healthcare Sector Update

May 2013

## Summary – Healthcare Services

- The S&P Healthcare Services Index has increased 0.9% over the last three months, underperforming the S&P 500.
- Over the past three months:
  - > The best-performing sectors were Managed Care – Government (up 21.4%) and Specialty Managed Care (up 15.8%).
  - > The worst-performing sectors were Other Services (down 6.1%) and Clinical Laboratories (up 3.3%).
- The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.3x and 9.4x, respectively.
- The sectors with the highest valuation multiples include:
  - > Specialty HCIT (2.8x LTM Revenue, 35.9x LTM EBITDA)
  - > Provider Based HCIT (3.2x LTM Revenue, 21.5x LTM EBITDA)

## Pharmaceutical / Medical Devices / Life Sciences

- The S&P 500 - Pharmaceuticals, Biotechnology & Life Sciences Index has risen 16.5% over the last three months, outperforming the S&P 500.
- Over the past three months:
  - > The best-performing sectors were Life Sciences Conglomerates (up 17.6%) and Large-Cap Pharmaceuticals (up 13.3%).
  - > The worst-performing sectors were Neural Implant Devices (up 18.1%) and Life Science Consumables (down 6.2%).
- The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 2.3x and 10.9x, respectively.
- The sectors with the highest valuation multiples include:
  - > Biotechnology (6.1x LTM Revenue, 19.3x LTM EBITDA)
  - > Life Science Conglomerates (3.4x LTM Revenue, 13.9x LTM EBITDA)

## Inside

03

M&A Activity -  
Healthcare Services

06

Public Trading Data for  
Healthcare Services Companies

14

M&A Activity - Pharmaceuticals  
and Life Sciences

16

Public Trading Data for  
Pharmaceuticals and  
Life Sciences Companies

#1 Investment Bank for Number of  
Global Bankruptcy Cases

#1 Global Fairness Opinion Provider

#3 U.S. Middle-Market M&A Advisor

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# M&A Activity - Healthcare Services

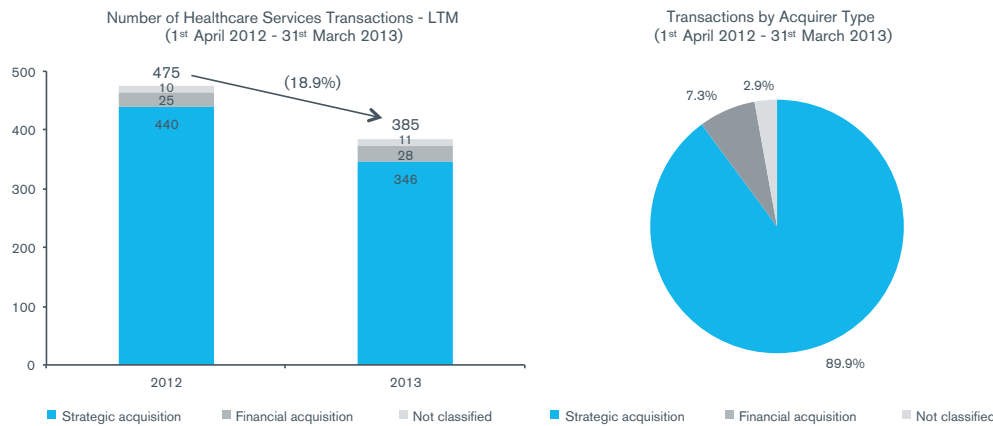
## M&A Overview

The last twelve months ("LTM") M&A volume in the Healthcare Services sector has shown a general downward trend. The deal volume has declined by 18.9% Y-o-Y to 385 deals. The deal volume has declined by 39.6% Y-o-Y to 67 deals for the three months that ended 31st March 2013. The LTM proportion of announced deals made by financial buyers has increased to 7.3% as compared to 5.3% for the same time period last year.

## M&A Activity by Healthcare Services Industry Sector

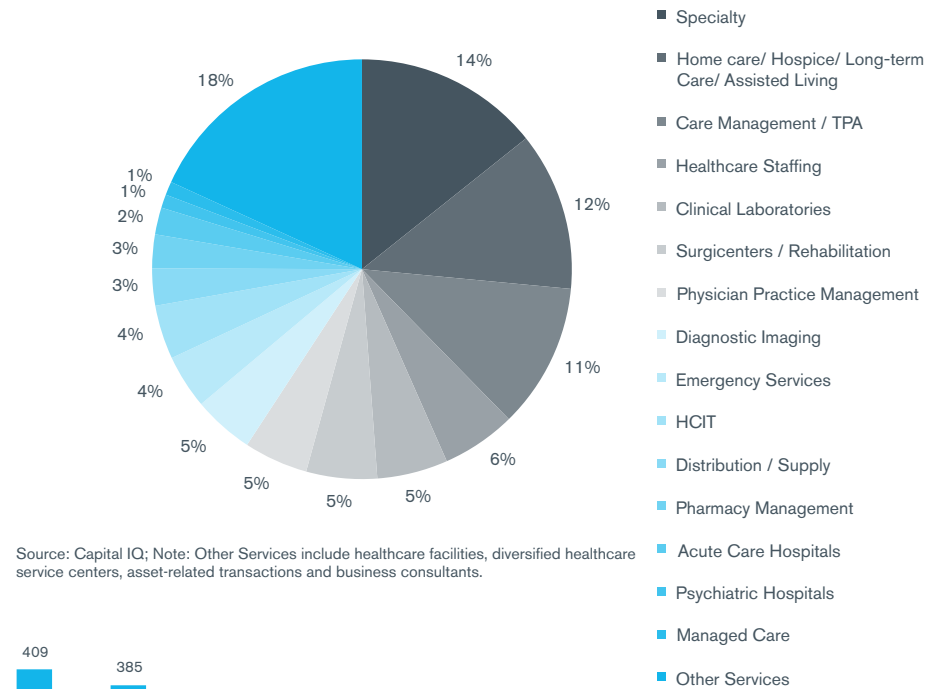
Specialty and Home care / Hospice / Long-term Care / Assisted Living have accounted for 14% and 12% of activity by number of deals in the last 12 months, respectively, and collectively they represent the two most active health care services sectors.

Exhibit 1: Transaction Activity



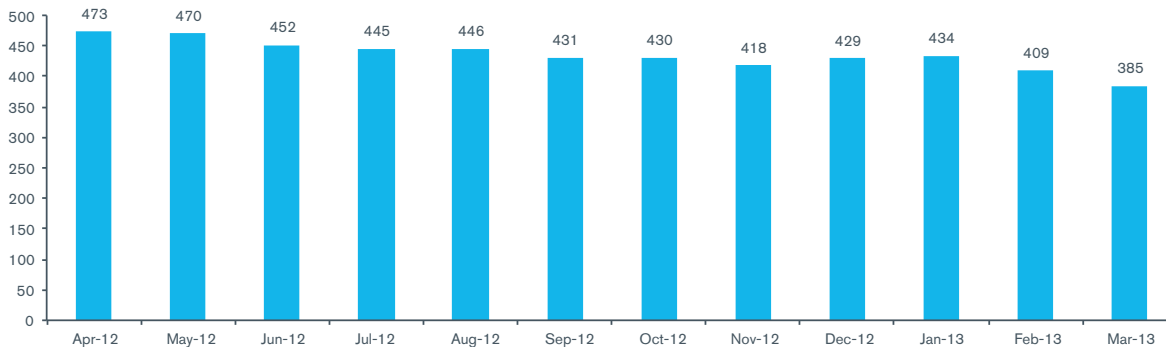
Source: Capital IQ

Exhibit 3: M&A Target Spectrum – LTM (01st April 2012- 31st March 2013)



Source: Capital IQ; Note: Other Services include healthcare facilities, diversified healthcare service centers, asset-related transactions and business consultants.

Exhibit 2: Monthly Transaction Volume – Rolling LTM



Source: Capital IQ

## M&A Transaction List - Last Three Months

Date	Target Name	Acquirer Name	Target Subsector
03/29/2013	Health in Harmony, Inc., Prior to Reverse Merger with Life Care Medical Devices Limited	Life Care Medical Devices Ltd. (nka:Health in Harmony Inc.)	Other services
03/25/2013	Vaporfection International Inc.	Medbox, Inc.	Other services
03/21/2013	Kansas Inpatient Services, LLC and Kansas Long Term Care Physicians, LLC	IPC The Hospitalist Company, Inc.	Physician Practice Management
03/15/2013	Inland Hospice Association	Visiting Nurse Association and Hospice of Southern California	Home care/ Hospice/ Long-term Care/ Assisted Living
03/15/2013	InVision Human Services Inc.	Long Run Children's Learning Center	Surgicenters / Rehabilitation
03/14/2013	Site Near St. Francis Medical Center Facing Woodmen Road	Abba Eye Care, Incorporated	Other services
03/11/2013	Medical Greens (TM)	SK3 Group Inc.	Other services
03/06/2013	Strategic Dental Management Corp.	-	Care Management / TPA
03/06/2013	Delaware Diagnostic Group, LLC	Tri-State Imaging Consultants LLC	Diagnostic Imaging
03/05/2013	Health Diagnostics Management of America, LLC	Health Diagnostics Management, LLC	Diagnostic Imaging
03/05/2013	Waiting Area Media Group, Inc.	Health Media Network LLC	Other services
03/01/2013	Employee Benefits Administrators, Inc. and The Partners Workplace Solutions Group, Inc.	HealthSmart Holdings, Inc.	Care Management / TPA
03/01/2013	Grand Parkway Pediatrics (nka:Texas Children's Pediatrics Grand Parkway)	Texas Children's Pediatric Associates	Specialty
02/28/2013	Partners for Medical Education, Inc.	The WeissComm Group Limited	Other services
02/26/2013	CareClarity, Inc.	Cymetrix Corporation	HCIT
02/22/2013	Freedom Home Healthcare, Inc., Pennsylvania Operations and Nursing Services in New Jersey	Epic Health Services, Inc.	Home care/ Hospice/ Long-term Care/ Assisted Living
02/20/2013	KRU Medical Ventures, LLC, New Smyrna Beach Artificial Kidney Center	DSI Renal, Inc.	Specialty
02/19/2013	Sci-Cool, Inc.	Norman Island Advisors, L.L.C.	Other services
02/19/2013	Evolute Consolidated Holdings, Inc.	PipelineRx	HCIT
02/14/2013	MediVista Media, LLC, Everwell Waiting Room Television Network Division	AccentHealth, LLC	Other services
02/14/2013	Internal Medicine Consultants, P.A.	IPC The Hospitalist Company, Inc.	Physician Practice Management
02/12/2013	OA Nurse Travel, LLC	Medical Solutions L.L.C.	Healthcare Staffing
02/12/2013	Advanced Dental Education Institute	Transitions Group North America	Other services
02/08/2013	ShoreMaster, Inc.	High Street Capital	Other services
02/07/2013	Mayflower Healthcare Textile Services, LLC	Compass Group PLC	Other services
02/06/2013	T&K Inspection Inc.	Desert NDT, LLC	Diagnostic Imaging
02/05/2013	Perioperative Nurses Inc.	Alliant, Inc.	Healthcare Staffing
02/05/2013	Emergency Physicians, PA and Valley Emergency Physicians Medical Group, Inc.	Team Health Holdings, Inc.	Emergency Services

Source: Capital IQ

## M&A Transaction List - Last Three Months

Date	Target Name	Acquirer Name	Target Subsector
02/02/2013	ClinForce, LLC and Akos Limited	ICON Public Limited Company	Healthcare Staffing
02/01/2013	Willamette Valley Treatment Center Inc.	CRC Health Group, Inc.	Surgicenters / Rehabilitation
01/31/2013	Equinox Healthcare, Inc.	AxelaCare Health Solutions, LLC	Specialty
01/29/2013	Peak Primary Care, PLLC	Parkway SleepHealth Centers	Physician Practice Management
01/28/2013	Pediatric Radiology of America Inc.	Aris Teleradiology LLC	Diagnostic Imaging
01/02/2013	Mountain States Administrative Services, Inc.	HealthSmart Holdings, Inc.	Care Management / TPA
01/15/2013	Genesis Medical Imaging, Inc.	BC Technical, Inc.	Other services
01/15/2013	EMT, Inc.	First Call Ambulance Service, LLC	Emergency Services

MARKET SECTOR	No. of Co's	Ag. Eqty Mkt. Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	Rev	EBITDA	LTM	2013	
Acute Care Hospitals	9	\$37,222	13.0%	45.8%	1.07x	7.2x	13.8x	13.7x	1.2x
Assisted Living	8	6,075	4.0%	38.0%	2.18x	18.2x	16.1x	19.1x	1.4x
Care Management / TPA	7	6,615	12.1%	50.9%	1.16x	11.1x	27.7x	21.0x	1.4x
Clinical Laboratories	6	24,774	(3.3%)	6.2%	1.96x	8.5x	15.9x	13.2x	1.2x
Contract Research Orgs	6	10,732	10.7%	49.1%	1.50x	11.6x	30.8x	21.7x	1.5x
Diagnostic Imaging	3	214	3.3%	(13.9%)	1.41x	5.1x	1.7x	9.2x	NM
Dialysis Services	2	35,228	9.8%	25.9%	2.42x	11.8x	20.6x	17.5x	1.7x
Distribution / Supply	7	66,711	5.5%	16.9%	0.23x	9.4x	17.6x	16.2x	1.4x
Emergency Services	2	1,896	(1.6%)	20.3%	2.00x	7.5x	19.9x	19.8x	1.3x
HCIT - Provider Based	11	28,612	5.2%	(0.3%)	3.15x	21.5x	32.8x	20.4x	1.5x
HCIT - Specialty	8	6,694	13.3%	13.7%	3.59x	35.9x	45.0x	27.9x	1.4x
Healthcare Staffing	5	5,297	2.7%	33.4%	1.27x	12.2x	32.4x	21.3x	1.2x
Home Care / Hospice	6	2,753	(0.4%)	17.0%	0.61x	5.9x	13.7x	14.3x	1.2x
Long Term Care	3	1,951	(2.3%)	27.7%	0.88x	6.8x	15.7x	12.4x	0.9x
Managed Care - Commercial	8	144,896	11.6%	5.8%	0.52x	7.0x	11.6x	10.9x	0.9x
Managed Care - Government	3	6,683	21.4%	7.6%	0.23x	12.7x	14.0x	17.5x	1.3x
Other Services	4	11,129	(6.1%)	(10.3%)	1.25x	19.5x	32.8x	29.2x	1.7x
Pharmacy Management	5	62,789	5.7%	22.3%	0.97x	11.2x	27.5x	13.2x	0.8x
Physician Practice Mgmt	2	4,241	1.0%	13.8%	1.49x	9.4x	28.8x	15.7x	1.1x
Psychiatric Hospitals	3	3,109	3.4%	18.8%	0.30x	7.1x	27.1x	15.1x	1.2x
Specialty Managed Care	2	4,257	15.8%	3.1%	0.42x	6.1x	8.8x	8.7x	1.1x
Surgicenters / Rehabilitation	6	6,117	3.8%	18.7%	1.40x	7.2x	15.6x	15.0x	1.1x
<b>Total / Median (\$MM)</b>	<b>116</b>	<b>477,994</b>	<b>4.6%</b>	<b>17.9%</b>	<b>1.26x</b>	<b>9.4x</b>	<b>18.8x</b>	<b>16.0x</b>	<b>1.2x</b>

Source: Capital IQ

**CAPITALIZATION PROFILE**

	No. of Co's	Ag. Eqty Mkt. Value	% Total No. of Co's	% Ag. Eqty Mkt. Value	Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	21	\$366,652	18.1%	76.7%	10.2%	35.5%	21.4%	13.8%
\$1 billion - \$5 billion	41	92,900	35.3%	19.4%	10.8%	47.0%	33.8%	17.5%
\$250 million - \$1 billion	32	16,397	27.6%	3.4%	5.5%	40.2%	29.5%	10.1%
\$100 million - \$250 million	8	1,380	6.9%	0.3%	9.4%	47.6%	17.4%	23.0%
< \$100 million	14	665	12.1%	0.1%	(6.4%)	12.8%	2.0%	(13.7%)
<b>Total / Median (\$MM)</b>	<b>116</b>	<b>\$477,994</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.6%</b>	<b>40.2%</b>	<b>17.9%</b>	<b>13.8%</b>

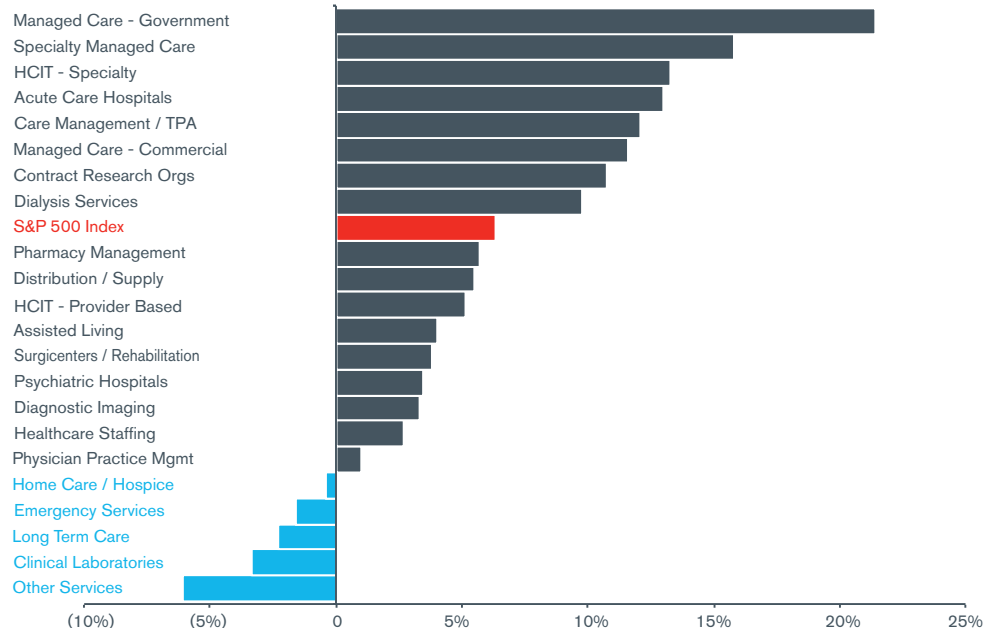
Source: Capital IQ

**MARKET INDICES**

	Value at 4/16/13	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$14,756.8	8.5%	12.6%	12.5%	33.9%
S&P 500 Index	1,574.6	6.3%	10.4%	13.2%	32.1%
NASDAQ Composite Index	3,264.6	4.1%	8.1%	7.3%	31.6%
Russell 2000 Index	923.3	3.7%	8.7%	13.9%	29.2%
AMEX Sector Index - Health Care	84.7	(0.9%)	3.7%	(2.1%)	(8.8%)
S&P Healthcare Facilities (Sub Ind) Index	247.0	10.6%	22.8%	38.5%	25.3%
S&P Healthcare Providers & Services (Industry) Index	363.7	8.7%	17.2%	30.1%	42.6%
S&P Managed Healthcare (Sub Ind) Index	218.3	18.1%	21.7%	11.1%	93.8%
S&P Healthcare Services	309.3	0.9%	6.5%	26.0%	28.4%

Source: Capital IQ

**Median % Change – 3 months**



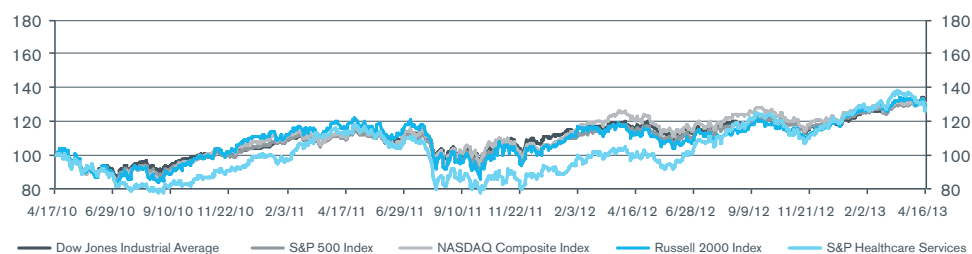
Source: Capital IQ

**INTEREST RATES**

	Value at 4/16/13	1 mo ago	3 mo ago	12 mo ago
LIBOR - USD - 5 Month	0.38%	0.39%	0.42%	0.65%
U.S. Treasury - 2 year	0.23%	0.25%	0.25%	0.28%
U.S. Treasury - 5 years	0.70%	0.83%	0.74%	0.84%
U.S. Treasury - 10 years	1.72%	2.00%	1.82%	1.97%
U.S. Treasury - 30 years	2.91%	3.23%	3.02%	3.02%
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 4/16/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012E	2013E	Rev	EBITDA	2012	2013E	
<b>Acute Care Hospitals</b>																	
Chindex International Inc.	CHDX	\$13.35	24.8%	39.4%	\$14.39	\$8.50	\$221	\$222	\$152.4	\$17.3	\$0.24	NM	1.46x	12.8x	NM	NM	NM
Community Health Systems, Inc.	CYH	42.42	19.3%	93.3%	48.59	20.71	3,827	13,595	13,029.0	1,844.9	2.96	3.71	1.04x	7.4x	14.1x	11.4x	0.89x
HCA Holdings, Inc.	HCA	37.87	7.6%	39.3%	41.50	23.91	16,857	46,775	33,013.0	6,498.0	3.49	3.18	1.42x	7.2x	10.8x	11.9x	1.06x
Health Management Associates Inc.	HMA	10.74	12.9%	51.5%	13.63	5.92	2,781	6,270	5,878.2	972.2	0.67	0.86	1.07x	6.4x	16.1x	12.6x	1.06x
Lifepoint Hospitals Inc.	LPNT	45.72	9.7%	19.6%	49.19	34.32	2,146	3,839	3,391.8	537.0	3.14	2.98	1.13x	7.1x	14.1x	15.4x	1.71x
SunLink Health Systems Inc.	SSY	0.84	(21.2%)	(30.3%)	1.63	0.51	8	18	131.0	11.2	0.08	NM	0.14x	1.7x	10.6x	NM	NM
Tenet Healthcare Corp.	THC	40.40	13.0%	91.3%	49.13	17.24	4,210	9,189	9,119.0	1,200.0	1.70	2.74	1.01x	7.7x	23.4x	14.7x	1.18x
Universal Health Services Inc.	UHS	61.21	14.7%	45.8%	66.45	36.90	5,997	10,031	6,961.4	1,286.2	4.53	4.48	1.44x	7.8x	13.4x	13.7x	1.34x
Vanguard Health Systems Inc.	VHS	15.15	21.6%	64.9%	17.74	6.92	1,174	3,582	6,021.1	554.7	1.08	0.81	0.59x	6.5x	13.5x	18.7x	1.44x
<b>Median</b>			<b>13.0%</b>	<b>45.8%</b>									<b>1.07x</b>	<b>7.2x</b>	<b>13.8x</b>	<b>13.7x</b>	<b>1.18x</b>
<b>Assisted Living</b>																	
AdCare Health Systems Inc.	ADK	\$4.29	(8.3%)	28.7%	\$5.50	\$3.00	\$63	\$234	\$214.0	\$10.4	(\$0.81)	\$0.23	1.09x	22.4x	NM	19.1x	NM
Assisted Living Concepts Inc.	ALC	11.91	26.4%	(30.1%)	20.33	6.93	276	447	228.4	40.6	(1.14)	0.02	1.96x	11.0x	NM	NM	NM
Brookdale Senior Living Inc.	BKD	26.63	(1.9%)	47.3%	29.92	14.99	3,269	5,880	2,445.1	374.8	(0.54)	(0.03)	2.41x	15.7x	NM	NM	NM
Capital Senior Living Corp.	CSU	24.65	20.4%	172.1%	27.90	8.80	676	1,063	305.5	49.9	(0.11)	0.45	3.48x	21.3x	NM	NM	NM
Emeritus Corp.	ESC	26.04	(2.8%)	49.7%	30.95	14.24	1,233	5,201	1,388.0	252.3	(1.73)	(1.85)	3.75x	20.6x	NM	NM	NM
Five Star Quality Care Inc.	FVE	6.30	9.9%	96.3%	6.87	2.98	304	334	1,223.9	45.9	0.28	0.32	0.27x	7.3x	21.6x	19.4x	1.94x
Skilled Healthcare Group, Inc.	SKH	6.19	15.7%	(12.8%)	8.41	4.97	243	690	872.6	98.9	0.57	0.69	0.79x	7.0x	10.7x	8.9x	0.81x
Stellar Resources Limited	SRZ	0.05	(26.0%)	(60.8%)	0.14	0.05	11	7	0.2	0.3	(0.01)	(0.00)	42.61x	22.9x	NM	NM	NM
<b>Median</b>			<b>4.0%</b>	<b>38.0%</b>									<b>2.18x</b>	<b>18.2x</b>	<b>16.1x</b>	<b>19.1x</b>	<b>1.38x</b>
<b>Care Management / TPA</b>																	
Alere Inc.	ALR	\$26.15	25.8%	15.9%	\$26.92	\$17.13	\$2,123	\$6,111	\$2,818.8	\$594.1	(\$1.23)	\$2.26	2.17x	10.3x	NM	11.5x	1.28x
CorVel Corporation	CRVL	47.16	10.3%	13.0%	51.36	39.71	510	490	421.8	56.1	2.13	2.24	1.16x	8.7x	22.2x	21.0x	NM
Crawford & Company	CRD.B	7.27	3.0%	63.4%	8.60	3.25	330	431	1,176.7	136.2	0.89	0.89	0.37x	3.2x	7.9x	8.2x	0.91x
ExamWorks Group, Inc.	EXAM	18.26	23.6%	50.9%	18.94	10.38	634	1,011	521.2	65.0	(0.44)	(0.29)	1.94x	15.5x	NM	NM	NM
Healthways Inc.	HWAY	11.56	15.0%	73.6%	13.24	6.21	394	686	677.2	57.5	0.24	0.29	1.01x	11.9x	47.7x	40.1x	2.68x
Hooper Holmes Inc.	HH	0.42	(16.0%)	(34.4%)	0.71	0.33	29	21	146.3	(5.4)	(0.25)	NM	0.14x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	76.07	12.1%	88.0%	81.37	40.07	2,593	2,427	1,096.8	163.2	2.30	3.34	2.21x	14.9x	33.2x	22.8x	1.56x
<b>Median</b>			<b>12.1%</b>	<b>50.9%</b>									<b>1.16x</b>	<b>11.1x</b>	<b>27.7x</b>	<b>21.0x</b>	<b>1.42x</b>

Source: Capital IQ as of April 16, 2013; For definitions, see page 13

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/16/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012E	2013E	Rev	EBITDA	2012	2013E	
<b>Clinical Laboratories</b>																	
Bio-Reference Laboratories Inc.	BRLI	\$24.13	(18.3%)	6.2%	\$32.86	\$18.29	\$669	\$667	\$684.1	\$95.9	\$1.56	\$1.84	0.97x	7.0x	15.4x	13.1x	0.76x
CML Healthcare Inc.	TSX:CLC	7.48	6.5%	(31.3%)	10.75	5.30	673	921	354.8	107.9	0.44	0.62	2.60x	8.5x	17.4x	12.1x	4.04x
Laboratory Corp. of America Holdings	LH	94.39	7.9%	7.1%	95.92	81.56	8,775	10,984	5,671.4	1,302.9	5.99	7.13	1.94x	8.4x	15.7x	13.2x	1.18x
Psychemedics Corp.	PMD	11.00	(6.1%)	12.1%	12.49	9.46	58	55	25.2	5.4	0.57	NM	2.18x	10.2x	19.9x	NM	NM
Quest Diagnostics Inc.	DGX	58.35	(2.6%)	(0.1%)	64.87	53.25	9,214	12,307	7,260.5	1,532.4	3.92	4.41	1.70x	8.0x	15.6x	13.2x	1.23x
Sonic Healthcare Limited	ASX:SHL	13.59	(4.0%)	6.2%	14.84	12.46	5,385	7,011	3,530.3	662.9	0.85	0.90	1.99x	10.6x	16.1x	15.0x	2.02x
<b>Median</b>			<b>(3.3%)</b>	<b>6.2%</b>									<b>1.96x</b>	<b>8.5x</b>	<b>15.9x</b>	<b>13.2x</b>	<b>1.23x</b>
<b>Contract Research Orgs</b>																	
Albany Molecular Research Inc.	AMRI	\$9.44	57.3%	237.1%	\$11.44	\$2.25	\$296	\$281	\$226.7	\$31.0	(\$0.12)	NM	1.24x	9.0x	NM	NM	NM
GlaxoSmithKline S.A.E.	BIOC	1.31	(15.9%)	(21.1%)	2.15	1.15	110	103	116.4	18.0	NM	NM	0.89x	5.7x	10.5x	NM	NM
Charles River Laboratories International, Inc.	CRL	42.52	2.6%	21.8%	46.90	31.48	2,076	2,628	1,129.5	256.9	2.10	2.85	2.33x	10.2x	20.1x	14.9x	1.65x
Covance Inc.	CVD	73.65	16.0%	63.5%	74.61	44.19	4,110	3,937	2,180.6	303.2	1.68	3.04	1.81x	13.0x	43.6x	24.2x	1.82x
ICON Public Limited Company	ICLR	30.19	5.4%	44.8%	33.07	20.02	1,820	1,630	1,115.0	116.5	0.92	1.54	1.46x	14.0x	32.3x	19.6x	1.31x
PAREXEL International Corporation	PRXL	39.92	21.5%	53.5%	40.60	23.75	2,321	2,406	1,565.4	183.1	1.28	1.68	1.54x	13.1x	30.8x	23.7x	1.22x
<b>Median</b>			<b>10.7%</b>	<b>49.1%</b>									<b>1.50x</b>	<b>11.6x</b>	<b>30.8x</b>	<b>21.7x</b>	<b>1.48x</b>
<b>Diagnostic Imaging</b>																	
Alliance Healthcare Services, Inc.	AIQ	\$9.39	40.1%	28.6%	\$9.60	\$3.61	\$97	\$665	\$472.3	\$147.7	(\$1.12)	NM	1.41x	4.5x	NM	NM	NM
American Shared Hospital Services	AMS	1.70	(34.4%)	(48.3%)	3.55	1.56	8	45	17.0	9.0	0.01	NM	2.66x	5.1x	NM	NM	NM
RadNet, Inc.	RDNT	2.78	3.3%	(13.9%)	3.35	2.13	108	691	647.2	104.2	1.64	0.30	1.07x	6.6x	1.7x	9.2x	NM
<b>Median</b>			<b>3.3%</b>	<b>(13.9%)</b>									<b>1.41x</b>	<b>5.1x</b>	<b>1.7x</b>	<b>9.2x</b>	<b>NM</b>
<b>Dialysis Services</b>																	
DaVita HealthCare Partners Inc.	DVA	\$126.50	12.8%	47.8%	\$128.74	\$77.81	\$13,346	\$22,124	\$8,186.3	\$1,741.2	\$5.47	\$7.55	2.70x	12.7x	22.8x	16.7x	1.31x
Fresenius Medical Care AG & Co. KGaA	DB:FME	71.31	6.7%	4.0%	79.13	63.03	21,883	30,235	14,080.6	2,767.8	3.87	3.90	2.15x	10.9x	18.3x	18.3x	2.03x
<b>Median</b>			<b>9.8%</b>	<b>25.9%</b>									<b>2.42x</b>	<b>11.8x</b>	<b>20.6x</b>	<b>17.5x</b>	<b>1.67x</b>

Source: Capital IQ as of April 16, 2013; For definitions, see page 13



## Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/16/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012E	2013E	Rev	EBITDA	2012	2013E	
<b>Distribution / Supply</b>																	
Aceto Corp.	ACET	\$10.53	0.8%	16.9%	\$11.49	\$7.90	\$288	\$309	\$458.1	\$35.3	\$0.68	\$0.92	0.67x	8.8x	15.2x	11.4x	0.64x
AmerisourceBergen Corporation	ABC	54.95	22.1%	46.6%	54.99	35.48	12,728	13,707	80,644.0	1,429.1	2.84	3.17	0.17x	9.6x	19.4x	17.3x	1.43x
Cardinal Health, Inc.	CAH	43.12	(1.4%)	6.3%	47.23	36.91	14,698	15,340	104,803.0	2,290.0	3.29	3.53	0.15x	6.7x	12.9x	12.2x	1.25x
Henry Schein, Inc.	HSIC	91.27	8.7%	23.7%	92.90	71.97	7,995	8,844	8,940.0	759.5	4.32	4.87	0.99x	11.6x	20.9x	18.7x	1.64x
McKesson Corporation	MCK	107.77	5.5%	20.1%	111.55	84.65	25,098	26,851	123,534.0	2,846.0	6.60	7.89	0.22x	9.4x	16.2x	13.7x	0.98x
Owens & Minor Inc.	OMI	30.72	3.4%	6.6%	33.07	26.97	1,944	2,063	8,908.1	247.4	1.72	1.89	0.23x	8.3x	17.6x	16.2x	1.71x
Patterson Companies, Inc.	PDCO	37.28	7.1%	14.3%	38.25	30.82	3,960	4,262	3,608.6	397.9	2.00	2.20	1.18x	10.7x	18.4x	16.9x	1.61x
<b>Median</b>			<b>5.5%</b>	<b>16.9%</b>									<b>0.23x</b>	<b>9.4x</b>	<b>17.6x</b>	<b>16.2x</b>	<b>1.43x</b>
<b>Emergency Services</b>																	
Air Methods Corp.	AIRM	\$47.99	12.4%	68.2%	\$50.61	\$27.16	\$1,863	\$2,507	\$850.8	\$263.6	\$2.39	\$2.68	2.95x	9.5x	19.9x	17.9x	1.07x
InfuSystem Holdings, Inc.	INFU	1.52	(15.6%)	(27.6%)	2.51	1.38	33	62	58.8	11.4	(0.07)	0.07	1.06x	5.5x	NM	21.7x	1.45x
<b>Median</b>			<b>(1.6%)</b>	<b>20.3%</b>									<b>2.00x</b>	<b>7.5x</b>	<b>19.9x</b>	<b>19.8x</b>	<b>1.26x</b>
<b>HCIT - Provider Based</b>																	
Accretive Health, Inc.	AH	\$9.54	(24.5%)	(49.8%)	\$20.01	\$7.75	\$928	\$732	\$973.6	\$28.7	\$0.25	\$0.47	0.75x	25.5x	55.1x	20.4x	0.80x
The Advisory Board Company	ABCO	51.41	(1.9%)	18.0%	55.06	39.73	1,805	1,706	431.6	65.8	0.61	1.22	3.95x	25.9x	80.7x	42.1x	2.13x
Allscripts Healthcare Solutions, Inc.	MDRX	13.19	30.5%	(17.6%)	16.66	8.84	2,329	2,669	1,446.3	124.3	(0.01)	0.69	1.85x	21.5x	NM	19.1x	1.27x
Athenahealth, Inc.	ATHN	95.42	15.0%	36.3%	99.79	56.33	3,467	3,274	422.3	51.1	0.50	1.22	7.75x	64.1x	NM	78.1x	2.92x
Cerner Corporation	CERN	94.03	18.9%	28.4%	96.24	67.64	16,159	15,319	2,610.1	712.5	2.26	2.80	5.87x	21.5x	40.9x	33.6x	1.82x
Computer Programs & Systems Inc.	CPSI	54.63	7.5%	(0.3%)	61.90	44.95	605	586	183.3	44.4	2.71	2.91	3.20x	13.2x	19.9x	18.8x	1.49x
Greenway Medical Technologies, Inc.	GWAY	15.23	(5.8%)	(4.6%)	19.65	12.20	451	424	134.7	7.9	(0.87)	0.33	3.15x	53.5x	NM	46.9x	1.56x
MedAssets, Inc.	MDAS	18.43	(4.9%)	48.6%	19.99	10.73	1,096	1,976	640.1	194.9	(0.12)	1.29	3.09x	10.1x	NM	14.3x	1.09x
Merge Healthcare Incorporated	MRGE	3.20	13.9%	(30.6%)	4.75	2.20	299	513	248.9	30.9	(0.31)	0.16	2.06x	16.6x	NM	19.8x	1.36x
National Research Corp.	NRCI	55.49	5.2%	28.2%	61.58	41.00	383	388	86.4	27.4	2.17	2.41	4.49x	14.2x	24.8x	23.0x	1.77x
Quality Systems Inc.	QSII	18.30	0.1%	(54.2%)	41.50	15.04	1,089	983	457.9	108.0	1.04	1.16	2.15x	9.1x	17.1x	15.8x	1.41x
<b>Median</b>			<b>5.2%</b>	<b>(0.3%)</b>									<b>3.15x</b>	<b>21.5x</b>	<b>32.8x</b>	<b>20.4x</b>	<b>1.49x</b>

Source: Capital IQ as of April 16, 2013; For definitions, see page 13

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/16/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012E	2013E	Rev	EBITDA	2012	2013E	
<b>HCIT - Specialty</b>																	
Accelrys Inc.	ACCL	\$9.80	5.2%	23.3%	\$9.97	\$7.44	\$547	\$448	\$162.5	\$12.0	(\$0.19)	\$0.37	2.76x	37.4x	NM	26.5x	1.47x
CardioNet, Inc.	BEAT	2.37	10.7%	(22.3%)	3.15	1.84	60	41	99.6	0.9	(0.49)	NM	0.42x	47.8x	NM	NM	NM
Healthstream Inc.	HSTM	21.20	(11.3%)	(17.4%)	30.76	20.15	564	471	103.7	20.8	0.28	0.32	4.54x	22.7x	73.5x	65.4x	3.22x
HMS Holdings Corp.	HMSY	25.54	(9.8%)	(7.5%)	37.19	18.50	2,223	2,420	473.7	152.0	0.57	0.97	5.11x	15.9x	45.0x	26.3x	1.12x
Medidata Solutions, Inc.	MDSO	54.66	21.3%	117.2%	58.02	24.54	1,451	1,328	218.3	36.1	0.71	1.14	6.08x	36.8x	76.9x	47.8x	2.45x
Omniceil Inc.	OMCL	17.74	15.9%	26.7%	20.00	12.33	608	546	314.0	42.2	0.47	1.02	1.74x	13.0x	37.2x	17.3x	1.09x
Streamline Health Solutions, Inc.	STRM	6.73	15.8%	291.3%	7.42	1.65	85	95	21.5	2.7	0.09	0.23	4.43x	35.1x	35.6x	29.3x	1.35x
WebMD Health Corp.	WBMD	23.57	49.8%	4.1%	24.85	13.13	1,155	963	469.9	23.2	(0.45)	(0.10)	2.05x	41.5x	NM	NM	NM
<b>Median</b>			<b>13.3%</b>	<b>13.7%</b>									<b>3.59x</b>	<b>35.9x</b>	<b>45.0x</b>	<b>27.9x</b>	<b>1.41x</b>
<b>Healthcare Staffing</b>																	
AMN Healthcare Services Inc.	AHS	\$13.92	15.6%	127.8%	\$15.94	\$5.45	\$638	\$791	\$954.0	\$675	\$0.35	\$0.57	0.83x	11.7x	39.2x	24.3x	1.25x
Cross Country Healthcare, Inc.	CCRN	4.75	(6.1%)	0.2%	6.23	3.80	150	173	442.6	3.2	(0.67)	0.09	0.39x	NM	NM	NM	NM
IPC The Hospitalist Company, Inc.	IPCM	39.62	(4.6%)	13.8%	48.42	33.10	663	667	523.5	56.9	1.92	2.17	1.27x	11.7x	20.7x	18.2x	1.03x
On Assignment Inc.	ASGN	23.24	2.7%	33.4%	26.09	14.48	1,234	1,633	1,239.7	128.1	0.89	1.09	1.32x	12.8x	25.6x	21.3x	1.21x
Team Health Holdings, Inc.	TMH	38.09	19.1%	86.4%	38.55	20.07	2,612	3,089	2,069.0	201.6	0.93	1.79	1.49x	15.3x	40.8x	21.3x	1.32x
<b>Median</b>			<b>2.7%</b>	<b>33.4%</b>									<b>1.27x</b>	<b>12.2x</b>	<b>32.4x</b>	<b>21.3x</b>	<b>1.23x</b>
<b>Home Care / Hospice</b>																	
Addus HomeCare Corporation	ADUS	\$12.64	52.1%	147.8%	\$14.60	\$3.57	\$138	\$152	\$244.3	\$17.7	\$0.86	\$0.85	0.62x	8.6x	14.2x	14.9x	1.30x
Almost Family Inc.	AFAM	19.42	(2.4%)	(18.9%)	25.60	17.87	181	156	348.5	31.1	1.85	1.62	0.45x	5.0x	10.6x	12.0x	1.00x
Amedisys Inc.	AMED	10.18	(11.2%)	(22.8%)	15.95	9.51	319	410	1,487.9	89.8	(2.75)	0.67	0.28x	4.6x	NM	15.3x	1.30x
Chemed Corp.	CHE	77.11	8.3%	23.5%	80.68	54.06	1,455	1,560	1,430.0	180.8	4.62	5.61	1.09x	8.6x	16.5x	13.7x	1.10x
Gentiva Health Services Inc.	GTIV	9.40	(5.0%)	10.8%	12.90	5.13	290	1,020	1,712.8	182.6	0.87	1.01	0.60x	5.6x	11.0x	9.4x	1.07x
LHC Group, Inc.	LHCG	21.02	1.5%	23.2%	23.20	15.69	370	395	625.7	62.9	1.53	1.24	0.63x	6.3x	13.7x	16.9x	1.25x
<b>Median</b>			<b>(0.4%)</b>	<b>17.0%</b>									<b>0.61x</b>	<b>5.9x</b>	<b>13.7x</b>	<b>14.3x</b>	<b>1.18x</b>

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Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/16/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012E	2013E	Rev	EBITDA	2012	2013E	
<b>Long Term Care</b>																	
Kindred Healthcare Inc.	KND	\$10.10	(2.3%)	27.7%	\$12.76	\$7.60	\$546	\$2,107	\$6,181.3	\$433.9	\$(0.65)	\$1.21	0.34x	4.9x	NM	8.4x	0.90x
National Healthcare Corp.	NHC	45.79	(6.9%)	2.2%	50.17	40.75	647	654	742.2	96.3	3.49	2.75	0.88x	6.8x	12.9x	16.7x	NM
The Ensign Group, Inc.	ENSG	34.83	24.8%	32.4%	35.87	23.40	758	924	824.7	121.7	1.85	2.80	1.12x	7.6x	18.5x	12.4x	0.99x
<b>Median</b>			<b>(2.3%)</b>	<b>27.7%</b>									<b>0.88x</b>	<b>6.8x</b>	<b>15.7x</b>	<b>12.4x</b>	<b>0.94x</b>
<b>Managed Care - Commercial</b>																	
Aetna Inc.	AET	\$56.64	23.9%	19.9%	\$56.93	\$34.58	\$18,499	\$22,448	\$36,595.9	\$3,522.2	\$4.81	\$5.54	0.61x	6.4x	11.5x	10.2x	0.93x
Cigna Corp.	CI	66.40	19.6%	39.3%	66.94	39.01	19,055	21,391	29,119.0	3,224.0	5.61	6.36	0.73x	6.6x	11.6x	10.4x	0.97x
Coventry Health Care Inc.	CVH	49.18	9.8%	52.4%	49.30	27.72	6,620	6,806	14,153.8	927.7	3.52	3.37	0.48x	7.3x	13.8x	14.6x	1.37x
Health Net, Inc.	HNT	28.74	9.8%	(19.9%)	37.58	16.65	2,280	2,439	11,289.1	132.1	0.31	2.08	0.22x	18.5x	NM	13.8x	1.74x
Humana Inc.	HUM	76.25	7.8%	(12.8%)	90.81	59.92	12,102	13,731	39,126.0	2,354.0	7.47	7.90	0.35x	5.8x	10.0x	9.6x	0.86x
UnitedHealth Group Incorporated	UNH	62.81	17.1%	9.5%	63.95	50.32	64,376	74,845	110,618.0	10,151.0	5.28	5.51	0.68x	7.4x	11.7x	11.4x	1.00x
Universal American Corp.	UAM	9.25	2.5%	(5.7%)	11.00	7.68	785	897	2,177.5	116.0	0.61	0.63	0.41x	7.7x	14.7x	14.8x	0.84x
WellPoint Inc.	WLP	70.16	13.4%	2.1%	72.79	52.52	21,181	34,239	61,711.7	5,387.0	8.18	7.81	0.55x	6.4x	8.4x	9.0x	0.82x
<b>Median</b>			<b>11.6%</b>	<b>5.8%</b>									<b>0.52x</b>	<b>7.0x</b>	<b>11.6x</b>	<b>10.9x</b>	<b>0.95x</b>
<b>Managed Care - Government</b>																	
Centene Corp.	CNC	46.35	9.5%	7.6%	\$48.55	\$24.26	\$2,521	\$2,217	\$8,703.6	\$91.6	\$0.03	\$2.65	0.25x	24.2x	NM	17.5x	1.03x
Molina Healthcare, Inc.	MOH	33.56	21.4%	31.1%	33.85	17.63	1,522	990	6,028.8	78.0	0.21	1.47	0.16x	12.7x	NM	22.8x	1.50x
WellCare Health Plans, Inc.	WCG	60.76	31.2%	(8.3%)	69.46	44.75	2,639	1,674	7,409.0	316.7	4.22	4.87	0.23x	5.3x	14.0x	12.5x	1.31x
<b>Median</b>			<b>21.4%</b>	<b>7.6%</b>									<b>0.23x</b>	<b>12.7x</b>	<b>14.0x</b>	<b>17.5x</b>	<b>1.31x</b>

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Healthcare Sector Update

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			3 mo	12 mo	High	Low			Rev	EBITDA	2012E	2013E	Rev	EBITDA	2012	2013E	
<b>Other Services</b>																	
Healthcare Services Group Inc.	HCSG	\$23.43	(2.5%)	10.4%	\$25.95	\$17.60	\$1,603	\$1,526	\$1,090.7	\$78.3	\$0.65	\$0.81	1.40x	19.5x	30.9x	28.9x	1.75x
PDI, Inc.	PDII	4.80	(35.9%)	(35.1%)	8.88	4.60	72	17	126.9	0.7	(1.75)	(0.41)	0.14x	23.7x	NM	NM	NM
Sharps Compliance Corp.	SMED	2.60	(9.7%)	(31.0%)	4.15	2.01	40	23	20.7	(2.0)	(0.29)	(0.01)	1.10x	NM	NM	NM	NM
Stericycle, Inc.	SRCL	109.21	16.3%	26.8%	109.63	81.16	9,414	10,754	1,913.1	570.1	3.08	3.70	5.62x	18.9x	34.7x	29.5x	1.71x
<b>Median</b>			<b>(6.1%)</b>	<b>(10.3%)</b>									<b>1.25x</b>	<b>19.5x</b>	<b>32.8x</b>	<b>29.2x</b>	<b>1.73x</b>
<b>Pharmacy Management</b>																	
BioScrip Inc.	BIOS	\$13.08	14.1%	90.7%	\$13.39	\$6.14	\$746	\$910	\$662.6	\$33.6	(\$0.15)	\$0.27	1.37x	27.1x	NM	49.0x	2.58x
Catamaran Corporation	TSX:CCT	54.38	5.7%	38.7%	57.68	37.91	11,197	11,982	9,940.1	411.6	0.70	1.87	1.21x	29.1x	79.7x	29.0x	0.96x
Express Scripts Holding Company	ESRX	56.19	3.3%	(1.1%)	66.06	49.79	46,074	59,206	93,858.1	5,274.6	1.79	4.26	0.63x	11.2x	31.1x	13.2x	0.81x
Omnicare Inc.	OCR	41.75	8.7%	22.3%	42.97	29.24	4,369	5,947	6,160.4	700.3	1.73	3.43	0.97x	8.5x	23.9x	12.2x	0.81x
PharMerica Corporation	PMC	13.66	(8.2%)	13.9%	15.42	9.03	404	707	1,832.6	104.1	0.77	1.40	0.39x	6.8x	17.2x	9.8x	0.61x
<b>Median</b>			<b>5.7%</b>	<b>22.3%</b>									<b>0.97x</b>	<b>11.2x</b>	<b>27.5x</b>	<b>13.2x</b>	<b>0.81x</b>
<b>Physician Practice Management</b>																	
Birmer Dental Management Services Inc.	BDMS	\$17.53	0.7%	4.2%	\$23.03	\$16.21	\$32	\$38	\$62.4	\$4.4	\$0.44	NM	0.60x	8.5x	39.9x	NM	NM
MEDNAX, Inc.	MD	85.82	1.3%	23.5%	91.00	59.24	4,208	4,325	1,816.6	420.3	4.85	5.47	2.38x	10.3x	17.7x	15.7x	1.07x
<b>Median</b>			<b>1.0%</b>	<b>13.8%</b>									<b>1.49x</b>	<b>9.4x</b>	<b>28.8x</b>	<b>15.7x</b>	<b>1.07x</b>
<b>Psychiatric Hospitals</b>																	
Acadia Healthcare Company, Inc.	ACHC	\$30.37	17.1%	103.8%	\$30.50	\$14.69	\$1,525	\$1,949	\$407.5	\$78.7	\$0.53	\$0.99	NM	24.8x	56.9x	30.7x	1.24x
Magellan Health Services Inc.	MGLN	50.04	0.8%	8.0%	56.58	40.24	1,355	1,052	3,207.4	220.8	5.42	3.72	0.33x	4.8x	9.2x	13.5x	(9.62x)
Providence Service Corp.	PRSC	17.82	3.4%	18.8%	20.09	9.56	230	311	1,105.9	43.9	0.64	1.18	0.28x	7.1x	27.1x	15.1x	1.30x
<b>Median</b>			<b>3.4%</b>	<b>18.8%</b>									<b>0.30x</b>	<b>7.1x</b>	<b>27.1x</b>	<b>15.1x</b>	<b>1.24x</b>

Source: Capital IQ as of April 16, 2013; For definitions, see page 13

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/16/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012E	2013E	Rev	EBITDA	2012	2013E	
<b>Specialty Managed Care</b>																	
Assurant Inc.	AIZ	\$47.51	30.9%	22.0%	\$47.86	\$32.41	\$3,751	\$4,679	\$8,508.3	\$942.4	\$5.67	\$5.68	0.55x	5.0x	8.2x	8.4x	1.05x
Triple-S Management Corporation	GTS	17.89	0.7%	(15.9%)	21.87	16.05	506	723	2,422.0	101.2	1.90	1.97	0.30x	7.1x	9.3x	9.1x	1.06x
<b>Median</b>			<b>15.8%</b>	<b>3.1%</b>									<b>0.42x</b>	<b>6.1x</b>	<b>8.8x</b>	<b>8.7x</b>	<b>1.05x</b>
<b>Surgicenters / Rehabilitation</b>																	
AmSurg Corp.	AMSG	\$32.77	4.7%	23.2%	\$33.78	\$25.00	\$1,053	\$2,122	\$928.5	\$311.2	\$1.98	\$2.18	2.29x	6.8x	16.5x	15.0x	1.11x
Hanger, Inc.	HGR	29.35	2.9%	37.4%	32.03	20.43	1,014	1,515	985.6	165.2	1.83	2.05	1.54x	9.2x	15.9x	14.3x	1.15x
HEALTHSOUTH Corp.	HLS	25.94	10.9%	29.4%	27.42	18.44	2,500	4,075	2,161.9	497.3	1.65	1.65	1.89x	8.2x	15.6x	15.7x	1.16x
LCA-Vision Inc.	LCAV	3.56	16.8%	(47.2%)	7.50	2.67	68	34	101.5	(3.1)	(0.45)	(0.24)	0.33x	NM	NM	NM	NM
Select Medical Holdings Corporation	SEM	8.52	(12.3%)	14.2%	14.89	7.34	1,195	2,682	2,909.9	400.2	1.05	1.01	0.92x	6.7x	7.8x	8.4x	0.72x
US Physical Therapy Inc.	USPH	23.79	(6.3%)	2.4%	28.40	22.69	287	311	247.2	43.3	1.51	1.54	1.26x	7.2x	15.6x	15.4x	1.12x
<b>Median</b>			<b>3.8%</b>	<b>18.7%</b>									<b>1.40x</b>	<b>7.2x</b>	<b>15.6x</b>	<b>15.0x</b>	<b>1.12x</b>

**Definitions**

**PEG Ratio:** Price Earnings to Growth

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

**EPS:** Earnings Per Share

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

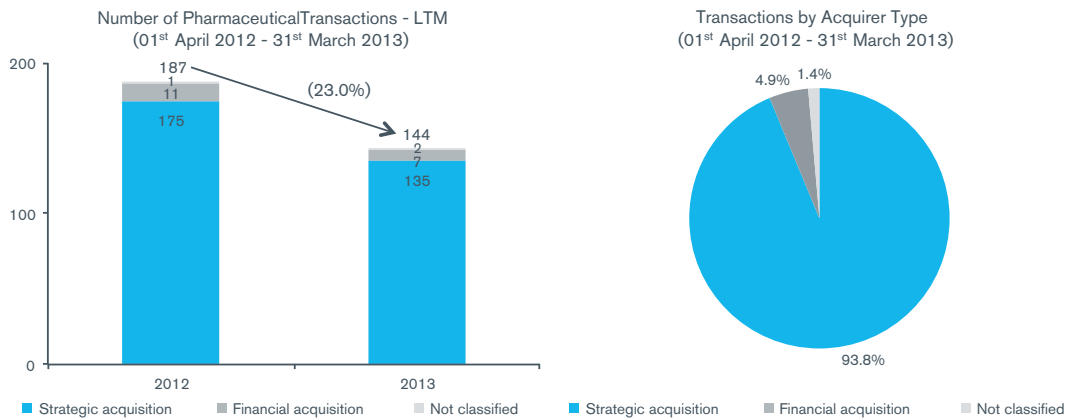
**LTM:** Last Twelve Months

## M&A Activity – Pharmaceuticals / Medical Devices / Life Sciences

### M&A Overview: Pharmaceuticals

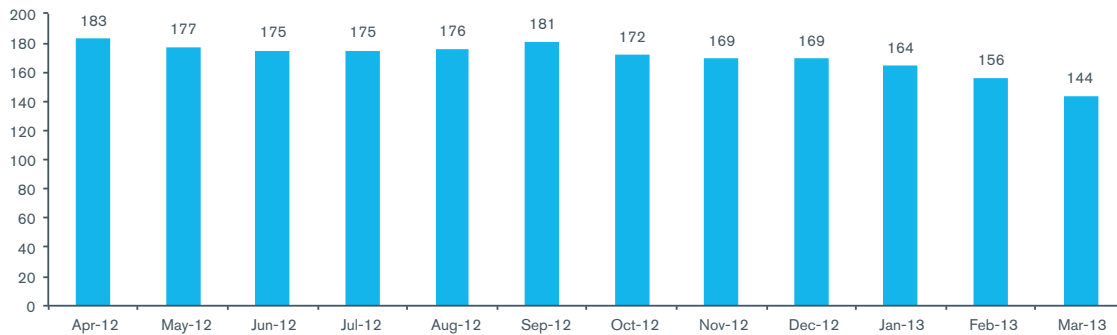
The last twelve months (“LTM”) M&A volume in the Pharmaceutical sector has shown a monthly decline since September 2012. The deal volume has declined by 23% Y-o-Y to 144 deals. Strategic transactions have represented over 93.8% of all deals over the last 12 months.

#### Exhibit 1: Transaction Activity



Source: Capital IQ

#### Exhibit 2: Rolling LTM – Transaction Volume



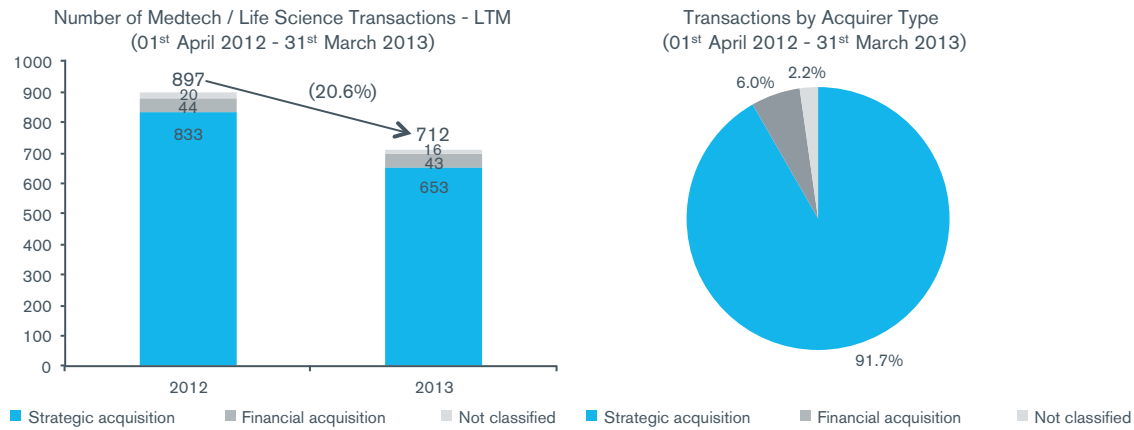
Source: Capital IQ

# M&A Activity – Pharmaceuticals / Medical Devices / Life Sciences

## M&A Overview: Medical Devices / Life Sciences

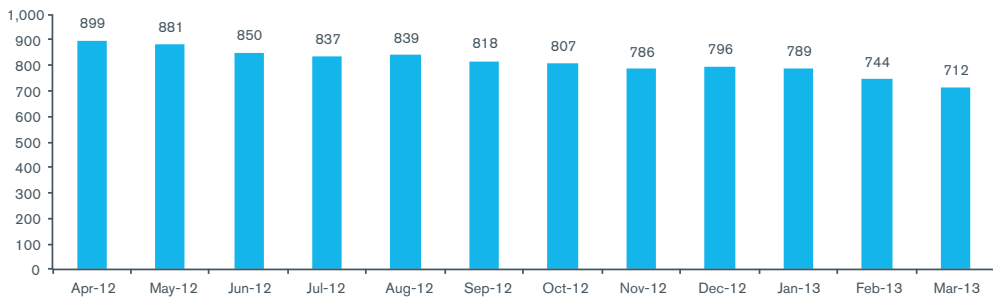
The last 12 months (“LTM”) M&A volume in the Medical Technology / Life Sciences sector has been gradually declining since April 2012. The deal volume has declined by 20.6% Y-o-Y to 712 deals. Strategic acquisitions have accounted for over 91.7% of the LTM transactions in this space.

### Exhibit 1: Transaction Activity



Source: Capital IQ

### Exhibit 2: Rolling LTM – Transaction Volume



Source: Capital IQ

MARKET SECTOR	No. of Co's	Ag. Eqty Mkt Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	Rev	EBITDA	LTM	2013	
Biotechnology	38	\$340,911	9.2%	18.9%	6.08x	19.3x	23.1x	24.8x	1.2x
Cardiology Devices	16	86,091	2.8%	11.6%	3.10x	11.6x	35.9x	20.0x	1.4x
Conglomerates	6	411,029	13.0%	25.9%	2.56x	10.6x	17.0x	15.5x	1.8x
Dental Devices	8	15,327	4.9%	(1.5%)	2.51x	13.7x	20.2x	17.5x	1.3x
Diagnostic Imaging Devices	5	7,337	3.3%	23.3%	1.49x	13.2x	29.2x	20.3x	1.1x
Diversified Medical Devices	19	86,877	0.4%	16.2%	2.25x	12.7x	19.8x	16.3x	1.4x
Infection Prevention Devices	2	3,152	5.1%	31.9%	2.03x	10.6x	17.9x	18.9x	1.3x
Lab Equipment	2	6,207	2.1%	33.0%	1.54x	9.1x	16.5x	19.3x	1.5x
Lab Instrumentation & Devices	3	11,116	5.3%	17.8%	1.76x	13.1x	39.9x	17.1x	1.6x
Large-Cap Pharmaceuticals	6	594,644	13.3%	24.7%	3.96x	9.6x	23.9x	14.2x	3.6x
Life Science Conglomerates	4	53,028	17.6%	42.5%	3.36x	13.9x	40.8x	16.0x	1.5x
Life Science Consumables	5	7,224	(6.2%)	(1.2%)	2.38x	10.4x	21.4x	21.4x	1.4x
Mobility Devices	3	2,554	(3.7%)	(12.9%)	0.73x	8.2x	20.2x	16.7x	3.0x
Neural Implant Devices	3	3,489	(18.1%)	8.1%	3.07x	9.0x	22.2x	18.5x	1.3x
Ophthalmology Devices	3	5,448	9.1%	7.8%	1.08x	9.2x	15.2x	17.3x	1.1x
Orthopedics Devices	7	39,867	9.5%	26.7%	1.72x	10.4x	19.6x	17.2x	1.3x
Pharmaceuticals	29	77,071	8.6%	28.1%	2.56x	11.3x	26.1x	20.3x	1.2x
Surgical Devices	6	22,763	9.2%	4.4%	1.67x	11.4x	24.7x	23.7x	1.6x
<b>Total / Median (\$MM)</b>	<b>165</b>	<b>1,774,135</b>	<b>5.2%</b>	<b>18.3%</b>	<b>2.32x</b>	<b>10.9x</b>	<b>21.8x</b>	<b>18.0x</b>	<b>1.4x</b>

Source: Capital IQ

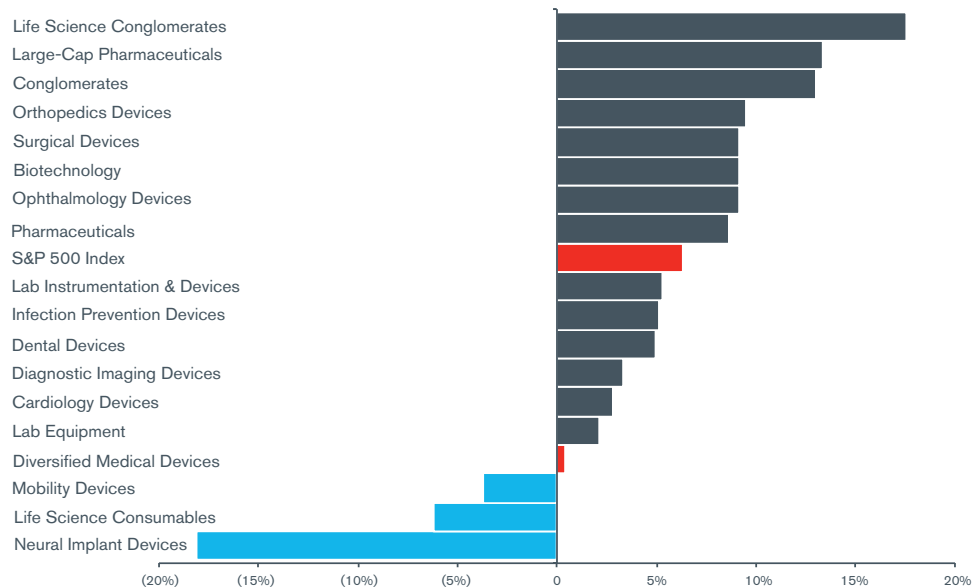
CAPITALIZATION PROFILE	No. of Co's	Ag. Eqty Mkt Value	% Total No. of Co's	% Ag. Eqty Mkt Value	Median Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	44	\$1,662,803	26.7%	93.7%	11.0%	47.5%	29.8%	14.9%
\$1 billion - \$5 billion	36	82,189	21.8%	4.6%	7.4%	32.3%	22.2%	6.8%
\$250 million - \$1 billion	42	24,792	25.5%	1.4%	9.5%	40.1%	39.6%	10.7%
\$100 million - \$250 million	20	3,350	12.1%	0.2%	14.4%	48.1%	27.4%	23.5%
< \$100 million	23	1,002	13.9%	0.1%	(4.3%)	40.1%	11.7%	(1.8%)
<b>Total / Median (\$MM)</b>	<b>165</b>	<b>\$1,774,135</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5.2%</b>	<b>40.1%</b>	<b>18.3%</b>	<b>10.7%</b>

Source: Capital IQ

INTEREST RATES	Value at 4/16/13	1 mo ago	3 mo ago	12 mo ago
LIBOR - USD - 5 Month	0.38%	0.39%	0.42%	0.65%
U.S. Treasury - 2 year	0.23%	0.25%	0.25%	0.28%
U.S. Treasury - 5 years	0.70%	0.83%	0.74%	0.84%
U.S. Treasury - 10 years	1.72%	2.00%	1.82%	1.97%
U.S. Treasury - 30 years	2.91%	3.23%	3.02%	3.02%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

### Median % Change – 3 months



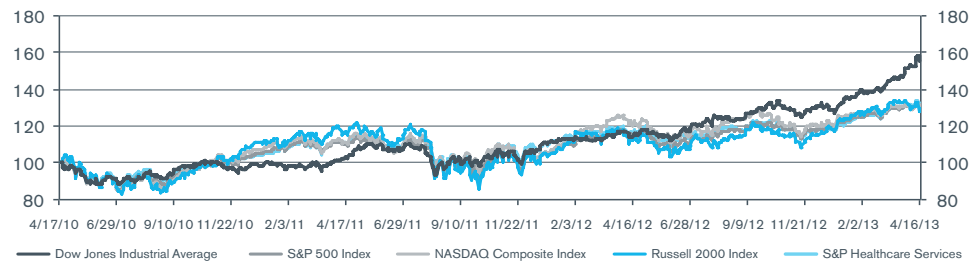
Source: Capital IQ

### MARKET INDICES

MARKET INDICES	Value at 4/16/13	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$14,756.8	8.5%	12.6%	12.5%	33.9%
S&P 500 Index	1,574.6	6.3%	10.4%	13.2%	32.1%
NASDAQ Composite Index	3,264.6	4.1%	8.1%	7.3%	31.6%
Russell 2000 Index	923.3	3.7%	8.7%	13.9%	29.2%
S&P Life Science Tools & Services (Industry) Index	218.4	12.6%	21.6%	30.4%	41.5%
S&P 500 Pharmaceuticals (Industry) Index	445.9	13.1%	19.5%	29.9%	48.8%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	475.8	16.2%	22.6%	37.1%	61.7%
S&P 500 Biotechnology (Industry) Index	2,180.0	29.7%	35.6%	66.9%	118.4%
Dow Jones U.S. Medical Equipment Index	636.4	6.4%	14.5%	19.6%	23.2%
<b>S&amp;P 500 - Pharmaceuticals, Biotechnology &amp; Life Sciences (Industry Group)</b>	<b>542.1</b>	<b>16.5%</b>	<b>23.0%</b>	<b>36.7%</b>	<b>59.3%</b>

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 4/16/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
<b>Biotechnology</b>																	
Acorda Therapeutics, Inc.	ACOR	\$39.78	44.5%	63.9%	\$40.07	\$21.04	\$1,602	\$1,374	\$305.8	\$30.9	\$3.84	\$0.91	4.49x	44.4x	10.3x	43.8x	2.14x
Alexion Pharmaceuticals, Inc.	ALXN	96.20	(1.2%)	8.5%	119.54	81.28	18,766	17,926	1,134.1	416.7	1.28	2.86	15.81x	43.0x	74.0x	33.7x	1.09x
Alkermes plc	ALKS	25.60	15.4%	46.5%	25.65	14.82	3,409	3,570	542.6	153.4	(0.32)	1.07	6.58x	23.3x	NM	24.0x	0.79x
Amarin Corporation plc	AMRN	7.05	(15.0%)	(26.8%)	15.96	6.77	1,062	1,036	-	(116.3)	(1.24)	(1.52)	NM	NM	NM	NM	NM
Amgen Inc.	AMGN	110.85	31.5%	67.3%	112.10	65.37	83,062	85,530	17,265.0	7,072.0	5.52	7.22	4.95x	12.1x	19.8x	15.4x	1.79x
Astex Pharmaceuticals, Inc.	ASTX	6.28	98.1%	276.0%	6.47	1.57	588	450	83.2	9.5	0.08	(0.37)	5.41x	47.2x	77.8x	NM	NM
Athersys, Inc.	ATHX	2.10	70.7%	54.4%	2.42	0.95	112	87	8.7	(15.7)	(0.45)	(0.43)	9.99x	NM	NM	NM	NM
Biogen Idec Inc.	BIIB	202.13	41.5%	60.7%	209.00	124.23	47,765	47,202	5,516.5	2,193.6	5.76	7.80	8.56x	21.5x	35.4x	25.9x	1.53x
BioSpecifics Technologies Corp.	BSTC	16.58	11.6%	12.3%	21.99	12.52	105	97	11.1	5.2	0.43	0.46	8.69x	18.7x	36.9x	36.0x	1.57x
Cangene Corp.	CNJ	3.09	56.1%	71.9%	3.21	1.37	206	168	118.4	(2.8)	(0.28)	NM	1.42x	NM	NM	NM	NM
Celgene Corporation	CELG	122.50	23.9%	56.7%	124.10	58.53	51,295	50,489	5,506.7	2,321.3	3.30	5.69	9.17x	21.7x	36.8x	21.5x	0.93x
Cepheid	CPHD	37.20	3.4%	(3.1%)	46.00	28.12	2,490	2,396	331.2	13.6	(0.30)	0.47	7.23x	NM	NM	79.8x	4.09x
Cubist Pharmaceuticals Inc.	CBST	46.67	7.2%	17.0%	49.86	36.64	3,030	2,425	926.4	280.1	2.10	2.21	2.62x	8.7x	21.9x	21.1x	1.27x
Curis, Inc.	CRIS	3.21	(3.9%)	(33.7%)	5.51	2.66	257	232	17.0	(8.4)	(0.21)	(0.22)	13.65x	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	1.52	(30.6%)	40.7%	2.25	0.81	47	52	15.6	1.8	0.04	NM	3.31x	28.4x	42.0x	NM	NM
Emergent BioSolutions, Inc.	EBS	14.73	(11.1%)	4.6%	16.99	12.50	532	454	281.9	50.8	0.65	0.81	1.61x	8.9x	23.1x	18.3x	1.31x
Exelixis, Inc.	EXEL	5.02	8.1%	7.4%	6.95	4.19	922	846	47.5	(107.5)	(0.92)	(1.24)	17.83x	NM	NM	NM	NM
Genomic Health Inc.	GHDX	28.85	(0.7%)	4.4%	37.44	25.25	869	770	235.2	13.9	0.26	0.03	3.27x	NM	NM	NM	NM
GenVec, Inc.	GNVC	1.18	(19.2%)	(55.0%)	3.00	1.02	15	0	9.4	(12.6)	(1.09)	(0.63)	0.00x	NM	NM	NM	NM
Gilead Sciences Inc.	GILD	52.01	34.8%	126.8%	52.43	22.70	79,263	85,866	9,702.5	4,314.1	1.64	2.04	8.85x	19.9x	31.7x	25.5x	0.99x
ImmuCell Corp.	ICCC	3.40	(13.9%)	(32.0%)	7.00	3.36	10	7	5.4	0.6	0.03	NM	1.24x	10.4x	NM	NM	NM
Immunomedics Inc.	IMMU	2.43	(18.5%)	(26.4%)	4.00	2.11	199	177	3.8	(29.3)	(0.36)	(0.24)	46.62x	NM	NM	NM	NM
Ligand Pharmaceuticals Incorporated	LGND	25.11	24.6%	82.8%	27.22	11.21	507	523	31.4	3.6	(0.13)	0.50	16.67x	NM	NM	50.6x	3.37x
Maxygen, Inc.	MAXY	2.38	(1.7%)	(57.0%)	6.33	2.35	66	(16.7)	30.0	20.3	0.73	(0.24)	(0.56x)	NM	3.3x	NM	NM
Momenta Pharmaceuticals Inc.	MNTA	13.06	5.1%	(9.6%)	17.09	10.05	676	335	63.9	(52.6)	(1.16)	(1.83)	5.24x	NM	NM	NM	NM
Myriad Genetics Inc.	MYGN	27.59	0.5%	15.6%	31.80	22.02	2,223	1,865	545.3	208.1	1.46	1.69	3.42x	9.0x	19.1x	16.3x	1.19x
Neurocrine Biosciences Inc.	NBIX	11.69	32.4%	61.1%	12.85	6.25	777	604	53.1	3.2	0.08	(0.77)	11.38x	NM	NM	NM	NM
Osiris Therapeutics, Inc.	OSIR	9.89	10.3%	115.0%	14.46	4.47	326	292	11.8	(10.4)	(0.34)	(0.34)	24.72x	NM	NM	NM	NM
PDL BioPharma, Inc.	PDLI	7.45	4.9%	20.8%	8.43	6.09	1,043	1,204	374.5	350.0	1.45	1.61	3.22x	3.4x	5.2x	4.6x	0.24x
ProMetic Life Sciences Inc.	PLI	0.36	15.0%	215.1%	0.48	0.10	176	181	23.4	2.5	0.00	0.00	7.72x	NM	NM	NM	NM

Source: Capital IQ as of April 16, 2013; For definitions, see page 24

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/16/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
<b>Biotechnology (cont.)</b>																	
Regeneron Pharmaceuticals, Inc.	REGN	\$216.76	27.5%	76.9%	\$217.72	\$107.31	\$21,089	\$21,238	\$1,378.5	\$494.7	\$6.75	\$5.86	15.41x	42.9x	31.5x	37.0x	1.18x
Spectrum Pharmaceuticals, Inc.	SPPI	7.08	(41.2%)	(28.0%)	17.48	6.92	425	357	267.7	98.5	1.46	(0.12)	1.33x	3.6x	4.9x	NM	NM
Targacept, Inc.	TRGT	4.26	(9.2%)	(4.5%)	5.17	3.85	143	20	57.9	(0.9)	(0.21)	(1.37)	0.35x	NM	NM	NM	NM
Theravance Inc.	THRX	28.01	23.2%	38.1%	31.87	17.06	2,780	2,704	135.8	(5.7)	(0.20)	(2.74)	19.92x	NM	NM	NM	NM
Unigene Laboratories Inc.	UGNE	0.05	(62.9%)	(88.2%)	0.45	0.03	5	57	9.4	(8.4)	(0.36)	NM	6.08x	NM	NM	NM	NM
United Therapeutics Corporation	UTHR	61.08	18.3%	47.7%	63.11	40.34	3,065	2,861	914.1	453.6	5.71	6.66	3.13x	6.3x	10.6x	9.2x	0.43x
Vanda Pharmaceuticals, Inc.	VNDA	4.53	13.3%	2.7%	4.64	2.92	128	8	32.7	(26.1)	(0.98)	(0.89)	0.24x	NM	NM	NM	NM
Vertex Pharmaceuticals Incorporated	VRTX	54.39	17.1%	53.3%	66.10	35.26	11,873	11,484	1,527.0	42.4	(0.51)	(0.50)	7.52x	NM	NM	NM	NM
<b>Median</b>			<b>9.2%</b>	<b>18.9%</b>									<b>6.08x</b>	<b>19.3x</b>	<b>23.1x</b>	<b>24.8x</b>	<b>1.23x</b>
<b>Cardiology Devices</b>																	
ABIOMED, Inc.	ABMD	\$16.33	31.2%	(20.6%)	\$26.17	\$11.80	\$618	\$532	\$151.8	\$18.2	\$0.33	\$0.60	3.51x	29.3x	54.2x	27.3x	0.92x
AngioDynamics Inc.	ANGO	9.94	(15.7%)	(17.1%)	12.91	9.84	346	473	309.0	42.7	(0.25)	0.32	1.53x	11.1x	NM	30.7x	2.21x
Boston Scientific Corporation	BSX	7.43	15.2%	34.8%	7.95	4.79	10,033	14,082	7,249.0	1,638.0	(2.89)	0.42	1.94x	8.6x	NM	17.8x	2.07x
Cardiovascular Systems Inc.	CSII	18.00	22.4%	91.7%	20.86	8.24	415	401	92.7	(17.1)	(1.01)	(1.15)	4.33x	NM	NM	NM	NM
Edwards Lifesciences Corp.	EW	84.93	(7.0%)	24.1%	110.79	67.86	9,643	9,310	1,899.6	466.2	2.48	3.28	4.90x	20.0x	33.8x	25.9x	1.40x
Greatbatch, Inc.	GB	29.25	13.3%	23.6%	31.30	20.29	695	900	646.2	114.5	(0.20)	1.90	1.39x	7.9x	NM	15.4x	1.32x
Heartware International Inc.	HIN	2.44	(2.7%)	27.7%	2.83	1.71	1,399	1,396	110.9	(72.3)	(0.18)	NM	12.59x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	6.04	(1.9%)	5.2%	6.50	4.79	92	76	56.7	6.2	0.16	0.20	1.33x	12.1x	38.1x	30.2x	1.34x
Medtronic, Inc.	MDT	46.65	6.2%	24.2%	47.98	35.67	47,294	56,322	16,427.0	5,449.0	3.28	3.80	3.43x	10.3x	14.1x	12.3x	1.84x
Neovasc Inc.	NVC	2.48	24.8%	65.8%	3.90	0.95	114	112	7.2	(4.9)	NM	NM	15.47x	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.61	24.8%	(16.3%)	0.76	0.40	201	157	0.0	(23.2)	(0.07)	(0.07)	NM	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	42.14	9.3%	10.2%	43.76	30.25	11,930	13,775	5,446.0	1,755.0	2.39	3.70	2.53x	7.8x	16.8x	11.4x	1.18x
Stereotaxis Inc.	STXS	1.76	(23.1%)	(57.1%)	4.44	1.01	14	35	46.6	(9.0)	(1.33)	(1.80)	0.76x	NM	NM	NM	NM
Sunshine Heart Inc.	SHC	0.02	(21.5%)	(19.9%)	0.06	0.02	60	46	0.0	(14.7)	(0.01)	NM	NM	NM	NM	NM	NM
Thoratec Corp.	THOR	36.53	(0.6%)	13.1%	39.86	29.39	2,094	1,844	491.7	145.6	0.94	1.83	3.75x	12.7x	38.3x	20.0x	1.87x
Volcano Corporation	VOLC	21.00	(17.2%)	(19.8%)	30.59	20.52	1,144	1,056	381.9	45.0	0.15	0.07	2.77x	23.5x	NM	NM	NM
<b>Median</b>			<b>2.8%</b>	<b>11.6%</b>									<b>3.10x</b>	<b>11.6x</b>	<b>35.9x</b>	<b>20.0x</b>	<b>1.40x</b>

Source: Capital IQ as of April 16, 2013; For definitions, see page 24

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/16/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
<b>Conglomerates</b>																	
3M Company	MMM	\$106.15	8.8%	22.9%	\$108.72	\$81.99	\$73,325	\$75,331	\$29,904.0	\$7,771.0	\$6.32	\$6.82	2.52x	9.7x	16.7x	15.6x	1.40x
Agilent Technologies Inc.	A	43.39	0.8%	3.3%	45.66	35.32	15,063	14,977	6,903.0	1,401.0	3.13	3.00	2.17x	10.7x	13.5x	14.4x	1.61x
Becton, Dickinson and Company	BDX	95.42	15.0%	27.2%	97.14	71.56	18,508	20,164	7,776.9	2,125.3	5.52	5.79	2.59x	9.5x	17.1x	16.5x	2.04x
Covidien plc	COV	66.64	11.0%	24.6%	68.83	50.25	31,457	35,142	12,010.0	3,252.0	3.93	4.58	2.93x	10.8x	16.8x	14.6x	1.56x
Johnson & Johnson	JNJ	83.44	15.0%	30.4%	83.54	61.71	233,385	228,461	68,590.0	21,621.5	3.86	5.40	3.33x	10.6x	22.8x	15.4x	2.42x
Kimberly-Clark Corporation	KMB	101.58	18.8%	35.9%	102.03	74.39	39,292	45,222	21,063.0	3,982.0	4.42	5.59	2.15x	11.4x	22.8x	18.2x	2.38x
<b>Median</b>			<b>13.0%</b>	<b>25.9%</b>									<b>2.56x</b>	<b>10.6x</b>	<b>17.0x</b>	<b>15.5x</b>	<b>1.82x</b>
<b>Dental Devices</b>																	
COLTENE Holding AG	CLTN	\$53.43	44.8%	63.8%	\$53.43	\$26.77	\$225	\$247	\$172.7	\$24.0	\$2.49	\$3.38	1.43x	10.3x	20.2x	15.8x	0.65x
DENTSPLY International Inc.	XRAY	42.22	6.0%	6.6%	43.63	35.04	6,042	7,718	2,928.4	534.2	2.18	2.43	2.64x	14.4x	19.0x	17.4x	1.55x
Nobel Biocare Holding AG	NOBN	9.73	4.1%	(15.0%)	12.72	7.65	1,194	1,125	765.4	127.2	0.49	0.51	1.47x	8.8x	19.8x	19.2x	1.42x
Orthofix International N.V.	OFIX	33.53	(8.6%)	(9.7%)	45.62	33.35	651	640	462.3	108.8	2.78	2.97	1.39x	5.9x	11.8x	11.3x	1.15x
Osstem Implant Co., Ltd.	A048260	31.05	4.8%	235.1%	34.99	9.15	441	486	158.9	18.9	0.41	1.77	3.06x	25.7x	82.0x	21.2x	NM
Sirona Dental Systems Inc.	SIRO	72.00	10.3%	47.1%	75.27	40.59	4,091	4,046	993.6	254.6	2.37	3.51	4.07x	15.9x	30.4x	20.5x	1.63x
Straumann Holding AG	STMN	126.08	5.0%	(18.8%)	173.47	105.68	1,947	1,788	749.6	137.8	2.57	7.22	2.39x	13.0x	48.4x	17.5x	0.86x
Tornier N.V.	TRNX	17.61	1.3%	(25.3%)	25.00	14.53	735	824	277.5	26.1	(0.54)	(0.33)	2.97x	31.5x	NM	NM	NM
<b>Median</b>			<b>4.9%</b>	<b>(1.5%)</b>									<b>2.51x</b>	<b>13.7x</b>	<b>20.2x</b>	<b>17.5x</b>	<b>1.28x</b>
<b>Orthopedics Devices</b>																	
Exactech Inc.	EXAC	\$19.53	16.3%	26.7%	\$21.16	\$15.01	\$261	\$296	\$224.3	\$38.2	\$0.96	\$1.08	1.32x	7.8x	20.3x	18.1x	1.21x
MAKO Surgical Corp.	MAKO	11.21	2.3%	(73.0%)	42.98	10.00	529	456	102.7	(27.9)	(0.76)	(0.51)	4.44x	NM	NM	NM	NM
NuVasive, Inc.	NUVA	20.14	17.0%	29.4%	25.99	12.35	890	1,046	620.3	98.6	0.07	1.00	1.69x	10.6x	NM	20.1x	1.28x
Stryker Corporation	SYK	65.08	9.5%	20.0%	67.15	49.43	24,543	22,020	8,657.0	2,161.0	3.39	4.32	2.54x	10.2x	19.0x	15.1x	1.71x
Symmetry Medical, Inc.	SMA	12.17	15.1%	78.7%	12.83	6.65	454	662	410.5	59.1	0.25	0.71	1.61x	11.2x	48.0x	17.2x	0.99x
Wright Medical Group Inc.	WMGI	23.24	7.0%	28.0%	24.58	17.88	904	830	483.8	56.6	0.14	(0.29)	1.72x	14.7x	NM	NM	NM
Zimmer Holdings, Inc.	ZMH	73.50	2.2%	16.3%	77.53	57.46	12,285	12,556	4,471.7	1,677.2	4.29	5.75	2.81x	7.5x	17.1x	12.8x	1.36x
<b>Median</b>			<b>9.5%</b>	<b>26.7%</b>									<b>1.72x</b>	<b>10.4x</b>	<b>19.6x</b>	<b>17.2x</b>	<b>1.28x</b>
<b>Diagnostic Imaging Devices</b>																	
Analogic Corporation	ALOG	\$78.96	3.3%	23.3%	\$84.71	\$59.22	\$967	\$791	\$530.7	\$63.8	\$2.67	\$3.90	1.49x	12.4x	29.2x	20.3x	1.19x
Digirad Corporation	DRAD	2.60	26.2%	28.7%	2.60	1.73	50	23	50.5	(1.8)	(0.26)	NM	0.45x	NM	NM	NM	NM
Fonar Corp.	FONR	7.21	25.0%	75.0%	7.65	3.02	44	37	39.6	8.8	0.87	NM	0.94x	4.2x	8.2x	NM	NM

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			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
<b>Diagnostic Imaging Devices (cont.)</b>																	
Given Imaging Ltd.	GIVN	\$16.14	0.0%	(17.7%)	\$19.84	\$12.14	\$502	\$409	\$180.5	\$23.0	\$0.45	\$0.78	2.26x	17.8x	35.7x	20.6x	0.82x
Hologic Inc.	HOLX	21.57	(4.8%)	4.7%	23.96	16.18	5,774	10,092	2,161.3	719.6	(0.35)	1.64	4.67x	14.0x	NM	13.2x	1.09x
<b>Median</b>			<b>3.3%</b>	<b>23.3%</b>									<b>1.49x</b>	<b>13.2x</b>	<b>29.2x</b>	<b>20.3x</b>	<b>1.09x</b>
<b>Mobility Devices</b>																	
Hill-Rom Holdings, Inc.	HRC	\$35.41	15.4%	12.4%	\$36.23	\$24.69	\$2,136	\$2,379	\$1,681.6	\$290.6	\$1.80	\$2.12	1.41x	8.2x	19.3x	16.7x	1.75x
Invacare Corporation	IVC	11.65	(30.5%)	(24.2%)	18.27	11.62	372	568	1,455.5	68.9	(0.26)	0.28	0.39x	8.2x	NM	42.4x	4.24x
Prism Medical Ltd.	PM	5.47	(3.7%)	(12.9%)	6.40	4.74	46	56	76.5	7.0	0.27	0.52	0.73x	8.0x	21.2x	10.6x	NM
<b>Median</b>			<b>(3.7%)</b>	<b>(12.9%)</b>									<b>0.73x</b>	<b>8.2x</b>	<b>20.2x</b>	<b>16.7x</b>	<b>2.99x</b>
<b>Infection Prevention Devices</b>																	
Cantel Medical Corp.	CMN	\$30.02	(2.8%)	31.6%	\$32.91	\$20.82	\$808	\$888	\$401.7	\$71.6	\$1.38	\$1.41	2.21x	12.4x	21.6x	21.3x	1.18x
Steris Corp.	STE	40.09	13.0%	32.2%	41.95	28.77	2,344	2,710	1,463.9	305.4	2.78	2.42	1.85x	8.9x	14.1x	16.6x	1.42x
<b>Median</b>			<b>5.1%</b>	<b>31.9%</b>									<b>2.03x</b>	<b>10.6x</b>	<b>17.9x</b>	<b>18.9x</b>	<b>1.30x</b>
<b>Neural Implant Devices</b>																	
Cyberonics Inc.	CYBX	\$43.27	(18.1%)	15.6%	\$56.73	\$36.25	\$1,196	\$1,064	\$243.6	\$80.5	\$1.62	\$1.81	4.37x	13.2x	26.8x	23.9x	1.19x
Integra LifeSciences Holdings Corporation	IART	31.84	(22.4%)	0.7%	44.53	31.55	895	1,322	830.9	169.3	1.44	2.50	1.59x	7.8x	22.2x	12.7x	1.35x
Globus Medical, Inc.	GMED	15.22	22.1%	NM	19.93	10.26	1,398	1,186	386.0	132.1	0.80	0.82	3.07x	9.0x	18.8x	18.5x	1.33x
<b>Median</b>			<b>(18.1%)</b>	<b>8.1%</b>									<b>3.07x</b>	<b>9.0x</b>	<b>22.2x</b>	<b>18.5x</b>	<b>1.33x</b>
<b>Ophthalmology Devices</b>																	
IRIDEX Corporation	IRIX	\$4.30	9.1%	7.8%	\$5.00	\$3.07	\$37	\$25	\$33.9	(\$0.4)	(\$0.02)	\$0.16	0.73x	NM	NM	26.9x	1.08x
The Cooper Companies Inc.	COO	108.63	11.0%	31.6%	109.93	71.40	5,249	5,660	1,498.9	412.9	5.43	6.28	3.78x	13.7x	19.9x	17.3x	1.21x
Optos plc	OPTS	2.26	(24.2%)	(45.1%)	4.08	2.17	163	208	193.2	44.4	0.25	0.26	1.08x	4.7x	10.6x	8.7x	NM
<b>Median</b>			<b>9.1%</b>	<b>7.8%</b>									<b>1.08x</b>	<b>9.2x</b>	<b>15.2x</b>	<b>17.3x</b>	<b>1.14x</b>
<b>Surgical Devices</b>																	
Alphatec Holdings, Inc.	ATEC	\$1.99	19.2%	(9.5%)	\$2.40	\$1.41	\$191	\$234	\$196.3	\$16.4	(\$0.17)	(\$0.01)	1.19x	14.3x	NM	NM	NM
ArthroCare Corporation	ARTC	33.63	(7.4%)	34.3%	36.99	24.13	948	810	368.5	94.6	1.25	1.42	2.20x	8.6x	26.6x	23.7x	2.26x
Bovie Medical Corp.	BVX	3.10	19.2%	14.6%	3.90	2.06	55	54	27.7	1.9	0.03	NM	1.97x	28.6x	NM	NM	NM
CONMED Corporation	CNMD	32.82	16.0%	14.4%	34.48	24.78	914	1,052	767.1	128.8	1.41	1.87	1.37x	8.2x	22.9x	17.6x	1.61x
Intuitive Surgical, Inc.	ISRG	510.38	2.4%	(5.7%)	594.89	455.18	20,612	19,287	2,178.8	935.9	15.98	17.79	8.85x	20.6x	31.8x	28.7x	1.64x
Theragenics Corp.	TGX	1.50	(8.0%)	(17.1%)	2.10	1.32	43	31	82.6	11.7	0.07	NM	0.37x	2.6x	22.4x	NM	NM
<b>Median</b>			<b>9.2%</b>	<b>4.4%</b>									<b>1.67x</b>	<b>11.4x</b>	<b>24.7x</b>	<b>23.7x</b>	<b>1.64x</b>

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Healthcare Sector Update

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			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
<b>Diversified Medical Devices</b>																	
Abaxis, Inc.	ABAX	\$45.59	16.2%	70.7%	\$49.45	\$26.11	\$1,008	\$938	\$178.8	\$28.2	\$1.14	\$1.06	5.25x	33.3x	38.7x	43.0x	2.03x
AtriCure, Inc.	ATRC	7.74	(3.4%)	(9.7%)	9.98	5.90	162	158	70.2	(3.5)	(0.47)	(0.36)	2.25x	NM	NM	NM	NM
Baxter International Inc.	BAX	70.90	6.6%	31.1%	72.85	48.98	38,526	41,226	14,190.0	3,958.0	4.18	4.67	2.91x	10.4x	16.8x	15.2x	1.65x
CareFusion Corporation	CFN	34.92	15.8%	37.5%	35.61	23.77	7,776	7,371	3,626.0	845.0	1.74	2.25	2.03x	8.7x	19.8x	15.5x	1.36x
Conceptus, Inc.	CPTS	25.49	17.8%	88.5%	25.83	13.00	829	807	140.7	22.0	0.16	0.25	5.74x	36.7x	NM	NM	NM
CR Bard Inc.	BCR	102.08	0.4%	6.5%	108.31	93.69	8,395	8,909	2,958.1	943.3	6.16	6.29	3.01x	9.4x	16.4x	16.2x	1.76x
CryoLife Inc.	CRY	5.87	(6.4%)	10.1%	7.27	4.19	161	148	131.7	20.5	0.28	0.28	1.13x	7.2x	19.8x	21.3x	0.85x
Hospira Inc.	HSP	31.57	(9.6%)	(8.4%)	37.78	28.62	5,222	6,186	4,092.1	382.9	0.27	2.03	1.51x	16.2x	NM	15.6x	2.45x
IDEXX Laboratories, Inc.	IDXX	89.64	(5.0%)	6.2%	101.18	81.31	4,880	4,871	1,293.3	315.0	3.17	3.53	3.77x	15.5x	28.1x	25.4x	1.67x
Masimo Corporation	MASI	19.58	(3.4%)	(7.4%)	25.35	18.20	1,123	1,055	493.2	94.4	1.07	1.15	2.14x	11.2x	18.2x	17.0x	1.23x
Misonix Inc.	MSON	6.00	(12.7%)	212.5%	9.13	1.88	42	35	17.0	(0.9)	(0.10)	0.01	2.09x	NM	NM	NM	NM
Natus Medical Inc.	BABY	12.77	2.8%	20.5%	13.84	9.65	387	397	292.3	28.6	0.13	0.83	1.36x	13.9x	98.2x	15.4x	0.83x
PhotoMedex, Inc.	PHMD	15.28	3.0%	16.2%	19.18	9.85	316	254	220.7	38.3	1.08	1.37	1.15x	6.6x	14.0x	11.2x	0.56x
ResMed Inc.	RMD	44.89	0.8%	49.7%	48.47	29.70	6,441	5,784	1,437.3	420.2	1.98	2.33	4.02x	13.8x	22.4x	19.2x	1.47x
Solta Medical, Inc.	SLTM	2.08	(20.0%)	(30.0%)	3.53	2.00	145	133	144.5	7.2	(0.59)	0.16	0.92x	18.5x	NM	13.2x	0.44x
SurModics, Inc.	SRDX	27.09	15.7%	91.7%	27.98	13.53	397	366	53.9	20.9	0.73	0.88	6.80x	17.5x	36.2x	31.0x	1.69x
Teleflex Incorporated	TFX	84.96	16.1%	40.4%	87.46	57.26	3,485	4,120	1,551.0	325.1	(4.47)	4.84	2.66x	12.7x	NM	17.6x	1.72x
Varian Medical Systems, Inc.	VAR	69.30	(6.5%)	4.4%	75.78	52.90	7,562	6,960	2,860.1	673.7	3.83	4.25	2.43x	10.3x	17.6x	16.3x	1.33x
Zynex, Inc.	ZYXI	0.55	(14.1%)	(26.7%)	1.01	0.51	17	22	39.7	3.6	0.05	0.07	0.57x	6.2x	10.4x	7.9x	0.37x
<b>Median</b>			<b>0.4%</b>	<b>16.2%</b>									<b>2.25x</b>	<b>12.7x</b>	<b>19.8x</b>	<b>16.3x</b>	<b>1.41x</b>
<b>Life Science Conglomerates</b>																	
Illumina Inc.	ILMN	\$57.86	14.4%	28.7%	\$58.65	\$37.77	\$7,191	\$6,683	\$1,148.5	\$327.8	\$1.13	\$1.60	5.82x	20.4x	51.0x	36.1x	2.27x
Life Technologies Corporation	LIFE	73.40	36.8%	61.7%	73.50	39.73	12,548	14,701	3,798.5	1,198.6	2.40	4.36	3.87x	12.3x	30.6x	16.8x	1.75x
PerkinElmer Inc.	PKI	34.62	1.8%	32.4%	35.86	23.73	3,922	4,691	2,115.2	329.4	0.60	2.28	2.22x	14.2x	56.8x	15.2x	1.27x
Thermo Fisher Scientific, Inc.	TMO	81.82	20.8%	52.5%	84.55	48.14	29,367	35,636	12,509.9	2,616.4	3.43	5.41	2.85x	13.6x	23.8x	15.1x	1.26x
<b>Median</b>			<b>17.6%</b>	<b>42.5%</b>									<b>3.36x</b>	<b>13.9x</b>	<b>40.8x</b>	<b>16.0x</b>	<b>1.51x</b>

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Healthcare Sector Update

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			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
<b>Lab Instrumentation &amp; Devices</b>																	
Bruker Corporation	BRKR	\$18.68	12.1%	30.1%	\$19.46	\$9.91	\$3,120	\$3,150	\$1,791.4	\$241.3	\$0.46	\$0.90	1.76x	13.1x	39.9x	20.7x	1.50x
Harvard Bioscience Inc.	HBIO	4.77	5.3%	17.8%	6.15	3.45	143	136	111.2	7.5	0.05	0.31	1.22x	18.1x	91.0x	15.5x	NM
Waters Corp.	WAT	91.69	1.2%	5.5%	96.25	74.12	7,853	7,492	1,843.6	587.8	5.19	5.35	4.06x	12.7x	17.3x	17.1x	1.67x
<b>Median</b>			<b>5.3%</b>	<b>17.8%</b>									<b>1.76x</b>	<b>13.1x</b>	<b>39.9x</b>	<b>17.1x</b>	<b>1.58x</b>
<b>Lab Equipment</b>																	
Kewaunee Scientific Corp.	KEQU	\$12.92	4.4%	50.3%	\$13.45	\$7.90	\$33	\$37	\$114.3	\$8.8	\$1.19	NM	0.33x	4.2x	10.9x	NM	NM
Mettler-Toledo International Inc.	MTD	203.97	(0.1%)	15.8%	222.48	143.60	6,174	6,469	2,341.5	464.0	9.14	10.57	2.76x	13.9x	22.1x	19.3x	1.45x
<b>Median</b>			<b>2.1%</b>	<b>33.0%</b>									<b>1.54x</b>	<b>9.1x</b>	<b>16.5x</b>	<b>19.3x</b>	<b>1.45x</b>
<b>Life Science Consumables</b>																	
Affymetrix Inc.	AFFX	\$3.57	(6.5%)	(10.5%)	\$5.50	\$2.96	\$254	\$401	\$295.6	\$15.3	(\$0.15)	\$0.10	1.36x	26.2x	NM	34.2x	1.80x
Bio-Rad Laboratories, Inc.	BIO	123.46	11.6%	16.4%	127.17	91.52	3,514	3,328	2,069.2	371.5	5.72	5.36	1.61x	9.0x	21.2x	23.0x	2.19x
Cambrex Corporation	CBM	12.19	3.4%	96.9%	14.33	5.87	366	406	276.8	57.7	2.09	0.83	1.47x	7.0x	5.8x	14.7x	0.62x
Luminex Corporation	LMNX	16.47	(9.3%)	(29.7%)	25.79	15.58	692	638	202.6	42.3	0.30	0.42	3.15x	15.1x	54.8x	39.7x	0.95x
Techne Corp.	TECH	65.10	(6.2%)	(1.2%)	76.02	63.08	2,398	2,112	312.4	178.0	2.98	3.30	6.76x	11.9x	21.6x	19.7x	1.91x
<b>Median</b>			<b>(6.2%)</b>	<b>(1.2%)</b>									<b>2.38x</b>	<b>10.4x</b>	<b>21.4x</b>	<b>21.4x</b>	<b>1.43x</b>
<b>Large-Cap Pharmaceuticals</b>																	
AbbVie Inc.	ABBV	\$42.45	19.4%	NM	\$43.77	\$32.51	\$66,958	\$74,654	\$18,380.0	\$7,758.0	\$3.34	\$3.11	4.06x	9.6x	12.6x	13.7x	7.92x
Allergan Inc.	AGN	113.12	8.0%	20.2%	116.45	81.28	33,675	32,299	5,806.1	1,819.4	3.58	4.76	5.56x	17.8x	31.6x	23.7x	1.82x
Bristol-Myers Squibb Company	BMJ	41.06	19.6%	24.7%	41.79	30.64	67,457	72,037	17,621.0	5,665.0	1.16	1.83	4.09x	12.7x	35.2x	22.4x	3.69x
Eli Lilly and Company	LLY	57.18	8.0%	44.4%	58.34	39.27	62,535	62,390	22,603.4	6,477.5	3.66	3.90	2.76x	9.6x	15.7x	14.7x	11.74x
Merck & Co. Inc.	MRK	46.96	10.4%	23.7%	48.00	37.02	141,695	148,566	47,267.0	17,427.0	2.00	3.64	3.14x	8.5x	23.4x	12.9x	3.42x
Pfizer Inc.	PFE	30.94	16.3%	40.8%	30.99	21.40	222,324	227,566	58,986.0	26,222.0	1.26	2.27	3.86x	8.7x	24.4x	13.6x	3.31x
<b>Median</b>			<b>13.3%</b>	<b>24.7%</b>									<b>3.96x</b>	<b>9.6x</b>	<b>23.9x</b>	<b>14.2x</b>	<b>3.55x</b>

Source: Capital IQ as of April 16, 2013; For definitions, see page 24

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/16/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
<b>Pharmaceuticals</b>																	
Akorn, Inc.	AKRX	\$14.35	2.5%	35.7%	\$16.87	\$10.53	\$1,377	\$1,441	\$256.2	\$88.7	\$0.32	\$0.52	5.62x	16.2x	44.6x	27.9x	1.16x
BioDelivery Sciences International, Inc.	BDSI	5.00	11.1%	71.8%	6.89	2.88	187	124	54.5	8.5	0.05	(1.05)	2.28x	14.5x	96.4x	NM	NM
BioSynt Inc.	RX	1.16	27.4%	104.5%	1.40	0.40	16	14	5.0	1.4	0.11	NM	2.68x	9.6x	10.0x	NM	NM
Cadence Pharmaceuticals Inc.	CADX	6.82	26.3%	106.7%	7.19	2.56	584	551	50.2	(65.2)	(0.95)	(0.39)	10.98x	NM	NM	NM	NM
Cipher Pharmaceuticals Inc.	DND	3.72	27.1%	235.3%	3.89	1.00	91	75	8.5	3.4	0.10	0.22	8.88x	21.9x	36.9x	17.3x	NM
Columbia Laboratories Inc.	CBRX	0.60	(5.6%)	(13.6%)	1.23	0.55	52	24	25.8	5.8	0.03	0.10	0.93x	4.1x	18.1x	6.2x	NM
Cornerstone Therapeutics Inc.	CRTX	8.05	44.8%	49.1%	8.09	3.10	216	249	116.1	1.5	(0.46)	0.66	2.14x	NM	NM	12.2x	NM
Cumberland Pharmaceuticals, Inc.	CPIX	5.08	17.3%	(32.1%)	7.86	4.03	97	30	48.9	10.4	0.30	0.22	0.62x	2.9x	16.3x	22.6x	0.75x
DURECT Corporation	DRRX	1.30	35.4%	85.7%	1.71	0.61	132	104	53.1	17.4	0.18	(0.16)	1.96x	6.0x	7.3x	NM	NM
Endo Health Solutions Inc.	ENDP	34.86	31.6%	(2.3%)	36.31	25.01	3,899	6,583	3,027.4	973.9	(6.40)	4.50	2.17x	6.8x	NM	7.8x	1.98x
Forest Laboratories Inc.	FRX	35.68	(2.4%)	6.1%	38.45	31.28	9,501	7,781	3,341.9	262.9	0.43	0.90	2.33x	29.6x	83.0x	39.4x	2.38x
Heska Corporation	HSKA	8.29	0.1%	(26.7%)	13.00	7.48	48	45	72.8	3.9	0.22	0.28	0.62x	11.6x	37.6x	30.0x	2.00x
Hi Tech Pharmacal Co., Inc.	HITK	33.54	(9.1%)	2.2%	38.17	27.35	455	369	235.2	54.1	2.25	2.52	1.57x	6.8x	14.8x	13.3x	(1.17x)
Impax Laboratories Inc.	IPXL	16.23	(24.2%)	(31.5%)	27.25	14.41	1,076	777	581.7	172.6	0.82	0.48	1.34x	4.5x	19.7x	34.1x	1.33x
Lannett Company, Inc.	LCI	10.55	81.6%	172.6%	11.05	3.72	300	268	138.2	19.4	0.31	0.21	1.94x	13.9x	33.4x	50.0x	2.09x
Mylan, Inc.	MYL	28.30	0.8%	28.1%	31.22	20.21	10,779	16,125	6,796.1	1,885.4	1.52	2.86	2.37x	8.6x	18.4x	9.9x	1.14x
Merus Labs International Inc.	MSL	0.68	(37.0%)	(67.4%)	2.20	0.63	21	68	17.1	9.0	(0.71)	0.02	3.97x	7.6x	NM	35.0x	NM
Obagi Medical Products, Inc.	OMPI	23.96	71.0%	85.2%	25.60	10.70	418	383	120.7	20.7	0.90	0.85	3.18x	18.5x	26.6x	28.1x	1.81x
Paladin Labs Inc.	PLB	48.11	8.6%	30.6%	50.73	35.94	989	843	210.9	76.9	2.87	2.24	4.00x	11.0x	17.2x	21.4x	1.02x
Patheon Inc.	PTI	4.15	8.3%	82.1%	4.37	1.71	580	1,102	808.7	97.9	(1.06)	0.01	1.36x	11.3x	NM	NM	NM
Perrigo Co.	PRGO	118.41	13.1%	13.3%	120.94	96.52	11,129	12,057	3,262.6	782.0	4.61	6.10	3.70x	15.4x	25.6x	19.4x	1.54x
Questcor Pharmaceuticals, Inc.	QCOR	27.56	8.0%	(32.5%)	58.91	17.25	1,592	1,436	509.3	298.7	3.14	4.12	2.82x	4.8x	9.1x	6.7x	0.31x

Source: Capital IQ as of April 16, 2013; For definitions, see page 24

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/16/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
<b>Pharmaceuticals (cont.)</b>																	
Salix Pharmaceuticals Ltd.	SLXP	\$49.13	7.0%	1.4%	\$55.99	\$37.52	\$3,004	\$3,111	\$735.4	\$236.2	\$1.01	\$3.34	4.23x	13.2x	48.2x	14.7x	0.67x
Santarus, Inc.	SNTS	18.67	52.0%	227.0%	18.77	4.82	1,207	1,122	218.0	26.4	0.27	0.76	5.15x	42.4x	70.3x	24.6x	1.39x
SciClone Pharmaceuticals, Inc.	SCLN	4.44	(7.3%)	(31.6%)	7.58	3.68	240	157	156.3	38.3	0.16	0.61	1.00x	4.1x	27.6x	7.3x	NM
The Medicines Company	MDCO	33.31	11.0%	66.1%	35.19	19.37	1,777	1,433	558.6	90.3	0.93	1.58	2.56x	15.9x	35.8x	21.1x	0.72x
Valeant Pharmaceuticals International, Inc.	VRX	72.90	14.7%	35.8%	75.93	43.01	22,147	31,995	3,546.6	1,793.6	(0.38)	5.61	9.02x	17.8x	NM	13.0x	1.08x
ViroPharma Inc.	VPHM	25.26	(2.6%)	20.7%	31.36	19.02	1,647	1,562	427.9	75.6	0.08	0.83	3.65x	20.7x	NM	30.3x	1.64x
Warner Chilcott plc	WCRX	14.00	3.7%	(9.4%)	23.28	10.85	3,511	7,012	2,541.0	1,410.0	1.61	3.31	2.76x	5.0x	8.5x	4.2x	0.49x
<b>Median</b>			<b>8.6%</b>	<b>28.1%</b>									<b>2.56x</b>	<b>11.3x</b>	<b>26.1x</b>	<b>20.3x</b>	<b>1.16x</b>

### Definitions

**PEG Ratio:** Price Earnings to Growth

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

**EPS:** Earnings Per Share

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

**LTM:** Last Twelve Months

Source: Capital IQ as of April 16, 2013



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