

Healthcare Sector Update

July 2013

Summary – Healthcare Services

- The S&P Healthcare Services Index has decreased 3.3% over the last three months, underperforming the S&P 500.
- Over the past three months:
 - > The best-performing sectors were Managed Care - Government (up 19.2%) and Specialty Managed Care (up 18.6%).
 - > The worst-performing sectors were Emergency Services (down 18.6%) and Dialysis Services (down 8.3%).
- The current median LTM revenue and LTM EBITDA multiples for the Health Care Services industry overall are 1.4x and 9.4x, respectively.
- The sectors with the highest valuation multiples include:
 - > Specialty HCIT (2.4x LTM Revenue, 27.5x LTM EBITDA)
 - > Provider Based HCIT (2.6x LTM Revenue, 21.3x LTM EBITDA)

Summary – Pharmaceutical / Medical Devices / Life Sciences

- The S&P 500 - Pharmaceuticals, Biotechnology & Life Sciences Index has risen 1.6% over the last three months, underperforming the S&P 500.
- Over the past three months:
 - > The best-performing sectors were Ophthalmology Devices (up 13.2%) and Pharmaceuticals (up 11.4%).
 - > The worst-performing sector was Lab Instrumentation & Devices (down 15.3%) and Diagnostic Imaging Devices (down 5.6%).
- The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 2.4x and 11.1x, respectively.
- The sectors with the highest valuation multiples include:
 - > Biotechnology (6.8x LTM Revenue, 11.6x LTM EBITDA)
 - > Life Science Conglomerates (3.4x LTM Revenue, 14.0x LTM EBITDA)

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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	2012	2013E	
			Acute Care Hospitals	9	\$40,539	1.2%	59.0%	1.14x	
Assisted Living	8	5,939	(5.6%)	30.6%	2.21x	17.8x	15.6x	17.8x	0.9x
Care Management / TPA	7	6,723	(4.3%)	35.4%	1.47x	11.3x	25.2x	16.5x	0.9x
Clinical Laboratories	6	25,943	6.7%	6.9%	1.97x	9.6x	17.9x	16.3x	1.6x
Contract Research Orgs	7	17,370	13.3%	61.0%	1.70x	13.5x	30.8x	23.0x	1.6x
Diagnostic Imaging	3	283	12.0%	4.7%	1.57x	6.1x	1.7x	9.0x	NM
Dialysis Services	2	31,979	(8.3%)	4.3%	2.12x	10.5x	23.3x	16.2x	1.5x
Distribution / Supply	7	69,796	5.3%	20.3%	0.24x	9.2x	19.0x	17.5x	1.4x
Emergency Services	2	1,360	(18.6%)	(8.0%)	1.76x	6.7x	17.7x	21.7x	1.4x
HCIT - Provider Based	10	28,575	(0.1%)	5.5%	2.62x	21.3x	41.0x	23.2x	1.8x
HCIT - Specialty	9	7,510	9.3%	33.9%	2.36x	27.5x	40.7x	33.9x	2.1x
Healthcare Staffing	5	5,892	7.7%	60.0%	1.25x	13.5x	31.5x	22.9x	1.4x
Home Care / Hospice	6	2,717	(8.2%)	17.3%	0.60x	6.0x	14.2x	15.5x	1.3x
Long Term Care	4	2,157	8.1%	23.8%	0.62x	6.9x	29.6x	13.1x	1.0x
Managed Care - Commercial	7	151,566	9.7%	30.7%	0.60x	7.7x	12.8x	11.1x	1.0x
Managed Care - Government	3	7,075	19.2%	65.0%	0.19x	8.0x	15.8x	19.8x	0.9x
Other Services	4	11,391	(2.6%)	(1.2%)	1.33x	18.4x	34.5x	30.5x	1.8x
Pharmacy Management	5	67,433	6.8%	22.8%	0.93x	10.2x	31.6x	14.0x	0.9x
Physician Practice Mgmt	2	4,571	(2.4%)	21.1%	1.54x	9.6x	31.5x	17.0x	1.2x
Psychiatric Hospitals	3	3,552	14.2%	80.4%	0.38x	8.4x	31.1x	19.9x	1.3x
Specialty Managed Care	2	4,572	18.6%	34.2%	0.46x	6.4x	9.7x	10.1x	1.1x
Surgicenters / Rehabilitation	6	6,391	6.8%	12.4%	1.58x	8.4x	17.3x	16.4x	1.1x
Total / Median (\$MM)	117	503,334	6.8%	23.3%	1.40x	9.4x	21.1x	16.8x	1.3x

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	22	\$388,600	18.8%	77.2%	4.3%	39.1%	22.8%	19.8%
\$1 billion - \$5 billion	42	96,420	35.9%	19.2%	4.6%	60.3%	40.7%	27.1%
\$250 million - \$1 billion	31	16,486	26.5%	3.3%	8.4%	58.3%	41.4%	25.7%
\$100 million - \$250 million	8	1,333	6.8%	0.3%	33.0%	98.2%	86.7%	62.6%
< \$100 million	14	495	12.0%	0.1%	(7.9%)	10.2%	(11.6%)	(19.0%)
Total / Median (\$MM)	117	\$503,334	100.0%	100.0%	6.8%	58.3%	23.3%	25.7%

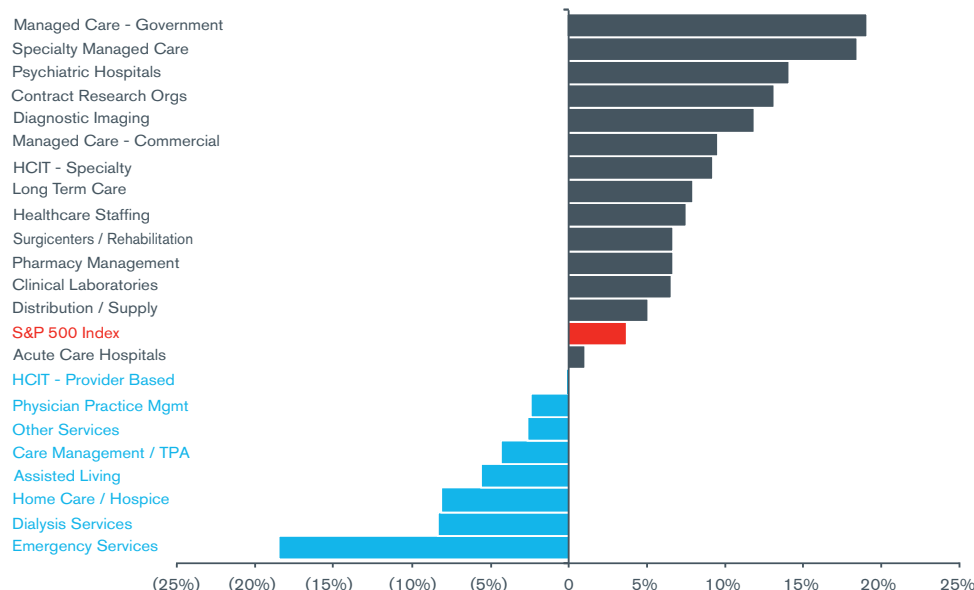
Source: Capital IQ

MARKET INDICES

	Value at 7/2/13	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$14,932.4	2.6%	14.0%	15.4%	54.2%
S&P 500 Index	1,614.1	3.9%	13.2%	17.5%	57.8%
NASDAQ Composite Index	3,433.4	6.7%	13.7%	15.4%	64.1%
Russell 2000 Index	989.5	7.7%	16.5%	20.9%	65.2%
AMEX Sector Index - Healthcare	88.4	5.1%	8.2%	(2.5%)	5.6%
S&P Healthcare Facilities (Sub Ind) Index	290.8	11.2%	44.6%	58.3%	62.2%
S&P Healthcare Providers & Services (Industry) Index	406.0	9.0%	30.8%	39.4%	75.7%
S&P Managed Healthcare (Sub Ind) Index	221.1	0.8%	23.2%	39.8%	99.5%
S&P Healthcare Services	308.4	(3.3%)	6.2%	17.3%	55.6%

Source: Capital IQ

Median % Change – 3 months



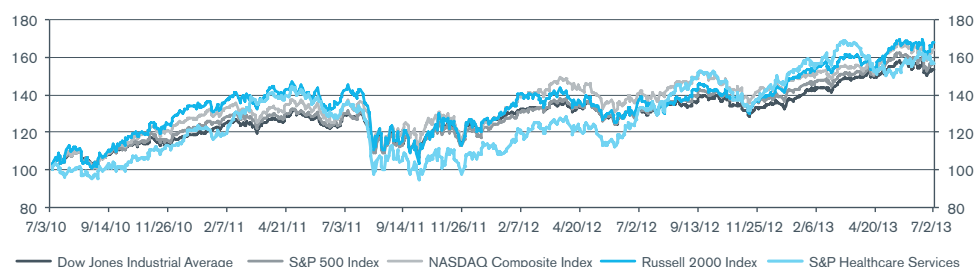
Source: Capital IQ

INTEREST RATES

	Value at 7/2/13	1 mo ago	3 mo ago	12 mo ago
LIBOR - USD - 5 Month	0.37%	0.37%	0.39%	0.65%
U.S. Treasury - 2 year	0.34%	0.31%	0.25%	0.30%
U.S. Treasury - 5 years	1.38%	1.05%	0.77%	0.67%
U.S. Treasury - 10 years	2.47%	2.16%	1.86%	1.58%
U.S. Treasury - 30 years	3.47%	3.30%	3.10%	3.10%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

Performance of Market Indices for Latest 36 months



Source: Capital IQ

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/2/13	% 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	
Acute Care Hospitals																	
Chindex International Inc.	CHDX	\$16.97	25.8%	54.6%	\$16.98	\$9.56	\$281	\$283	\$158.1	\$19.8	\$0.24	NM	1.79x	14.3x	NM	NM	NM
Community Health Systems, Inc.	CYH	46.54	(2.0%)	66.5%	51.29	22.51	4,303	14,151	13,043.7	1,785.0	2.96	3.66	1.08x	7.9x	15.3x	12.7x	0.95x
HCA Holdings, Inc.	HCA	36.91	(7.4%)	23.1%	41.83	23.91	16,465	46,068	33,048.0	6,249.0	3.49	3.12	1.39x	7.4x	11.6x	11.8x	1.05x
Health Management Associates Inc.	HMA	16.04	22.9%	108.9%	16.41	6.27	4,160	7,659	5,875.9	932.1	0.67	0.84	1.30x	8.2x	25.2x	19.1x	1.45x
Lifepoint Hospitals Inc.	LPNT	48.56	1.2%	19.0%	53.29	34.37	2,301	3,942	3,471.9	504.7	3.14	2.95	1.14x	7.8x	18.0x	16.4x	1.83x
SunLink Health Systems Inc.	SSY	0.80	(8.0%)	(33.3%)	1.63	0.51	8	24	129.0	10.9	0.08	NM	0.18x	2.2x	3.3x	NM	NM
Tenet Healthcare Corp.	THC	45.62	(4.6%)	120.6%	49.48	17.24	4,722	10,167	9,204.0	1,164.0	1.70	2.80	1.10x	8.7x	NM	16.3x	1.60x
Universal Health Services Inc.	UHS	68.21	5.6%	59.0%	71.54	37.40	6,686	10,661	7,000.0	1,267.2	4.53	4.49	1.52x	8.4x	14.9x	15.2x	1.35x
Vanguard Health Systems Inc.	VHS	20.74	34.9%	137.0%	20.97	7.84	1,615	4,154	5,936.7	522.4	1.08	0.83	0.70x	8.0x	25.6x	24.9x	2.02x
Median			1.2%	59.0%									1.14x	8.0x	15.3x	16.3x	1.45x
Assisted Living																	
AdCare Health Systems Inc.	ADK	\$4.46	8.3%	33.8%	\$6.26	\$3.25	\$67	\$239	\$214.0	\$10.4	(\$0.81)	\$0.25	1.12x	22.9x	NM	17.8x	NM
Assisted Living Concepts Inc.	ALC	11.88	(0.1%)	(17.6%)	15.10	6.93	275	452	224.2	26.0	(1.14)	NM	2.02x	17.4x	NM	NM	NM
Brookdale Senior Living Inc.	BKD	26.93	(1.5%)	49.6%	30.31	15.62	3,313	5,924	2,473.1	387.5	(0.54)	0.05	2.40x	15.3x	NM	NM	NM
Capital Senior Living Corp.	CSU	24.54	(7.2%)	118.1%	27.90	9.69	681	1,071	318.6	53.4	(0.11)	0.44	3.36x	20.1x	NM	NM	NM
Emeritus Corp.	ESC	22.60	(16.8%)	27.4%	30.95	15.10	1,071	5,029	1,528.6	275.2	(1.73)	(2.10)	3.29x	18.3x	NM	NM	NM
Five Star Quality Care Inc.	FVE	5.67	(15.6%)	78.3%	6.87	3.18	273	308	1,228.1	45.9	0.28	0.25	0.25x	6.7x	18.5x	22.8x	NM
Skilled Healthcare Group, Inc.	SKH	6.30	(4.0%)	1.3%	8.01	4.97	247	694	872.1	90.7	0.57	0.61	0.80x	7.6x	12.7x	10.3x	0.86x
Stellar Resources Limited	SRZ	0.05	(26.9%)	(38.6%)	0.10	0.04	10	7	0.2	0.3	(0.01)	(0.00)	38.91x	20.9x	NM	NM	NM
Median			(5.6%)	30.6%									2.21x	17.8x	15.6x	17.8x	0.86x
Care Management / TPA																	
Alere Inc.	ALR	\$24.83	(4.3%)	26.2%	\$29.57	\$17.13	\$2,020	\$6,159	\$2,886.9	\$590.6	(\$1.23)	\$2.17	2.13x	10.4x	NM	11.5x	0.86x
CorVel Corporation	CRVL	30.00	22.0%	20.3%	30.15	20.16	650	630	429.3	59.6	1.06	1.39	1.47x	10.6x	25.2x	21.6x	NM
Crawford & Company	CRD.B	5.74	(25.9%)	35.4%	8.60	3.25	293	445	1,195.2	137.9	0.89	0.84	0.37x	3.2x	6.1x	6.8x	0.76x
ExamWorks Group, Inc.	EXAM	21.13	26.0%	58.0%	21.68	11.27	741	1,115	546.2	69.5	(0.44)	(0.32)	2.04x	16.1x	NM	NM	NM
Healthways Inc.	HWAY	15.73	31.5%	87.9%	17.62	8.39	538	807	677.1	57.1	0.24	0.28	1.19x	14.1x	NM	NM	NM
Hooper Holmes Inc.	HH	0.32	(22.3%)	(47.5%)	0.71	0.31	22	19	142.2	(5.7)	(0.25)	NM	0.13x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	36.00	(10.3%)	36.7%	40.69	24.24	2,459	2,273	1,179.7	189.7	1.15	1.67	1.93x	12.0x	25.7x	21.5x	1.02x
Median			(4.3%)	35.4%									1.47x	11.3x	25.2x	16.5x	0.86x

Source: Capital IQ as of July 2, 2013; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/2/13	% 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	
Clinical Laboratories																	
Bio-Reference Laboratories Inc.	BRLI	\$29.41	10.8%	7.5%	\$32.86	\$23.36	\$814	\$816	\$709.1	\$100.4	\$1.56	\$1.81	1.15x	8.1x	17.9x	16.2x	0.94x
CML Healthcare Inc.	TSX:CLC	10.05	37.8%	6.8%	10.11	5.15	903	1,152	345.0	102.7	0.44	0.61	3.34x	11.2x	28.0x	16.5x	16.47x
Laboratory Corp. of America Holdings	LH	99.22	7.0%	7.6%	101.69	82.15	9,224	11,382	5,689.0	1,287.7	5.99	7.09	2.00x	8.8x	16.6x	14.0x	1.27x
Psychemedics Corp.	PMD	11.06	(7.0%)	7.1%	12.49	10.12	59	56	25.4	5.3	0.57	0.66	2.21x	10.6x	19.4x	16.8x	1.86x
Quest Diagnostics Inc.	DGX	60.45	6.4%	0.1%	64.87	55.16	9,553	12,855	7,260.5	1,576.9	3.92	4.36	1.77x	8.2x	16.4x	13.9x	1.28x
Sonic Healthcare Limited	ASX:SHL	13.57	(6.8%)	5.5%	14.03	11.31	5,391	6,830	3,530.3	662.9	0.85	0.80	1.93x	10.3x	17.9x	16.9x	2.26x
Median			6.7%	6.9%									1.97x	9.6x	17.9x	16.3x	1.57x
Contract Research Orgs																	
Albany Molecular Research Inc.	AMRI	\$12.68	23.8%	380.3%	\$13.33	\$2.62	\$398	\$378	\$232.4	\$38.7	(\$0.12)	\$0.61	1.63x	9.8x	NM	20.8x	NM
GlaxoSmithKline S.A.E.	BIOC	1.48	12.7%	(5.5%)	2.11	1.14	123	117	116.4	18.0	NM	NM	1.01x	6.5x	11.6x	NM	NM
Charles River Laboratories International, Inc.	CRL	41.96	(5.0%)	25.2%	46.90	32.00	2,057	2,610	1,134.8	255.4	2.10	2.82	2.30x	10.2x	20.0x	14.9x	1.70x
Covance Inc.	CVD	77.71	5.1%	61.6%	79.50	45.22	4,342	4,238	2,230.0	314.1	1.68	3.13	1.90x	13.5x	40.1x	24.8x	1.63x
ICON Public Limited Company	ICLR	36.33	14.0%	60.4%	36.92	21.71	2,200	2,003	1,179.5	132.8	0.92	1.56	1.70x	15.1x	33.5x	23.3x	1.38x
PAREXEL International Corporation	PRXL	47.46	17.3%	65.1%	49.02	25.95	2,698	2,806	1,663.9	190.2	1.28	1.84	1.69x	14.8x	33.8x	25.8x	1.24x
Quintiles Transnational Holdings Inc.	Q	43.06	NM	NM	46.50	41.50	5,551	7,519	3,731.7	512.9	1.51	1.90	2.01x	14.7x	28.1x	22.6x	2.05x
Median			13.3%	61.0%									1.70x	13.5x	30.8x	23.0x	1.63x
Diagnostic Imaging																	
Alliance Healthcare Services, Inc.	AIQ	\$15.92	100.3%	235.2%	\$16.95	\$3.61	\$165	\$727	\$461.9	\$146.1	(\$1.12)	NM	1.57x	5.0x	NM	NM	NM
American Shared Hospital Services	AMS	2.15	12.0%	(30.4%)	3.33	1.52	10	54	17.3	9.0	0.01	NM	3.15x	6.1x	NM	NM	NM
RadNet, Inc.	RDNT	2.69	(5.3%)	4.7%	3.22	2.13	108	693	658.1	100.9	1.64	0.30	1.05x	6.9x	1.7x	9.0x	NM
Median			12.0%	4.7%									1.57x	6.1x	1.7x	9.0x	NM
Dialysis Services																	
DaVita HealthCare Partners Inc.	DVA	\$114.00	(10.4%)	16.8%	\$131.33	\$94.21	\$12,061	\$20,640	\$9,162.2	\$1,923.0	\$5.47	\$7.58	2.25x	10.7x	27.8x	15.0x	1.21x
Fresenius Medical Care AG & Co. KGAA	DB:FME	64.76	(6.3%)	(8.2%)	78.50	62.53	19,918	28,389	14,292.7	2,780.1	3.87	3.73	1.99x	10.2x	18.8x	17.4x	1.88x
Median			(8.3%)	4.3%									2.12x	10.5x	23.3x	16.2x	1.55x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Distribution / Supply																	
Aceto Corp.	ACET	\$13.98	31.4%	53.5%	\$14.20	\$8.25	\$383	\$390	\$487.5	\$42.3	\$0.68	\$1.00	0.80x	9.2x	18.5x	14.0x	0.78x
AmerisourceBergen Corporation	ABC	54.83	4.6%	37.6%	56.91	36.73	12,661	12,710	81,383.5	1,412.5	2.89	3.13	0.16x	9.0x	19.0x	17.5x	1.36x
Cardinal Health, Inc.	CAH	47.02	11.8%	10.9%	48.99	36.91	16,073	17,478	102,437.0	2,362.0	3.29	3.73	0.17x	7.4x	14.1x	12.6x	1.29x
Henry Schein, Inc.	HSIC	96.92	5.3%	22.8%	98.28	72.84	8,445	9,472	9,134.5	770.0	4.32	4.89	1.04x	12.3x	21.7x	19.8x	1.81x
McKesson Corporation	MCK	114.28	5.3%	20.3%	119.32	84.65	26,111	28,528	122,455.0	2,903.0	6.60	7.04	0.23x	9.8x	20.5x	16.2x	1.18x
Owens & Minor Inc.	OMI	33.83	3.8%	9.2%	35.48	26.97	2,142	2,139	8,966.0	250.0	1.72	1.90	0.24x	8.6x	20.1x	17.8x	1.98x
Patterson Companies, Inc.	PDCO	37.86	0.5%	8.5%	39.90	31.36	3,981	4,201	3,637.2	400.5	2.00	2.13	1.16x	10.5x	18.6x	17.7x	1.61x
Median			5.3%	20.3%									0.24x	9.2x	19.0x	17.5x	1.36x
Emergency Services																	
Air Methods Corp.	AIRM	\$34.11	(27.8%)	2.4%	\$50.61	\$31.21	\$1,326	\$1,979	\$839.2	\$233.7	\$2.39	\$1.94	2.36x	8.5x	17.7x	17.6x	1.05x
InfuSystem Holdings, Inc.	INFU	1.55	(9.3%)	(18.4%)	2.09	1.34	34	62	53.5	12.5	(0.07)	0.06	1.15x	5.0x	NM	25.9x	1.72x
Median			(18.6%)	(8.0%)									1.76x	6.7x	17.7x	21.7x	1.39x
HCIT - Provider Based																	
Accretive Health, Inc.	AH	\$10.85	8.5%	(5.1%)	\$14.19	\$8.55	\$1,055	\$859	\$973.6	\$28.7	\$0.25	\$0.47	0.88x	30.0x	63.8x	23.2x	0.96x
The Advisory Board Company	ABCO	55.06	7.4%	7.5%	55.53	39.73	1,955	1,880	450.8	63.8	0.61	1.24	4.17x	29.5x	89.9x	44.4x	2.28x
Allscripts Healthcare Solutions, Inc.	MDRX	13.12	(1.5%)	22.4%	14.24	8.84	2,316	2,791	1,428.7	105.8	(0.01)	0.49	1.95x	26.4x	NM	26.8x	1.87x
athenahealth, Inc.	ATHN	84.53	(12.0%)	3.6%	99.79	56.33	3,106	3,163	451.3	43.5	0.50	1.10	7.01x	72.7x	NM	76.8x	2.92x
Cerner Corporation	CERN	48.62	2.6%	17.6%	50.00	33.82	16,714	15,891	2,645.9	745.6	1.13	1.41	6.01x	21.3x	41.0x	34.5x	1.88x
Computer Programs & Systems Inc.	CPSI	48.18	(8.0%)	(17.3%)	59.17	44.95	534	516	188.4	45.6	2.71	2.82	2.74x	11.3x	17.2x	17.1x	1.35x
Greenway Medical Technologies, Inc.	GWAY	11.80	(24.9%)	(28.4%)	19.65	11.02	351	338	135.7	1.9	(0.87)	(0.03)	2.49x	NM	NM	NM	NM
MedAssets, Inc.	MDAS	17.56	(7.7%)	30.5%	19.99	12.65	1,070	1,937	663.1	210.3	(0.12)	1.29	2.92x	9.2x	NM	13.6x	1.02x
Merge Healthcare Incorporated	MRGE	3.67	24.4%	24.0%	4.05	2.27	343	548	251.6	29.0	(0.31)	0.18	2.18x	18.9x	NM	20.6x	1.42x
Quality Systems Inc.	QSII	19.01	1.3%	(31.7%)	28.13	15.04	1,132	1,014	460.2	101.0	1.04	0.92	2.20x	10.0x	26.7x	20.7x	1.76x
Median			(0.1%)	5.5%									2.62x	21.3x	41.0x	23.2x	1.76x

Source: Capital IQ as of July 2, 2013; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/2/13	% 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	
HCIT - Specialty																	
Accelrys Inc.	ACCL	\$8.38	(15.3%)	2.2%	\$9.98	\$7.59	\$468	\$369	\$165.2	\$10.7	(\$0.19)	\$0.32	2.23x	34.3x	NM	25.9x	1.44x
CardioNet, Inc.	BEAT	5.70	138.5%	179.4%	6.56	1.84	145	127	105.4	5.6	(0.49)	NM	1.20x	22.5x	NM	NM	NM
Epocrates, Inc.	EPOC	0.00	NM	NM	0.00	0.00	-	-	111.1	5.7	(0.07)	NM	-	NM	NM	NM	NM
Healthstream Inc.	HSTM	26.26	16.9%	0.6%	30.76	19.50	699	604	109.7	22.0	0.28	0.34	5.50x	27.5x	88.4x	77.2x	3.93x
HMS Holdings Corp.	HMSY	23.12	(14.5%)	(31.2%)	37.19	18.50	2,028	2,212	483.0	152.0	0.57	0.88	4.58x	14.6x	40.7x	26.2x	1.30x
Medidata Solutions, Inc.	MDSO	78.38	37.9%	137.3%	80.70	30.17	2,084	1,964	231.2	37.0	0.71	1.30	8.49x	53.1x	NM	60.3x	2.77x
Omniceil Inc.	OMCL	19.83	7.1%	35.8%	20.88	12.33	681	611	337.0	47.4	0.47	1.04	1.81x	12.9x	38.9x	19.1x	1.15x
Streamline Health Solutions, Inc.	STRM	6.82	(4.6%)	82.8%	7.42	3.40	86	103	24.8	(0.1)	(0.48)	(0.05)	4.15x	NM	NM	NM	NM
WebMD Health Corp.	WBMD	26.89	11.6%	32.1%	31.63	13.13	1,320	1,121	475.7	40.2	(0.45)	0.65	2.36x	27.9x	NM	41.5x	4.37x
Median			9.3%	33.9%									2.36x	27.5x	40.7x	33.9x	2.10x
Healthcare Staffing																	
AMN Healthcare Services Inc.	AHS	\$15.10	(3.4%)	148.4%	\$15.94	\$5.50	\$695	\$852	\$979.7	\$70.9	\$0.35	\$0.62	0.87x	12.0x	34.0x	24.4x	1.22x
Cross Country Healthcare, Inc.	CCRN	5.25	(3.1%)	15.9%	6.23	3.80	162	142	443.2	3.5	(0.67)	0.01	0.32x	NM	NM	NM	NM
IPC The Hospitalist Company, Inc.	IPCM	51.87	17.8%	15.3%	53.70	33.10	870	869	546.8	59.5	1.92	2.21	1.59x	14.6x	25.6x	23.4x	1.38x
On Assignment Inc.	ASGN	27.45	9.4%	73.4%	27.82	14.50	1,462	1,835	1,472.1	147.6	0.89	1.22	1.25x	12.4x	28.9x	22.3x	1.49x
Team Health Holdings, Inc.	TMH	39.34	7.7%	60.0%	42.42	24.09	2,702	3,151	2,166.3	215.5	0.93	1.76	1.45x	14.6x	39.5x	22.4x	1.54x
Median			7.7%	60.0%									1.25x	13.5x	31.5x	22.9x	1.43x
Home Care / Hospice																	
Addus HomeCare Corporation	ADUS	\$19.12	33.0%	280.9%	\$20.72	\$4.06	\$208	\$190	\$248.4	\$18.5	\$0.86	\$0.92	0.77x	10.3x	19.1x	20.8x	1.54x
Almost Family Inc.	AFAM	18.61	(8.3%)	(18.3%)	23.99	17.66	174	141	345.4	28.3	1.85	1.21	0.41x	5.0x	11.2x	15.4x	1.29x
Amedisys Inc.	AMED	10.87	(0.3%)	(13.9%)	15.95	8.81	342	415	1,436.5	81.6	(2.75)	0.48	0.29x	5.1x	NM	22.8x	2.47x
Chemed Corp.	CHE	72.95	(8.0%)	19.1%	82.00	56.51	1,376	1,480	1,443.7	185.2	4.62	5.66	1.03x	8.0x	15.4x	12.9x	0.86x
Gentiva Health Services Inc.	GTIV	8.65	(18.9%)	19.5%	12.90	6.05	271	1,023	1,692.7	179.7	0.87	0.92	0.60x	5.7x	NM	9.4x	1.08x
LHC Group, Inc.	LHCG	19.63	(12.4%)	15.5%	24.14	15.69	345	380	627.7	61.0	1.53	1.26	0.60x	6.2x	13.1x	15.6x	1.38x
Median			(8.2%)	17.3%									0.60x	6.0x	14.2x	15.5x	1.33x

Source: Capital IQ as of July 2, 2013; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/2/13	% 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		
Long Term Care																		
Diversicare Healthcare Services Inc.	DVCR	\$0.00	NM	NM	\$0.00	\$0.00	-	-	\$311.6	\$7.9	(\$0.63)	NM	-	NM	NM	NM	NM	
Kindred Healthcare Inc.	KND	13.02	26.7%	30.2%	14.49	8.80	704	2,288	6,198.3	420.5	(0.65)	1.22	0.37x	5.4x	NM	10.7x	1.07x	
National Healthcare Corp.	NHC	47.68	3.9%	2.6%	50.17	41.55	669	653	744.3	94.8	3.49	3.48	0.88x	6.9x	13.4x	13.7x	NM	
The Ensign Group, Inc.	ENSG	35.89	8.1%	23.8%	38.08	24.97	784	948	840.9	88.3	1.85	2.74	1.13x	10.7x	45.8x	13.1x	0.93x	
Median			8.1%	23.8%									0.62x	6.9x	29.6x	13.1x	1.00x	
Managed Care - Commercial																		
Aetna Inc.	AET	\$62.43	15.0%	61.9%	\$64.22	\$34.58	\$23,614	\$27,230	\$37,217.8	\$3,537.2	\$4.81	\$5.80	0.73x	7.7x	12.8x	10.8x	0.98x	
Cigna Corp.	CI	72.12	11.4%	67.8%	73.59	39.01	20,577	22,793	30,548.0	3,494.0	5.61	6.49	0.75x	6.5x	16.1x	11.1x	0.91x	
Health Net, Inc.	HNT	31.94	9.7%	34.7%	33.30	16.65	2,534	2,803	11,255.7	227.9	0.31	2.23	0.25x	12.3x	31.5x	14.3x	1.00x	
Humana Inc.	HUM	82.93	4.8%	7.7%	86.30	59.92	13,062	14,562	39,393.0	2,727.0	7.47	8.54	0.37x	5.3x	9.3x	9.7x	0.92x	
UnitedHealth Group Incorporated	UNH	65.27	5.7%	16.0%	66.36	50.32	66,576	76,775	113,676.0	10,013.0	5.28	5.45	0.68x	7.7x	12.8x	12.0x	1.09x	
Universal American Corp.	UAM	8.87	(5.6%)	(15.3%)	10.88	7.68	759	876	2,209.0	112.3	0.61	0.61	0.40x	7.8x	16.6x	14.5x	1.26x	
WellPoint Inc.	WLP	81.38	18.9%	30.7%	82.33	52.52	24,444	38,135	63,983.7	5,439.8	8.18	8.06	0.60x	7.0x	9.6x	10.1x	0.94x	
Median			9.7%	30.7%									0.60x	7.7x	12.8x	11.1x	0.98x	
Managed Care - Government																		
Centene Corp.	CNC	\$53.14	19.2%	77.8%	\$53.44	\$28.86	\$2,891.91	\$2,698.10	\$9,636.49	\$95.75	\$0.03	\$2.69	0.28x	NM	NM	19.8x	0.97x	
Molina Healthcare, Inc.	MOH	38.17	20.8%	65.0%	38.74	21.62	1,734	1,208	6,245.8	113.8	0.21	1.60	0.19x	10.6x	NM	23.9x	0.83x	
WellCare Health Plans, Inc.	WCG	56.36	(9.9%)	6.3%	68.65	44.75	2,450	1,427	7,874.4	264.3	4.22	4.85	0.18x	5.4x	15.8x	11.6x	0.94x	
Median			19.2%	65.0%									0.19x	8.0x	15.8x	19.8x	0.94x	

Source: Capital IQ as of July 2, 2013; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/2/13	% 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	
Other Services																	
Healthcare Services Group Inc.	HCSG	\$25.13	(0.5%)	28.6%	\$25.95	\$19.02	\$1,719	\$1,642	\$1,090.7	\$78.4	\$0.65	\$0.81	1.51x	21.0x	34.2x	31.0x	1.88x
PDI, Inc.	PDII	4.31	(24.9%)	(49.1%)	8.57	3.82	65	9	138.1	3.0	(1.75)	(0.17)	0.07x	3.0x	NM	NM	NM
Sharps Compliance Corp.	SMED	2.61	(4.7%)	(22.1%)	3.74	2.01	40	24	20.8	(1.9)	(0.29)	(0.07)	1.15x	NM	NM	NM	NM
Stericycle, Inc.	SRCL	110.87	5.3%	19.8%	113.11	88.07	9,566	10,842	1,966.9	587.9	3.08	3.69	5.51x	18.4x	34.9x	30.1x	1.71x
Median			(2.6%)	(1.2%)									1.33x	18.4x	34.5x	30.5x	1.79x
Pharmacy Management																	
BioScrip Inc.	BIOS	\$16.52	27.8%	118.5%	\$16.93	\$6.14	\$1,116	\$1,369	\$706.1	\$36.0	(\$0.15)	\$0.31	1.94x	38.0x	NM	NM	NM
Catamaran Corporation	TSX:CCT	48.10	(11.3%)	(3.0%)	56.01	39.89	9,904	10,647	11,442.7	506.2	0.70	1.85	0.93x	21.0x	65.7x	26.0x	0.88x
Express Scripts Holding Company	ESRX	62.44	6.8%	12.7%	66.06	49.79	50,972	63,438	107,788.5	6,216.6	1.79	4.29	0.59x	10.2x	36.0x	14.5x	0.86x
Omnicare Inc.	OCR	47.98	16.4%	52.6%	48.70	29.76	5,034	6,576	6,092.3	702.8	1.73	3.56	1.08x	9.4x	27.2x	13.5x	0.90x
PharMerica Corporation	PMC	13.71	(2.0%)	22.8%	16.45	9.82	407	671	1,773.5	111.5	0.77	1.47	0.38x	6.0x	14.5x	9.3x	0.93x
Median			6.8%	22.8%									0.93x	10.2x	31.6x	14.0x	0.89x
Physician Practice Management																	
Birmer Dental Management Services Inc.	BDMS	\$17.88	(9.3%)	6.7%	\$23.03	\$16.21	\$33	\$38	\$62.8	\$4.5	\$0.44	NM	0.61x	8.5x	44.7x	NM	NM
MEDNAX, Inc.	MD	92.54	4.4%	35.6%	94.58	60.90	4,538	4,682	1,896.7	434.5	4.85	5.44	2.47x	10.8x	18.3x	17.0x	1.21x
Median			(2.4%)	21.1%									1.54x	9.6x	31.5x	17.0x	1.21x
Psychiatric Hospitals																	
Acadia Healthcare Company, Inc.	ACHC	\$33.10	13.7%	80.4%	\$35.78	\$15.08	\$1,670	\$2,140	\$479.1	\$94.1	\$0.53	\$1.03	NM	22.8x	65.8x	32.3x	1.29x
Magellan Health Services Inc.	MGLN	56.20	14.2%	25.4%	57.28	44.21	1,508	1,224	3,255.9	234.1	5.42	3.81	0.38x	5.2x	9.8x	14.8x	1.05x
Providence Service Corp.	PRSC	28.67	55.9%	106.4%	31.31	9.56	374	425	1,127.2	50.5	0.64	1.44	0.38x	8.4x	31.1x	19.9x	1.48x
Median			14.2%	80.4%									0.38x	8.4x	31.1x	19.9x	1.29x

Source: Capital IQ as of July 2, 2013; For definitions, see page 10

Healthcare Sector Update

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Company Name	Ticker	Price 7/2/13	% 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		
Specialty Managed Care																		
Assurant Inc.	AIZ	\$51.31	13.3%	47.3%	\$51.92	\$32.80	\$3,950	\$4,881	\$8,586.0	\$898.0	\$5.67	\$5.53	0.57x	5.4x	9.5x	9.3x	1.16x	
Triple-S Management Corporation	GTS	21.98	24.0%	21.2%	23.70	16.05	622	843	2,424.2	115.0	1.90	2.02	0.35x	7.3x	9.8x	10.9x	1.05x	
Median			18.6%	34.2%									0.46x	6.4x	9.7x	10.1x	1.11x	
Surgicenters / Rehabilitation																		
AmSurg Corp.	AMSG	\$35.58	6.6%	17.0%	\$36.76	\$25.00	\$1,138	\$2,208	\$959.7	\$321.2	\$1.98	\$2.17	2.30x	6.9x	17.3x	16.4x	1.13x	
Hanger, Inc.	HGR	33.85	8.8%	29.7%	33.93	22.38	1,169	1,673	1,001.0	168.5	1.83	2.08	1.67x	9.9x	18.5x	16.3x	1.15x	
HEALTHSOUTH Corp.	HLS	29.22	7.0%	25.1%	30.95	19.85	2,549	4,317	2,167.8	514.9	1.65	1.75	1.99x	8.4x	16.7x	16.7x	1.13x	
LCA-Vision Inc.	LCAV	3.17	2.3%	(29.6%)	4.60	2.67	61	28	93.7	(6.3)	(0.45)	(0.24)	0.30x	NM	NM	NM	NM	
Select Medical Holdings Corporation	SEM	8.14	(9.4%)	(22.0%)	14.89	7.21	1,136	2,676	2,916.9	390.7	1.05	0.91	0.92x	6.8x	7.9x	8.9x	0.83x	
US Physical Therapy Inc.	USPH	28.04	7.0%	7.7%	31.56	22.69	338	369	247.8	41.6	1.51	1.53	1.49x	8.9x	19.9x	18.3x	1.22x	
Median			6.8%	12.4%									1.58x	8.4x	17.3x	16.4x	1.13x	

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

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	2012	2013E	
Biotechnology	38	\$342,251	7.3%	22.9%	6.76x	11.6x	29.2x	26.6x	1.5x
Cardiology Devices	16	92,426	7.9%	5.2%	2.98x	12.1x	27.6x	21.5x	1.6x
Conglomerates	6	416,119	1.3%	18.7%	2.53x	10.1x	17.4x	16.1x	1.7x
Dental Devices	8	15,204	(5.1%)	14.3%	2.57x	13.8x	25.2x	19.0x	1.5x
Diagnostic Imaging Devices	5	6,610	(5.6%)	11.8%	1.74x	12.9x	29.7x	19.8x	1.1x
Diversified Medical Devices	18	86,735	1.1%	17.5%	2.27x	11.8x	20.4x	17.9x	1.6x
Infection Prevention Devices	2	3,508	11.2%	30.4%	2.21x	11.8x	20.4x	21.2x	1.4x
Lab Equipment	2	6,237	(3.4%)	18.1%	1.56x	9.3x	16.5x	19.5x	1.3x
Lab Instrumentation & Devices	3	11,411	(15.3%)	26.7%	1.54x	14.0x	28.9x	19.8x	1.9x
Large-Cap Pharmaceuticals	6	557,380	(0.8%)	17.5%	3.76x	9.3x	21.1x	13.4x	2.8x
Life Science Conglomerates	4	56,147	10.4%	67.2%	3.40x	14.0x	39.1x	16.8x	1.6x
Life Science Consumables	5	7,455	2.9%	0.9%	2.85x	10.9x	21.3x	21.9x	1.5x
Mobility Devices	3	2,543	(3.0%)	(6.3%)	0.81x	9.5x	22.9x	14.6x	1.7x
Neural Implant Devices	3	4,001	10.1%	4.4%	3.51x	10.4x	31.2x	20.2x	1.5x
Ophthalmology Devices	3	6,108	13.2%	52.5%	1.09x	10.2x	20.9x	18.7x	1.0x
Orthopedics Devices	7	40,434	1.0%	16.5%	2.16x	10.0x	19.7x	18.1x	1.8x
Pharmaceuticals	26	80,207	11.4%	19.0%	2.98x	11.3x	20.3x	20.6x	1.3x
Surgical Devices	6	22,307	1.4%	12.5%	1.69x	9.1x	29.3x	24.8x	1.7x
Total / Median (\$MM)	161	1,757,083	1.4%	17.5%	2.40x	11.1x	22.1x	19.6x	1.5x

Source: Capital IQ

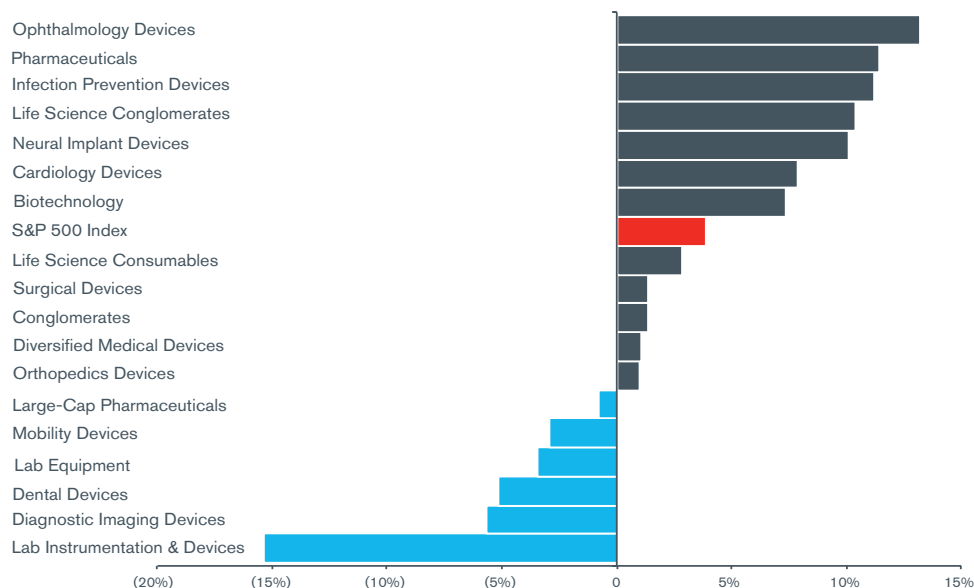
CAPITALIZATION PROFILE	No. of Co's	Ag. Eqty Mkt Value	% Total No. of Co's	% Ag. Eqty Mkt Value	Median Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	43	\$1,639,050	26.7%	93.3%	4.1%	53.5%	30.6%	18.9%
\$1 billion - \$5 billion	38	90,302	23.6%	5.1%	10.0%	46.5%	20.7%	18.7%
\$250 million - \$1 billion	40	23,877	24.8%	1.4%	6.2%	42.2%	20.3%	14.4%
\$100 million - \$250 million	19	2,996	11.8%	0.2%	3.9%	81.5%	37.5%	36.6%
< \$100 million	21	858	13.0%	0.0%	(10.3%)	22.7%	(1.1%)	(8.4%)
Total / Median (\$MM)	161	\$1,757,083	100.0%	100.0%	1.4%	46.5%	17.5%	18.7%

Source: Capital IQ

INTEREST RATES	Value at 7/2/13	1 mo ago	3 mo ago	12 mo ago
LIBOR - USD - 5 Month	0.37%	0.37%	0.39%	0.65%
U.S. Treasury - 2 year	0.34%	0.31%	0.25%	0.30%
U.S. Treasury - 5 years	1.38%	1.05%	0.77%	0.67%
U.S. Treasury - 10 years	2.47%	2.16%	1.86%	1.58%
U.S. Treasury - 30 years	3.47%	3.30%	3.10%	3.10%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

Median % Change – 3 months

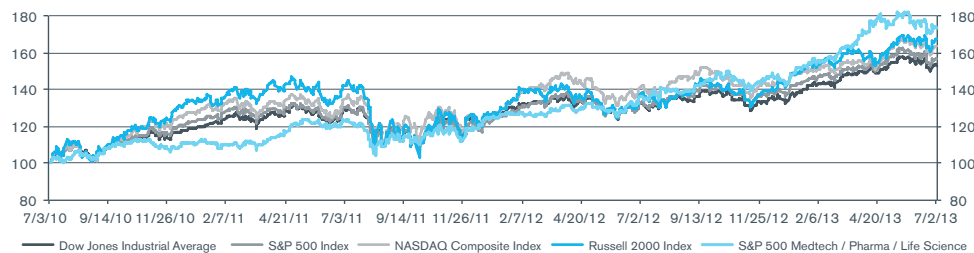


Source: Capital IQ

MARKET INDICES	Value at 7/2/13	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$14,932.4	2.6%	14.0%	15.4%	54.2%
S&P 500 Index	1,614.1	3.9%	13.2%	17.5%	57.8%
NASDAQ Composite Index	3,433.4	6.7%	13.7%	15.4%	64.1%
Russell 2000 Index	989.5	7.7%	16.5%	20.9%	65.2%
S&P Life Science Tools & Services (Industry) Index	223.7	8.1%	24.5%	40.7%	60.4%
S&P 500 Pharmaceuticals (Industry) Index	435.8	0.7%	16.8%	20.3%	60.4%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	471.6	2.9%	21.5%	27.4%	79.8%
S&P 500 Biotechnology (Industry) Index	2,124.5	3.2%	32.1%	53.2%	152.4%
Dow Jones U.S. Medical Equipment Index	658.1	3.4%	18.4%	22.8%	48.5%
S&P 500 - Pharmaceuticals, Biotechnology & Life Sciences (Industry Group)	530.9	1.6%	20.4%	27.5%	74.4%

Source: Capital IQ

Performance of Market Indices for Latest 36 months



Source: Capital IQ

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/2/13	% 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	
Biotechnology																	
Acorda Therapeutics, Inc.	ACOR	\$34.86	8.0%	39.2%	\$40.87	\$21.33	\$1,414	\$1,135	\$306.4	\$20.1	\$3.84	\$0.75	3.70x	NM	9.7x	46.3x	1.89x
Alexion Pharmaceuticals, Inc.	ALXN	95.35	(3.7%)	(8.2%)	119.54	81.82	18,607	17,733	1,228.3	453.6	1.28	2.94	14.44x	39.1x	65.9x	32.4x	1.37x
Alkermes plc	ALKS	29.36	23.1%	67.2%	34.30	16.97	3,970	4,118	575.5	171.2	(0.32)	0.93	7.15x	24.1x	NM	27.5x	1.81x
Amarin Corporation plc	AMRN	5.71	(25.9%)	(62.5%)	15.96	5.36	860	898	2.3	(157.4)	(1.24)	(1.37)	383.52x	NM	NM	NM	NM
Amgen Inc.	AMGN	96.06	(9.7%)	29.2%	114.95	73.61	72,043	74,664	17,455.0	7,054.0	5.52	7.29	4.28x	10.6x	16.2x	13.2x	1.47x
Astex Pharmaceuticals, Inc.	ASTX	4.56	(9.7%)	119.2%	6.95	2.01	431	294	83.2	5.9	0.08	(0.32)	3.54x	NM	92.1x	NM	NM
Athersys, Inc.	ATHX	1.69	0.9%	5.0%	2.42	0.95	95	74	6.3	(18.4)	(0.45)	(0.52)	11.77x	NM	NM	NM	NM
Biogen Idec Inc.	BIIB	216.65	9.3%	48.8%	242.64	134.00	51,427	51,680	5,639.5	2,343.9	5.76	8.14	9.16x	22.0x	34.5x	26.6x	1.46x
BioSpecifics Technologies Corp.	BSTC	16.25	(3.8%)	(15.1%)	21.99	12.52	103	91	12.5	6.0	0.43	0.28	7.25x	15.1x	32.4x	58.0x	2.90x
Cangene Corp.	CNJ	2.14	(29.3%)	53.4%	3.11	1.33	143	106	131.1	10.5	(0.28)	0.08	0.81x	10.0x	NM	28.2x	NM
Celgene Corporation	CELG	120.26	2.1%	85.4%	131.82	61.89	50,163	49,769	5,698.0	2,355.2	3.30	5.72	8.73x	21.1x	36.8x	21.0x	0.95x
Cepheid	CPHD	34.28	(9.1%)	(25.5%)	46.00	28.12	2,300	2,200	345.9	23.0	(0.30)	0.44	6.36x	NM	NM	77.9x	3.60x
Cubist Pharmaceuticals Inc.	CBST	52.52	7.6%	34.8%	56.68	38.52	3,425	2,947	944.6	254.4	2.10	2.03	3.12x	11.6x	29.2x	25.8x	1.55x
Curis, Inc.	CRIS	3.36	8.0%	(38.9%)	5.51	2.66	271	250	7.5	(16.1)	(0.21)	(0.22)	33.42x	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	1.63	8.7%	49.5%	2.25	0.90	51	55	15.6	1.2	0.04	NM	3.51x	44.4x	NM	NM	NM
Emergent BioSolutions, Inc.	EBS	15.22	12.9%	(2.3%)	16.99	12.50	550	481	274.7	44.2	0.65	0.74	1.75x	10.9x	24.8x	20.5x	0.87x
Exelixis, Inc.	EXEL	4.71	4.0%	(21.8%)	6.95	4.19	866	840	38.6	(119.3)	(0.92)	(1.21)	21.76x	NM	NM	NM	NM
Genomic Health Inc.	GHDX	32.66	17.4%	(7.0%)	38.99	25.25	987	891	239.8	12.2	0.26	(0.05)	3.71x	NM	NM	NM	NM
GenVec, Inc.	GNVC	0.39	(72.1%)	(83.1%)	2.40	0.35	5	(6.7)	7.4	(12.4)	(1.09)	NM	(0.91x)	0.5x	NM	NM	NM
Gilead Sciences Inc.	GILD	52.23	8.4%	102.3%	58.07	24.80	79,669	85,964	9,951.7	4,349.3	1.64	1.99	8.64x	19.8x	29.1x	26.3x	1.02x
ImmuCell Corp.	ICCC	3.76	4.8%	(38.9%)	7.00	3.25	11	7	5.5	0.7	0.03	NM	1.33x	10.7x	81.7x	NM	NM
Immunomedics Inc.	IMMU	5.53	108.7%	54.0%	5.75	2.11	457	409	4.6	(30.3)	(0.36)	(0.43)	89.70x	NM	NM	NM	NM
Ligand Pharmaceuticals Incorporated	LGND	38.69	46.1%	126.3%	44.68	14.75	783	797	37.4	8.4	(0.13)	0.47	21.30x	NM	NM	82.3x	3.66x
Maxygen, Inc.	MAXY	2.49	4.2%	(58.7%)	6.33	2.35	69	(11.9)	30.0	21.0	0.73	(0.30)	(0.40x)	NM	3.3x	NM	NM
Momenta Pharmaceuticals Inc.	MNTA	14.91	12.7%	6.9%	15.71	10.05	774	450	47.3	(71.3)	(1.16)	(1.88)	9.51x	NM	NM	NM	NM
Myriad Genetics Inc.	MYGN	27.79	12.1%	9.9%	38.27	23.07	2,214	1,877	572.0	219.8	1.46	1.78	3.28x	8.5x	18.2x	15.6x	1.16x
Neurocrine Biosciences Inc.	NBIX	13.54	7.0%	63.7%	14.40	6.72	904	745	42.6	(8.0)	0.08	(0.78)	17.49x	NM	NM	NM	NM
Osiris Therapeutics, Inc.	OSIR	10.19	(2.7%)	(6.3%)	12.08	6.55	336	306	11.5	(11.9)	(0.34)	(0.31)	26.71x	NM	NM	NM	NM
PDL BioPharma, Inc.	PDLI	7.83	6.0%	16.5%	8.48	6.49	1,096	1,222	389.0	364.0	1.45	1.65	3.14x	3.4x	5.2x	4.7x	NM
ProMetic Life Sciences Inc.	PLI	0.30	(25.9%)	154.2%	0.47	0.10	147	143	26.3	4.7	0.00	NM	5.44x	30.5x	52.0x	NM	NM

Source: Capital IQ as of July 2, 2013; For definitions, see page 19

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/2/13	% 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	
Biotechnology (cont.)																	
Regeneron Pharmaceuticals, Inc.	REGN	\$231.12	24.9%	91.4%	\$283.99	\$111.50	\$22,484	\$22,639	\$1,586.4	\$626.5	\$6.75	\$7.16	14.27x	36.1x	31.1x	32.3x	1.60x
Spectrum Pharmaceuticals, Inc.	SPPI	7.82	8.4%	(51.1%)	17.48	6.92	468	379	246.5	72.2	1.46	(0.14)	1.54x	5.3x	11.0x	NM	NM
Targacept, Inc.	TRGT	4.32	(2.0%)	1.8%	5.77	3.85	145	37	38.5	(11.3)	(0.21)	(1.31)	0.96x	NM	NM	NM	NM
Theravance Inc.	THRX	38.41	58.4%	55.4%	42.41	19.39	3,820	3,821	10.0	(125.1)	(0.20)	(2.39)	381.98x	NM	NM	NM	NM
Unigene Laboratories Inc.	UGNE	0.02	(78.8%)	(94.0%)	0.32	0.01	2	60	8.3	(10.2)	(0.36)	NM	7.18x	NM	NM	NM	NM
United Therapeutics Corporation	UTHR	66.66	10.9%	31.4%	69.65	44.51	3,311	2,918	955.0	442.4	5.71	5.92	3.06x	6.6x	11.8x	11.3x	0.36x
Vanda Pharmaceuticals, Inc.	VNDA	8.67	120.6%	95.3%	13.30	2.92	246	135	32.7	(22.2)	(0.98)	(1.00)	4.13x	NM	NM	NM	NM
Vertex Pharmaceuticals Incorporated	VRTX	79.52	47.5%	43.1%	87.47	38.44	17,606	17,337	1,416.7	(72.9)	(0.51)	(0.53)	12.24x	NM	NM	NM	NM
Median			7.3%	22.9%									6.76x	11.6x	29.2x	26.6x	1.47x
Cardiology Devices																	
ABIOMED, Inc.	ABMD	\$22.01	23.2%	(6.2%)	\$24.93	\$11.80	\$827	\$750	\$158.1	\$19.3	\$0.33	\$0.60	4.75x	39.0x	59.9x	36.8x	1.24x
AngioDynamics Inc.	ANGO	11.26	(0.4%)	(6.6%)	12.91	9.52	392	519	309.0	42.7	(0.25)	0.30	1.68x	12.2x	NM	37.3x	2.50x
Boston Scientific Corporation	BSX	9.17	16.2%	58.1%	9.75	4.79	12,371	16,357	7,144.0	1,625.0	(2.89)	0.41	2.29x	10.1x	NM	22.5x	2.59x
Cardiovascular Systems Inc.	CSII	21.32	7.2%	114.3%	22.67	8.60	513	456	98.0	(18.7)	(1.01)	(1.20)	4.66x	NM	NM	NM	NM
Edwards Lifesciences Corp.	EW	66.06	(20.6%)	(36.6%)	110.79	62.34	7,462	7,097	1,937.1	491.1	2.48	3.07	3.66x	14.5x	20.6x	21.5x	1.37x
Greatbatch, Inc.	GB	34.10	13.7%	48.3%	34.41	21.08	815	1,038	635.3	115.3	(0.20)	2.04	1.63x	9.0x	NM	16.7x	1.47x
Heartware International Inc.	HIN	2.73	9.4%	8.6%	2.73	1.86	1,568	1,456	133.8	(62.6)	(0.18)	NM	10.88x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	6.62	8.5%	10.5%	6.75	5.61	101	86	58.0	6.6	0.16	0.21	1.48x	13.1x	34.5x	31.0x	1.55x
Medtronic, Inc.	MDT	51.81	9.5%	32.3%	53.83	37.06	52,194	51,792	16,590.0	5,593.0	3.28	3.84	3.12x	9.3x	15.3x	13.5x	1.99x
Neovasc Inc.	NVC	2.80	16.1%	138.0%	3.79	1.14	129	124	8.0	(5.4)	(0.01)	NM	15.58x	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.50	(8.9%)	(19.3%)	0.64	0.36	165	131	0.0	(23.8)	(0.07)	(0.06)	NM	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	45.86	12.1%	14.6%	47.45	30.25	12,995	15,434	5,446.0	1,752.0	2.39	3.69	2.83x	8.8x	18.3x	12.4x	1.40x
Stereotaxis Inc.	STXS	1.35	(27.8%)	(31.5%)	3.39	1.01	11	33	42.7	(8.5)	(1.33)	(2.03)	0.77x	NM	NM	NM	NM
Sunshine Heart Inc.	SHC	0.02	(26.9%)	1.9%	0.05	0.02	57	44	0.0	(15.0)	(0.01)	NM	NM	NM	NM	NM	NM
Thoratec Corp.	THOR	32.10	(14.3%)	(5.7%)	39.86	29.91	1,840	1,588	482.6	131.6	0.94	1.76	3.29x	12.1x	39.1x	18.2x	1.94x
Volcano Corporation	VOLC	18.08	(18.0%)	(38.5%)	30.59	16.37	986	966	384.7	43.2	0.15	0.05	2.51x	22.4x	NM	NM	NM
Median			7.9%	5.2%									2.98x	12.1x	27.6x	21.5x	1.55x

Source: Capital IQ as of July 2, 2013; For definitions, see page 19

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/2/13	% 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	
Conglomerates																	
3M Company	MMM	\$108.73	2.1%	21.8%	\$113.25	\$85.34	\$75,045	\$77,051	\$30,052.0	\$7,806.0	\$6.32	\$6.71	2.56x	9.9x	17.3x	16.2x	1.46x
Agilent Technologies Inc.	A	43.09	6.0%	10.7%	47.47	35.32	14,843	14,683	6,902.0	1,402.0	3.13	2.89	2.13x	10.5x	15.0x	14.9x	1.53x
Becton, Dickinson and Company	BDX	97.14	0.6%	28.9%	102.73	72.68	18,870	20,618	7,848.3	2,154.6	5.52	5.84	2.63x	9.6x	17.5x	16.6x	1.88x
Covidien plc	COV	57.12	(16.0%)	5.5%	68.83	50.40	26,874	30,268	12,167.0	3,291.0	3.93	3.95	2.49x	9.2x	15.0x	14.5x	1.54x
Johnson & Johnson	JNJ	86.57	4.7%	27.3%	89.99	66.85	243,165	237,389	68,590.0	21,741.0	3.86	5.41	3.46x	10.9x	23.6x	16.0x	2.53x
Kimberly-Clark Corporation	KMB	97.04	(2.8%)	15.7%	106.54	81.29	37,322	43,526	21,140.0	4,174.0	4.42	5.72	2.06x	10.4x	21.1x	17.0x	2.14x
Median			1.3%	18.7%									2.53x	10.1x	17.4x	16.1x	1.71x
Dental Devices																	
COLTENE Holding AG	CLTN	\$47.44	(3.2%)	73.0%	\$52.50	\$26.15	\$200	\$221	\$172.7	\$24.0	\$2.49	\$3.37	1.28x	9.2x	19.6x	14.1x	0.53x
DENTSPLY International Inc.	XRAY	41.10	(1.2%)	8.4%	44.21	35.04	5,889	7,558	2,944.1	537.1	2.18	2.37	2.57x	14.1x	17.9x	17.3x	1.54x
Nobel Biocare Holding AG	NOBN	12.12	18.2%	20.2%	13.49	7.47	1,489	1,414	736.0	119.9	0.49	0.50	1.92x	11.8x	25.2x	24.5x	1.84x
Orthofix International N.V.	OFIX	27.30	(22.8%)	(34.7%)	45.62	25.30	531	517	446.5	89.7	2.78	1.59	1.16x	5.8x	11.5x	17.2x	1.60x
Osstem Implant Co., Ltd.	A048260	25.68	(15.1%)	83.2%	34.36	13.08	365	409	158.9	18.9	0.41	1.61	2.58x	21.7x	60.3x	21.5x	NM
Sirona Dental Systems Inc.	SIRO	65.61	(11.0%)	46.5%	75.81	41.51	3,604	3,526	1,029.1	261.4	2.37	3.45	3.43x	13.5x	27.4x	19.0x	1.53x
Straumann Holding AG	STMN	150.23	10.8%	6.2%	154.98	103.21	2,320	2,165	749.6	137.8	2.57	6.87	2.89x	15.7x	60.4x	21.9x	1.05x
Tornier N.V.	TRNX	17.37	(7.0%)	(23.3%)	23.02	14.53	806	888	285.7	25.4	(0.54)	(0.30)	3.11x	35.0x	NM	NM	NM
Median			(5.1%)	14.3%									2.57x	13.8x	25.2x	19.0x	1.54x
Orthopedics Devices																	
Exactech Inc.	EXAC	\$19.26	(7.2%)	16.5%	\$21.16	\$15.01	\$258	\$295	\$225.0	\$39.4	\$0.96	\$1.07	1.31x	7.5x	19.8x	18.1x	1.81x
MAKO Surgical Corp.	MAKO	12.12	14.2%	(53.7%)	26.23	10.00	569	499	107.9	(24.7)	(0.76)	(0.58)	4.63x	NM	NM	NM	NM
NuVasive, Inc.	NUVA	25.31	19.1%	(1.2%)	25.99	12.35	1,119	1,265	628.1	99.9	0.07	1.01	2.01x	12.7x	NM	25.0x	2.48x
Stryker Corporation	SYK	64.32	(1.9%)	17.7%	70.00	50.04	24,317	22,602	8,686.0	2,068.0	3.39	4.29	2.60x	10.9x	19.6x	15.0x	1.77x
Symmetry Medical, Inc.	SMA	8.42	(29.2%)	(2.0%)	12.83	7.44	314	514	408.3	56.2	0.25	0.44	1.26x	9.1x	37.9x	19.0x	1.20x
Wright Medical Group Inc.	WMGI	26.94	14.6%	25.2%	27.47	18.11	1,048	1,029	477.5	42.4	0.14	(0.28)	2.16x	24.3x	NM	NM	NM
Zimmer Holdings, Inc.	ZMH	76.08	1.0%	18.0%	81.92	57.46	12,809	13,316	4,469.9	1,667.8	4.29	5.76	2.98x	8.0x	17.2x	13.2x	1.42x
Median			1.0%	16.5%									2.16x	10.0x	19.7x	18.1x	1.77x
Diagnostic Imaging Devices																	
Analogic Corporation	ALOG	\$74.49	(5.6%)	17.8%	\$84.71	\$60.74	\$913	\$821	\$535.2	\$61.5	\$2.67	\$3.77	1.53x	13.4x	29.7x	19.8x	1.20x
Digirad Corporation	DRAD	2.46	(0.8%)	11.8%	2.68	1.73	47	22	49.1	(1.6)	(0.26)	NM	0.44x	NM	NM	NM	NM
Fonar Corp.	FONR	6.64	2.2%	61.2%	7.94	3.02	40	73	41.8	9.0	0.87	NM	1.74x	8.1x	7.7x	NM	NM

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			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Diagnostic Imaging Devices (cont.)																	
Given Imaging Ltd.	GIVN	\$14.11	(13.8%)	(11.4%)	\$19.48	\$12.14	\$439	\$348	\$179.3	\$22.9	\$0.45	\$0.69	1.94x	15.2x	31.8x	20.4x	0.82x
Hologic Inc.	HOLX	19.20	(14.8%)	4.1%	23.96	17.70	5,171	9,430	2,302.8	761.8	(0.35)	1.59	4.10x	12.4x	NM	12.0x	1.08x
Median			(5.6%)	11.8%									1.74x	12.9x	29.7x	19.8x	1.08x
Mobility Devices																	
Hill-Rom Holdings, Inc.	HRC	\$34.05	(3.0%)	9.3%	\$37.44	\$24.69	\$2,035	\$2,275	\$1,692.2	\$273.9	\$1.80	\$2.12	1.34x	8.3x	19.2x	16.1x	1.69x
Invacare Corporation	IVC	14.67	15.4%	(6.3%)	18.27	10.26	470	561	1,438.0	50.0	(0.26)	(0.60)	0.39x	11.2x	NM	NM	NM
Prism Medical Ltd.	PM	4.62	(13.1%)	(23.9%)	6.17	4.55	39	59	72.6	6.3	0.27	0.35	0.81x	9.5x	26.6x	13.2x	NM
Median			(3.0%)	(6.3%)									0.81x	9.5x	22.9x	14.6x	1.69x
Infection Prevention Devices																	
Cantel Medical Corp.	CMN	\$34.88	16.3%	23.1%	\$35.96	\$24.17	\$939	\$1,014	\$408.6	\$72.8	\$1.38	\$1.41	2.48x	13.9x	24.8x	24.7x	1.37x
Steris Corp.	STE	43.57	6.1%	37.7%	46.59	29.91	2,568	2,921	1,501.9	300.8	2.78	2.46	1.94x	9.7x	15.9x	17.7x	1.40x
Median			11.2%	30.4%									2.21x	11.8x	20.4x	21.2x	1.39x
Neural Implant Devices																	
Cyberonics Inc.	CYBX	\$51.57	10.1%	9.8%	\$56.73	\$42.25	\$1,417	\$1,282	\$254.3	\$83.0	\$1.62	\$1.90	5.04x	15.4x	31.2x	27.2x	1.47x
Integra LifeSciences Holdings Corporation	IART	36.75	(6.8%)	(0.9%)	44.53	30.87	1,031	1,467	831.3	154.8	1.44	2.49	1.76x	9.5x	34.9x	14.8x	1.64x
Globus Medical, Inc.	GMED	16.86	15.1%	NM	19.93	10.26	1,552	1,390	396.3	133.3	0.80	0.84	3.51x	10.4x	20.6x	20.2x	1.52x
Median			10.1%	4.4%									3.51x	10.4x	31.2x	20.2x	1.52x
Ophthalmology Devices																	
IRIDEX Corporation	IRIX	\$5.72	29.1%	52.5%	\$6.57	\$3.07	\$49	\$37	\$34.5	\$0.2	(\$0.02)	\$0.22	1.09x	NM	54.6x	26.0x	1.04x
The Cooper Companies Inc.	COO	\$121.93	13.2%	52.5%	\$124.08	\$71.40	\$5,933	\$6,261	\$1,538.4	\$433.1	\$5.43	\$6.51	4.07x	14.5x	20.9x	18.7x	1.31x
Optos plc	OPTS	1.76	(22.3%)	(42.5%)	3.50	1.62	127	182	179.2	31.1	0.22	0.13	1.02x	5.9x	8.9x	13.0x	(0.32x)
Median			13.2%	52.5%									1.09x	10.2x	20.9x	18.7x	1.04x
Surgical Devices																	
Alphatec Holdings, Inc.	ATEC	\$2.06	2.0%	11.4%	\$2.40	\$1.41	\$197	\$244	\$198.3	\$15.6	(\$0.17)	(\$0.04)	1.23x	15.6x	NM	NM	NM
ArthroCare Corporation	ARTC	35.04	0.8%	17.4%	36.99	27.21	988	840	367.9	92.0	1.25	1.41	2.28x	9.1x	29.2x	24.8x	2.01x
Bovie Medical Corp.	BVX	2.95	(20.5%)	21.9%	4.79	2.10	53	52	26.6	0.8	0.03	NM	1.96x	NM	NM	NM	NM
CONMED Corporation	CNMD	31.77	(5.8%)	13.6%	34.86	24.78	881	1,075	758.3	127.6	1.41	1.86	1.42x	8.4x	22.2x	17.1x	1.56x
Intuitive Surgical, Inc.	ISRG	501.19	2.1%	(11.4%)	585.67	455.18	20,128	18,770	2,295.0	996.5	15.98	17.88	8.18x	18.8x	29.3x	28.0x	1.69x
Theragenics Corp.	TGX	2.04	28.3%	3.0%	2.15	1.32	60	48	80.7	10.1	0.07	NM	0.59x	4.7x	52.6x	NM	NM
Median			1.4%	12.5%									1.69x	9.1x	29.3x	24.8x	1.69x

Source: Capital IQ as of July 2, 2013; For definitions, see page 19

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/2/13	% 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	
Diversified Medical Devices																	
Abaxis, Inc.	ABAX	\$4791	1.1%	23.0%	\$49.45	\$33.28	\$1,068	\$990	\$186.0	\$31.2	\$1.14	\$1.07	5.32x	31.8x	38.9x	44.8x	2.45x
AtriCure, Inc.	ATRC	9.72	14.5%	1.6%	9.98	5.90	203	175	72.2	(3.9)	(0.47)	(0.40)	2.43x	NM	NM	NM	NM
Baxter International Inc.	BAX	69.67	(3.5%)	29.4%	73.95	53.48	37,858	41,075	14,250.0	4,005.0	4.18	4.66	2.88x	10.3x	16.8x	15.0x	1.66x
CareFusion Corporation	CFN	37.27	6.7%	44.3%	38.49	23.93	8,192	7,734	3,608.0	812.0	1.74	2.23	2.14x	9.5x	22.7x	16.7x	1.60x
CR Bard Inc.	BCR	107.58	6.9%	(0.2%)	112.36	93.69	8,658	9,188	2,968.4	914.5	6.16	6.24	3.10x	10.0x	19.0x	17.2x	1.77x
CryoLife Inc.	CRY	6.36	7.6%	19.5%	7.27	4.85	175	166	134.7	20.8	0.28	0.28	1.23x	8.0x	19.4x	23.0x	0.92x
Hospira Inc.	HSP	38.61	21.7%	10.5%	39.38	28.62	6,390	7,408	4,010.2	231.4	0.27	2.04	1.85x	32.0x	NM	19.0x	1.66x
IDEXX Laboratories, Inc.	IDXX	89.85	(1.3%)	(8.3%)	101.18	81.57	4,861	4,895	1,302.8	316.6	3.17	3.44	3.76x	15.5x	27.2x	26.1x	1.82x
Masimo Corporation	MASI	21.65	8.0%	(7.3%)	25.35	19.03	1,221	1,142	508.1	96.2	1.07	1.14	2.25x	11.9x	20.0x	19.0x	1.32x
Misonix Inc.	MSON	5.19	(14.1%)	123.1%	9.13	2.15	37	31	16.4	(2.1)	(0.10)	(0.07)	1.88x	NM	NM	NM	NM
Natus Medical Inc.	BABY	14.07	5.5%	15.9%	15.18	9.65	428	456	318.7	34.6	0.13	0.86	1.43x	13.2x	60.7x	16.3x	1.02x
PhotoMedex, Inc.	PHMD	15.91	1.0%	30.4%	17.05	9.85	329	266	227.6	40.9	1.08	1.44	1.17x	6.5x	13.6x	11.1x	0.55x
ResMed Inc.	RMD	44.81	(3.4%)	43.7%	51.40	30.39	6,384	5,712	1,471.8	440.4	1.98	2.41	3.88x	13.0x	20.9x	18.6x	1.25x
Solta Medical, Inc.	SLTM	2.30	6.0%	(22.3%)	3.53	1.44	183	181	146.6	7.8	(0.59)	0.14	1.23x	23.2x	NM	16.8x	NM
SurModics, Inc.	SRDX	20.72	(24.8%)	19.1%	27.98	15.11	300	265	55.3	21.3	0.73	0.84	4.78x	12.4x	24.3x	24.7x	1.64x
Teleflex Incorporated	TFX	78.01	(8.1%)	26.8%	87.46	59.96	3,207	3,876	1,579.4	328.0	(4.47)	4.72	2.45x	11.8x	25.1x	16.5x	1.58x
Varian Medical Systems, Inc.	VAR	66.65	(7.3%)	9.9%	75.78	52.90	7,227	6,669	2,908.2	687.3	3.83	4.24	2.29x	9.7x	17.0x	15.7x	1.34x
Zynex, Inc.	ZYXI	0.48	(17.2%)	(40.7%)	1.01	0.35	15	21	38.4	2.8	0.05	0.02	0.55x	7.5x	16.1x	24.0x	1.14x
Median			1.1%	17.5%									2.27x	11.8x	20.4x	17.9x	1.58x
Life Science Conglomerates																	
illumina Inc.	ILMN	\$73.44	34.7%	78.4%	\$77.14	\$38.92	\$9,134	\$8,918	\$1,206.7	\$343.4	\$1.13	\$1.68	7.39x	26.0x	94.3x	43.6x	2.77x
Life Technologies Corporation	LIFE	74.08	12.7%	68.9%	74.48	40.50	12,764	14,884	3,821.9	1,198.4	2.40	4.21	3.89x	12.4x	31.4x	17.6x	1.69x
PerkinElmer Inc.	PKI	32.53	(3.9%)	25.7%	35.86	23.73	3,641	4,542	2,109.7	319.4	0.60	2.04	2.15x	14.2x	46.9x	15.9x	1.38x
Thermo Fisher Scientific, Inc.	TMO	84.99	8.2%	65.4%	89.50	49.63	30,607	36,717	12,644.6	2,648.0	3.43	5.34	2.90x	13.9x	23.5x	15.9x	1.49x
Median			10.4%	67.2%									3.40x	14.0x	39.1x	16.8x	1.59x

Source: Capital IQ as of July 2, 2013; For definitions, see page 19

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(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/2/13	% 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	
Lab Instrumentation & Devices																	
Bruker Corporation	BRKR	\$15.97	(15.9%)	17.1%	\$19.46	\$9.91	\$2,668	\$2,739	\$1,779.2	\$223.4	\$0.46	\$0.81	1.54x	12.3x	39.8x	19.8x	1.60x
Harvard Bioscience Inc.	HBIO	4.75	(15.3%)	26.7%	6.15	3.58	143	134	108.9	5.9	0.05	0.08	1.23x	22.8x	NM	62.1x	6.21x
Waters Corporation	WAT	100.36	5.1%	27.8%	104.24	74.12	8,600	8,243	1,853.5	590.6	5.19	5.21	4.45x	14.0x	17.9x	19.3x	1.91x
Median			(15.3%)	26.7%									1.54x	14.0x	28.9x	19.8x	1.91x
Lab Equipment																	
Kewaunee Scientific Corp.	KEQU	\$12.54	(4.0%)	5.4%	\$13.73	\$11.00	\$32	\$36	\$117.1	\$7.9	\$1.19	NM	0.31x	4.5x	10.8x	NM	NM
Mettler-Toledo International Inc.	MTD	205.55	(2.8%)	30.8%	229.68	143.91	6,205	6,559	2,330.5	469.3	9.14	10.55	2.81x	14.0x	22.3x	19.5x	1.35x
Median			(3.4%)	18.1%									1.56x	9.3x	16.5x	19.5x	1.35x
Life Science Consumables																	
Affymetrix Inc.	AFFX	\$4.69	(0.2%)	0.9%	\$4.84	\$2.96	\$333	\$471	\$308.3	\$19.0	(\$0.15)	\$0.02	1.53x	24.8x	NM	NM	NM
Bio-Rad Laboratories, Inc.	BIO	112.74	(9.8%)	13.6%	127.17	91.52	3,223	3,120	2,082.6	352.9	5.72	5.07	1.50x	8.8x	21.3x	22.3x	2.23x
Cambrex Corporation	CBM	14.24	13.6%	46.7%	14.77	8.81	428	468	281.4	58.9	2.09	0.84	1.66x	7.9x	6.4x	17.1x	0.73x
Luminex Corporation	LMNX	21.31	28.0%	(16.0%)	25.75	15.39	895	837	207.1	35.4	0.30	0.46	4.04x	23.6x	NM	46.7x	1.23x
Techne Corp.	TECH	69.94	2.9%	(8.0%)	75.98	62.55	2,576	2,263	309.8	174.6	2.98	3.25	7.31x	13.0x	23.1x	21.5x	1.72x
Median			2.9%	0.9%									2.85x	10.9x	21.3x	21.9x	1.47x
Large-Cap Pharmaceuticals																	
AbbVie Inc.	ABBV	\$42.21	3.7%	NM	\$48.00	\$32.51	\$66,818	\$74,497	\$18,536.0	\$7,852.0	\$3.34	\$3.11	4.02x	9.5x	12.5x	13.6x	2.31x
Allergan Inc.	AGN	84.64	(26.3%)	(10.7%)	116.45	81.28	26,031	25,973	5,917.8	1,867.3	3.58	4.75	4.39x	13.9x	22.6x	17.8x	1.47x
Bristol-Myers Squibb Company	BMJ	43.99	5.5%	22.0%	49.57	30.64	72,256	77,657	16,201.0	4,622.0	1.16	1.81	4.79x	16.8x	49.1x	24.3x	3.26x
Eli Lilly and Company	LLY	50.50	(10.6%)	17.5%	58.41	41.59	55,229	55,947	22,603.4	6,511.6	3.66	3.92	2.48x	8.6x	12.0x	12.9x	3.47x
Merck & Co. Inc.	MRK	46.55	3.7%	11.2%	50.16	40.02	140,563	147,943	46,207.0	16,365.0	2.00	3.51	3.20x	9.0x	23.8x	13.3x	4.23x
Pfizer Inc.	PFE	27.70	(5.2%)	20.5%	31.15	22.00	196,482	202,090	57,601.0	25,335.0	1.26	2.20	3.51x	8.0x	19.5x	12.6x	2.29x
Median			(0.8%)	17.5%									3.76x	9.3x	21.1x	13.4x	2.78x

Source: Capital IQ as of July 2, 2013; For definitions, see page 19

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 7/2/13	% 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	
Pharmaceuticals																	
Akorn, Inc.	AKRX	\$13.71	(0.4%)	(15.5%)	\$16.87	\$11.73	\$1,317	\$1,377	\$278.3	\$92.3	\$0.32	\$0.43	4.95x	14.9x	35.3x	31.5x	1.31x
BioDelivery Sciences International, Inc.	BDSI	4.11	(5.7%)	(8.7%)	6.89	3.52	156	107	39.6	(13.7)	0.05	(1.02)	2.69x	NM	NM	NM	NM
BioSynt Inc.	RX	1.34	6.2%	120.2%	1.36	0.56	18	16	5.6	1.6	0.11	NM	2.90x	10.2x	13.1x	NM	NM
Cadence Pharmaceuticals Inc.	CADX	6.84	1.5%	88.4%	8.26	2.88	587	552	65.8	(50.8)	(0.95)	(0.29)	8.38x	NM	NM	NM	NM
Cipher Pharmaceuticals Inc.	DND	4.51	18.9%	196.7%	4.57	1.33	110	95	9.8	4.7	0.10	0.21	9.68x	19.9x	30.7x	21.6x	NM
Cornerstone Therapeutics Inc.	CRTX	7.99	12.4%	20.7%	10.37	3.10	214	240	131.9	11.9	(0.46)	0.58	1.82x	20.2x	NM	13.8x	NM
Cumberland Pharmaceuticals, Inc.	CPIX	5.31	4.3%	(18.1%)	6.85	4.03	98	32	48.9	11.2	0.30	0.14	0.65x	2.9x	16.4x	38.4x	NM
DURECT Corporation	DRRX	1.08	(15.0%)	17.3%	1.85	0.61	110	86	16.0	(18.6)	0.18	(0.21)	5.33x	NM	NM	NM	NM
Endo Health Solutions Inc.	ENDP	37.72	18.1%	24.1%	39.82	25.01	4,234	7,029	3,045.2	1,136.8	(6.40)	4.32	2.31x	6.2x	NM	8.7x	3.90x
Forest Laboratories Inc.	FRX	41.71	10.5%	16.5%	43.85	31.28	11,123	9,448	3,097.0	73.2	0.43	0.71	3.05x	NM	NM	59.1x	1.31x
Heska Corporation	HSKA	6.80	(25.8%)	(37.3%)	10.99	6.62	39	53	72.6	2.2	0.22	0.08	0.72x	24.4x	NM	85.0x	5.67x
Hi-Tech Pharmacal Co., Inc.	HITK	33.56	(3.0%)	4.6%	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	20.30	32.8%	0.9%	27.25	14.41	1,351	1,002	601.6	167.3	0.82	0.21	1.67x	6.0x	9.1x	96.3x	2.55x
Lannett Company, Inc.	LCI	12.54	23.4%	181.8%	13.07	3.93	360	328	146.6	21.8	0.31	0.39	2.24x	15.0x	32.0x	32.0x	1.28x
Mylan, Inc.	MYL	30.37	6.2%	39.7%	32.27	21.20	11,623	17,577	6,843.9	1,902.8	1.52	2.87	2.57x	9.2x	20.3x	10.6x	1.10x
Merus Labs International Inc.	MSL	0.77	(3.6%)	(52.8%)	1.80	0.46	30	73	20.4	12.7	(0.71)	(0.02)	3.59x	5.7x	NM	NM	NM
Paladin Labs Inc.	PLB	52.15	10.1%	10.4%	52.21	37.03	1,073	906	236.5	79.2	2.87	2.08	3.83x	11.4x	20.2x	25.0x	1.14x
Patheon Inc.	PTI	5.51	28.0%	131.1%	5.71	2.29	773	1,296	881.1	117.1	(1.06)	(0.01)	1.47x	11.1x	NM	NM	NM
Questcor Pharmaceuticals, Inc.	QCOR	46.92	49.5%	(9.3%)	58.91	17.25	2,710	2,574	548.5	302.5	3.14	3.64	4.69x	8.5x	14.2x	12.9x	0.61x
Salix Pharmaceuticals Ltd.	SLXP	67.53	30.9%	21.3%	68.62	37.52	4,140	4,046	766.9	249.4	1.01	3.44	5.28x	16.2x	54.2x	19.6x	0.94x
Santarus, Inc.	SNTS	21.57	21.2%	198.3%	24.00	4.82	1,401	1,313	251.5	45.5	0.27	0.85	5.22x	28.9x	41.9x	25.5x	1.24x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Pharmaceuticals (cont.)																	
SciClone Pharmaceuticals, Inc.	SCLN	\$5.47	21.3%	(24.7%)	\$7.58	\$3.68	\$296	\$213	\$156.3	\$38.3	\$0.16	\$0.66	1.36x	5.6x	33.3x	8.3x	NM
The Medicines Company	MDCO	31.74	(3.4%)	37.9%	37.40	20.04	1,693	1,670	587.7	64.1	0.93	2.00	2.84x	26.1x	53.5x	15.9x	0.51x
Valeant Pharmaceuticals International, Inc.	VRX	90.18	19.8%	101.4%	94.44	42.78	29,520	39,372	3,758.9	1,967.2	(0.38)	5.96	10.47x	20.0x	NM	15.1x	0.80x
ViroPharma Inc.	VPHM	29.24	17.9%	23.4%	31.36	19.58	1,910	1,813	399.3	41.2	0.08	0.72	4.54x	44.0x	NM	40.4x	1.69x
Warner Chilcott plc	WCRX	19.39	43.1%	7.6%	20.75	10.85	4,865	8,257	2,449.0	1,341.0	1.61	3.33	3.37x	6.2x	12.1x	5.8x	15.86x
Median			11.4%	19.0%									2.98x	11.3x	20.3x	20.6x	1.26x

Definitions**PEG Ratio:** Price Earnings to Growth**EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization**EPS:** Earnings Per Share**Enterprise Value:** Market Capitalization + Total Debt + Preferred Equity + Minority Interest – Cash and Short-Term Investments**LTM:** Last Twelve Months

Source: Capital IQ as of July 2, 2013

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