

# Healthcare Sector Update



June 2014

## Summary – Healthcare Services

- The S&P Healthcare Services Index has fallen 5.7% over the last three months, underperforming the S&P 500.
- Over the past three months:
  - The best performing sectors were Managed Care - Government (up 17.0%) and Long Term Care (up 16.5%).
  - The worst performing sectors were Specialty HCIT (down 18.8%) and Home Care/ Hospice (down 13.9%).
- The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.70x and 11.0x, respectively.
- The sectors with the highest valuation multiples include:
  - Specialty HCIT (4.00x LTM Revenue, 20.6x LTM EBITDA)
  - Provider Based HCIT (3.25x LTM Revenue, 16.5x LTM EBITDA)

## Summary – Pharmaceutical / Medical Devices / Life Sciences

- The S&P 500 - Pharmaceuticals, Biotechnology & Life Sciences Index has fallen 0.6% over the last three months, underperforming the S&P 500.
- Over the past three months:
  - The best performing sectors were Infection Prevention Devices (up 11.7%) and Dental Devices (up 9.4%).
  - The worst performing sectors were Biotechnology (down 14.4%) and Diagnostic Imaging Devices (down 13.3%).
- The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 2.78x and 13.7x, respectively.
- The sectors with the highest valuation multiples include:
  - Biotechnology (9.07x LTM Revenue, 21.9x LTM EBITDA)
  - Pharmaceuticals (5.27x LTM Revenue, 18.1x LTM EBITDA)

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| MARKET SECTOR                 | No. of Cos. | Ag. Eqty Mkt. Value | Median % Change |              | LTM Multiples |              | Earnings Ratio |              | PEG Ratio 2014E |
|-------------------------------|-------------|---------------------|-----------------|--------------|---------------|--------------|----------------|--------------|-----------------|
|                               |             |                     | 3 mo            | 12 mo        | Rev           | EBITDA       | LTM            | 2014E        |                 |
| Acute Care Hospitals          | 6           | \$44,163            | 9.0%            | 26.3%        | 1.55x         | 10.3x        | 16.9x          | 17.5x        | 1.7x            |
| Assisted Living               | 6           | 6,964               | (3.1%)          | (1.9%)       | 1.80x         | 15.6x        | 32.0x          | 21.1x        | 1.1x            |
| Care Management / TPA         | 7           | 9,264               | 2.6%            | 44.1%        | 1.85x         | 12.3x        | 22.5x          | 14.0x        | 1.1x            |
| Clinical Laboratories         | 5           | 24,778              | 6.1%            | 3.1%         | 1.96x         | 9.9x         | 18.5x          | 15.4x        | 1.6x            |
| Contract Research Orgs        | 6           | 20,043              | (7.8%)          | 19.4%        | 1.85x         | 11.6x        | 24.4x          | 19.7x        | 1.4x            |
| Diagnostic Imaging            | 3           | 592                 | (0.7%)          | 84.6%        | 1.90x         | 6.2x         | NM             | 34.4x        | NM              |
| Dialysis Services             | 2           | 35,135              | (0.2%)          | 5.8%         | 1.93x         | 10.0x        | 19.0x          | 19.0x        | 1.8x            |
| Distribution / Supply         | 7           | 101,254             | (0.1%)          | 35.3%        | 0.38x         | 11.3x        | 19.9x          | 18.0x        | 1.7x            |
| Emergency Services            | 2           | 1,950               | (2.4%)          | 53.5%        | 2.17x         | 8.6x         | 26.2x          | 17.0x        | 0.9x            |
| HCIT - Provider Based         | 9           | 31,793              | (11.9%)         | 6.3%         | 3.25x         | 16.5x        | 44.2x          | 24.7x        | 1.9x            |
| HCIT - Specialty              | 12          | 20,249              | (18.8%)         | 12.1%        | 4.00x         | 20.6x        | 40.9x          | 46.8x        | 2.9x            |
| Healthcare Staffing           | 6           | 13,174              | (6.3%)          | 10.7%        | 1.32x         | 14.4x        | 25.7x          | 23.2x        | 1.3x            |
| Home Care / Hospice           | 6           | 3,328               | (13.9%)         | 21.9%        | 0.76x         | 12.8x        | 22.5x          | 15.1x        | 1.7x            |
| Long Term Care                | 4           | 3,210               | 16.5%           | 36.3%        | 0.79x         | 9.7x         | 17.6x          | 19.3x        | 1.3x            |
| Managed Care - Commercial     | 7           | 183,319             | 10.7%           | 28.4%        | 0.63x         | 9.0x         | 14.1x          | 14.4x        | 1.2x            |
| Managed Care - Government     | 3           | 9,690               | 17.0%           | 48.5%        | 0.25x         | 9.9x         | 21.0x          | 20.1x        | 1.1x            |
| Other Services                | 4           | 11,906              | (2.6%)          | 16.5%        | 1.77x         | 16.8x        | 38.3x          | 32.7x        | 2.0x            |
| Pharmacy Management           | 5           | 71,989              | 7.9%            | 15.1%        | 0.66x         | 11.5x        | 31.9x          | 17.7x        | 1.2x            |
| Physician Practice Mgmt       | 2           | 5,760               | (4.5%)          | 11.5%        | 1.66x         | 11.7x        | 20.2x          | 18.3x        | 1.4x            |
| Psychiatric Hospitals         | 3           | 4,364               | (0.4%)          | 27.7%        | 0.45x         | 10.6x        | 29.5x          | 25.4x        | 1.5x            |
| Specialty Managed Care        | 2           | 5,340               | 4.4%            | 9.9%         | 0.37x         | 5.5x         | 10.4x          | 12.1x        | 1.6x            |
| Surgicenters / Rehabilitation | 7           | 9,180               | 1.1%            | 23.7%        | 1.75x         | 9.7x         | 18.7x          | 18.5x        | 1.6x            |
| <b>Total / Median (\$MM)</b>  | <b>114</b>  | <b>\$617,447</b>    | <b>(0.3%)</b>   | <b>20.7%</b> | <b>1.70x</b>  | <b>11.0x</b> | <b>22.5x</b>   | <b>18.7x</b> | <b>1.5x</b>     |

Source: Capital IQ

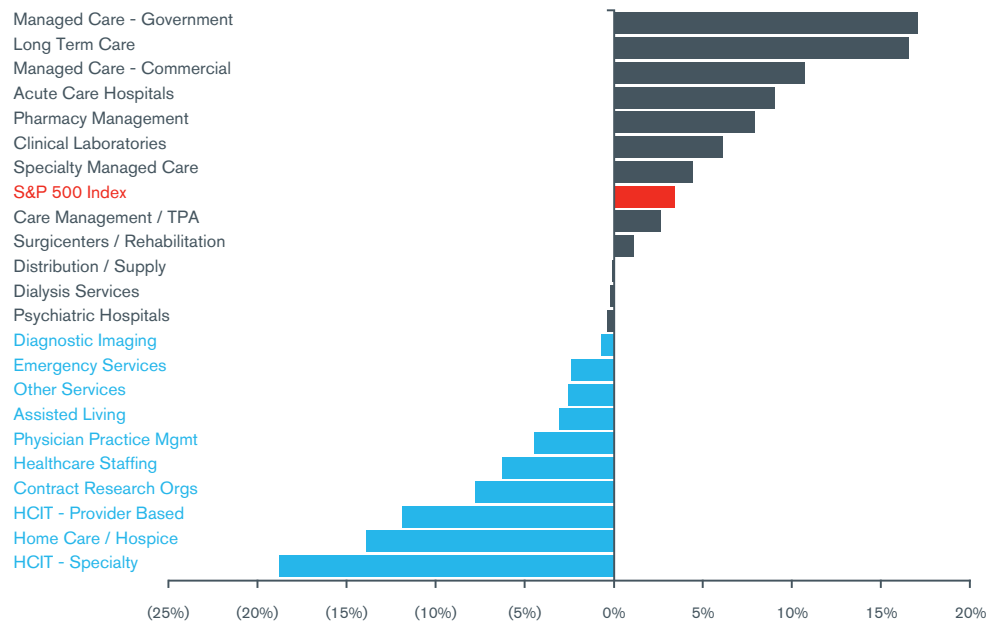
| CAPITALIZATION PROFILE        | No. of Cos. | Ag. Eqty Mkt. Value | % Total No. of Cos. | % Ag. Eqty Mkt. Value | Median Stock Performance |              |              |              |
|-------------------------------|-------------|---------------------|---------------------|-----------------------|--------------------------|--------------|--------------|--------------|
|                               |             |                     |                     |                       | 3 mo                     | YTD          | 12 mo        | 36 mo        |
| > \$5 billion                 | 25          | \$490,164           | 21.9%               | 79.4%                 | 3.8%                     | 71.1%        | 24.1%        | 49.6%        |
| \$1 billion - \$5 billion     | 42          | 107,756             | 36.8%               | 17.5%                 | (2.2%)                   | 95.2%        | 25.0%        | 53.0%        |
| \$250 million - \$1 billion   | 31          | 17,832              | 27.2%               | 2.9%                  | 9.2%                     | 93.2%        | 20.8%        | 59.8%        |
| \$100 million - \$250 million | 6           | 1,129               | 5.3%                | 0.2%                  | (23.1%)                  | 134.3%       | 39.6%        | 88.7%        |
| < \$100 million               | 10          | 567                 | 8.8%                | 0.1%                  | (3.3%)                   | 34.8%        | 23.9%        | 8.1%         |
| <b>Total / Median (\$MM)</b>  | <b>114</b>  | <b>\$617,447</b>    | <b>100.0%</b>       | <b>100.0%</b>         | <b>(0.3%)</b>            | <b>93.2%</b> | <b>20.7%</b> | <b>53.0%</b> |

Source: Capital IQ

| MARKET INDICES                                       | Value at 5/31/14 | % Change |         |       |       |
|--|------------------|----------|---------|-------|-------|
|  |                  | 3 mo     | YTD     | 12 mo | 36 mo |
| Dow Jones Industrial Average                         | \$16,717.2       | 2.4%     | 0.8%    | 10.6% | 36.0% |
| S&P 500 Index  | 1,923.6          | 3.4%     | 4.1%    | 18.0% | 46.3% |
| NASDAQ Composite Index                               | 4,242.6          | (1.5%)   | 1.6%    | 22.8% | 53.2% |
| Russell 2000 Index                                   | 1,134.5          | (4.1%)   | (2.5%)  | 15.3% | 38.1% |
| AMEX Sector Index - Healthcare                       | 102.4            | (24.3%)  | (14.9%) | 15.7% | 5.8%  |
| S&P Healthcare Facilities (Sub Ind) Index            | 325.3            | 8.4%     | 9.6%    | 13.8% | 44.5% |
| S&P Healthcare Providers & Services (Industry) Index | 484.7            | 5.9%     | 8.4%    | 21.4% | 63.0% |
| S&P Managed Healthcare (Sub Ind) Index               | 290.0            | 21.3%    | 20.7%   | 36.3% | 67.9% |
| S&P Healthcare Services                              | 346.8            | (5.7%)   | (8.4%)  | 12.0% | 28.9% |

Source: Capital IQ

### Median % Change — 3 months

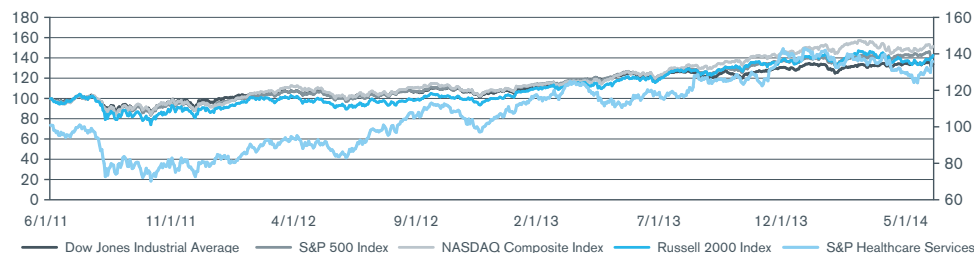


Source: Capital IQ

| INTEREST RATES           | Value at 5/31/14 | 1 mo ago | 3 mo ago | 12 mo ago |
|--------------------------|------------------|----------|----------|-----------|
| LIBOR - USD - 5 Month    | 0.00%            | 0.00%    | 0.00%    | 0.37%     |
| U.S. Treasury - 2 years  | 0.34%            | 0.42%    | 0.33%    | 0.31%     |
| U.S. Treasury - 5 years  | 1.51%            | 1.68%    | 1.51%    | 1.05%     |
| U.S. Treasury - 10 years | 2.46%            | 2.65%    | 2.66%    | 2.16%     |
| U.S. Treasury - 30 years | 3.31%            | 3.46%    | 3.59%    | 3.59%     |
| 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<br>5/31/14 | % Change      |               | 52-Week |         | Market<br>Cap | Ent Val<br>(TEV) | LTM       |         | EPS      |          | LTM Multiples |              | Earnings Ratio |              | PEG<br>Ratio<br>2014E |
|--------------------------------|--------|------------------|---------------|---------------|---------|---------|---------------|------------------|-----------|---------|----------|----------|---------------|--------------|----------------|--------------|-----------------------|
|                                |        |                  | 3 mo          | 12 mo         | High    | Low     |               |                  | Rev       | EBITDA  | 2013     | 2014E    | Rev           | EBITDA       | LTM            | 2014E        |                       |
| <b>Acute Care Hospitals</b>    |        |                  |               |               |         |         |               |                  |           |         |          |          |               |              |                |              |                       |
| Chindex International Inc.     | CHDX   | \$23.68          | 23.0%         | 46.2%         | \$23.99 | \$14.48 | \$420         | \$421            | \$183.4   | \$12.7  | (\$0.36) | NM       | 2.30x         | 33.2x        | NM             | NM           | NM                    |
| Community Health Systems, Inc. | CYH    | 41.77            | 0.6%          | (13.3%)       | 51.29   | 34.55   | 4,814         | 22,045           | 13,918.7  | 1,705.9 | 1.51     | 2.79     | 1.58x         | 12.9x        | NM             | 15.0x        | 1.26x                 |
| HCA Holdings, Inc.             | HCA    | 52.99            | 3.5%          | 35.7%         | 54.00   | 35.20   | 22,767        | 52,403           | 34,574.0  | 6,607.0 | 3.37     | 3.70     | 1.52x         | 7.9x         | 15.6x          | 14.3x        | 1.25x                 |
| Lifepoint Hospitals Inc.       | LPNT   | 61.24            | 12.9%         | 23.1%         | 63.07   | 43.97   | 2,724         | 4,670            | 3,754.4   | 489.7   | 2.68     | 2.70     | 1.24x         | 9.5x         | 22.1x          | 22.7x        | 2.42x                 |
| Tenet Healthcare Corp.         | THC    | 47.00            | 6.5%          | (0.8%)        | 48.70   | 36.87   | 4,590         | 16,076           | 12,641.0  | 1,455.0 | (1.21)   | 1.20     | 1.27x         | 11.0x        | NM             | 39.1x        | 2.27x                 |
| Universal Health Services Inc. | UHS    | 89.57            | 11.6%         | 29.5%         | 90.66   | 63.51   | 8,848         | 12,345           | 7,372.4   | 1,393.3 | 5.14     | 5.11     | 1.67x         | 8.9x         | 16.9x          | 17.5x        | 1.71x                 |
| <b>Median</b>                  |        |                  | <b>9.0%</b>   | <b>26.3%</b>  |         |         |               |                  |           |         |          |          | <b>1.55x</b>  | <b>10.3x</b> | <b>16.9x</b>   | <b>17.5x</b> | <b>1.71x</b>          |
| <b>Assisted Living</b>         |        |                  |               |               |         |         |               |                  |           |         |          |          |               |              |                |              |                       |
| AdCare Health Systems Inc.     | ADK    | \$4.11           | (5.3%)        | (10.3%)       | \$4.98  | \$3.62  | \$72          | \$217            | \$223.1   | \$13.4  | (\$0.79) | (\$0.33) | 0.97x         | 16.1x        | NM             | NM           | NM                    |
| Brookdale Senior Living Inc.   | BKD    | 33.26            | (0.8%)        | 17.3%         | 34.80   | 24.42   | 4,151         | 6,740            | 2,571.9   | 436.2   | (0.03)   | 0.18     | 2.62x         | 15.5x        | NM             | NM           | NM                    |
| Capital Senior Living Corp.    | CSU    | 23.74            | (6.6%)        | (9.6%)        | 26.89   | 19.87   | 689           | 1,205            | 349.2     | 53.4    | (0.58)   | 0.18     | 3.45x         | 22.6x        | NM             | NM           | NM                    |
| Emeritus Corp.                 | ESC    | 31.28            | (0.8%)        | 23.1%         | 32.57   | 18.15   | 1,533         | 5,463            | 1,980.7   | 347.5   | (3.04)   | 2.18     | 2.76x         | 15.7x        | NM             | 14.3x        | 0.67x                 |
| Five Star Quality Care Inc.    | FVE    | 5.28             | (8.8%)        | 2.9%          | 6.20    | 4.41    | 257           | 271              | 1,086.7   | 42.0    | 0.17     | 0.25     | 0.25x         | 6.5x         | 32.0x          | 21.1x        | 1.48x                 |
| Skilled Healthcare Group, Inc. | SKH    | 6.61             | 37.4%         | (6.8%)        | 7.48    | 4.08    | 262           | 677              | 834.5     | 64.4    | (0.16)   | 0.27     | 0.81x         | 10.5x        | NM             | 24.2x        | 1.14x                 |
| <b>Median</b>                  |        |                  | <b>(3.1%)</b> | <b>(1.9%)</b> |         |         |               |                  |           |         |          |          | <b>1.80x</b>  | <b>15.6x</b> | <b>32.0x</b>   | <b>21.1x</b> | <b>1.14x</b>          |
| <b>Care Management / TPA</b>   |        |                  |               |               |         |         |               |                  |           |         |          |          |               |              |                |              |                       |
| Alere Inc.                     | ALR    | \$35.77          | (2.6%)        | 39.8%         | \$39.90 | \$24.00 | \$2,954       | \$6,964          | \$3,006.8 | \$602.5 | (\$1.13) | \$2.56   | 2.32x         | 11.6x        | NM             | 14.0x        | 1.12x                 |
| CorVel Corporation             | CRVL   | 47.22            | 2.6%          | 81.9%         | 53.35   | 25.72   | 988           | 953              | 478.8     | 72.8    | 1.57     | NM       | 1.99x         | 13.1x        | 29.3x          | NM           | NM                    |
| Crawford & Company             | CRD.B  | 9.80             | 15.7%         | 44.1%         | 12.22   | 5.62    | 488           | 632              | 1,152.5   | 106.0   | 0.92     | 0.87     | 0.55x         | 6.0x         | 11.4x          | 11.3x        | 1.13x                 |
| ExamWorks Group, Inc.          | EXAM   | 29.62            | (18.6%)       | 58.7%         | 38.61   | 18.39   | 1,152         | 1,552            | 640.3     | 81.1    | (0.29)   | 0.18     | 2.42x         | 19.1x        | NM             | NM           | NM                    |
| Healthways Inc.                | HWAY   | 17.23            | 15.2%         | 28.1%         | 22.20   | 9.59    | 608           | 869              | 674.9     | 29.6    | (0.25)   | 0.20     | 1.29x         | 29.4x        | NM             | NM           | NM                    |
| Hooper Holmes Inc.             | HH     | 0.70             | 28.2%         | 67.8%         | 0.77    | 0.31    | 50            | 47               | 49.4      | (6.1)   | (0.15)   | NM       | 0.95x         | NM           | NM             | NM           | NM                    |
| MAXIMUS, Inc.                  | MMS    | 44.68            | (6.5%)        | 19.7%         | 50.55   | 34.65   | 3,025         | 2,895            | 1,564.3   | 253.9   | 1.85     | 2.13     | 1.85x         | 11.4x        | 22.5x          | 20.9x        | 1.00x                 |
| <b>Median</b>                  |        |                  | <b>2.6%</b>   | <b>44.1%</b>  |         |         |               |                  |           |         |          |          | <b>1.85x</b>  | <b>12.3x</b> | <b>22.5x</b>   | <b>14.0x</b> | <b>1.12x</b>          |

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

| Company Name                                   | Ticker | Price<br>5/31/14 | % Change      |              | 52-Week |         | Market<br>Cap | Ent Val<br>(TEV) | LTM        |           | EPS      |        | LTM Multiples |              | Earnings Ratio |              | PEG<br>Ratio<br>2014E |  |
|--|--------|------------------|---------------|--------------|---------|---------|---------------|------------------|------------|-----------|----------|--------|---------------|--------------|----------------|--------------|-----------------------|--|
|  |        |                  | 3 mo          | 12 mo        | High    | Low     |               |                  | Rev        | EBITDA    | 2013     | 2014E  | Rev           | EBITDA       | LTM            | 2014E        |                       |  |
| <b>Clinical Laboratories</b>                   |        |                  |               |              |         |         |               |                  |            |           |          |        |               |              |                |              |                       |  |
| Bio-Reference Laboratories Inc.                | BRLI   | \$26.76          | 5.9%          | (13.3%)      | \$37.97 | \$24.13 | \$742         | \$780            | \$735.4    | \$93.1    | \$1.45   | \$1.89 | 1.06x         | 8.4x         | 18.5x          | 14.1x        | 0.94x                 |  |
| Laboratory Corp. of America Holdings           | LH     | 102.58           | 9.7%          | 3.1%         | 108.00  | 87.01   | 8,699         | 11,387           | 5,798.1    | 1,150.1   | 6.25     | 6.67   | 1.96x         | 9.9x         | 17.1x          | 15.4x        | 1.79x                 |  |
| Psychemedics Corp.                             | PMD    | 15.23            | (14.5%)       | 36.5%        | 18.76   | 10.55   | 81            | 80               | 27.5       | 6.4       | 0.72     | 0.44   | 2.91x         | 12.5x        | 21.8x          | 34.6x        | NM                    |  |
| Quest Diagnostics Inc.                         | DGX    | 59.89            | 13.0%         | (3.2%)       | 64.10   | 50.46   | 8,653         | 12,515           | 7,105.0    | 1,402.0   | 5.31     | 4.02   | 1.76x         | 8.9x         | 11.2x          | 14.9x        | 1.54x                 |  |
| Sonic Healthcare Limited                       | SHL    | 16.48            | 6.1%          | 20.7%        | 17.06   | 12.68   | 6,603         | 8,422            | 3,296.0    | 600.5     | 0.81     | 0.96   | 2.56x         | 14.0x        | 19.6x          | 17.1x        | 1.62x                 |  |
| <b>Median</b>                                  |        |                  | <b>6.1%</b>   | <b>3.1%</b>  |         |         |               |                  |            |           |          |        | <b>1.96x</b>  | <b>9.9x</b>  | <b>18.5x</b>   | <b>15.4x</b> | <b>1.58x</b>          |  |
| <b>Contract Research Orgs</b>                  |        |                  |               |              |         |         |               |                  |            |           |          |        |               |              |                |              |                       |  |
| Albany Molecular Research Inc.                 | AMRI   | \$15.79          | 1.2%          | 43.5%        | \$20.55 | \$9.71  | \$511         | \$470            | \$246.5    | \$42.3    | \$0.40   | \$0.82 | 1.91x         | 11.1x        | NM             | 19.3x        | NM                    |  |
| Charles River Laboratories International, Inc. | CRL    | 53.58            | (9.8%)        | 23.7%        | 62.50   | 40.55   | 2,592         | 3,076            | 1,173.7    | 256.5     | 2.15     | 3.20   | 2.62x         | 12.0x        | 23.4x          | 16.7x        | 1.73x                 |  |
| Covance Inc.                                   | CVD    | 83.86            | (19.0%)       | 12.4%        | 106.50  | 71.84   | 4,815         | 4,405            | 2,442.2    | 381.5     | 3.15     | 3.83   | 1.80x         | 11.5x        | 26.4x          | 21.9x        | 1.43x                 |  |
| ICON Public Limited Company                    | ICLR   | 42.27            | (9.8%)        | 23.1%        | 50.00   | 33.44   | 2,622         | 2,258            | 1,368.9    | 192.4     | 1.65     | 2.37   | 1.65x         | 11.7x        | 22.1x          | 17.8x        | 1.05x                 |  |
| PAREXEL International Corporation              | PRXL   | 50.45            | (5.8%)        | 10.4%        | 57.25   | 37.53   | 2,869         | 2,868            | 1,891.9    | 261.5     | 1.97     | 2.31   | 1.52x         | 11.0x        | 24.4x          | 21.8x        | 1.27x                 |  |
| Quintiles Transnational Holdings Inc.          | Q      | 50.98            | (5.9%)        | 15.8%        | 55.00   | 40.10   | 6,635         | 7,963            | 3,886.2    | 586.8     | 1.77     | 2.54   | 2.05x         | 13.6x        | 25.0x          | 20.1x        | 1.56x                 |  |
| <b>Median</b>                                  |        |                  | <b>(7.8%)</b> | <b>19.4%</b> |         |         |               |                  |            |           |          |        | <b>1.85x</b>  | <b>11.6x</b> | <b>24.4x</b>   | <b>19.7x</b> | <b>1.43x</b>          |  |
| <b>Diagnostic Imaging</b>                      |        |                  |               |              |         |         |               |                  |            |           |          |        |               |              |                |              |                       |  |
| Alliance Healthcare Services, Inc.             | AIQ    | \$29.92          | (0.7%)        | 84.6%        | \$35.40 | \$14.95 | \$315         | \$844            | \$443.8    | \$135.7   | (\$2.02) | NM     | 1.90x         | 6.2x         | NM             | NM           | NM                    |  |
| American Shared Hospital Services              | AMS    | 2.41             | (20.8%)       | 17.8%        | 3.46    | 1.90    | 11            | 54               | 17.0       | 9.0       | (0.07)   | NM     | 3.17x         | 6.0x         | NM             | NM           | NM                    |  |
| RadNet, Inc.                                   | RDNT   | 6.36             | 227.8%        | 144.6%       | 6.80    | 1.50    | 266           | 893              | 698.9      | 104.8     | 0.05     | 0.19   | 1.28x         | 8.5x         | NM             | 34.4x        | NM                    |  |
| <b>Median</b>                                  |        |                  | <b>(0.7%)</b> | <b>84.6%</b> |         |         |               |                  |            |           |          |        | <b>1.90x</b>  | <b>6.2x</b>  | <b>NM</b>      | <b>34.4x</b> | <b>NM</b>             |  |
| <b>Dialysis Services</b>                       |        |                  |               |              |         |         |               |                  |            |           |          |        |               |              |                |              |                       |  |
| DaVita HealthCare Partners Inc.                | DVA    | \$70.59          | 2.7%          | 13.8%        | \$70.71 | \$52.75 | \$15,120      | \$23,239         | \$11,970.8 | \$2,376.9 | \$2.89   | \$3.66 | 1.94x         | 9.8x         | 19.3x          | 19.3x        | 1.53x                 |  |
| Fresenius Medical Care AG & Co. KGAA           | FME    | 66.37            | (3.1%)        | (2.2%)       | 75.01   | 63.53   | 20,015        | 28,851           | 14,993.5   | 2,824.6   | 3.65     | 3.56   | 1.92x         | 10.2x        | 18.6x          | 18.7x        | 2.12x                 |  |
| <b>Median</b>                                  |        |                  | <b>(0.2%)</b> | <b>5.8%</b>  |         |         |               |                  |            |           |          |        | <b>1.93x</b>  | <b>10.0x</b> | <b>19.0x</b>   | <b>19.0x</b> | <b>1.83x</b>          |  |

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

| Company Name                          | Ticker | Price<br>5/31/14 | % Change       |              | 52-Week |         | Market<br>Cap | Ent Val<br>(TEV) | LTM       |         | EPS    |        | LTM Multiples |              | Earnings Ratio |              | PEG<br>Ratio<br>2014E |
|---------------------------------------|--------|------------------|----------------|--------------|---------|---------|---------------|------------------|-----------|---------|--------|--------|---------------|--------------|----------------|--------------|-----------------------|
|                                       |        |                  | 3 mo           | 12 mo        | High    | Low     |               |                  | Rev       | EBITDA  | 2013   | 2014E  | Rev           | EBITDA       | LTM            | 2014E        |                       |
| <b>Distribution / Supply</b>          |        |                  |                |              |         |         |               |                  |           |         |        |        |               |              |                |              |                       |
| Aceto Corp.                           | ACET   | \$17.43          | (4.7%)         | 36.9%        | \$25.25 | \$12.40 | \$501         | \$487            | \$493.7   | \$52.8  | \$1.11 | \$1.05 | 0.99x         | 9.2x         | 17.2x          | 16.6x        | NM                    |
| AmerisourceBergen Corporation         | ABC    | 73.18            | 7.9%           | 35.3%        | 73.57   | 52.38   | 16,527        | 17,227           | 104,008.0 | 1,091.6 | 1.57   | 3.81   | 0.17x         | 15.8x        | NM             | 19.2x        | 1.33x                 |
| Cardinal Health, Inc.                 | CAH    | 70.63            | (1.3%)         | 50.4%        | 74.40   | 45.59   | 24,028        | 24,907           | 93,610.0  | 2,538.0 | 1.08   | 3.94   | 0.27x         | 9.8x         | NM             | 17.9x        | 1.97x                 |
| Henry Schein, Inc.                    | HSIC   | 119.65           | 0.5%           | 24.3%        | 120.99  | 92.86   | 10,214        | 11,362           | 9,697.3   | 812.5   | 4.93   | 5.38   | 1.17x         | 14.0x        | 23.5x          | 22.2x        | 1.98x                 |
| McKesson Corporation                  | MCK    | 189.64           | 7.1%           | 66.6%        | 189.74  | 109.82  | 43,727        | 52,050           | 137,609.0 | 3,176.0 | 5.33   | 10.25  | 0.38x         | 16.4x        | 32.5x          | 18.5x        | 1.27x                 |
| Owens & Minor Inc.                    | OMI    | 34.68            | (0.1%)         | 1.5%         | 38.55   | 31.71   | 2,188         | 2,222            | 9,081.5   | 242.5   | 1.76   | 1.97   | 0.24x         | 9.2x         | 19.8x          | 17.6x        | 1.96x                 |
| Patterson Companies, Inc.             | PDCO   | 39.16            | (4.9%)         | 0.2%         | 44.39   | 36.59   | 4,070         | 4,489            | 4,063.7   | 395.7   | 2.04   | 2.23   | 1.10x         | 11.3x        | 19.9x          | 17.6x        | 1.55x                 |
| <b>Median</b>                         |        |                  | <b>(0.1%)</b>  | <b>35.3%</b> |         |         |               |                  |           |         |        |        | <b>0.38x</b>  | <b>11.3x</b> | <b>19.9x</b>   | <b>17.9x</b> | <b>1.75x</b>          |
| <b>Emergency Services</b>             |        |                  |                |              |         |         |               |                  |           |         |        |        |               |              |                |              |                       |
| Air Methods Corp.                     | AIRM   | \$48.20          | (10.8%)        | 28.7%        | \$59.07 | \$32.24 | \$1,887       | \$2,587          | \$925.5   | \$230.0 | \$1.54 | \$2.60 | 2.80x         | 11.2x        | 24.6x          | 18.5x        | 0.93x                 |
| InfuSystem Holdings, Inc.             | INFU   | 2.80             | 6.1%           | 78.3%        | 3.05    | 1.27    | 63            | 89               | 57.8      | 14.8    | 0.08   | 0.18   | 1.54x         | 6.0x         | 27.9x          | 15.6x        | NM                    |
| <b>Median</b>                         |        |                  | <b>(2.4%)</b>  | <b>53.5%</b> |         |         |               |                  |           |         |        |        | <b>2.17x</b>  | <b>8.6x</b>  | <b>26.2x</b>   | <b>17.0x</b> | <b>0.93x</b>          |
| <b>HCIT - Provider Based</b>          |        |                  |                |              |         |         |               |                  |           |         |        |        |               |              |                |              |                       |
| Accretive Health, Inc.                | ACHI   | \$7.49           | (9.5%)         | (34.2%)      | \$11.54 | \$6.92  | \$729         | -                | \$973.6   | \$28.7  | \$0.43 | \$0.41 | -             | NM           | 44.2x          | 18.5x        | NM                    |
| The Advisory Board Company            | ABCO   | 48.39            | (24.5%)        | (8.4%)       | 70.55   | 46.58   | 1,771         | 1,745            | 520.6     | 62.8    | 0.59   | 1.24   | 3.35x         | 27.8x        | NM             | 39.0x        | 2.58x                 |
| Allscripts Healthcare Solutions, Inc. | MDRX   | 14.74            | (20.6%)        | 6.3%         | 19.68   | 12.54   | 2,646         | 3,153            | 1,366.3   | 13.3    | (0.59) | 0.38   | 2.31x         | NM           | NM             | 38.4x        | 1.60x                 |
| athenahealth, Inc.                    | ATHN   | 126.91           | (34.5%)        | 50.1%        | 206.70  | 82.01   | 4,803         | 4,897            | 632.4     | 58.4    | 0.07   | 1.06   | 7.74x         | 83.9x        | NM             | NM           | NM                    |
| Cerner Corporation                    | CERN   | 54.05            | (11.9%)        | 10.1%        | 63.07   | 45.81   | 18,559        | 17,688           | 2,939.3   | 774.0   | 1.13   | 1.65   | 6.02x         | 22.9x        | 46.6x          | 32.7x        | 1.97x                 |
| Computer Programs & Systems Inc.      | CPSI   | 63.58            | (7.1%)         | 27.0%        | 71.89   | 47.23   | 710           | 681              | 203.4     | 55.6    | 2.95   | 3.24   | 3.35x         | 12.2x        | 21.1x          | 19.6x        | 1.83x                 |
| MedAssets, Inc.                       | MDAS   | 23.42            | (3.6%)         | 42.8%        | 26.58   | 16.31   | 1,428         | 2,204            | 678.4     | 202.1   | 0.45   | 1.37   | 3.25x         | 10.9x        | NM             | 17.1x        | 1.40x                 |
| Merge Healthcare Incorporated         | MRGE   | 2.21             | (12.0%)        | (33.0%)      | 4.71    | 1.97    | 210           | 419              | 218.9     | 25.5    | (0.42) | (0.05) | 1.91x         | 16.5x        | NM             | NM           | NM                    |
| Quality Systems Inc.                  | QSII   | 15.57            | (10.8%)        | (12.9%)      | 24.15   | 14.10   | 938           | 824              | 444.7     | 61.8    | 0.10   | 0.60   | 1.85x         | 13.3x        | NM             | 26.1x        | 2.01x                 |
| <b>Median</b>                         |        |                  | <b>(11.9%)</b> | <b>6.3%</b>  |         |         |               |                  |           |         |        |        | <b>3.25x</b>  | <b>16.5x</b> | <b>44.2x</b>   | <b>26.1x</b> | <b>1.90x</b>          |

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

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(\$ in millions, except per share amounts)

| Company Name                       | Ticker | Price<br>5/31/14 | % Change       |              | 52-Week |         | Market<br>Cap | Ent Val<br>(TEV) | LTM       |        | EPS      |          | LTM Multiples |              | Earnings Ratio |              | PEG<br>Ratio<br>2014E |
|------------------------------------|--------|------------------|----------------|--------------|---------|---------|---------------|------------------|-----------|--------|----------|----------|---------------|--------------|----------------|--------------|-----------------------|
|                                    |        |                  | 3 mo           | 12 mo        | High    | Low     |               |                  | Rev       | EBITDA | 2013     | 2014E    | Rev           | EBITDA       | LTM            | 2014E        |                       |
| <b>HCIT - Specialty</b>            |        |                  |                |              |         |         |               |                  |           |        |          |          |               |              |                |              |                       |
| BioTelemetry, Inc.                 | BEAT   | \$7.34           | (34.7%)        | 163.1%       | \$11.98 | \$2.76  | \$194         | \$193            | \$126.6   | \$13.3 | (\$0.29) | (\$0.10) | 1.52x         | 14.5x        | NM             | NM           | NM                    |
| Castlight Health, Inc.             | CSLT   | 15.18            | NM             | NM           | 41.95   | 10.05   | 1,359         | 1,139            | 19.4      | (74.3) | (0.84)   | (0.98)   | 58.59x        | NM           | NM             | NM           | NM                    |
| Care.com, Inc.                     | CRCM   | 10.74            | (42.0%)        | NM           | 29.25   | 9.66    | 333           | 214              | 88.6      | (26.7) | (9.45)   | (1.31)   | 2.42x         | NM           | NM             | NM           | NM                    |
| Everyday Health, Inc.              | EVDY   | 17.78            | NM             | NM           | 18.07   | 11.84   | 535           | 751              | 162.9     | 13.8   | (0.89)   | 0.41     | 4.61x         | 54.5x        | NM             | 43.9x        | NM                    |
| Healthstream Inc.                  | HSTM   | 25.73            | (10.7%)        | (3.9%)       | 39.77   | 20.76   | 709           | 607              | 141.0     | 23.9   | 0.30     | 0.29     | 4.31x         | 25.4x        | NM             | 89.3x        | 4.70x                 |
| HMS Holdings Corp.                 | HMSY   | 18.80            | (8.1%)         | (24.5%)      | 26.77   | 15.10   | 1,648         | 1,770            | 479.9     | 120.0  | 0.45     | 0.56     | 3.69x         | 14.7x        | 45.8x          | 33.8x        | 3.65x                 |
| IMS Health Holdings, Inc.          | IMS    | 24.22            | NM             | NM           | 25.49   | 21.63   | 8,039         | 12,474           | 2,576.0   | 697.0  | 0.51     | 1.37     | 4.84x         | 17.9x        | NM             | 17.7x        | 1.49x                 |
| Medidata Solutions, Inc.           | MDSO   | 38.67            | (39.7%)        | 12.1%        | 68.21   | 32.10   | 2,092         | 2,103            | 290.2     | 25.7   | 0.31     | 0.75     | 7.25x         | 81.7x        | NM             | 51.6x        | 2.57x                 |
| Omnicell, Inc.                     | OMCL   | 26.53            | (7.8%)         | 46.3%        | 30.33   | 18.21   | 971           | 864              | 395.2     | 56.7   | 0.67     | 1.22     | 2.19x         | 15.2x        | 36.0x          | 21.7x        | 1.27x                 |
| Streamline Health Solutions, Inc.  | STRM   | 5.09             | (18.8%)        | (24.6%)      | 8.50    | 4.61    | 88            | 104              | 28.7      | 0.6    | (0.91)   | (0.12)   | 3.64x         | NM           | NM             | NM           | NM                    |
| Veeva Systems Inc.                 | VEEV   | 20.96            | (40.6%)        | NM           | 49.00   | 17.11   | 2,666         | 2,320            | 234.1     | 45.7   | 0.15     | 0.26     | 9.91x         | 50.7x        | NM             | 80.6x        | 2.53x                 |
| WebMD Health Corp.                 | WBMD   | 42.80            | (3.6%)         | 45.0%        | 51.41   | 25.18   | 1,615         | 1,789            | 536.4     | 86.8   | 0.31     | 0.86     | 3.34x         | 20.6x        | NM             | 49.7x        | 4.97x                 |
| <b>Median</b>                      |        |                  | <b>(18.8%)</b> | <b>12.1%</b> |         |         |               |                  |           |        |          |          | <b>4.00x</b>  | <b>20.6x</b> | <b>40.9x</b>   | <b>46.8x</b> | <b>2.57x</b>          |
| <b>Healthcare Staffing</b>         |        |                  |                |              |         |         |               |                  |           |        |          |          |               |              |                |              |                       |
| AMN Healthcare Services Inc.       | AHS    | \$11.20          | (19.6%)        | (16.4%)      | \$16.20 | \$10.35 | \$521         | \$670            | \$1,000.6 | \$79.3 | \$0.69   | \$0.69   | 0.67x         | 8.4x         | 16.2x          | 16.3x        | 1.02x                 |
| Cross Country Healthcare, Inc.     | CCRN   | 5.77             | (44.5%)        | 10.7%        | 11.54   | 4.83    | 180           | 192              | 446.1     | 5.4    | (1.75)   | 0.08     | 0.43x         | NM           | NM             | NM           | NM                    |
| Envision Healthcare Holdings, Inc. | EVHC   | 34.48            | 2.4%           | NM           | 36.80   | 24.50   | 6,245         | 7,971            | 3,854.2   | 446.9  | 0.04     | 1.12     | 2.07x         | 17.8x        | NM             | 30.7x        | 1.58x                 |
| IPC The Hospitalist Company, Inc.  | IPCM   | 43.65            | (15.0%)        | (10.5%)      | 63.70   | 39.66   | 748           | 810              | 629.2     | 67.2   | 2.39     | 2.40     | 1.29x         | 12.0x        | 18.5x          | 18.2x        | 1.11x                 |
| On Assignment Inc.                 | ASGN   | 35.25            | 2.5%           | 35.4%        | 39.86   | 24.81   | 1,915         | 2,285            | 1,692.2   | 158.8  | 1.00     | 1.47     | 1.35x         | 14.4x        | 33.0x          | 24.0x        | 1.78x                 |
| Team Health Holdings, Inc.         | TMH    | 50.77            | 12.8%          | 29.9%        | 50.84   | 36.41   | 3,566         | 4,008            | 2,449.3   | 248.0  | 1.24     | 2.19     | 1.64x         | 16.2x        | 38.8x          | 23.2x        | 1.34x                 |
| <b>Median</b>                      |        |                  | <b>(6.3%)</b>  | <b>10.7%</b> |         |         |               |                  |           |        |          |          | <b>1.32x</b>  | <b>14.4x</b> | <b>25.7x</b>   | <b>23.2x</b> | <b>1.34x</b>          |
| <b>Home Care / Hospice</b>         |        |                  |                |              |         |         |               |                  |           |        |          |          |               |              |                |              |                       |
| Addus HomeCare Corporation         | ADUS   | \$22.76          | (20.9%)        | 26.5%        | \$32.40 | \$16.62 | \$248         | \$231            | \$274.6   | \$17.6 | \$1.01   | \$1.07   | 0.84x         | 13.1x        | 23.5x          | 21.4x        | 1.42x                 |
| Almost Family Inc.                 | AFAM   | 20.54            | (25.1%)        | 3.9%         | 33.97   | 17.66   | 194           | 242              | 392.4     | 14.9   | 0.91     | 1.42     | 0.62x         | 16.2x        | 29.7x          | 14.5x        | NM                    |
| Amedisys Inc.                      | AMED   | 14.55            | (14.2%)        | 18.1%        | 18.70   | 9.51    | 477           | 518              | 1,202.6   | 31.1   | (2.98)   | 0.06     | 0.43x         | 16.7x        | NM             | NM           | NM                    |
| Chemed Corp.                       | CHE    | 88.08            | 4.1%           | 25.8%        | 92.43   | 64.16   | 1,545         | 1,691            | 1,405.0   | 183.0  | 4.16     | 5.85     | 1.20x         | 9.2x         | 21.5x          | 15.0x        | 1.00x                 |
| Gentiva Health Services Inc.       | GTIV   | 13.63            | 27.3%          | 27.9%        | 14.50   | 7.35    | 502           | 1,609            | 1,798.6   | 128.6  | (18.75)  | 0.90     | 0.89x         | 12.5x        | NM             | 15.1x        | 1.96x                 |
| LHC Group, Inc.                    | LHCG   | 20.37            | (13.5%)        | (7.4%)       | 26.90   | 19.06   | 362           | 444              | 646.6     | 51.9   | 1.30     | 1.22     | 0.69x         | 8.6x         | 17.4x          | 16.7x        | 2.01x                 |
| <b>Median</b>                      |        |                  | <b>(13.9%)</b> | <b>21.9%</b> |         |         |               |                  |           |        |          |          | <b>0.76x</b>  | <b>12.8x</b> | <b>22.5x</b>   | <b>15.1x</b> | <b>1.69x</b>          |

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

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(\$ in millions, except per share amounts)

| Company Name                         | Ticker | Price<br>5/31/14 | % Change     |              | 52-Week |         | Market<br>Cap | Ent Val<br>(TEV) | LTM        |           | EPS      |        | LTM Multiples |             | Earnings Ratio |              | PEG<br>Ratio<br>2014E |
|--------------------------------------|--------|------------------|--------------|--------------|---------|---------|---------------|------------------|------------|-----------|----------|--------|---------------|-------------|----------------|--------------|-----------------------|
|                                      |        |                  | 3 mo         | 12 mo        | High    | Low     |               |                  | Rev        | EBITDA    | 2013     | 2014E  | Rev           | EBITDA      | LTM            | 2014E        |                       |
| <b>Long Term Care</b>                |        |                  |              |              |         |         |               |                  |            |           |          |        |               |             |                |              |                       |
| Diversicare Healthcare Services Inc. | DVCR   | \$6.56           | 19.5%        | 42.6%        | \$7.38  | \$4.45  | \$40          | \$103            | \$302.0    | \$5.9     | (\$1.00) | NM     | 0.34x         | 17.5x       | NM             | NM           | NM                    |
| Kindred Healthcare Inc.              | KND    | 24.82            | 14.6%        | 83.9%        | 26.72   | 12.50   | 1,360         | 2,926            | 4,924.4    | 295.8     | (0.93)   | 1.16   | 0.59x         | 9.9x        | NM             | 21.4x        | 1.45x                 |
| National Healthcare Corp.            | NHC    | 54.00            | 4.9%         | 13.7%        | 58.15   | 45.30   | 767           | 789              | 807.4      | 110.6     | 3.87     | NM     | 0.98x         | 7.1x        | 14.1x          | NM           | NM                    |
| The Ensign Group, Inc.               | ENSG   | 46.90            | 18.4%        | 30.0%        | 47.72   | 34.74   | 1,042         | 1,240            | 926.0      | 129.6     | 1.16     | 2.74   | 1.34x         | 9.6x        | 21.2x          | 17.1x        | 1.14x                 |
| <b>Median</b>                        |        |                  | <b>16.5%</b> | <b>36.3%</b> |         |         |               |                  |            |           |          |        | <b>0.79x</b>  | <b>9.7x</b> | <b>17.6x</b>   | <b>19.3x</b> | <b>1.30x</b>          |
| <b>Managed Care - Commercial</b>     |        |                  |              |              |         |         |               |                  |            |           |          |        |               |             |                |              |                       |
| Aetna Inc.                           | AET    | \$77.55          | 6.7%         | 28.4%        | \$77.84 | \$57.72 | \$27,716      | \$34,815         | \$51,745.8 | \$4,634.4 | \$5.33   | \$6.51 | 0.67x         | 7.5x        | 13.7x          | 11.9x        | 1.23x                 |
| Cigna Corp.                          | CI     | 89.78            | 12.8%        | 32.2%        | 90.63   | 65.54   | 24,119        | 27,188           | 32,661.0   | 2,924.0   | 5.18     | 7.32   | 0.83x         | 9.3x        | 13.0x          | 12.3x        | 1.16x                 |
| Health Net, Inc.                     | HNT    | 39.98            | 17.4%        | 25.4%        | 40.54   | 25.40   | 3,207         | 2,969            | 11,295.6   | 325.5     | 2.12     | 2.32   | 0.26x         | 9.1x        | 21.5x          | 17.2x        | 0.76x                 |
| Humana Inc.                          | HUM    | 124.46           | 10.7%        | 54.1%        | 126.44  | 78.55   | 19,264        | 20,467           | 42,539.0   | 2,276.0   | 7.73     | 7.80   | 0.48x         | 9.0x        | 17.5x          | 15.9x        | 1.68x                 |
| UnitedHealth Group Incorporated      | UNH    | 79.63            | 3.1%         | 27.1%        | 83.32   | 60.95   | 78,026        | 88,642           | 123,857.0  | 10,526.0  | 5.50     | 5.52   | 0.72x         | 8.4x        | 14.6x          | 14.4x        | 1.74x                 |
| Universal American Corp              | UAM    | 7.86             | 4.9%         | (13.8%)      | 11.13   | 6.60    | 680           | 713              | 2,106.0    | 26.0      | (2.20)   | 0.20   | 0.34x         | NM          | NM             | 38.9x        | (3.82x)               |
| WellPoint Inc.                       | WLP    | 108.36           | 19.6%        | 40.8%        | 110.03  | 75.02   | 30,305        | 44,699           | 71,306.9   | 5,002.1   | 8.67     | 8.56   | 0.63x         | 8.9x        | 13.3x          | 12.7x        | 1.61x                 |
| <b>Median</b>                        |        |                  | <b>10.7%</b> | <b>28.4%</b> |         |         |               |                  |            |           |          |        | <b>0.63x</b>  | <b>9.0x</b> | <b>14.1x</b>   | <b>14.4x</b> | <b>1.23x</b>          |
| <b>Managed Care - Government</b>     |        |                  |              |              |         |         |               |                  |            |           |          |        |               |             |                |              |                       |
| Centene Corp.                        | CNC    | \$74.52          | 17.0%        | 50.5%        | \$74.62 | \$47.80 | \$4,298       | \$4,028          | \$11,475.2 | \$398.8   | \$2.87   | \$3.71 | 0.35x         | 10.1x       | 24.8x          | 20.1x        | 0.82x                 |
| Molina Healthcare, Inc.              | MOH    | 43.09            | 14.4%        | 14.0%        | 43.91   | 31.10   | 1,994         | 1,709            | 6,881.1    | 172.7     | 0.96     | 2.02   | 0.25x         | 9.9x        | NM             | 21.3x        | 1.07x                 |
| WellCare Health Plans, Inc.          | WCG    | 77.45            | 25.3%        | 48.5%        | 78.37   | 50.55   | 3,398         | 2,339            | 10,257.0   | 353.1     | 3.98     | 4.26   | 0.23x         | 6.6x        | 17.3x          | 18.2x        | 2.22x                 |
| <b>Median</b>                        |        |                  | <b>17.0%</b> | <b>48.5%</b> |         |         |               |                  |            |           |          |        | <b>0.25x</b>  | <b>9.9x</b> | <b>21.0x</b>   | <b>20.1x</b> | <b>1.07x</b>          |

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

| Company Name                           | Ticker | Price<br>5/31/14 | % Change      |              | 52-Week |         | Market<br>Cap | Ent Val<br>(TEV) | LTM       |         | EPS      |          | LTM Multiples |              | Earnings Ratio |              | PEG<br>Ratio<br>2014E |
|--|--------|------------------|---------------|--------------|---------|---------|---------------|------------------|-----------|---------|----------|----------|---------------|--------------|----------------|--------------|-----------------------|
|  |        |                  | 3 mo          | 12 mo        | High    | Low     |               |                  | Rev       | EBITDA  | 2013     | 2014E    | Rev           | EBITDA       | LTM            | 2014E        |                       |
| <b>Other Services</b>                  |        |                  |               |              |         |         |               |                  |           |         |          |          |               |              |                |              |                       |
| Healthcare Services Group Inc.         | HCSG   | \$29.76          | 10.5%         | 31.2%        | \$30.58 | \$21.88 | \$2,091       | \$2,008          | \$1,188.2 | \$74.2  | \$0.67   | \$0.91   | 1.69x         | 27.1x        | 45.0x          | 32.7x        | 1.98x                 |
| PDI, Inc.                              | PDII   | 4.49             | (5.5%)        | 3.2%         | 6.25    | 4.08    | 69            | 28               | 140.7     | (6.7)   | (0.31)   | (0.43)   | 0.20x         | NM           | NM             | NM           | NM                    |
| Sharps Compliance Corp.                | SMED   | 3.93             | (18.1%)       | 28.9%        | 5.90    | 2.49    | 60            | 46               | 24.7      | 2.8     | (0.09)   | 0.07     | 1.84x         | 16.1x        | NM             | 58.7x        | 2.35x                 |
| Stericycle, Inc.                       | SRCL   | 114.37           | 0.3%          | 4.2%         | 121.61  | 105.50  | 9,686         | 11,030           | 2,199.0   | 654.7   | 3.56     | 4.24     | 5.02x         | 16.8x        | 31.6x          | 27.0x        | 1.70x                 |
| <b>Median</b>                          |        |                  | <b>(2.6%)</b> | <b>16.5%</b> |         |         |               |                  |           |         |          |          | <b>1.77x</b>  | <b>16.8x</b> | <b>38.3x</b>   | <b>32.7x</b> | <b>1.98x</b>          |
| <b>Pharmacy Management</b>             |        |                  |               |              |         |         |               |                  |           |         |          |          |               |              |                |              |                       |
| BioScrip Inc.                          | BIOS   | \$7.85           | 10.1%         | (43.8%)      | \$17.62 | \$5.61  | \$537         | \$947            | \$900.7   | \$24.3  | (\$0.83) | (\$0.09) | 1.05x         | 38.9x        | NM             | NM           | NM                    |
| Catamaran Corporation                  | CCT    | 43.99            | (2.2%)        | (10.5%)      | 56.11   | 37.32   | 9,100         | 9,882            | 16,474.9  | 725.3   | 1.27     | 2.19     | 0.60x         | 13.6x        | 32.6x          | 20.1x        | 0.82x                 |
| Express Scripts Holding Company        | ESRX   | 71.47            | (5.1%)        | 15.1%        | 79.37   | 59.20   | 55,245        | 67,186           | 101,763.9 | 6,412.8 | 2.31     | 4.87     | 0.66x         | 10.5x        | 31.2x          | 14.7x        | 1.03x                 |
| Omnicare Inc.                          | OCR    | 63.55            | 7.9%          | 38.1%        | 64.87   | 45.24   | 6,293         | 8,222            | 6,125.5   | 714.9   | 0.78     | 3.69     | 1.34x         | 11.5x        | NM             | 17.2x        | 1.41x                 |
| PharMerica Corporation                 | PMC    | 27.14            | 12.6%         | 73.9%        | 29.79   | 11.84   | 814           | 1,032            | 1,770.3   | 115.1   | 0.63     | 1.49     | 0.58x         | 9.0x         | NM             | 18.3x        | 1.90x                 |
| <b>Median</b>                          |        |                  | <b>7.9%</b>   | <b>15.1%</b> |         |         |               |                  |           |         |          |          | <b>0.66x</b>  | <b>11.5x</b> | <b>31.9x</b>   | <b>17.7x</b> | <b>1.22x</b>          |
| <b>Physician Practice Management</b>   |        |                  |               |              |         |         |               |                  |           |         |          |          |               |              |                |              |                       |
| Birner Dental Management Services Inc. | BDMS   | \$17.55          | (3.8%)        | (1.2%)       | \$22.40 | \$16.75 | \$33          | \$41             | \$64.3    | \$3.6   | \$0.05   | NM       | 0.64x         | 11.5x        | NM             | NM           | NM                    |
| MEDNAX, Inc.                           | MD     | 57.63            | (5.2%)        | 24.2%        | 64.51   | 43.57   | 5,728         | 5,948            | 2,217.6   | 505.9   | 2.78     | 3.16     | 2.68x         | 11.8x        | 20.2x          | 18.3x        | 1.39x                 |
| <b>Median</b>                          |        |                  | <b>(4.5%)</b> | <b>11.5%</b> |         |         |               |                  |           |         |          |          | <b>1.66x</b>  | <b>11.7x</b> | <b>20.2x</b>   | <b>18.3x</b> | <b>1.39x</b>          |
| <b>Psychiatric Hospitals</b>           |        |                  |               |              |         |         |               |                  |           |         |          |          |               |              |                |              |                       |
| Acadia Healthcare Company, Inc.        | ACHC   | \$42.64          | (13.8%)       | 27.7%        | \$53.87 | \$30.70 | \$2,165       | \$2,821          | \$753.6   | \$147.7 | \$0.86   | \$1.30   | NM            | 19.1x        | 41.0x          | 32.7x        | 1.82x                 |
| Magellan Health Services Inc.          | MGLN   | 60.89            | (0.4%)        | 11.7%        | 62.00   | 53.01   | 1,638         | 1,381            | 3,691.0   | 239.6   | 4.53     | 2.40     | 0.37x         | 5.8x         | 13.7x          | 25.4x        | 1.27x                 |
| Providence Service Corp.               | PRSC   | 40.20            | 51.2%         | 52.5%        | 43.35   | 23.91   | 561           | 586              | 1,130.6   | 55.3    | 1.41     | 1.63     | 0.52x         | 10.6x        | 29.5x          | 24.7x        | 1.49x                 |
| <b>Median</b>                          |        |                  | <b>(0.4%)</b> | <b>27.7%</b> |         |         |               |                  |           |         |          |          | <b>0.45x</b>  | <b>10.6x</b> | <b>29.5x</b>   | <b>25.4x</b> | <b>1.49x</b>          |

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



Healthcare Sector Update

(\$ in millions, except per share amounts)

| Company Name                         | Ticker | Price<br>5/31/14 | % Change    |              | 52-Week |         | Market<br>Cap | Ent Val<br>(TEV) | LTM       |           | EPS    |        | LTM Multiples |             | Earnings Ratio |              | PEG<br>Ratio<br>2014E |
|--------------------------------------|--------|------------------|-------------|--------------|---------|---------|---------------|------------------|-----------|-----------|--------|--------|---------------|-------------|----------------|--------------|-----------------------|
|                                      |        |                  | 3 mo        | 12 mo        | High    | Low     |               |                  | Rev       | EBITDA    | 2013   | 2014E  | Rev           | EBITDA      | LTM            | 2014E        |                       |
| <b>Specialty Managed Care</b>        |        |                  |             |              |         |         |               |                  |           |           |        |        |               |             |                |              |                       |
| Assurant Inc.                        | AIZ    | \$67.81          | 3.3%        | 36.3%        | \$69.26 | \$48.41 | \$4,858       | \$5,019          | \$9,345.4 | \$1,023.2 | \$6.30 | \$6.28 | 0.54x         | 4.9x        | 10.1x          | 10.8x        | 1.52x                 |
| Triple-S Management Corporation      | GTS    | 17.68            | 5.6%        | (16.5%)      | 23.70   | 14.70   | 482           | 486              | 2,374.5   | 79.7      | 2.01   | 1.32   | 0.20x         | 6.1x        | 10.7x          | 13.4x        | 1.61x                 |
| <b>Median</b>                        |        |                  | <b>4.4%</b> | <b>9.9%</b>  |         |         |               |                  |           |           |        |        | <b>0.37x</b>  | <b>5.5x</b> | <b>10.4x</b>   | <b>12.1x</b> | <b>1.57x</b>          |
| <b>Surgicenters / Rehabilitation</b> |        |                  |             |              |         |         |               |                  |           |           |        |        |               |             |                |              |                       |
| AmSurg Corp.                         | AMSG   | \$45.28          | 3.2%        | 27.4%        | \$49.84 | \$34.12 | \$1,440       | \$2,519          | \$1,084.3 | \$364.6   | \$2.27 | \$2.45 | 2.32x         | 6.9x        | 20.0x          | 18.5x        | 1.57x                 |
| Surgical Care Affiliates, Inc.       | SCAI   | 28.88            | (5.1%)      | NM           | 37.69   | 25.50   | 1,106         | 1,927            | 790.8     | 167.8     | (1.39) | 1.26   | 2.44x         | 11.5x       | NM             | 22.9x        | NM                    |
| Hanger, Inc.                         | HGR    | 30.38            | (14.3%)     | (4.8%)       | 40.71   | 28.47   | 1,045         | 1,551            | 1,052.7   | 166.5     | 1.80   | 2.03   | 1.47x         | 9.3x        | 17.9x          | 15.0x        | 1.36x                 |
| HEALTHSOUTH Corp.                    | HLS    | 35.12            | 7.5%        | 19.9%        | 37.01   | 27.51   | 3,094         | 4,777            | 2,265.7   | 557.0     | 2.59   | 1.90   | 2.11x         | 8.6x        | 13.5x          | 18.5x        | 2.03x                 |
| LCA-Vision Inc.                      | LCAV   | 5.37             | (1.3%)      | 66.3%        | 5.69    | 2.97    | 104           | 76               | 89.4      | (1.4)     | (0.07) | NM     | 0.85x         | NM          | NM             | NM           | NM                    |
| Select Medical Holdings Corporation  | SEM    | 15.15            | 35.1%       | 91.8%        | 15.28   | 7.66    | 1,982         | 3,652            | 2,949.2   | 362.2     | 0.82   | 0.94   | 1.24x         | 10.1x       | 18.7x          | 16.2x        | 1.29x                 |
| US Physical Therapy Inc.             | USPH   | 33.53            | 1.1%        | 19.3%        | 37.25   | 26.91   | 410           | 466              | 266.8     | 45.7      | 1.46   | 1.61   | 1.75x         | 10.2x       | 22.5x          | 20.9x        | 8.36x                 |
| <b>Median</b>                        |        |                  | <b>1.1%</b> | <b>23.7%</b> |         |         |               |                  |           |           |        |        | <b>1.75x</b>  | <b>9.7x</b> | <b>18.7x</b>   | <b>18.5x</b> | <b>1.57x</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 May 31, 2014

**MARKET SECTOR**

| MARKET SECTOR                 | No. of Cos. | Ag. Eqty Mkt. Value | Median % Change |              | LTM Multiples |              | Earnings Ratio |              | PEG Ratio 2014E |
|-------------------------------|-------------|---------------------|-----------------|--------------|---------------|--------------|----------------|--------------|-----------------|
|                               |             |                     | 3 mo            | 12 mo        | Rev           | EBITDA       | LTM            | 2014E        |                 |
| Biotechnology                 | 45          | \$473,332           | (14.4%)         | 14.1%        | 9.07x         | 21.9x        | 30.1x          | 27.8x        | 1.4x            |
| Cardiology Devices            | 18          | 113,817             | (7.5%)          | 20.9%        | 3.63x         | 12.6x        | 26.3x          | 20.0x        | 1.9x            |
| Conglomerates                 | 6           | 497,329             | 2.0%            | 19.9%        | 3.04x         | 11.8x        | 20.8x          | 18.1x        | 2.0x            |
| Dental Devices                | 8           | 18,596              | 9.4%            | 18.3%        | 2.48x         | 14.6x        | 28.6x          | 25.3x        | 1.5x            |
| Diagnostic Imaging Devices    | 4           | 7,746               | (13.3%)         | 35.0%        | 1.34x         | 11.7x        | 26.5x          | 17.7x        | 1.7x            |
| Diversified Medical Devices   | 16          | 99,623              | 0.2%            | 19.9%        | 2.83x         | 13.1x        | 23.4x          | 20.4x        | 1.6x            |
| Infection Prevention Devices  | 2           | 4,599               | 11.7%           | 35.6%        | 2.73x         | 14.5x        | 29.7x          | 24.6x        | 1.7x            |
| Lab Equipment                 | 2           | 7,202               | (0.2%)          | 18.1%        | 1.76x         | 10.1x        | 17.2x          | 21.1x        | 1.5x            |
| Lab Instrumentation & Devices | 3           | 12,141              | (10.1%)         | 3.6%         | 1.83x         | 13.8x        | 31.8x          | 23.9x        | 1.9x            |
| Large-Cap Pharmaceuticals     | 7           | 684,312             | 0.4%            | 23.9%        | 4.84x         | 12.8x        | 24.9x          | 17.3x        | 2.1x            |
| Life Science Conglomerates    | 3           | 72,051              | (6.1%)          | 43.6%        | 4.53x         | 20.9x        | 29.8x          | 18.3x        | 1.9x            |
| Life Science Consummables     | 5           | 8,713               | (1.2%)          | 32.0%        | 2.25x         | 16.7x        | 39.8x          | 31.3x        | 1.5x            |
| Mobility Devices              | 3           | 2,864               | 4.9%            | 9.9%         | 1.13x         | 9.2x         | 23.4x          | 11.5x        | 1.4x            |
| Neural Implant Devices        | 2           | 3,095               | (7.8%)          | 23.0%        | 3.90x         | 14.7x        | 34.9x          | 21.0x        | 1.6x            |
| Ophthalmology Devices         | 4           | 6,783               | (12.0%)         | 46.2%        | 1.69x         | 17.3x        | 26.0x          | 18.3x        | 1.2x            |
| Orthopedics Devices           | 6           | 53,245              | (2.3%)          | 27.6%        | 2.85x         | 10.4x        | 23.5x          | 17.6x        | 1.9x            |
| Pharmaceuticals               | 22          | 95,407              | (0.5%)          | 79.2%        | 5.27x         | 18.1x        | 37.6x          | 19.6x        | 1.4x            |
| Surgical Devices              | 4           | 15,650              | 1.3%            | 6.6%         | 2.60x         | 13.5x        | 32.3x          | 27.1x        | 6.6x            |
| <b>Total / Median (\$MM)</b>  | <b>160</b>  | <b>\$2,176,507</b>  | <b>(0.8%)</b>   | <b>22.0%</b> | <b>2.78x</b>  | <b>13.7x</b> | <b>27.6x</b>   | <b>20.2x</b> | <b>1.6x</b>     |

Source: Capital IQ

**CAPITALIZATION PROFILE**

|                               | No. of Cos. | Ag. Eqty Mkt. Value | % Total No. of Cos. | % Ag. Eqty Mkt. Value | Median Stock Performance |               |              |              |
|-------------------------------|-------------|---------------------|---------------------|-----------------------|--------------------------|---------------|--------------|--------------|
|                               |             |                     |                     |                       | 3 mo                     | YTD           | 12 mo        | 36 mo        |
| > \$5 billion                 | 50          | \$2,073,744         | 31.3%               | 95.3%                 | 1.0%                     | 104.1%        | 35.1%        | 66.3%        |
| \$1 billion - \$5 billion     | 34          | 74,923              | 21.3%               | 3.4%                  | (3.2%)                   | 115.8%        | 36.1%        | 70.6%        |
| \$250 million - \$1 billion   | 45          | 24,060              | 28.1%               | 1.1%                  | (9.7%)                   | 122.3%        | 37.7%        | 72.9%        |
| \$100 million - \$250 million | 16          | 2,747               | 10.0%               | 0.1%                  | (15.0%)                  | 79.8%         | 7.4%         | 28.3%        |
| < \$100 million               | 15          | 1,033               | 9.4%                | 0.0%                  | (4.1%)                   | 193.1%        | 60.6%        | 69.6%        |
| <b>Total / Median (\$MM)</b>  | <b>160</b>  | <b>\$2,176,507</b>  | <b>100.0%</b>       | <b>100.0%</b>         | <b>(0.8%)</b>            | <b>115.8%</b> | <b>22.0%</b> | <b>69.6%</b> |

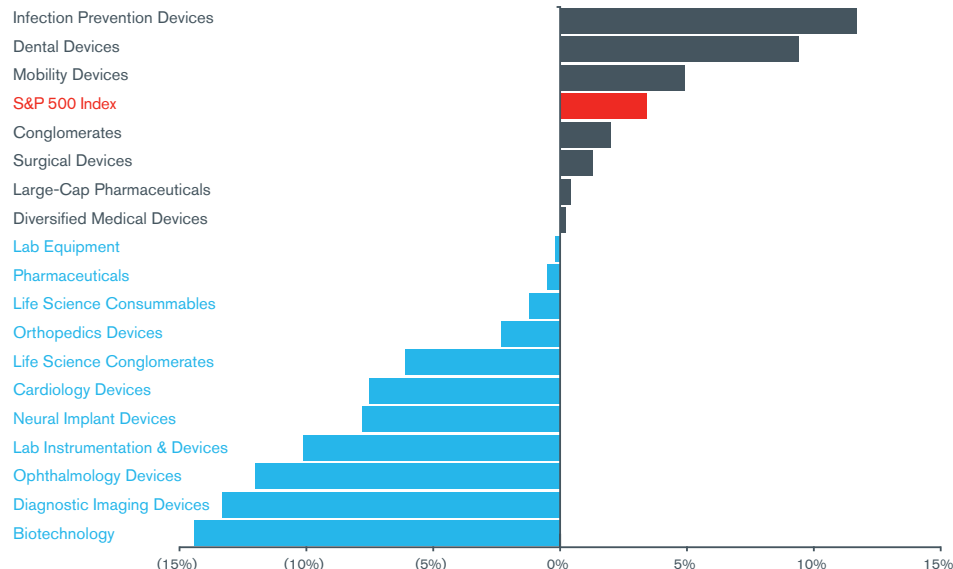
Source: Capital IQ

**INTEREST RATES**

|                          | Value at 5/31/14 | 1 mo ago | 3 mo ago | 12 mo ago |
|--------------------------|------------------|----------|----------|-----------|
| LIBOR - USD - 5 Month    | 0.00%            | 0.00%    | 0.00%    | 0.37%     |
| U.S. Treasury - 2 years  | 0.34%            | 0.42%    | 0.33%    | 0.31%     |
| U.S. Treasury - 5 years  | 1.51%            | 1.68%    | 1.51%    | 1.05%     |
| U.S. Treasury - 10 years | 2.46%            | 2.65%    | 2.66%    | 2.16%     |
| U.S. Treasury - 30 years | 3.31%            | 3.46%    | 3.59%    | 3.59%     |
| U.S. Prime Rate          | 3.25%            | 3.25%    | 3.25%    | 3.25%     |

Source: Capital IQ

**Median % Change — 3 months**



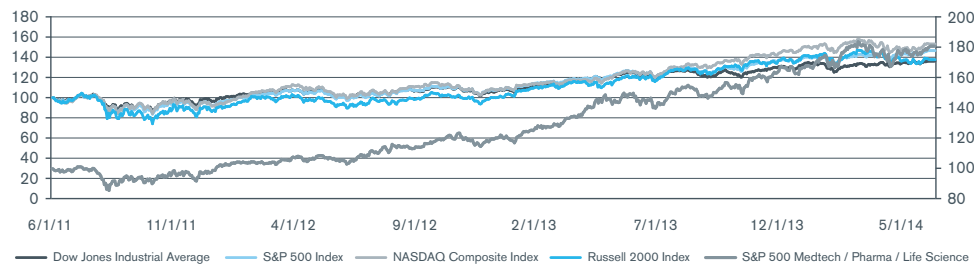
Source: Capital IQ

**MARKET INDICES**

|  | Value at 5/31/14 | % Change      |             |              |              |
|--|------------------|---------------|-------------|--------------|--------------|
|  |                  | 3 mo          | YTD         | 12 mo        | 36 mo        |
| Dow Jones Industrial Average   | \$16,717.2       | 2.4%          | 0.8%        | 10.6%        | 36.0%        |
| S&P 500 Index  | 1,923.6          | 3.4%          | 4.1%        | 18.0%        | 46.3%        |
| NASDAQ Composite Index   | 4,242.6          | (1.5%)        | 1.6%        | 22.8%        | 53.2%        |
| Russell 2000 Index   | 1,134.5          | (4.1%)        | (2.5%)      | 15.3%        | 38.1%        |
| S&P Life Science Tools & Services (Industry) Index                                       | 280.9            | (4.8%)        | 2.8%        | 22.9%        | 48.4%        |
| S&P 500 Pharmaceuticals (Industry) Index   | 531.9            | 1.7%          | 8.7%        | 22.0%        | 63.0%        |
| Dow Jones U.S. Pharmaceuticals & Biotechnology Index                                     | 594.8            | (1.6%)        | 7.5%        | 24.9%        | 83.3%        |
| S&P 500 Biotechnology (Industry) Index   | 2,956.3          | (5.1%)        | 5.5%        | 32.6%        | 173.7%       |
| Dow Jones U.S. Medical Equipment Index   | 804.7            | 1.2%          | 6.5%        | 21.4%        | 45.3%        |
| <b>S&amp;P 500 - Pharmaceuticals, Biotechnology &amp; Life Sciences (Industry Group)</b> | <b>670.8</b>     | <b>(0.6%)</b> | <b>7.5%</b> | <b>24.7%</b> | <b>80.0%</b> |

Source: Capital IQ

**Performance of Market Indices for Latest 36 months**



Source: Capital IQ

(\$ in millions, except per share amounts)

| Company Name                        | Ticker | Price<br>5/31/14 | % Change |         | 52-Week |         | Market<br>Cap | Ent Val<br>(TEV) | LTM      |         | EPS      |          | LTM Multiples |        | Earnings Ratio |       | PEG<br>Ratio<br>2014E |
|-------------------------------------|--------|------------------|----------|---------|---------|---------|---------------|------------------|----------|---------|----------|----------|---------------|--------|----------------|-------|-----------------------|
|                                     |        |                  | 3 mo     | 12 mo   | High    | Low     |               |                  | Rev      | EBITDA  | 2013     | 2014E    | Rev           | EBITDA | LTM            | 2014E |                       |
| <b>Biotechnology</b>                |        |                  |          |         |         |         |               |                  |          |         |          |          |               |        |                |       |                       |
| Acceleron Pharma, Inc.              | XLRN   | \$29.68          | (36.8%)  | NM      | \$57.89 | \$16.78 | \$934         | \$719            | \$45.5   | (\$7.4) | (\$4.15) | (\$1.24) | 15.80x        | NM     | NM             | NM    | NM                    |
| Acorda Therapeutics, Inc.           | ACOR   | 32.88            | (10.3%)  | (1.7%)  | 39.95   | 27.51   | 1,369         | 1,102            | 345.1    | 44.6    | 0.39     | 0.42     | 3.19x         | 24.7x  | 76.0x          | 79.2x | 4.95x                 |
| Adamas Pharmaceuticals, Inc.        | ADMS   | 17.85            | NM       | NM      | 21.63   | 12.02   | 298           | 245              | 40.7     | 24.0    | 3.51     | 0.41     | 6.03x         | 10.2x  | 9.0x           | 43.2x | NM                    |
| Akebia Therapeutics, Inc.           | AKBA   | 24.30            | NM       | NM      | 28.50   | 16.41   | 492           | 360              | –        | –       | (1.31)   | (1.76)   | NA            | NA     | NM             | NM    | NM                    |
| Alexion Pharmaceuticals, Inc.       | ALXN   | 166.32           | (5.9%)   | 70.4%   | 185.43  | 87.01   | 32,897        | 31,472           | 1,779.0  | 694.3   | 1.27     | 4.87     | 17.69x        | 45.3x  | NM             | 34.2x | 1.01x                 |
| Alkermes plc                        | ALKS   | 45.81            | (5.9%)   | 46.6%   | 54.25   | 26.47   | 6,620         | 6,431            | 544.0    | 75.9    | 0.16     | 0.49     | 11.82x        | NM     | NM             | 93.5x | 7.14x                 |
| Amarin Corporation plc              | AMRN   | 1.41             | (19.0%)  | (79.8%) | 7.40    | 1.28    | 244           | 325              | 35.0     | (144.0) | (1.28)   | (0.55)   | 9.30x         | NM     | NM             | NM    | NM                    |
| Amgen Inc.                          | AMGN   | 115.99           | (6.5%)   | 15.4%   | 128.96  | 94.15   | 87,807        | 100,029          | 18,959.0 | 7,611.0 | 6.64     | 8.10     | 5.28x         | 13.1x  | 18.8x          | 14.3x | 1.78x                 |
| Athersys, Inc.                      | ATHX   | 1.78             | (52.9%)  | 2.3%    | 4.33    | 1.08    | 137           | 92               | 2.8      | (24.7)  | (0.53)   | (0.40)   | NM            | NM     | NM             | NM    | NM                    |
| Auspex Pharmaceuticals, Inc.        | ASPX   | 21.15            | (14.4%)  | NM      | 35.78   | 13.25   | 499           | 394              | –        | (16.3)  | (371.13) | (2.00)   | NA            | NM     | NM             | NM    | NM                    |
| Biogen Idec Inc.                    | BIIB   | 319.37           | (6.3%)   | 34.5%   | 358.89  | 194.66  | 75,755        | 75,093           | 7,646.9  | 3,268.1 | 7.81     | 11.50    | 9.82x         | 23.0x  | 39.7x          | 27.8x | 1.75x                 |
| BioSpecifics Technologies Corp.     | BSTC   | 26.98            | 13.7%    | 69.8%   | 27.89   | 15.55   | 173           | 156              | 13.2     | 7.1     | 0.76     | 0.63     | 11.75x        | 21.9x  | 39.7x          | 42.6x | NM                    |
| Cangene Corp.                       | CNJ    | 3.32             | 2.1%     | 14.7%   | 3.32    | 1.89    | 221           | 184              | 115.4    | 6.5     | 0.05     | 0.04     | 1.59x         | 28.5x  | NM             | 77.6x | NM                    |
| Cara Therapeutics Inc.              | CARA   | 13.78            | (27.0%)  | NM      | 23.25   | 10.40   | 311           | 244              | 12.1     | (1.4)   | (0.74)   | (1.11)   | 20.13x        | NM     | NM             | NM    | NM                    |
| Celgene Corporation                 | CELG   | 153.03           | (4.8%)   | 23.8%   | 174.66  | 110.53  | 61,276        | 61,311           | 6,759.3  | 2,233.7 | 3.37     | 7.32     | 9.07x         | 27.4x  | 48.7x          | 20.9x | 0.81x                 |
| Cepheid                             | CPHD   | 45.05            | (16.0%)  | 29.6%   | 55.89   | 30.95   | 3,141         | 3,145            | 416.3    | 2.4     | (0.27)   | (0.35)   | 7.55x         | NM     | NM             | NM    | NM                    |
| Cubist Pharmaceuticals Inc.         | CBST   | 66.60            | (16.2%)  | 21.0%   | 82.12   | 48.23   | 5,015         | 5,276            | 1,085.7  | 151.7   | (0.27)   | 0.50     | 4.86x         | 34.8x  | NM             | NM    | NM                    |
| Curis, Inc.                         | CRIS   | 1.78             | (41.6%)  | (52.7%) | 4.74    | 1.65    | 153           | 125              | 15.4     | (9.7)   | (0.15)   | (0.22)   | 8.14x         | NM     | NM             | NM    | NM                    |
| Dicerna Pharmaceuticals, Inc.       | DRNA   | 16.16            | (56.0%)  | NM      | 46.00   | 15.00   | 287           | 157              | –        | (21.4)  | (709.57) | (2.27)   | NA            | NM     | NM             | NM    | NM                    |
| Dyadic International, Inc.          | DYAI   | 1.37             | (23.5%)  | (26.7%) | 2.00    | 1.25    | 42            | 44               | 17.6     | 1.0     | (0.01)   | NM       | 2.48x         | 44.0x  | NM             | NM    | NM                    |
| Emergent BioSolutions, Inc.         | EBS    | 21.69            | (12.3%)  | 52.7%   | 28.48   | 13.99   | 811           | 902              | 323.5    | 66.9    | 0.85     | 1.16     | 2.79x         | 13.5x  | 42.5x          | 18.7x | NM                    |
| Exelixis, Inc.                      | EXEL   | 3.31             | (53.1%)  | (31.6%) | 8.41    | 3.02    | 644           | 714              | 26.6     | (227.7) | (1.33)   | (1.56)   | 26.86x        | NM     | NM             | NM    | NM                    |
| Genomic Health Inc.                 | GHDX   | 25.99            | (1.6%)   | (28.8%) | 37.43   | 23.90   | 812           | 711              | 265.5    | (11.6)  | (0.42)   | (0.91)   | 2.68x         | NM     | NM             | NM    | NM                    |
| Gilead Sciences Inc.                | GILD   | 81.21            | (1.9%)   | 49.1%   | 84.88   | 46.70   | 124,713       | 128,362          | 13,669.0 | 7,052.8 | 1.81     | 6.22     | 9.39x         | 18.2x  | 30.1x          | 13.1x | 0.46x                 |
| GlycoMimetics, Inc.                 | GLYC   | 7.16             | (41.3%)  | NM      | 18.99   | 6.12    | 135           | 78               | 0.2      | (16.0)  | (8.87)   | (0.01)   | NM            | NM     | NM             | NM    | NM                    |
| Immunomedics Inc.                   | IMMU   | 3.33             | (29.7%)  | (14.8%) | 7.35    | 3.04    | 308           | 287              | 9.2      | (30.7)  | (0.17)   | (0.44)   | NM            | NM     | NM             | NM    | NM                    |
| INSYS Therapeutics, Inc.            | INSY   | 25.84            | (42.4%)  | 251.1%  | 57.91   | 6.82    | 884           | 838              | 129.9    | 46.3    | 1.41     | 1.15     | 6.45x         | 18.1x  | 18.3x          | 22.6x | 0.94x                 |
| Ligand Pharmaceuticals Incorporated | LGND   | 66.71            | (4.4%)   | 123.0%  | 80.42   | 29.70   | 1,383         | 1,363            | 53.3     | 19.9    | 0.43     | 1.44     | 25.58x        | NM     | NM             | 46.3x | 1.54x                 |
| Momenta Pharmaceuticals Inc.        | MNTA   | 12.39            | (16.3%)  | (5.9%)  | 19.90   | 9.85    | 673           | 450              | 38.6     | (104.5) | (2.13)   | (0.43)   | 11.63x        | NM     | NM             | NM    | NM                    |
| Myriad Genetics Inc.                | MYGN   | 33.16            | (8.4%)   | 3.3%    | 42.50   | 20.02   | 2,481         | 2,269            | 763.6    | 311.8   | 2.32     | 1.97     | 2.97x         | 7.3x   | 14.1x          | 16.9x | 1.28x                 |
| Neurocrine Biosciences Inc.         | NBIX   | 13.89            | (21.2%)  | 7.4%    | 20.29   | 8.57    | 1,054         | 834              | 2.2      | (48.8)  | (0.69)   | (0.79)   | NM            | NM     | NM             | NM    | NM                    |
| Osiris Therapeutics, Inc.           | OSIR   | 15.39            | 0.8%     | 36.9%   | 27.40   | 10.00   | 522           | 483              | 30.3     | (2.1)   | (0.03)   | 0.07     | 15.93x        | NM     | NM             | NM    | NM                    |
| PDL BioPharma, Inc.                 | PDLI   | 9.37             | 9.3%     | 13.6%   | 10.21   | 7.38    | 1,505         | 1,690            | 490.7    | 463.1   | 1.66     | 2.06     | 3.44x         | 3.7x   | 5.4x           | 4.5x  | NM                    |

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

## Healthcare Sector Update

(\$ in millions, except per share amounts)

| Company Name                        | Ticker | Price<br>5/31/14 | % Change       |              | 52-Week |         | Market<br>Cap | Ent Val<br>(TEV) | LTM      |          | EPS      |          | LTM Multiples |              | Earnings Ratio |              | PEG<br>Ratio<br>2014E |
|-------------------------------------|--------|------------------|----------------|--------------|---------|---------|---------------|------------------|----------|----------|----------|----------|---------------|--------------|----------------|--------------|-----------------------|
|                                     |        |                  | 3 mo           | 12 mo        | High    | Low     |               |                  | Rev      | EBITDA   | 2013     | 2014E    | Rev           | EBITDA       | LTM            | 2014E        |                       |
| <b>Biotechnology (cont.)</b>        |        |                  |                |              |         |         |               |                  |          |          |          |          |               |              |                |              |                       |
| ProMetic Life Sciences Inc.         | PLI    | \$1.04           | (25.1%)        | 187.0%       | \$1.52  | \$0.29  | \$550         | \$547            | \$19.9   | (\$13.3) | (\$0.03) | (\$0.01) | 27.50x        | NM           | NM             | NM           | NM                    |
| Prosensa Holding N.V.               | RNA    | 11.03            | 67.9%          | NM           | 34.55   | 3.43    | 397           | 301              | 29.3     | (6.8)    | (0.71)   | (0.91)   | 10.27x        | NM           | NM             | NM           | NM                    |
| Regeneron Pharmaceuticals, Inc.     | REGN   | 306.96           | (7.7%)         | 26.9%        | 352.49  | 206.30  | 30,801        | 30,684           | 2,290.8  | 836.2    | 3.81     | 9.90     | 13.39x        | 36.7x        | 88.0x          | 31.0x        | 1.51x                 |
| Spectrum Pharmaceuticals, Inc.      | SPPI   | 7.79             | (6.7%)         | (5.1%)       | 10.32   | 6.36    | 511           | 469              | 157.3    | (27.3)   | (1.02)   | (0.70)   | 2.98x         | NM           | NM             | NM           | NM                    |
| Targacept, Inc.                     | TRGT   | 3.75             | (23.9%)        | (33.4%)      | 6.11    | 3.52    | 127           | 30               | 0.2      | (50.2)   | (1.39)   | (1.23)   | NM            | NM           | NM             | NM           | NM                    |
| Theravance Inc.                     | THRX   | 28.65            | (22.6%)        | (18.2%)      | 42.96   | 25.11   | 3,227         | 3,144            | 3.6      | (194.5)  | (1.67)   | (1.81)   | NM            | NM           | NM             | NM           | NM                    |
| Ultragenyx Pharmaceutical Inc.      | RARE   | 37.56            | (32.6%)        | NM           | 69.77   | 32.02   | 1,129         | 964              | -        | (35.4)   | (14.87)  | (2.02)   | NA            | NM           | NM             | NM           | NM                    |
| United Therapeutics Corporation     | UTHR   | 95.74            | (5.6%)         | 44.0%        | 116.65  | 61.23   | 4,593         | 4,121            | 1,161.3  | 445.3    | 3.28     | 7.77     | 3.55x         | 9.3x         | 20.8x          | 12.3x        | 1.05x                 |
| Vanda Pharmaceuticals, Inc.         | VNDA   | 10.29            | (32.0%)        | 12.7%        | 19.25   | 5.70    | 349           | 248              | 35.0     | (40.3)   | (0.67)   | (2.22)   | 7.10x         | NM           | NM             | NM           | NM                    |
| Versartis, Inc.                     | VSAR   | 29.89            | NM             | NM           | 36.30   | 23.51   | 723           | 518              | -        | (22.7)   | (1.99)   | (3.04)   | NA            | NM           | NM             | NM           | NM                    |
| Vertex Pharmaceuticals Incorporated | VRTX   | 72.26            | (10.6%)        | (10.0%)      | 89.96   | 58.06   | 17,067        | 16,284           | 1,002.1  | (331.3)  | (1.98)   | (2.88)   | 16.25x        | NM           | NM             | NM           | NM                    |
| Vital Therapies, Inc.               | VTL    | 12.00            | NM             | NM           | 13.00   | 10.66   | 261           | 320              | -        | (37.4)   | (3.14)   | (2.47)   | NA            | NM           | NM             | NM           | NM                    |
| <b>Median</b>                       |        |                  | <b>(14.4%)</b> | <b>14.1%</b> |         |         |               |                  |          |          |          |          | <b>9.07x</b>  | <b>21.9x</b> | <b>30.1x</b>   | <b>27.8x</b> | <b>1.39x</b>          |
| <b>Cardiology Devices</b>           |        |                  |                |              |         |         |               |                  |          |          |          |          |               |              |                |              |                       |
| ABIOMED, Inc.                       | ABMD   | \$22.80          | (19.1%)        | 5.7%         | \$30.77 | \$18.15 | \$896         | \$819            | \$183.6  | \$10.9   | \$0.19   | \$0.28   | 4.46x         | NM           | NM             | 82.6x        | 4.51x                 |
| AngioDynamics Inc.                  | ANGO   | 14.33            | (6.9%)         | 31.7%        | 19.00   | 10.53   | 505           | 636              | 346.6    | 45.9     | (0.07)   | 0.26     | 1.83x         | 13.8x        | NM             | 54.9x        | 3.66x                 |
| Boston Scientific Corporation       | BSX    | 12.83            | (2.1%)         | 38.9%        | 14.08   | 8.93    | 16,970        | 21,024           | 7,156.0  | 1,636.0  | (0.09)   | 0.81     | 2.94x         | 12.9x        | 47.0x          | 15.9x        | 1.33x                 |
| Cardiovascular Systems Inc.         | CSII   | 28.05            | (19.9%)        | 36.5%        | 37.73   | 18.83   | 868           | 726              | 125.9    | (29.4)   | (1.19)   | (1.07)   | 5.76x         | NM           | NM             | NM           | NM                    |
| Edwards Lifesciences Corp.          | EW     | 81.20            | 16.4%          | 22.2%        | 87.03   | 60.62   | 8,566         | 8,462            | 2,071.2  | 505.3    | 3.44     | 3.16     | 4.09x         | 16.7x        | 29.5x          | 25.7x        | 2.06x                 |
| Greatbatch, Inc.                    | GB     | 46.71            | 7.8%           | 45.0%        | 47.96   | 31.72   | 1,162         | 1,319            | 690.0    | 117.9    | 1.43     | 2.34     | 1.91x         | 11.2x        | 26.3x          | 20.0x        | 1.66x                 |
| Heartware International Inc.        | HTWR   | 90.17            | (6.1%)         | (1.2%)       | 105.84  | 69.31   | 1,532         | 1,461            | 225.2    | (36.9)   | (3.69)   | (2.92)   | 6.49x         | NM           | NM             | NM           | NM                    |
| LeMaitre Vascular, Inc.             | LMAT   | 7.53             | (8.1%)         | 14.8%        | 8.96    | 6.36    | 128           | 116              | 65.3     | 6.6      | 0.20     | 0.23     | 1.78x         | 17.6x        | 54.0x          | 32.7x        | 1.64x                 |
| Lombard Medical, Inc.               | EVAR   | 7.78             | NM             | NM           | 11.34   | 6.44    | 126           | 88               | 7.0      | (19.5)   | (2.14)   | (2.27)   | 12.59x        | NM           | NM             | NM           | NM                    |
| Medtronic, Inc.                     | MDT    | 61.03            | 3.0%           | 19.6%        | 62.90   | 50.60   | 60,969        | 58,656           | 17,005.0 | 5,678.0  | 3.52     | 4.00     | 3.45x         | 10.3x        | 20.2x          | 15.2x        | 2.30x                 |
| Neovasc Inc.                        | NVC    | 6.45             | 9.9%           | 163.5%       | 7.23    | 2.00    | 339           | 314              | 12.3     | (4.8)    | (0.13)   | (0.05)   | 25.53x        | NM           | NM             | NM           | NM                    |
| REVA Medical, Inc.                  | RVA    | 0.15             | (50.2%)        | (70.4%)      | 0.60    | 0.12    | 51            | 37               | 0.0      | (27.5)   | (0.08)   | (0.12)   | NA            | NM           | NM             | NM           | NM                    |
| St. Jude Medical Inc.               | STJ    | 64.90            | (3.6%)         | 50.1%        | 68.79   | 42.03   | 18,446        | 21,039           | 5,526.0  | 1,702.0  | 2.49     | 3.99     | 3.81x         | 12.4x        | 25.2x          | 16.3x        | 1.52x                 |
| Stereotaxis Inc.                    | STXS   | 3.58             | (27.8%)        | 104.6%       | 10.85   | 1.21    | 70            | 76               | 38.0     | (6.4)    | (5.95)   | NM       | 2.01x         | NM           | NM             | NM           | NM                    |
| Sunshine Heart Inc.                 | SSH    | 5.40             | (35.0%)        | (6.7%)       | 13.80   | 4.78    | 91            | 44               | 0.1      | (24.6)   | (1.71)   | NM       | NM            | NM           | NM             | NM           | NM                    |
| Thoratec Corp.                      | THOR   | 33.12            | (10.8%)        | 6.3%         | 43.58   | 29.91   | 1,884         | 1,589            | 510.8    | 128.8    | 1.26     | 1.77     | 3.11x         | 12.3x        | 26.1x          | 18.7x        | 1.91x                 |
| TriVascular Technologies, Inc.      | TRIV   | 15.99            | NM             | NM           | 16.28   | 11.15   | 324           | 580              | 23.6     | (46.0)   | (5.01)   | (3.05)   | 24.58x        | NM           | NM             | NM           | NM                    |
| Volcano Corporation                 | VOLC   | 17.36            | (19.1%)        | (9.1%)       | 24.62   | 16.54   | 889           | 952              | 392.2    | 15.8     | (0.63)   | (0.16)   | 2.43x         | NM           | NM             | NM           | NM                    |
| <b>Median</b>                       |        |                  | <b>(7.5%)</b>  | <b>20.9%</b> |         |         |               |                  |          |          |          |          | <b>3.63x</b>  | <b>12.6x</b> | <b>26.3x</b>   | <b>20.0x</b> | <b>1.91x</b>          |

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

## Healthcare Sector Update

(\$ in millions, except per share amounts)

| Company Name                      | Ticker  | Price<br>5/31/14 | % Change       |              | 52-Week  |          | Market<br>Cap | Ent Val<br>(TEV) | LTM        |           | EPS    |        | LTM Multiples |              | Earnings Ratio |              | PEG<br>Ratio<br>2014E |
|-----------------------------------|---------|------------------|----------------|--------------|----------|----------|---------------|------------------|------------|-----------|--------|--------|---------------|--------------|----------------|--------------|-----------------------|
|                                   |         |                  | 3 mo           | 12 mo        | High     | Low      |               |                  | Rev        | EBITDA    | 2013   | 2014E  | Rev           | EBITDA       | LTM            | 2014E        |                       |
| <b>Conglomerates</b>              |         |                  |                |              |          |          |               |                  |            |           |        |        |               |              |                |              |                       |
| 3M Company                        | MMM     | \$142.55         | 5.8%           | 29.3%        | \$143.37 | \$107.15 | \$93,267      | \$97,506         | \$31,068.0 | \$8,121.0 | \$6.72 | \$7.46 | 3.14x         | 12.0x        | 20.7x          | 19.1x        | 1.71x                 |
| Agilent Technologies Inc.         | A       | 56.94            | 0.0%           | 25.3%        | 61.22    | 41.85    | 18,985        | 18,731           | 6,780.0    | 1,396.0   | 2.17   | 3.17   | 2.76x         | 13.4x        | 26.6x          | 17.9x        | 1.92x                 |
| Becton, Dickinson and Company     | BDX     | 117.70           | 2.2%           | 19.3%        | 118.77   | 94.25    | 22,740        | 24,080           | 8,199.0    | 2,140.0   | 4.69   | 6.42   | 2.94x         | 11.3x        | 24.8x          | 18.3x        | 2.03x                 |
| Covidien plc                      | COV     | 73.11            | 1.6%           | 15.0%        | 73.77    | 56.79    | 32,964        | 36,867           | 10,329.0   | 2,788.0   | 3.31   | 4.09   | 3.57x         | 13.2x        | 21.0x          | 17.9x        | 1.88x                 |
| Johnson & Johnson                 | JNJ     | 101.46           | 10.1%          | 20.5%        | 101.98   | 82.12    | 287,040       | 274,940          | 71,922.0   | 23,640.0  | 4.81   | 5.88   | 3.82x         | 11.6x        | 19.4x          | 17.2x        | 2.46x                 |
| Kimberly-Clark Corporation        | KMB     | 112.35           | 1.8%           | 16.0%        | 113.09   | 91.44    | 42,332        | 48,314           | 21,112.0   | 4,217.0   | 5.53   | 6.11   | 2.29x         | 11.5x        | 20.1x          | 18.4x        | 2.66x                 |
| <b>Median</b>                     |         |                  | <b>2.0%</b>    | <b>19.9%</b> |          |          |               |                  |            |           |        |        | <b>3.04x</b>  | <b>11.8x</b> | <b>20.8x</b>   | <b>18.1x</b> | <b>1.97x</b>          |
| <b>Dental Devices</b>             |         |                  |                |              |          |          |               |                  |            |           |        |        |               |              |                |              |                       |
| COLTENE Holding AG                | CLTN    | \$63.63          | 13.3%          | 32.8%        | \$65.14  | \$46.97  | \$268         | \$280            | \$179.8    | \$27.7    | \$3.51 | \$4.10 | 1.56x         | 10.1x        | 18.2x          | 15.5x        | 1.52x                 |
| DENTSPLY International Inc.       | XRAY    | 47.29            | 4.2%           | 13.2%        | 50.99    | 39.90    | 6,705         | 8,181            | 2,948.8    | 573.9     | 2.16   | 2.52   | 2.77x         | 14.3x        | 21.8x          | 18.7x        | 1.56x                 |
| Nobel Biocare Holding AG          | NOBN    | 14.93            | 2.0%           | 21.9%        | 17.39    | 11.57    | 1,835         | 1,706            | 777.2      | 127.4     | 0.48   | 0.56   | 2.19x         | 13.4x        | 32.2x          | 26.8x        | 1.54x                 |
| Orthofix International N.V.       | OFIX    | 31.69            | 42.6%          | 14.7%        | 33.93    | 19.35    | 584           | 579              | 398.5      | 53.4      | (0.80) | 1.16   | 1.45x         | 10.8x        | NM             | 27.3x        | 1.45x                 |
| Osstem Implant Co., Ltd.          | A048260 | 25.86            | 26.5%          | (5.2%)       | 32.67    | 20.23    | 367           | 406              | 205.1      | 22.5      | 0.66   | 0.99   | 1.98x         | 18.0x        | 37.8x          | 26.2x        | NM                    |
| Sirona Dental Systems Inc.        | SIRO    | 75.22            | 6.8%           | 6.0%         | 77.31    | 62.48    | 4,336         | 4,163            | 1,143.2    | 280.4     | 2.72   | 3.74   | 3.64x         | 14.8x        | 26.7x          | 20.1x        | 1.09x                 |
| Straumann Holding AG              | STMN    | 222.43           | 3.5%           | 61.5%        | 223.66   | 142.02   | 3,455         | 3,246            | 763.5      | 158.5     | 7.30   | 8.78   | 4.25x         | 20.5x        | 30.6x          | 25.3x        | 2.16x                 |
| Tornier N.V.                      | TRNX    | 21.51            | 12.0%          | 36.2%        | 22.44    | 15.17    | 1,045         | 1,064            | 317.3      | 22.4      | (0.79) | (0.45) | 3.35x         | 47.5x        | NM             | NM           | NM                    |
| <b>Median</b>                     |         |                  | <b>9.4%</b>    | <b>18.3%</b> |          |          |               |                  |            |           |        |        | <b>2.48x</b>  | <b>14.6x</b> | <b>28.6x</b>   | <b>25.3x</b> | <b>1.53x</b>          |
| <b>Orthopedics Devices</b>        |         |                  |                |              |          |          |               |                  |            |           |        |        |               |              |                |              |                       |
| Exactech Inc.                     | EXAC    | \$23.29          | (0.0%)         | 28.0%        | \$25.14  | \$17.85  | \$318         | \$333            | \$241.0    | \$42.2    | \$1.12 | \$1.21 | 1.38x         | 7.9x         | 20.6x          | 19.2x        | 1.07x                 |
| NuVasive, Inc.                    | NUVA    | 33.34            | (9.3%)         | 53.5%        | 39.89    | 21.01    | 1,554         | 1,625            | 703.2      | 101.9     | 0.17   | 1.09   | 2.31x         | 15.9x        | NM             | 30.7x        | 2.77x                 |
| Stryker Corporation               | SYK     | 84.49            | 5.3%           | 27.3%        | 85.61    | 63.71    | 32,030        | 31,047           | 9,136.0    | 1,483.0   | 2.63   | 4.81   | 3.40x         | 20.9x        | 41.8x          | 17.6x        | 1.93x                 |
| Symmetry Medical, Inc.            | SMA     | 8.82             | (16.6%)        | (5.5%)       | 11.11    | 7.44     | 331           | 496              | 401.6      | 50.2      | (0.99) | 0.51   | 1.24x         | 9.9x         | NM             | 17.4x        | 1.45x                 |
| Wright Medical Group Inc.         | WMGI    | 30.40            | (4.5%)         | 21.5%        | 33.80    | 23.70    | 1,501         | 1,426            | 254.5      | (58.4)    | (6.19) | (1.32) | 5.60x         | NM           | NM             | NM           | NM                    |
| Zimmer Holdings, Inc.             | ZMH     | 104.35           | 11.2%          | 32.9%        | 108.33   | 74.55    | 17,512        | 17,609           | 4,646.0    | 1,688.6   | 4.43   | 6.13   | 3.79x         | 10.4x        | 23.5x          | 17.0x        | 2.07x                 |
| <b>Median</b>                     |         |                  | <b>(2.3%)</b>  | <b>27.6%</b> |          |          |               |                  |            |           |        |        | <b>2.85x</b>  | <b>10.4x</b> | <b>23.5x</b>   | <b>17.6x</b> | <b>1.93x</b>          |
| <b>Diagnostic Imaging Devices</b> |         |                  |                |              |          |          |               |                  |            |           |        |        |               |              |                |              |                       |
| Analogic Corporation              | ALOG    | \$68.32          | (27.5%)        | (14.1%)      | \$99.97  | \$65.63  | \$848         | \$737            | \$543.5    | \$61.5    | \$2.58 | \$4.81 | 1.36x         | 12.0x        | 26.5x          | 14.2x        | 0.95x                 |
| Digirad Corporation               | DRAD    | 3.53             | 0.9%           | 52.2%        | 4.85     | 2.26     | 65            | 46               | 50.8       | 4.1       | 0.01   | 0.12   | 0.90x         | 11.3x        | 26.6x          | 29.4x        | NM                    |
| Fonar Corp.                       | FONR    | 12.95            | (42.9%)        | 96.5%        | 27.95    | 5.12     | 80            | 105              | 79.6       | 15.4      | 1.56   | NM     | 1.32x         | 6.8x         | 7.8x           | NM           | NM                    |
| Hologic Inc.                      | HOLX    | 24.44            | 12.2%          | 17.8%        | 25.00    | 18.46    | 6,753         | 10,542           | 2,470.0    | 862.6     | (4.37) | 1.38   | 4.27x         | 12.2x        | NM             | 17.7x        | 2.44x                 |
| <b>Median</b>                     |         |                  | <b>(13.3%)</b> | <b>35.0%</b> |          |          |               |                  |            |           |        |        | <b>1.34x</b>  | <b>11.7x</b> | <b>26.5x</b>   | <b>17.7x</b> | <b>1.69x</b>          |

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

## Healthcare Sector Update

(\$ in millions, except per share amounts)

| Company Name                              | Ticker | Price<br>5/31/14 | % Change       |              | 52-Week |         | Market<br>Cap | Ent Val<br>(TEV) | LTM       |         | EPS      |          | LTM Multiples |              | Earnings Ratio |              | PEG<br>Ratio<br>2014E |
|---|--------|------------------|----------------|--------------|---------|---------|---------------|------------------|-----------|---------|----------|----------|---------------|--------------|----------------|--------------|-----------------------|
|   |        |                  | 3 mo           | 12 mo        | High    | Low     |               |                  | Rev       | EBITDA  | 2013     | 2014E    | Rev           | EBITDA       | LTM            | 2014E        |                       |
| <b>Mobility Devices</b>                   |        |                  |                |              |         |         |               |                  |           |         |          |          |               |              |                |              |                       |
| Hill-Rom Holdings, Inc.                   | HRC    | \$39.69          | 4.9%           | 9.9%         | \$44.64 | \$32.74 | \$2,271       | \$2,494          | \$1,670.8 | \$265.2 | \$1.57   | \$2.37   | 1.49x         | 9.4x         | 34.2x          | 16.7x        | 1.39x                 |
| Invacare Corporation                      | IVC    | 16.50            | (16.8%)        | 6.5%         | 25.96   | 13.83   | 531           | 558              | 1,330.0   | 9.9     | (1.60)   | (0.73)   | 0.42x         | NM           | NM             | NM           | NM                    |
| Prism Medical Ltd.                        | PM     | 7.03             | 36.6%          | 38.4%        | 7.46    | 4.14    | 62            | 80               | 71.1      | 9.0     | 0.50     | 1.11     | 1.13x         | 9.0x         | 12.7x          | 6.3x         | NM                    |
| <b>Median</b>                             |        |                  | <b>4.9%</b>    | <b>9.9%</b>  |         |         |               |                  |           |         |          |          | <b>1.13x</b>  | <b>9.2x</b>  | <b>23.4x</b>   | <b>11.5x</b> | <b>1.39x</b>          |
| <b>Infection Prevention Devices</b>       |        |                  |                |              |         |         |               |                  |           |         |          |          |               |              |                |              |                       |
| Cantel Medical Corp.                      | CMN    | \$34.75          | 7.4%           | 53.1%        | \$38.04 | \$21.79 | \$1,437       | \$1,492          | \$452.6   | \$85.5  | \$1.00   | \$1.15   | 3.30x         | 17.4x        | 34.7x          | 30.3x        | 1.69x                 |
| Steris Corp.                              | STE    | 53.52            | 16.0%          | 18.0%        | 55.36   | 39.90   | 3,162         | 3,506            | 1,614.9   | 304.7   | 2.22     | 2.84     | 2.17x         | 11.5x        | 24.7x          | 18.8x        | 1.71x                 |
| <b>Median</b>                             |        |                  | <b>11.7%</b>   | <b>35.6%</b> |         |         |               |                  |           |         |          |          | <b>2.73x</b>  | <b>14.5x</b> | <b>29.7x</b>   | <b>24.6x</b> | <b>1.70x</b>          |
| <b>Neural Implant Devices</b>             |        |                  |                |              |         |         |               |                  |           |         |          |          |               |              |                |              |                       |
| Cyberonics Inc.                           | CYBX   | \$60.80          | (11.2%)        | 27.4%        | \$73.52 | \$46.99 | \$1,632       | \$1,515          | \$275.5   | \$89.8  | \$1.74   | \$2.27   | 5.50x         | 16.9x        | 34.9x          | 26.8x        | 1.53x                 |
| Integra LifeSciences Holdings Corporation | IART   | 44.95            | (4.4%)         | 18.6%        | 49.99   | 35.50   | 1,464         | 1,966            | 854.6     | 157.0   | (0.60)   | 2.94     | 2.30x         | 12.5x        | NM             | 15.3x        | 1.62x                 |
| <b>Median</b>                             |        |                  | <b>(7.8%)</b>  | <b>23.0%</b> |         |         |               |                  |           |         |          |          | <b>3.90x</b>  | <b>14.7x</b> | <b>34.9x</b>   | <b>21.0x</b> | <b>1.58x</b>          |
| <b>Ophthalmology Devices</b>              |        |                  |                |              |         |         |               |                  |           |         |          |          |               |              |                |              |                       |
| IRIDEX Corporation                        | IRIX   | \$8.74           | (7.0%)         | 46.2%        | \$11.00 | \$5.10  | \$87          | \$73             | \$39.7    | \$2.9   | \$0.22   | \$0.20   | 1.84x         | 25.1x        | 48.1x          | 43.7x        | NM                    |
| Lumenis Ltd.                              | LMNS   | 8.85             | (27.5%)        | NM           | 13.38   | 8.16    | 315           | 269              | 271.0     | 25.6    | 0.58     | NM       | 0.99x         | 10.5x        | 18.8x          | NM           | NM                    |
| Optos plc                                 | OPTS   | 2.85             | (17.0%)        | 48.7%        | 3.60    | 1.79    | 207           | 242              | 157.9     | 11.7    | 0.09     | 0.18     | 1.54x         | 20.7x        | 30.2x          | 15.7x        | NM                    |
| The Cooper Companies Inc.                 | COO    | 129.02           | 0.6%           | 14.2%        | 145.34  | 110.33  | 6,175         | 6,510            | 1,612.9   | 465.6   | 5.93     | 7.06     | 4.04x         | 14.0x        | 21.8x          | 18.3x        | 1.18x                 |
| <b>Median</b>                             |        |                  | <b>(12.0%)</b> | <b>46.2%</b> |         |         |               |                  |           |         |          |          | <b>1.69x</b>  | <b>17.3x</b> | <b>26.0x</b>   | <b>18.3x</b> | <b>1.18x</b>          |
| <b>Surgical Devices</b>                   |        |                  |                |              |         |         |               |                  |           |         |          |          |               |              |                |              |                       |
| Alphatec Holdings, Inc.                   | ATEC   | \$1.50           | 6.4%           | (23.1%)      | \$2.53  | \$1.16  | \$147         | \$215            | \$202.0   | \$15.9  | (\$0.85) | (\$0.04) | 1.06x         | 13.5x        | NM             | NM           | NM                    |
| Bovie Medical Corporation                 | BVX    | 4.62             | 46.7%          | 39.6%        | 4.86    | 1.94    | 82            | 81               | 24.4      | (0.5)   | (0.40)   | (0.06)   | 3.33x         | NM           | NM             | NM           | NM                    |
| CONMED Corporation                        | CNMD   | 44.90            | (3.7%)         | 36.3%        | 50.47   | 29.95   | 1,222         | 1,408            | 751.9     | 125.7   | 1.28     | 1.94     | 1.87x         | 11.2x        | 36.8x          | 23.2x        | 1.78x                 |
| Intuitive Surgical, Inc.                  | ISRG   | 369.74           | (16.9%)        | (25.7%)      | 541.23  | 346.46  | 14,199        | 12,640           | 2,118.4   | 797.1   | 16.73    | 11.90    | 5.97x         | 15.9x        | 27.8x          | 31.1x        | 11.37x                |
| <b>Median</b>                             |        |                  | <b>1.3%</b>    | <b>6.6%</b>  |         |         |               |                  |           |         |          |          | <b>2.60x</b>  | <b>13.5x</b> | <b>32.3x</b>   | <b>27.1x</b> | <b>6.57x</b>          |

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

| Company Name                             | Ticker | Price<br>5/31/14 | % Change       |              | 52-Week  |         | Market<br>Cap | Ent Val<br>(TEV) | LTM       |         | EPS    |        | LTM Multiples |              | Earnings Ratio |              | PEG<br>Ratio<br>2014E |
|--|--------|------------------|----------------|--------------|----------|---------|---------------|------------------|-----------|---------|--------|--------|---------------|--------------|----------------|--------------|-----------------------|
|  |        |                  | 3 mo           | 12 mo        | High     | Low     |               |                  | Rev       | EBITDA  | 2013   | 2014E  | Rev           | EBITDA       | LTM            | 2014E        |                       |
| <b>Diversified Medical Devices</b>       |        |                  |                |              |          |         |               |                  |           |         |        |        |               |              |                |              |                       |
| Abaxis, Inc.                             | ABAX   | \$41.32          | 8.9%           | (6.1%)       | \$51.84  | \$32.11 | \$928         | \$826            | \$171.9   | \$28.2  | \$0.76 | \$0.82 | 4.81x         | 29.3x        | 65.6x          | 50.3x        | 2.52x                 |
| AtriCure, Inc.                           | ATRC   | 16.52            | (20.5%)        | 82.5%        | 23.00    | 8.48    | 453           | 373              | 86.9      | (13.3)  | (0.56) | (0.76) | 4.30x         | NM           | NM             | NM           | NM                    |
| Baxter International Inc.                | BAX    | 74.41            | 7.1%           | 5.8%         | 75.88    | 62.80   | 40,251        | 46,919           | 15,762.0  | 4,087.0 | 3.66   | 5.14   | 2.98x         | 11.5x        | 20.3x          | 14.5x        | 1.93x                 |
| CareFusion Corporation                   | CFN    | 42.93            | 5.9%           | 16.8%        | 43.33    | 35.01   | 8,900         | 9,088            | 3,623.0   | 827.0   | 1.68   | 2.53   | 2.51x         | 11.0x        | 23.9x          | 17.0x        | 1.53x                 |
| CR Bard Inc.                             | BCR    | 147.91           | 2.6%           | 43.5%        | 150.13   | 102.55  | 11,279        | 11,744           | 3,079.8   | 816.8   | 8.39   | 8.22   | 3.81x         | 14.4x        | 16.1x          | 18.0x        | 1.46x                 |
| CryoLife Inc.                            | CRY    | 8.83             | (11.3%)        | 42.6%        | 12.14    | 5.88    | 248           | 215              | 140.0     | 18.1    | 0.57   | 0.20   | 1.54x         | 11.9x        | 16.7x          | 44.2x        | NM                    |
| Hospira Inc.                             | HSP    | 49.17            | 13.6%          | 41.8%        | 49.25    | 34.09   | 8,218         | 9,321            | 4,169.6   | 518.2   | (0.05) | 2.19   | 2.24x         | 18.0x        | 60.5x          | 22.5x        | 2.22x                 |
| IDEXX Laboratories, Inc.                 | IDXX   | 128.48           | 2.0%           | 55.8%        | 133.40   | 82.22   | 6,592         | 6,772            | 1,405.2   | 330.1   | 3.48   | 3.84   | 4.82x         | 20.5x        | 36.1x          | 33.5x        | 2.34x                 |
| Masimo Corporation                       | MASI   | 24.64            | (3.6%)         | 13.8%        | 32.20    | 21.01   | 1,398         | 1,280            | 544.9     | 98.3    | 1.02   | 1.29   | 2.35x         | 13.0x        | 21.8x          | 19.1x        | 1.27x                 |
| Misonix Inc.                             | MSON   | 6.16             | (8.1%)         | 14.1%        | 7.17     | 3.86    | 45            | 39               | 15.2      | (4.1)   | (0.37) | 0.08   | 2.57x         | NM           | NM             | 77.0x        | NM                    |
| Natus Medical Inc.                       | BABY   | 24.65            | (1.8%)         | 74.9%        | 27.71    | 11.73   | 776           | 749              | 343.9     | 55.6    | 0.74   | 1.21   | 2.18x         | 13.5x        | 30.1x          | 20.4x        | 1.10x                 |
| PhotoMedex, Inc.                         | PHMD   | 12.53            | (14.4%)        | (23.2%)      | 17.05    | 10.51   | 237           | 195              | 217.5     | 20.2    | 0.89   | 0.44   | 0.89x         | 9.6x         | 23.2x          | 28.3x        | 1.89x                 |
| ResMed Inc.                              | RMD    | 50.06            | 13.7%          | 4.3%         | 57.34    | 41.52   | 7,025         | 6,482            | 1,554.4   | 490.8   | 2.23   | 2.55   | 4.17x         | 13.2x        | 22.0x          | 19.6x        | 1.43x                 |
| SurModics, Inc.                          | SRDX   | 21.41            | (14.0%)        | (9.8%)       | 25.99    | 19.24   | 291           | 257              | 56.1      | 19.9    | 0.96   | 0.90   | 4.59x         | 12.9x        | 23.5x          | 23.8x        | 1.59x                 |
| Teleflex Incorporated                    | TFX    | 106.64           | 4.6%           | 36.1%        | 109.73   | 73.83   | 4,411         | 5,282            | 1,711.4   | 368.8   | 3.46   | 5.51   | 3.09x         | 14.3x        | 29.8x          | 19.4x        | 1.58x                 |
| Varian Medical Systems, Inc.             | VAR    | 82.45            | (1.6%)         | 23.0%        | 86.60    | 65.70   | 8,571         | 8,021            | 2,986.1   | 671.4   | 4.03   | 4.43   | 2.69x         | 11.9x        | 21.2x          | 18.6x        | 1.55x                 |
| <b>Median</b>                            |        |                  | <b>0.2%</b>    | <b>19.9%</b> |          |         |               |                  |           |         |        |        | <b>2.83x</b>  | <b>13.1x</b> | <b>23.4x</b>   | <b>20.4x</b> | <b>1.58x</b>          |
| <b>Life Science Conglomerates</b>        |        |                  |                |              |          |         |               |                  |           |         |        |        |               |              |                |              |                       |
| Illumina Inc.                            | ILMN   | \$158.25         | (7.7%)         | 125.0%       | \$183.30 | \$66.11 | \$20,319      | \$20,076         | \$1,511.0 | \$415.7 | \$0.90 | \$2.16 | 13.29x        | 48.3x        | NM             | 73.1x        | 3.86x                 |
| PerkinElmer Inc.                         | PKI    | 44.97            | (0.8%)         | 43.6%        | 46.72    | 31.34   | 5,092         | 5,797            | 2,192.8   | 404.1   | 1.48   | 2.46   | 2.64x         | 14.3x        | 30.0x          | 18.3x        | 1.87x                 |
| Thermo Fisher Scientific, Inc.           | TMO    | 116.91           | (6.1%)         | 32.4%        | 127.63   | 81.04   | 46,640        | 62,486           | 13,802.3  | 2,984.6 | 3.50   | 6.90   | 4.53x         | 20.9x        | 29.6x          | 16.9x        | 1.36x                 |
| <b>Median</b>                            |        |                  | <b>(6.1%)</b>  | <b>43.6%</b> |          |         |               |                  |           |         |        |        | <b>4.53x</b>  | <b>20.9x</b> | <b>29.8x</b>   | <b>18.3x</b> | <b>1.87x</b>          |
| <b>Lab Instrumentation &amp; Devices</b> |        |                  |                |              |          |         |               |                  |           |         |        |        |               |              |                |              |                       |
| Bruker Corporation                       | BRKR   | \$20.95          | (7.9%)         | 26.7%        | \$24.40  | \$15.41 | \$3,517       | \$3,423          | \$1,869.7 | \$248.1 | \$0.48 | \$0.88 | 1.83x         | 13.8x        | 42.0x          | 23.9x        | 1.87x                 |
| Harvard Bioscience Inc.                  | HBIO   | 4.12             | (15.6%)        | (18.9%)      | 6.13     | 4.00    | 132           | 129              | 105.0     | 9.2     | 0.02   | 0.15   | 1.23x         | 14.1x        | NM             | 27.5x        | NM                    |
| Waters Corporation                       | WAT    | 100.16           | (10.1%)        | 3.6%         | 115.06   | 94.50   | 8,492         | 7,971            | 1,904.4   | 584.5   | 5.20   | 5.33   | 4.19x         | 13.6x        | 21.6x          | 18.8x        | 2.02x                 |
| <b>Median</b>                            |        |                  | <b>(10.1%)</b> | <b>3.6%</b>  |          |         |               |                  |           |         |        |        | <b>1.83x</b>  | <b>13.8x</b> | <b>31.8x</b>   | <b>23.9x</b> | <b>1.95x</b>          |

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

Healthcare Sector Update

(\$ in millions, except per share amounts)

| Company Name                                | Ticker | Price<br>5/31/14 | % Change      |              | 52-Week |         | Market<br>Cap | Ent Val<br>(TEV) | LTM        |           | EPS      |        | LTM Multiples |              | Earnings Ratio |              | PEG<br>Ratio<br>2014E |
|---|--------|------------------|---------------|--------------|---------|---------|---------------|------------------|------------|-----------|----------|--------|---------------|--------------|----------------|--------------|-----------------------|
|   |        |                  | 3 mo          | 12 mo        | High    | Low     |               |                  | Rev        | EBITDA    | 2013     | 2014E  | Rev           | EBITDA       | LTM            | 2014E        |                       |
| <b>Lab Equipment</b>                        |        |                  |               |              |         |         |               |                  |            |           |          |        |               |              |                |              |                       |
| Kewaunee Scientific Corp.                   | KEQU   | \$16.24          | (0.1%)        | 24.0%        | \$18.40 | \$11.08 | \$43          | \$45             | \$115.9    | \$9.0     | \$1.57   | NM     | 0.39x         | 5.0x         | 10.4x          | NM           | NM                    |
| Mettler-Toledo International Inc.           | MTD    | 245.02           | (0.3%)        | 12.3%        | 258.31  | 199.91  | 7,160         | 7,514            | 2,405.2    | 492.3     | 9.96     | 11.61  | 3.12x         | 15.3x        | 24.0x          | 21.1x        | 1.55x                 |
| <b>Median</b>                               |        |                  | <b>(0.2%)</b> | <b>18.1%</b> |         |         |               |                  |            |           |          |        | <b>1.76x</b>  | <b>10.1x</b> | <b>17.2x</b>   | <b>21.1x</b> | <b>1.55x</b>          |
| <b>Life Science Consumables</b>             |        |                  |               |              |         |         |               |                  |            |           |          |        |               |              |                |              |                       |
| Affymetrix Inc.                             | AFFX   | \$8.26           | 7.0%          | 120.9%       | \$9.80  | \$3.42  | \$601         | \$684            | \$335.4    | \$26.9    | (\$0.23) | \$0.14 | 2.04x         | 25.5x        | NM             | 60.7x        | 4.65x                 |
| Bio-Rad Laboratories, Inc.                  | BIO    | 120.73           | (6.9%)        | 6.2%         | 134.13  | 110.26  | 3,483         | 3,279            | 2,142.4    | 311.2     | 2.69     | 3.86   | 1.53x         | 10.5x        | 54.4x          | 31.3x        | NM                    |
| Cambrex Corporation                         | CBM    | 21.49            | 7.1%          | 56.2%        | 22.34   | 12.56   | 658           | 697              | 309.5      | 59.1      | 0.98     | 1.01   | 2.25x         | 11.8x        | 33.1x          | 21.3x        | 0.94x                 |
| Luminex Corporation                         | LMNX   | 16.99            | (8.1%)        | (11.8%)      | 24.10   | 15.74   | 722           | 642              | 216.8      | 36.3      | 0.17     | 0.51   | 2.96x         | 17.7x        | 46.4x          | 33.1x        | 0.87x                 |
| Techne Corp.                                | TECH   | 87.79            | (1.2%)        | 32.0%        | 96.96   | 64.46   | 3,248         | 3,028            | 344.7      | 181.5     | 3.09     | 3.52   | 8.78x         | 16.7x        | 28.9x          | 24.9x        | 1.99x                 |
| <b>Median</b>                               |        |                  | <b>(1.2%)</b> | <b>32.0%</b> |         |         |               |                  |            |           |          |        | <b>2.25x</b>  | <b>16.7x</b> | <b>39.8x</b>   | <b>31.3x</b> | <b>1.46x</b>          |
| <b>Large-Cap Pharmaceuticals</b>            |        |                  |               |              |         |         |               |                  |            |           |          |        |               |              |                |              |                       |
| AbbVie Inc.                                 | ABBV   | \$54.33          | 6.7%          | 27.3%        | \$54.78 | \$40.10 | \$86,388      | \$92,040         | \$19,024.0 | \$7,190.0 | \$2.56   | \$3.14 | 4.84x         | 12.8x        | 21.1x          | 17.3x        | 2.06x                 |
| Allergan Inc.                               | AGN    | 167.46           | 31.9%         | 68.3%        | 170.05  | 81.33   | 49,829        | 48,375           | 6,478.3    | 2,129.3   | 4.20     | 5.70   | 7.47x         | 22.7x        | 40.3x          | 29.4x        | 2.13x                 |
| Bristol-Myers Squibb Company                | BMJ    | 49.74            | (7.5%)        | 8.1%         | 57.49   | 41.11   | 82,428        | 83,087           | 16,365.0   | 4,217.0   | 1.54     | 1.78   | 5.08x         | 19.7x        | 28.8x          | 27.9x        | 1.94x                 |
| Eli Lilly and Company                       | LLY    | 59.86            | 0.4%          | 12.6%        | 61.15   | 47.53   | 63,858        | 63,922           | 22,194.2   | 6,383.6   | 4.32     | 2.78   | 2.88x         | 10.0x        | 16.7x          | 21.5x        | 9.94x                 |
| Merck & Co. Inc.                            | MRK    | 57.86            | 1.5%          | 23.9%        | 59.84   | 44.62   | 169,089       | 179,335          | 43,626.0   | 15,907.0  | 1.47     | 3.47   | 4.11x         | 11.3x        | 38.2x          | 16.7x        | 3.99x                 |
| Pfizer Inc.                                 | PFE    | 29.63            | (7.7%)        | 8.8%         | 32.96   | 27.12   | 188,772       | 193,410          | 50,527.0   | 22,375.0  | 1.64     | 2.24   | 3.83x         | 8.6x         | 18.1x          | 13.2x        | 4.36x                 |
| Valeant Pharmaceuticals International, Inc. | VRX    | 131.08           | (8.1%)        | 42.1%        | 156.97  | 76.79   | 43,948        | 61,120           | 6,583.2    | 3,165.9   | (2.70)   | 8.68   | 9.28x         | 19.3x        | NM             | 15.1x        | 0.82x                 |
| <b>Median</b>                               |        |                  | <b>0.4%</b>   | <b>23.9%</b> |         |         |               |                  |            |           |          |        | <b>4.84x</b>  | <b>12.8x</b> | <b>24.9x</b>   | <b>17.3x</b> | <b>2.13x</b>          |
| <b>Pharmaceuticals</b>                      |        |                  |               |              |         |         |               |                  |            |           |          |        |               |              |                |              |                       |
| Akorn, Inc.                                 | AKRX   | \$27.97          | 8.3%          | 92.5%        | \$29.62 | \$12.91 | \$2,907       | \$2,971          | \$334.5    | \$112.0   | \$0.46   | \$0.86 | 8.88x         | 26.5x        | 63.7x          | 32.6x        | 1.36x                 |
| Aratana Therapeutics, Inc.                  | PETX   | 14.06            | (39.8%)       | NM           | 29.32   | 6.56    | 414           | 349              | 0.3        | (21.3)    | (0.39)   | (1.51) | NM            | NM           | NM             | NM           | NM                    |
| BioDelivery Sciences International, Inc.    | BDSI   | 9.57             | 2.1%          | 117.5%       | 10.20   | 3.86    | 464           | 393              | 30.4       | (40.7)    | (1.51)   | (0.59) | 12.91x        | NM           | NM             | NM           | NM                    |
| BioSyent Inc.                               | RX     | 6.31             | 47.5%         | 398.1%       | 6.49    | 1.15    | 87            | 84               | 7.9        | 2.4       | 0.12     | NM     | 10.59x        | 34.9x        | 45.7x          | NM           | NM                    |
| Cipher Pharmaceuticals Inc.                 | DND    | 7.28             | (0.5%)        | 79.2%        | 8.83    | 3.68    | 183           | 151              | 28.6       | 20.5      | 0.91     | 0.60   | 5.27x         | 7.4x         | 7.5x           | 12.2x        | NM                    |
| Cumberland Pharmaceuticals, Inc.            | CPIX   | 4.55             | (1.7%)        | (6.2%)       | 5.85    | 4.20    | 81            | 28               | 29.9       | (3.3)     | (0.11)   | 0.05   | 0.94x         | NM           | NM             | 91.0x        | 3.03x                 |
| DURECT Corporation                          | DRRX   | 1.37             | (1.4%)        | 63.1%        | 2.69    | 0.76    | 151           | 134              | 17.5       | (19.1)    | (0.21)   | (0.17) | 7.65x         | NM           | NM             | NM           | NM                    |
| Endo International plc                      | ENDP   | 70.59            | (11.6%)       | 94.5%        | 82.16   | 35.87   | 10,748        | 13,601           | 2,493.0    | 785.2     | (5.19)   | 3.69   | 5.46x         | 17.3x        | NM             | 19.1x        | 1.80x                 |

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



(\$ in millions, except per share amounts)

| Company Name                   | Ticker | Price<br>5/31/14 | % Change |         | 52-Week  |         | Market<br>Cap | Ent Val<br>(TEV) | LTM       |         | EPS    |        | LTM Multiples |        | Earnings Ratio |       | PEG<br>Ratio<br>2014E |  |
|--------------------------------|--------|------------------|----------|---------|----------|---------|---------------|------------------|-----------|---------|--------|--------|---------------|--------|----------------|-------|-----------------------|--|
|                                |        |                  | 3 mo     | 12 mo   | High     | Low     |               |                  | Rev       | EBITDA  | 2013   | 2014E  | Rev           | EBITDA | LTM            | 2014E |                       |  |
| Pharmaceuticals (cont.)        |        |                  |          |         |          |         |               |                  |           |         |        |        |               |        |                |       |                       |  |
| Forest Laboratories Inc.       | FRX    | \$94.78          | (2.9%)   | 138.4%  | \$100.88 | \$39.28 | \$25,836      | \$26,683         | \$3,646.9 | \$672.0 | \$0.58 | \$3.04 | 7.32x         | 39.7x  | NM             | 31.2x | 0.48x                 |  |
| Heska Corporation              | HSKA   | 10.81            | 11.3%    | 44.1%   | 12.74    | 5.16    | 67            | 77               | 80.2      | 1.9     | (0.21) | 0.20   | 0.96x         | 40.3x  | NM             | 54.1x | 3.60x                 |  |
| Impax Laboratories Inc.        | IPXL   | 27.76            | 7.7%     | 46.4%   | 29.46    | 17.60   | 1,945         | 1,554            | 481.7     | 65.4    | 1.47   | 0.87   | 3.23x         | 23.8x  | NM             | 31.9x | 0.94x                 |  |
| Lannett Company, Inc.          | LCI    | 41.78            | (2.6%)   | 264.3%  | 46.51    | 10.18   | 1,486         | 1,364            | 233.3     | 62.8    | 0.57   | 2.19   | 5.85x         | 21.7x  | 37.6x          | 19.1x | 1.27x                 |  |
| MediWound Ltd.                 | MDWD   | 11.88            | NM       | NM      | 19.31    | 9.45    | 253           | 173              | 0.1       | (10.3)  | (0.54) | (0.63) | NM            | NM     | NM             | NM    | NM                    |  |
| Merus Labs International Inc.  | MSL    | 1.52             | (8.0%)   | 161.9%  | 1.84     | 0.55    | 79            | 81               | 26.8      | 14.3    | (0.10) | (0.00) | 3.02x         | 5.7x   | NM             | NM    | NM                    |  |
| Mylan, Inc.                    | MYL    | 49.84            | (10.3%)  | 63.5%   | 57.52    | 29.50   | 18,627        | 26,492           | 6,993.2   | 1,866.5 | 1.58   | 3.40   | 3.79x         | 14.2x  | 31.1x          | 14.7x | 1.37x                 |  |
| Patheon Inc.                   | PTI    | 9.52             | 3.1%     | 72.8%   | 9.54     | 3.41    | 1,342         | 1,921            | 1,076.3   | 143.3   | 0.10   | 0.34   | 1.78x         | 13.4x  | 88.5x          | 27.4x | NM                    |  |
| Questcor Pharmaceuticals, Inc. | QCOR   | 90.13            | 48.4%    | 163.8%  | 94.20    | 33.00   | 5,460         | 5,139            | 890.9     | 516.9   | 4.76   | 6.89   | 5.77x         | 9.9x   | 17.0x          | 13.1x | 0.44x                 |  |
| Revanche Therapeutics, Inc.    | RVNC   | 31.49            | 16.9%    | NM      | 39.86    | 21.00   | 589           | 515              | 0.7       | (38.1)  | 1.05   | (3.03) | NM            | NM     | NM             | NM    | NM                    |  |
| Salix Pharmaceuticals Ltd.     | SLXP   | 114.08           | 5.7%     | 88.0%   | 120.00   | 59.91   | 7,234         | 9,675            | 1,115.6   | 379.1   | 2.18   | 6.50   | 8.67x         | 25.5x  | 96.9x          | 17.6x | 0.98x                 |  |
| SciClone Pharmaceuticals, Inc. | SCLN   | 5.03             | 8.2%     | 4.6%    | 6.30     | 4.24    | 259           | 173              | 123.8     | 14.1    | 0.20   | 0.40   | 1.40x         | 12.3x  | 25.3x          | 12.6x | NM                    |  |
| The Medicines Company          | MDCO   | 27.90            | (8.7%)   | (13.4%) | 41.28    | 23.53   | 1,814         | 1,674            | 709.3     | 88.3    | 0.25   | 0.04   | 2.36x         | 18.9x  | 83.1x          | NM    | NM                    |  |
| Zoetis Inc.                    | ZTS    | 30.70            | (1.0%)   | (4.1%)  | 33.34    | 28.14   | 15,381        | 18,555           | 4,568.0   | 1,292.0 | 1.01   | 1.53   | 4.06x         | 14.4x  | 29.6x          | 20.0x | 1.57x                 |  |
| Median                         |        |                  | (0.5%)   | 79.2%   |          |         |               |                  |           |         |        |        | 5.27x         | 18.1x  | 37.6x          | 19.6x | 1.36x                 |  |

### Definitions

**PEG Ratio:** Price Earnings to Growth

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

**EPS:** Earnings Per Share

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

**LTM:** Last Twelve Months

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