

# Healthcare Sector Update



February 2015

## Summary – Healthcare Services

- The S&P Healthcare Services Index has increased by 0.1% over the last three months, outperforming the S&P 500 (1.1% decrease over the last three months).
- Over the past three months:
  - > The best performing sectors were Healthcare REITs (up 12.7%) and Contract Research Organizations (up 8.5%).
  - > The worst performing sectors were Emergency Services (down 8.6%), Acute Care Hospitals (down 6.8%) and HCIT (down 6.7%).
- The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.71x and 11.7x, respectively.
- The sectors with the highest valuation multiples include:
  - > Healthcare REITs (13.32x LTM Revenue, 20.1x LTM EBITDA).
  - > HCIT (3.06x LTM Revenue, 19.9x LTM EBITDA).
  - > Consumer Directed Health and Wellness (3.05x LTM Revenue, 26.6x LTM EBITDA).

## Summary – Pharmaceutical / Medical Devices / Life Sciences

- The S&P 500 – Pharmaceuticals, Biotechnology and Life Sciences Index has risen 1.6% over the last three months, outperforming the S&P 500 (1.1% decrease over the last three months).
- Over the past three months:
  - > The best performing sectors were Pharmaceuticals (up 13.2%), Biotechnology (up 10.6%) and Lab Equipment (up 9.4%).
  - > The worst performing sectors were Conglomerates (down 5.5%) and Surgical Devices (down 5.1%).
- The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 3.25x and 14.8x, respectively.
- The sectors with the highest valuation multiples include:
  - > Biotechnology (8.10x LTM Revenue, 17.2x LTM EBITDA).
  - > Large-Cap Pharmaceuticals (5.28x LTM Revenue, 16.1x LTM EBITDA).
  - > Pharmaceuticals (5.06x LTM Revenue, 18.6x LTM EBITDA).
  - > Dental Devices (2.92x LTM Revenue, 17.1x 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	5	\$52,500	(6.8%)	23.1%	1.35x	9.2x	20.7x	17.9x	1.5x
Assisted Living	5	7,200	(3.6%)	2.3%	1.92x	18.0x	10.3x	13.4x	1.3x
Care Management / TPA	7	9,982	(4.3%)	7.4%	1.59x	13.3x	20.8x	19.4x	1.3x
Clinical Laboratories	5	26,855	5.0%	24.7%	1.96x	10.7x	19.7x	18.2x	1.9x
Consumer Directed Health & Wellness	9	13,597	1.5%	(26.3%)	3.05x	26.6x	45.3x	29.5x	3.0x
Contract Research Orgs	8	27,098	8.5%	26.0%	2.23x	13.5x	23.2x	22.8x	1.4x
Diagnostic Imaging	3	588	(6.6%)	(13.8%)	1.71x	6.1x	NM	27.2x	2.7x
Dialysis Services	2	38,597	(1.3%)	10.6%	1.94x	10.3x	22.9x	21.1x	2.8x
Distribution / Supply	7	117,008	6.0%	21.9%	0.36x	13.1x	25.8x	21.8x	2.2x
Emergency Services	2	1,939	(8.6%)	(19.2%)	2.46x	9.3x	18.9x	17.4x	1.0x
HCIT	14	41,427	(6.7%)	(12.8%)	3.06x	19.9x	41.5x	36.1x	2.4x
Healthcare REITs	14	97,900	12.7%	23.6%	13.32x	20.1x	24.1x	28.8x	3.6x
Healthcare Staffing	5	11,878	(1.6%)	4.0%	1.09x	13.8x	28.1x	24.9x	1.3x
Home Care / Hospice	6	4,337	5.5%	28.9%	0.82x	11.2x	24.4x	21.9x	1.4x
Long Term Care	4	3,160	(5.4%)	10.0%	0.71x	8.4x	22.2x	18.5x	1.3x
Managed Care – Commercial	7	226,048	7.3%	47.0%	0.70x	10.1x	17.0x	16.9x	1.3x
Managed Care – Government	3	12,067	7.3%	41.4%	0.21x	9.6x	31.6x	35.7x	1.2x
Other Services	4	13,469	2.2%	4.5%	1.81x	18.4x	35.3x	34.1x	2.1x
Pharmacy Management	6	79,228	1.8%	5.4%	0.76x	12.7x	36.3x	20.2x	1.4x
Physician Practice Mgmt	2	6,843	(2.0%)	0.1%	1.83x	11.7x	21.4x	NM	NM
Psychiatric Hospitals	3	5,639	(0.7%)	6.8%	0.40x	16.3x	31.7x	23.1x	(1.4x)
Specialty Managed Care	2	5,118	0.9%	16.1%	0.34x	5.6x	12.8x	11.3x	1.4x
Surgicenters / Rehabilitation	8	11,521	2.2%	24.1%	2.10x	10.4x	25.3x	18.7x	1.3x
<b>Total / Median (\$MM)</b>	<b>131</b>	<b>\$813,998</b>	<b>0.9%</b>	<b>10.0%</b>	<b>1.71x</b>	<b>11.7x</b>	<b>23.6x</b>	<b>21.4x</b>	<b>1.4x</b>

Source: Capital IQ

**CAPITALIZATION PROFILE**

	No. of	Ag. Eqty Mkt.	% Total No. of	% Ag. Eqty Mkt.	Median Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	35	\$689,292	26.7%	84.7%	7.1%	102.7%	25.3%	73.3%
\$1 billion – \$5 billion	41	100,326	31.3%	12.3%	(0.1%)	104.4%	12.1%	63.5%
\$250 million – \$1 billion	38	22,912	29.0%	2.8%	(2.7%)	95.5%	13.3%	57.7%
\$100 million – \$250 million	4	855	3.1%	0.1%	(3.6%)	265.0%	(21.2%)	165.7%
< \$100 million	13	613	9.9%	0.1%	(12.5%)	7.3%	(15.8%)	(9.7%)
<b>Total / Median (\$MM)</b>	<b>131</b>	<b>\$813,998</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.9%</b>	<b>102.7%</b>	<b>10.0%</b>	<b>63.5%</b>

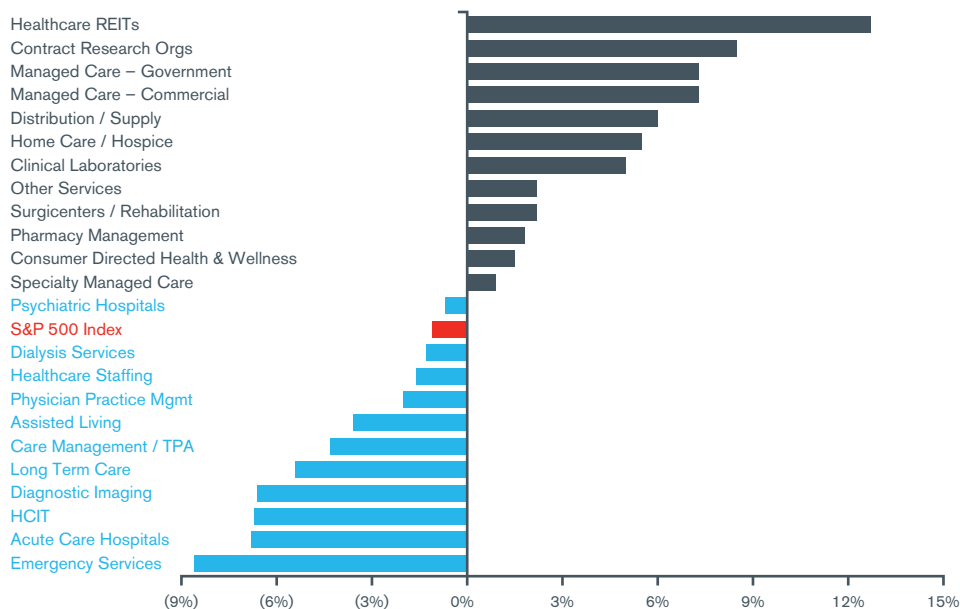
Source: Capital IQ

**MARKET INDICES**

	Value at 1/31/15	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$17,164.9	(1.3%)	(3.7%)	9.3%	35.0%
S&P 500 Index	1,995.0	(1.1%)	(3.1%)	11.9%	50.7%
NASDAQ Composite Index	4,635.2	0.1%	(2.1%)	12.9%	62.7%
Russell 2000 Index	1,165.4	(0.7%)	(3.3%)	3.1%	43.9%
AMEX Sector Index – Healthcare	100.4	(4.2%)	0.0%	(23.5%)	9.0%
S&P Healthcare Facilities (Sub Ind) Index	396.3	(4.3%)	(6.0%)	30.7%	133.6%
S&P Healthcare Providers & Services (Industry) Index	600.0	8.1%	(0.7%)	31.9%	117.3%
S&P Managed Healthcare (Sub Ind) Index	365.2	14.1%	(0.3%)	51.4%	86.3%
S&P Healthcare Services	390.9	0.1%	(4.8%)	7.1%	66.8%

Source: Capital IQ

**Median % Change – 3 months**



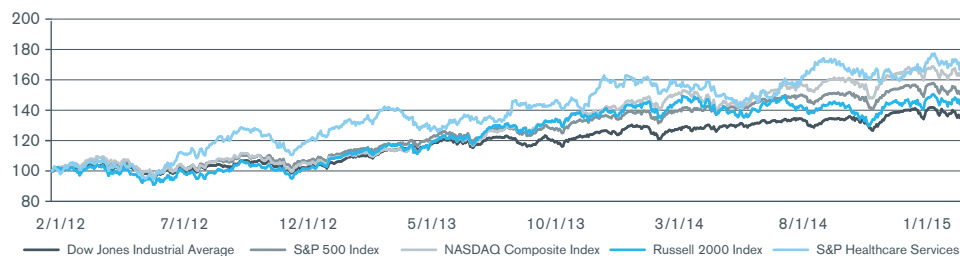
Source: Capital IQ

**INTEREST RATES**

	Value at 1/31/15	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 5 Months	0.00%	0.00%	0.00%	0.00%
U.S. Treasury – 2 years	0.45%	0.69%	0.00%	0.34%
U.S. Treasury – 5 years	1.18%	1.66%	1.61%	1.51%
U.S. Treasury – 10 years	1.68%	2.17%	2.33%	2.67%
U.S. Treasury – 30 years	2.26%	2.75%	3.06%	3.06%
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 1/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
<b>Acute Care Hospitals</b>																	
Community Health Systems, Inc.	CYH	\$47.07	(14.4%)	13.7%	\$57.72	\$34.55	\$5,473	\$23,104	\$17,128.7	\$2,240.9	\$1.51	\$3.21	1.35x	10.3x	NM	14.7x	0.80x
HCA Holdings, Inc.	HCA	70.80	1.1%	40.8%	76.18	46.02	29,770	59,242	36,118.0	7,141.0	3.37	4.61	1.64x	8.3x	18.1x	15.4x	1.12x
Lifepoint Hospitals Inc.	LPNT	65.24	(6.8%)	23.1%	76.50	50.18	2,954	5,024	4,172.8	547.1	2.68	3.24	1.20x	9.2x	22.1x	20.1x	1.62x
Tenet Healthcare Corp.	THC	42.28	(24.6%)	(8.1%)	63.61	37.95	4,155	16,035	16,032.0	1,750.0	(1.21)	1.57	1.00x	9.2x	NM	26.9x	1.86x
Universal Health Services Inc.	UHS	102.53	(1.1%)	25.0%	115.64	73.06	10,147	13,859	7,758.6	1,386.0	5.14	5.74	1.79x	10.0x	20.7x	17.9x	1.49x
<b>Median</b>			<b>(6.8%)</b>	<b>23.1%</b>									<b>1.35x</b>	<b>9.2x</b>	<b>20.7x</b>	<b>17.9x</b>	<b>1.49x</b>
<b>Assisted Living</b>																	
AdCare Health Systems Inc.	ADK	\$4.00	(7.4%)	(1.7%)	\$5.05	\$3.58	\$77	\$222	\$227.3	\$12.4	(\$0.79)	(\$0.21)	0.98x	18.0x	NM	NM	NM
Brookdale Senior Living Inc.	BKD	33.75	0.1%	22.9%	37.23	26.11	6,190	12,368	2,931.4	521.7	(0.03)	2.52	4.22x	23.7x	NM	13.4x	1.27x
Capital Senior Living Corp.	CSU	23.87	6.1%	6.2%	26.89	20.33	694	1,333	367.4	56.9	(0.58)	0.09	3.63x	23.4x	NM	NM	NM
Five Star Quality Care Inc.	FVE	3.48	(15.7%)	(35.9%)	6.09	3.23	169	206	1,103.3	20.2	0.07	(0.18)	0.19x	10.2x	NM	NM	NM
Skarbiec Holding S.A.	SKH	10.13	NM	NM	10.50	8.08	69	65	33.9	12.1	1.49	NM	1.92x	5.4x	10.3x	NM	NM
<b>Median</b>			<b>(3.6%)</b>	<b>2.3%</b>									<b>1.92x</b>	<b>18.0x</b>	<b>10.3x</b>	<b>13.4x</b>	<b>1.27x</b>
<b>Care Management / TPA</b>																	
Alere Inc.	ALR	\$40.69	1.8%	7.4%	\$43.13	\$31.94	\$3,400	\$7,355	\$2,963.9	\$546.5	(\$1.13)	\$2.10	2.48x	13.5x	NM	19.4x	1.94x
Care.com, Inc.	CRCM	7.97	(4.0%)	(72.2%)	29.25	7.00	251	168	105.7	(33.0)	(9.45)	(1.07)	1.59x	NM	NM	NM	NM
CorVel Corporation	CRVL	32.94	(4.3%)	(30.4%)	53.35	28.08	680	652	489.4	70.6	1.57	NM	1.33x	9.2x	20.8x	NM	NM
Crawford & Company	CRD.B	9.35	(8.2%)	15.6%	12.22	7.62	467	617	1,142.3	97.1	0.92	0.70	0.54x	6.4x	13.7x	13.4x	1.34x
ExamWorks Group, Inc.	EXAM	36.96	(4.7%)	20.0%	42.49	27.79	1,480	1,929	732.4	101.2	(0.29)	0.17	2.63x	19.1x	NM	NM	NM
Hooper Holmes Inc.	HH	0.48	(12.7%)	(6.4%)	0.83	0.44	34	30	56.1	(2.5)	(0.15)	NM	0.53x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	55.72	15.0%	31.5%	57.79	37.94	3,670	3,513	1,700.9	264.7	1.85	2.19	2.07x	13.3x	26.4x	25.5x	1.21x
<b>Median</b>			<b>(4.3%)</b>	<b>7.4%</b>									<b>1.59x</b>	<b>13.3x</b>	<b>20.8x</b>	<b>19.4x</b>	<b>1.34x</b>

Source: Capital IQ as of January 31, 2015; For definitions, see page 9

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 1/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E	
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E		
<b>Clinical Laboratories</b>																		
Bio-Reference Laboratories Inc.	BRLI	\$33.53	11.6%	24.7%	\$34.00	\$24.19	\$930	\$968	\$832.3	\$108.6	\$1.45	\$1.96	1.16x	8.9x	20.0x	17.2x	0.93x	
Laboratory Corp. of America Holdings	LH	114.78	5.0%	27.8%	119.21	87.25	9,699	12,156	5,935.9	1,138.4	6.25	6.78	2.05x	10.7x	19.3x	16.9x	1.93x	
Psychemedics Corp.	PMD	14.96	4.0%	(2.3%)	18.76	12.42	80	84	28.9	5.6	0.72	0.55	2.92x	15.1x	23.5x	27.2x	NM	
Quest Diagnostics Inc.	DGX	71.07	12.0%	35.4%	72.63	50.46	10,272	13,871	7,308.0	1,397.0	5.31	4.08	1.90x	9.9x	18.8x	NM	NM	
Sonic Healthcare Limited	SHL	14.63	(10.9%)	1.5%	14.99	12.27	5,873	7,245	3,690.7	671.3	0.81	0.80	1.96x	10.8x	19.7x	19.2x	2.38x	
<b>Median</b>			<b>5.0%</b>	<b>24.7%</b>									<b>1.96x</b>	<b>10.7x</b>	<b>19.7x</b>	<b>18.2x</b>	<b>1.93x</b>	
<b>Contract Research Orgs</b>																		
Albany Molecular Research Inc.	AMRI	\$16.33	(29.8%)	52.6%	\$23.95	\$10.28	\$532	\$638	\$257.1	\$35.4	\$0.40	\$0.68	2.48x	18.0x	NM	24.0x	NM	
Charles River Laboratories International, Inc.	CRL	69.35	9.8%	22.7%	70.73	49.60	3,254	3,924	1,257.3	280.6	2.15	3.36	3.12x	14.0x	27.7x	20.6x	2.17x	
Covance Inc.	CVD	106.21	32.9%	12.3%	107.35	73.57	6,050	5,595	2,509.7	416.5	3.15	3.80	2.23x	13.4x	34.0x	28.0x	2.24x	
ICON Public Limited Company	ICLR	56.40	7.2%	34.3%	59.81	35.33	3,473	3,224	1,458.5	239.6	1.65	2.76	2.21x	13.5x	22.2x	20.4x	1.13x	
INC Research Holdings, Inc.	INCR	23.30	NM	NM	28.73	19.61	1,398	1,801	770.4	139.3	(0.09)	0.90	2.34x	12.9x	21.3x	25.9x	1.26x	
PAREXEL International Corporation	PRXL	60.96	12.2%	24.9%	64.72	41.79	3,354	3,440	1,981.8	295.0	1.96	2.46	1.74x	11.7x	22.9x	NM	NM	
PRA Health Sciences, Inc.	PRAH	26.13	NM	NM	28.15	18.47	1,563	2,774	1,241.6	134.0	(2.23)	1.15	2.23x	20.7x	NM	22.7x	1.17x	
Quintiles Transnational Holdings Inc.	Q	60.50	3.3%	27.0%	62.73	45.85	7,475	8,890	4,105.7	657.2	1.77	2.66	2.17x	13.5x	23.5x	22.8x	1.60x	
<b>Median</b>			<b>8.5%</b>	<b>26.0%</b>									<b>2.23x</b>	<b>13.5x</b>	<b>23.2x</b>	<b>22.8x</b>	<b>1.43x</b>	
<b>Diagnostic Imaging</b>																		
Alliance Healthcare Services, Inc.	AIQ	\$22.54	(6.6%)	(21.5%)	\$35.40	\$18.92	\$238	\$749	\$437.4	\$127.3	(\$2.02)	NM	1.71x	5.9x	NM	NM	NM	
American Shared Hospital Services	AMS	2.49	13.7%	(13.8%)	3.42	1.98	13	49	15.4	8.0	(0.07)	NM	3.18x	6.1x	NM	NM	NM	
RadNet, Inc.	RDNT	7.89	(15.2%)	317.5%	10.35	1.75	337	953	710.4	115.9	0.05	0.29	1.34x	8.2x	NM	27.2x	2.72x	
<b>Median</b>			<b>(6.6%)</b>	<b>(13.8%)</b>									<b>1.71x</b>	<b>6.1x</b>	<b>NM</b>	<b>27.2x</b>	<b>2.72x</b>	
<b>Dialysis Services</b>																		
DaVita HealthCare Partners Inc.	DVA	\$75.06	(3.9%)	15.6%	\$78.52	\$62.52	\$16,130	\$23,901	\$12,519.4	\$2,413.3	\$2.89	\$3.59	1.91x	9.9x	22.3x	20.9x	2.58x	
Fresenius Medical Care AG & Co. KGAA	FME	74.11	1.2%	5.6%	75.37	52.83	22,466	30,984	15,665.6	2,901.9	3.65	3.48	1.98x	10.7x	23.6x	21.3x	2.94x	
<b>Median</b>			<b>(1.3%)</b>	<b>10.6%</b>									<b>1.94x</b>	<b>10.3x</b>	<b>22.9x</b>	<b>21.1x</b>	<b>2.76x</b>	

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(\$ in millions, except per share amounts)

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
<b>Distribution / Supply</b>																	
Aceto Corp.	ACET	\$19.40	(14.7%)	(9.0%)	\$23.78	\$16.52	\$564	\$630	\$511.7	\$48.3	\$1.11	\$1.10	1.23x	13.1x	24.5x	21.8x	NM
AmerisourceBergen Corporation	ABC	95.05	11.3%	41.4%	100.20	62.55	20,787	20,484	119,569.1	1,374.2	1.57	4.14	0.17x	14.9x	NM	NM	NM
Cardinal Health, Inc.	CAH	83.19	6.0%	22.3%	87.33	63.06	27,533	28,628	90,631.0	2,390.0	1.08	3.94	0.32x	12.0x	25.7x	NM	NM
Henry Schein, Inc.	HSIC	138.07	15.0%	20.2%	143.89	109.34	11,628	12,929	10,195.7	843.7	4.93	5.38	1.27x	15.3x	25.9x	25.6x	2.33x
McKesson Corporation	MCK	212.65	4.5%	21.9%	222.93	162.90	49,310	57,673	161,201.0	3,557.0	5.42	10.44	0.36x	16.2x	35.4x	20.4x	1.19x
Owens & Minor Inc.	OMI	34.23	2.7%	(1.2%)	35.99	31.55	2,159	2,315	9,266.9	236.9	1.76	1.77	0.25x	9.8x	26.7x	19.3x	3.46x
Patterson Companies, Inc.	PDCO	50.09	16.2%	25.4%	51.49	37.03	5,028	5,411	4,347.6	417.5	2.04	2.25	1.24x	13.0x	23.3x	22.3x	2.09x
<b>Median</b>			<b>6.0%</b>	<b>21.9%</b>									<b>0.36x</b>	<b>13.1x</b>	<b>25.8x</b>	<b>21.8x</b>	<b>2.21x</b>
<b>Emergency Services</b>																	
Adeptus Health Inc.	ADPT	\$31.45	(5.2%)	NM	\$38.78	\$23.35	\$310	\$453	\$174.3	\$6.9	(\$0.13)	(\$0.15)	2.60x	NM	NM	NM	NM
Air Methods Corp.	AIRM	41.55	(12.0%)	(19.2%)	60.74	40.33	1,629	2,283	983.2	246.0	1.54	2.38	2.32x	9.3x	18.9x	17.4x	0.95x
<b>Median</b>			<b>(8.6%)</b>	<b>(19.2%)</b>									<b>2.46x</b>	<b>9.3x</b>	<b>18.9x</b>	<b>17.4x</b>	<b>0.95x</b>
<b>HCIT</b>																	
Allscripts Healthcare Solutions, Inc.	MDRX	\$11.91	(13.2%)	(28.1%)	\$19.68	\$11.00	\$2,147	\$2,697	\$1,387.9	\$46.0	(\$0.59)	NM	1.94x	58.7x	NM	NM	NM
athenahealth, Inc.	ATHN	139.71	14.0%	(5.2%)	206.70	97.30	5,322	5,430	711.0	59.4	0.07	1.11	7.64x	91.5x	NM	NM	NM
Cerner Corporation	CERN	66.35	4.8%	16.6%	68.37	48.39	22,657	21,472	3,181.1	841.5	1.13	1.65	6.75x	25.5x	NM	40.3x	2.46x
Computer Programs & Systems Inc.	CPSI	49.26	(21.8%)	(26.3%)	71.89	47.40	552	518	209.7	59.8	2.95	3.23	2.47x	8.7x	16.8x	NM	NM
Healthstream Inc.	HSTM	28.26	(8.7%)	(2.6%)	32.17	20.76	781	665	162.4	26.4	0.30	0.40	4.09x	25.2x	NM	71.0x	3.94x
HMS Holdings Corp.	HMSY	19.79	(14.8%)	(14.1%)	23.69	15.10	1,737	1,814	452.7	103.7	0.45	0.55	4.01x	17.5x	NM	36.1x	1.80x
MedAssets, Inc.	MDAS	18.51	(14.5%)	(16.0%)	26.09	17.08	1,114	2,009	692.5	207.4	0.45	1.36	2.90x	9.7x	37.8x	13.6x	1.39x
Medical Transcription Billing, Corp.	MTBC	2.42	(29.5%)	NM	5.00	2.02	27	27	14.2	0.0	(0.03)	(0.67)	1.88x	NM	NM	NM	NM
Medidata Solutions, Inc.	MDSO	42.99	(4.7%)	(31.9%)	68.21	32.10	2,332	2,312	320.4	25.2	0.31	0.71	7.22x	91.7x	NM	60.8x	3.83x
Merge Healthcare Incorporated	MRGE	3.70	34.5%	72.1%	4.00	1.97	355	549	212.3	38.2	(0.42)	0.18	2.59x	14.4x	NM	20.2x	1.35x
National Research Corp.	NRCLB	34.55	5.6%	(12.8%)	44.95	30.20	410	380	96.6	31.7	0.63	0.75	3.93x	12.0x	47.7x	46.1x	3.84x
Premier, Inc.	PINC	32.50	(2.6%)	(6.3%)	36.36	26.52	1,205	971	899.3	304.5	(300.62)	1.34	1.08x	3.2x	NM	24.3x	2.06x
Quality Systems Inc.	QSII	16.29	7.8%	(11.5%)	18.89	13.01	982	857	477.0	43.0	0.10	0.36	1.80x	19.9x	45.3x	NM	NM
The Advisory Board Company	ABCO	46.88	(12.7%)	(26.0%)	70.14	37.47	1,806	1,783	555.1	61.4	0.59	1.31	3.21x	29.0x	NM	35.8x	2.39x
<b>Median</b>			<b>(6.7%)</b>	<b>(12.8%)</b>									<b>3.06x</b>	<b>19.9x</b>	<b>41.5x</b>	<b>36.1x</b>	<b>2.39x</b>

Source: Capital IQ as of January 31, 2015; For definitions, see page 9

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(\$ in millions, except per share amounts)

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
<b>Consumer Directed Health &amp; Wellness</b>																	
Benefitfocus, Inc.	BNFT	\$24.19	(12.7%)	(62.9%)	\$72.69	\$20.82	\$618	\$599	\$127.5	(\$47.8)	(\$2.99)	(\$2.34)	4.70x	NM	NM	NM	NM
Castlight Health, Inc.	CSLT	8.88	(29.0%)	NM	41.95	8.25	802	620	36.3	(85.2)	(0.84)	(0.99)	17.09x	NM	NM	NM	NM
Connecture, Inc.	CNXR	9.50	NM	NM	10.39	8.11	206	226	81.7	(3.2)	(1.58)	(0.74)	2.77x	NM	NM	NM	NM
Everyday Health, Inc.	EVDY	13.88	1.5%	NM	19.89	10.86	428	410	174.4	15.4	(0.89)	0.47	2.35x	26.6x	NM	29.5x	NM
HealthEquity, Inc.	HQY	20.77	1.8%	NM	27.74	16.11	1,137	1,029	80.1	21.8	0.13	0.21	12.84x	47.3x	NM	NM	NM
Healthways Inc.	HWAY	20.62	33.0%	34.7%	22.25	11.50	730	985	712.3	34.2	(0.25)	0.22	1.38x	28.8x	NM	NM	NM
IMS Health Holdings, Inc.	IMS	24.61	1.5%	NM	28.48	21.63	8,201	11,762	2,637.0	613.0	0.51	1.35	4.46x	19.2x	NM	18.2x	1.85x
Streamline Health Solutions, Inc.	STRM	4.02	2.8%	(33.4%)	6.75	3.22	74	84	27.5	(10.8)	(0.94)	(0.58)	3.05x	NM	NM	NM	NM
WebMD Health Corp.	WBMD	38.75	(9.2%)	(19.1%)	53.30	34.48	1,401	1,653	564.0	107.7	0.31	0.93	2.93x	15.3x	45.3x	41.5x	4.15x
<b>Median</b>			<b>1.5%</b>	<b>(26.3%)</b>									<b>3.05x</b>	<b>26.6x</b>	<b>45.3x</b>	<b>29.5x</b>	<b>3.00x</b>
<b>Healthcare REITs</b>																	
Holista CollTech Limited	HCT	\$0.02	(55.8%)	(72.2%)	\$0.06	\$0.02	\$3	\$4	\$5.9	(\$2.3)	(\$0.02)	NM	0.69x	NM	NM	NM	NM
Aviv REIT, Inc.	AVIV	39.33	16.6%	61.3%	40.33	23.45	1,858	2,831	169.6	141.2	0.49	0.87	16.69x	20.1x	NM	45.4x	NM
CareTrust REIT, Inc.	CTRE	13.48	(13.2%)	NM	22.35	11.12	423	693	55.7	40.9	(0.02)	0.15	12.46x	17.0x	NM	89.9x	NM
HCP, Inc.	HCP	47.29	7.6%	20.8%	49.61	36.00	21,719	31,122	2,193.0	1,768.0	1.97	2.02	14.19x	17.6x	23.3x	23.4x	9.35x
Health Care REIT, Inc.	HCN	81.95	15.2%	41.5%	84.88	55.87	26,853	37,530	3,224.2	1,771.1	0.10	1.16	11.64x	21.2x	NM	70.8x	0.95x
Healthcare Realty Trust Incorporated	HR	30.09	13.7%	31.3%	31.20	22.06	2,954	4,356	370.4	215.9	(0.14)	0.25	11.76x	20.2x	NM	NM	NM
LTC Properties Inc.	LTC	46.92	11.9%	23.6%	48.85	36.08	1,637	1,970	116.8	103.4	1.56	1.93	16.87x	19.1x	25.7x	24.4x	NM
National Health Investors Inc.	NHI	74.76	13.4%	18.7%	76.98	56.53	2,802	3,452	164.7	154.4	2.77	3.07	20.95x	22.4x	24.6x	24.4x	NM
Newcastle Investment Corp.	NCT	4.43	(81.7%)	(86.4%)	35.04	4.00	294	-	627.7	NA	2.40	1.35	-	NA	3.6x	3.3x	NM
Omega Healthcare Investors Inc.	OHI	43.86	14.9%	37.3%	45.46	30.22	5,589	7,890	484.6	452.3	1.46	1.76	16.28x	17.4x	26.1x	25.0x	NM
Sabra Health Care REIT, Inc.	SBRA	32.70	14.5%	13.0%	33.86	24.01	1,931	3,194	165.4	141.1	0.68	0.78	19.32x	22.6x	NM	42.0x	1.72x
Senior Housing Properties Trust	SNH	23.29	3.1%	3.4%	24.60	20.70	4,748	7,430	815.4	458.2	0.98	0.81	9.11x	16.2x	23.6x	28.8x	NM
Universal Health Realty Income Trust	UHT	53.73	10.9%	26.7%	54.86	40.14	695	939	59.6	41.0	1.04	NM	15.75x	22.9x	17.8x	NM	NM
Ventas, Inc.	VTR	79.81	16.5%	27.9%	81.93	58.40	26,393	37,035	3,002.1	1,670.9	1.66	1.67	12.34x	22.2x	49.9x	47.8x	5.55x
<b>Median</b>			<b>12.7%</b>	<b>23.6%</b>									<b>13.32x</b>	<b>20.1x</b>	<b>24.1x</b>	<b>28.8x</b>	<b>3.63x</b>

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
<b>Healthcare Staffing</b>																	
AMN Healthcare Services Inc.	AHS	\$18.82	9.7%	24.6%	\$20.33	\$10.35	\$878	\$1,014	\$1,005.0	\$84.0	\$0.69	\$0.70	1.01x	12.1x	28.1x	26.9x	2.24x
Cross Country Healthcare, Inc.	CCRN	10.23	5.8%	(5.3%)	13.51	5.26	320	378	538.9	11.3	(1.75)	0.08	0.70x	NM	NM	NM	NM
Envision Healthcare Holdings, Inc.	EVHC	34.38	(1.6%)	4.0%	38.02	29.86	6,310	8,116	4,224.7	521.7	0.04	1.19	1.92x	15.6x	NM	29.0x	1.41x
IPC Healthcare, Inc.	IPCM	40.36	(3.1%)	(24.4%)	56.69	36.12	695	740	676.4	71.4	2.39	2.27	1.09x	10.4x	18.2x	17.8x	1.13x
Team Health Holdings, Inc.	TMH	51.70	(17.3%)	19.8%	63.13	41.37	3,676	4,381	2,650.8	282.1	1.24	2.26	1.65x	15.5x	35.9x	22.8x	1.28x
<b>Median</b>			<b>(1.6%)</b>	<b>4.0%</b>									<b>1.09x</b>	<b>13.8x</b>	<b>28.1x</b>	<b>24.9x</b>	<b>1.34x</b>
<b>Home Care / Hospice</b>																	
Addus HomeCare Corporation	ADUS	\$22.18	11.6%	(6.2%)	\$29.45	\$17.02	\$241	\$231	\$300.2	\$20.1	\$1.01	\$1.07	0.77x	11.5x	21.5x	20.7x	1.38x
Almost Family Inc.	AFAM	30.36	3.1%	(0.2%)	32.18	19.74	288	338	466.2	21.7	0.91	1.85	0.73x	15.6x	30.3x	16.5x	NM
Amedisys Inc.	AMED	28.18	8.0%	86.7%	30.48	12.86	941	1,049	1,190.8	51.6	(2.98)	0.72	0.88x	20.3x	NM	39.0x	0.52x
Chemed Corp.	CHE	101.14	(2.1%)	28.2%	111.98	72.50	1,720	1,875	1,425.5	183.6	4.16	5.98	1.32x	10.2x	19.6x	16.9x	1.13x
LHC Group, Inc.	LHCG	29.72	22.1%	29.6%	32.01	19.69	529	603	689.7	55.8	1.30	1.29	0.87x	10.8x	24.4x	23.1x	1.57x
Providence Service Corp.	PRSC	39.00	(11.7%)	47.8%	49.41	23.91	618	673	1,304.4	62.3	1.41	1.19	0.52x	10.8x	34.1x	32.8x	2.18x
<b>Median</b>			<b>5.5%</b>	<b>28.9%</b>									<b>0.82x</b>	<b>11.16x</b>	<b>24.35x</b>	<b>21.87x</b>	<b>1.38x</b>
<b>Long Term Care</b>																	
Diversicare Healthcare Services Inc.	DVCR	\$8.91	(25.9%)	70.4%	\$13.32	\$5.00	\$55	\$102	\$347.8	\$15.9	(\$1.00)	NM	0.29x	6.4x	NM	NM	NM
Kindred Healthcare Inc.	KND	18.46	(15.1%)	(2.5%)	26.81	16.94	1,285	2,648	5,080.6	290.5	(0.93)	1.03	0.52x	9.1x	NM	17.9x	1.41x
National Healthcare Corp.	NHC	62.97	4.4%	21.1%	64.96	49.06	887	920	854.9	104.8	3.87	NM	1.08x	8.8x	19.2x	NM	NM
The Ensign Group, Inc.	ENSG	41.50	7.2%	(1.0%)	47.78	26.02	933	891	987.5	109.9	1.16	2.18	0.90x	8.1x	25.1x	19.0x	1.27x
<b>Median</b>			<b>(5.4%)</b>	<b>10.0%</b>									<b>0.71x</b>	<b>8.4x</b>	<b>22.2x</b>	<b>18.5x</b>	<b>1.34x</b>
<b>Managed Care – Commercial</b>																	
Aetna Inc.	AET	\$91.82	11.3%	34.4%	\$96.25	\$64.68	\$32,293	\$39,431	\$56,412.2	\$4,855.1	\$5.33	\$6.69	0.70x	8.1x	15.3x	13.7x	1.42x
Anthem, Inc.	ANTM	134.96	6.5%	56.9%	143.65	83.99	36,431	50,947	72,791.5	5,162.3	8.67	8.83	0.70x	9.9x	15.1x	NM	NM
Cigna Corp.	CI	106.83	7.3%	23.8%	112.95	73.47	27,944	31,581	34,098.0	3,053.0	5.18	7.41	0.93x	10.3x	14.6x	14.4x	1.28x
Health Net, Inc.	HNT	54.17	14.0%	64.7%	56.72	30.39	4,221	3,606	12,993.4	367.6	2.12	2.30	0.28x	9.8x	27.3x	23.6x	1.19x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
<b>Managed Care – Commercial (cont.)</b>																	
Humana Inc.	HUM	\$146.44	5.5%	50.5%	\$155.30	\$91.00	\$22,454	\$24,354	\$46,359.0	\$2,244.0	\$7.73	\$7.59	0.53x	10.9x	23.7x	19.3x	2.30x
UnitedHealth Group Incorporated	UNH	106.25	11.8%	47.0%	114.32	69.57	101,978	113,277	128,158.0	10,997.0	5.50	5.64	0.88x	10.3x	18.6x	NM	NM
Universal American Corp	UAM	9.03	(3.1%)	28.1%	9.56	6.60	726	769	2,078.7	22.3	(2.20)	0.09	0.37x	NM	NM	NM	NM
<b>Median</b>			<b>7.3%</b>	<b>47.0%</b>									<b>0.70x</b>	<b>10.1x</b>	<b>17.0x</b>	<b>16.9x</b>	<b>1.35x</b>
<b>Managed Care – Government</b>																	
Centene Corp.	CNC	\$109.16	17.8%	80.1%	\$112.80	\$55.11	\$6,404	\$5,985	\$14,132.2	\$458.6	\$2.87	\$4.33	0.42x	13.1x	30.8x	25.2x	1.16x
Molina Healthcare, Inc.	MOH	50.91	4.7%	41.4%	54.57	32.41	2,464	1,774	8,323.8	184.8	0.96	1.21	0.21x	9.6x	NM	41.9x	1.18x
WellCare Health Plans, Inc.	WCG	72.85	7.3%	11.9%	84.69	55.16	3,199	2,548	11,983.8	270.4	3.98	2.04	0.21x	9.4x	32.5x	35.7x	33.96x
<b>Median</b>			<b>7.3%</b>	<b>41.4%</b>									<b>0.21x</b>	<b>9.6x</b>	<b>31.6x</b>	<b>35.7x</b>	<b>1.18x</b>
<b>Other Services</b>																	
Healthcare Services Group Inc.	HCSG	\$31.51	5.8%	16.1%	\$31.96	\$24.40	\$2,227	\$2,162	\$1,255.4	\$21.2	\$0.67	\$0.84	1.72x	NM	NM	37.4x	2.08x
PDI, Inc.	PDII	1.56	(14.3%)	(73.1%)	5.90	1.30	24	(5.3)	130.0	(10.3)	(0.31)	(1.08)	(0.04x)	0.5x	NM	NM	NM
Sharps Compliance Corp.	SMED	4.46	0.2%	(3.3%)	6.80	3.80	68	52	27.3	0.7	(0.09)	0.05	1.89x	74.1x	NM	NM	NM
Stericycle, Inc.	SRCL	131.29	4.2%	12.2%	136.80	108.62	11,150	12,808	2,446.6	697.9	3.56	4.27	5.24x	18.4x	35.3x	30.8x	2.11x
<b>Median</b>			<b>2.2%</b>	<b>4.5%</b>									<b>1.81x</b>	<b>18.4x</b>	<b>35.3x</b>	<b>34.1x</b>	<b>2.09x</b>
<b>Pharmacy Management</b>																	
BioScrip Inc.	BIOS	\$5.75	(11.0%)	(32.4%)	\$9.05	\$5.44	\$395	\$818	\$1,028.6	(\$3.5)	(\$0.83)	(\$0.19)	0.80x	NM	NM	NM	NM
Catamaran Corporation	CCT	50.00	5.0%	2.7%	51.76	31.93	10,373	10,848	20,370.8	805.9	1.27	2.24	0.53x	13.5x	40.3x	22.4x	1.12x
Express Scripts Holding Company	ESRX	80.71	5.1%	8.1%	86.64	64.64	59,234	73,097	100,355.9	6,496.4	2.31	4.88	0.73x	11.3x	32.2x	16.5x	1.24x
Omnicare Inc.	OCR	74.98	12.6%	20.0%	77.05	56.41	7,339	9,268	6,325.8	729.9	0.78	3.71	1.47x	12.7x	31.9x	20.2x	1.54x
Omnicell, Inc.	OMCL	31.83	(1.5%)	23.3%	34.00	24.85	1,133	1,029	425.1	64.7	0.67	1.22	2.42x	15.9x	41.4x	26.1x	1.58x
PharMerica Corporation	PMC	23.01	(19.8%)	(5.5%)	30.48	19.42	753	1,107	1,821.5	115.3	0.63	1.64	0.61x	9.6x	NM	14.0x	1.40x
<b>Median</b>			<b>1.8%</b>	<b>5.4%</b>									<b>0.76x</b>	<b>12.7x</b>	<b>36.3x</b>	<b>20.2x</b>	<b>1.40x</b>
<b>Physician Practice Mgmt</b>																	
Birner Dental Management Services Inc.	BDMS	\$13.69	(12.8%)	(21.8%)	\$22.40	\$12.05	\$25	\$35	\$64.8	\$3.6	\$0.05	NM	0.55x	9.9x	NM	NM	NM
MEDNAX, Inc.	MD	67.89	8.7%	22.0%	69.20	49.82	6,817	7,333	2,355.8	538.4	2.78	3.15	3.11x	13.6x	21.4x	NM	NM
<b>Median</b>			<b>(2.0%)</b>	<b>0.1%</b>									<b>1.83x</b>	<b>11.7x</b>	<b>21.4x</b>	<b>NM</b>	<b>NM</b>

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
<b>Psychiatric Hospitals</b>																	
AAC Holdings, Inc.	AAC	\$25.52	17.2%	NM	\$33.32	\$17.91	\$538	\$587	\$112.3	\$9.1	\$0.12	\$0.29	NM	NM	NM	NM	NM
Acadia Healthcare Company, Inc.	ACHC	57.75	(6.9%)	13.1%	66.88	38.76	3,460	4,447	899.7	179.8	0.86	NM	NM	24.7x	41.7x	NM	NM
Magellan Health, Inc.	MGLN	60.12	(0.7%)	0.5%	63.81	52.37	1,641	1,531	3,785.9	195.9	4.53	2.60	0.40x	7.8x	21.8x	23.1x	(1.37x)
<b>Median</b>			<b>(0.7%)</b>	<b>6.8%</b>									<b>0.40x</b>	<b>16.3x</b>	<b>31.7x</b>	<b>23.1x</b>	<b>(1.37x)</b>
<b>Specialty Managed Care</b>																	
Assurant Inc.	AIZ	\$63.51	(6.9%)	(2.8%)	\$69.94	\$59.17	\$4,462	\$4,318	\$10,159.6	\$1,022.5	\$6.30	\$6.78	0.42x	4.2x	8.8x	9.4x	1.37x
Triple-S Management Corporation	GTS	24.08	8.8%	35.0%	25.49	14.70	657	603	2,335.9	87.0	2.01	1.81	0.26x	6.9x	16.9x	13.3x	1.34x
<b>Median</b>			<b>0.9%</b>	<b>16.1%</b>									<b>0.34x</b>	<b>5.6x</b>	<b>12.8x</b>	<b>11.3x</b>	<b>1.35x</b>
<b>Surgicenters / Rehabilitation</b>																	
AmSurg Corp.	AMSG	\$55.18	2.2%	32.2%	\$57.24	\$40.00	\$2,656	\$5,456	\$1,341.5	\$422.7	\$2.27	\$2.63	4.07x	12.9x	41.4x	20.9x	1.02x
Civitas Solutions, Inc.	CIVI	18.99	17.4%	NM	19.28	11.88	702	1,315	1,255.8	126.3	(0.68)	0.24	1.05x	10.4x	NM	NM	NM
Hanger, Inc.	HGR	21.58	(9.8%)	(36.2%)	37.60	18.25	742	1,277	1,060.7	156.2	1.80	1.62	1.20x	8.2x	13.1x	13.4x	1.34x
HEALTHSOUTH Corp.	HLS	44.10	9.3%	41.7%	44.80	29.82	3,870	5,496	2,336.0	584.3	2.59	2.04	2.35x	9.4x	28.0x	21.6x	2.92x
The Joint Corp.	JYNT	6.44	NM	NM	7.50	6.00	63	60	6.7	(0.4)	0.02	(0.12)	8.97x	NM	NM	NM	NM
Select Medical Holdings Corporation	SEM	13.52	(6.2%)	25.2%	16.17	10.15	1,770	3,364	2,997.1	362.4	0.82	0.92	1.12x	9.3x	14.7x	14.6x	1.17x
Surgical Care Affiliates, Inc.	SCAI	32.25	5.1%	0.5%	34.36	26.55	1,244	2,199	832.7	188.7	(1.39)	1.96	2.64x	11.7x	NM	16.5x	NM
US Physical Therapy Inc.	USPH	38.79	(10.1%)	23.1%	44.00	29.56	476	537	290.2	50.6	1.46	1.70	1.85x	10.6x	25.3x	22.8x	1.83x
<b>Median</b>			<b>2.2%</b>	<b>24.1%</b>									<b>2.10x</b>	<b>10.4x</b>	<b>25.3x</b>	<b>18.7x</b>	<b>1.34x</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 January 31, 2015

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	74	\$632,717	10.6%	8.7%	8.10x	17.2x	32.6x	30.2x	1.5x
Cardiology Devices	19	163,833	8.6%	5.6%	3.42x	14.9x	24.7x	24.5x	1.9x
Conglomerates	5	463,132	(5.5%)	13.2%	3.31x	10.5x	23.1x	17.7x	2.3x
Dental Devices	8	20,474	1.6%	28.7%	2.92x	17.1x	28.5x	24.7x	1.8x
Diagnostic Imaging Devices	4	9,649	4.1%	1.9%	1.36x	11.8x	24.7x	27.8x	NM
Diversified Medical Devices	20	110,549	5.1%	17.0%	3.18x	14.2x	29.0x	22.2x	1.8x
Infection Prevention Devices	2	5,560	0.6%	35.1%	2.99x	15.7x	35.3x	30.1x	2.3x
Lab Equipment	2	8,723	9.4%	15.0%	2.03x	11.6x	19.7x	26.1x	2.3x
Lab Instrumentation & Devices	4	13,270	(0.8%)	10.0%	1.67x	14.8x	48.4x	22.7x	2.2x
Large-Cap Pharmaceuticals	7	761,162	4.3%	20.6%	5.28x	16.1x	41.5x	19.2x	2.3x
Life Science Conglomerates	3	82,968	5.3%	8.7%	3.99x	15.9x	32.3x	NM	NM
Life Science Consumables	6	12,223	4.3%	2.4%	2.29x	14.2x	34.7x	29.4x	1.4x
Mobility Devices	4	3,413	(2.5%)	31.7%	0.36x	6.3x	24.4x	11.5x	1.5x
Neural Implant Devices	2	3,289	7.4%	1.6%	3.58x	13.1x	37.8x	21.8x	1.5x
Ophthalmology Devices	6	8,712	5.5%	15.9%	1.76x	15.6x	34.5x	21.7x	1.2x
Orthopedics Devices	5	57,102	0.8%	17.3%	3.43x	14.7x	26.8x	29.6x	3.6x
Pharmaceuticals	33	87,521	13.2%	38.4%	5.06x	18.6x	23.0x	24.3x	1.7x
Surgical Devices	6	19,922	(5.1%)	17.4%	4.88x	12.0x	42.8x	NM	NM
<b>Total / Median (\$MM)</b>	<b>210</b>	<b>\$2,464,220</b>	<b>4.3%</b>	<b>15.4%</b>	<b>3.25x</b>	<b>14.8x</b>	<b>30.6x</b>	<b>NM</b>	<b>NM</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	48	\$2,323,436	22.9%	94.3%	5.7%	144.9%	26.4%	90.1%
\$1 billion – \$5 billion	51	105,778	24.3%	4.3%	14.7%	141.1%	16.9%	110.4%
\$250 million – \$1 billion	57	28,564	27.1%	1.2%	22.2%	243.5%	24.0%	118.6%
\$100 million – \$250 million	33	5,108	15.7%	0.2%	12.5%	196.4%	17.0%	68.3%
< \$100 million	21	1,334	10.0%	0.1%	(13.2%)	75.4%	(18.7%)	23.4%
<b>Total / Median (\$MM)</b>	<b>210</b>	<b>\$2,464,220</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.3%</b>	<b>144.9%</b>	<b>15.4%</b>	<b>90.1%</b>

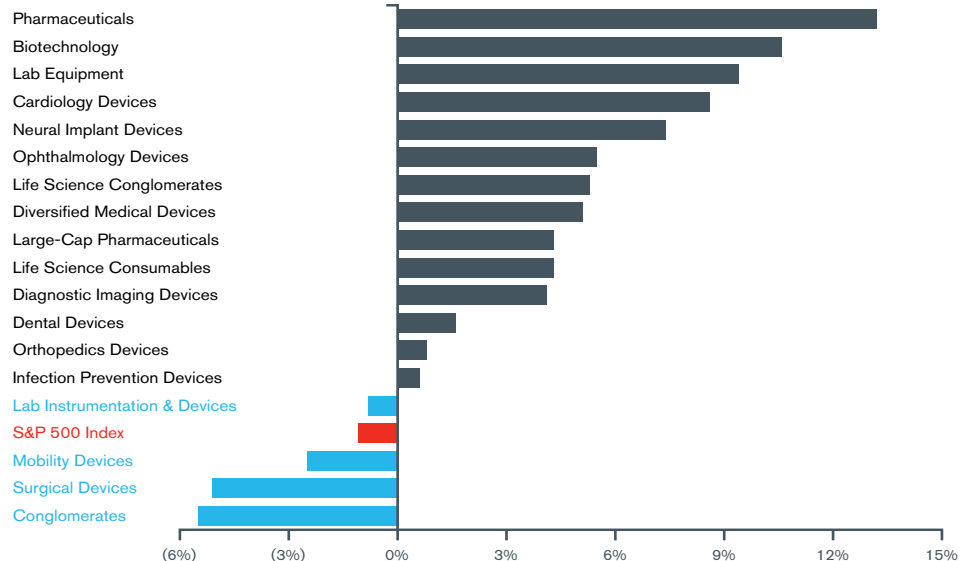
Source: Capital IQ

**INTEREST RATES**

	Value at 1/31/15	1 mo ago	3 mo ago	12 mo ago
LIBOR – USD – 5 Months	0.00%	0.00%	0.00%	0.00%
U.S. Treasury – 2 years	0.45%	0.69%	0.00%	0.34%
U.S. Treasury – 5 years	1.18%	1.66%	1.61%	1.51%
U.S. Treasury – 10 years	1.68%	2.17%	2.33%	2.67%
U.S. Treasury – 30 years	2.26%	2.75%	3.06%	3.06%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

**Median % Change – 3 months**



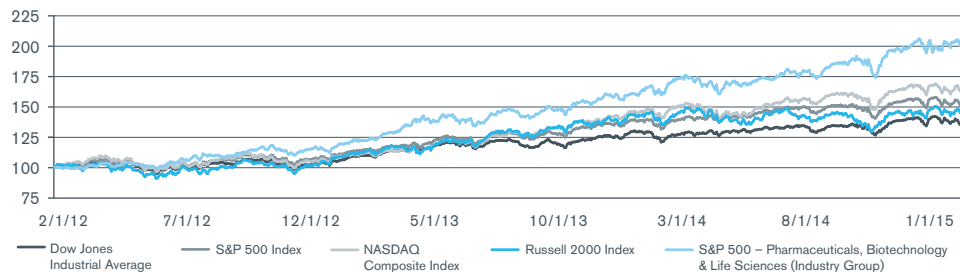
Source: Capital IQ

**MARKET INDICES**

	Value at 1/31/15	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$17,164.9	(1.3%)	(3.7%)	9.3%	35.0%
S&P 500 Index	1,995.0	(1.1%)	(3.1%)	11.9%	50.7%
NASDAQ Composite Index	4,635.2	0.1%	(2.1%)	12.9%	62.7%
Russell 2000 Index	1,165.4	(0.7%)	(3.3%)	3.1%	43.9%
S&P Life Science Tools & Services (Industry) Index	295.4	4.6%	(0.4%)	4.7%	73.2%
S&P 500 Pharmaceuticals (Industry) Index	581.9	1.6%	(0.2%)	19.3%	74.4%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	697.9	2.3%	2.2%	23.3%	105.6%
S&P 500 Biotechnology (Industry) Index	3,902.1	1.2%	5.0%	32.6%	199.1%
Dow Jones U.S. Medical Equipment Index	925.4	5.4%	0.1%	22.4%	75.3%
<b>S&amp;P 500 – Pharmaceuticals, Biotechnology &amp; Life Sciences (Industry Group)</b>	<b>773.9</b>	<b>1.6%</b>	<b>1.3%</b>	<b>22.3%</b>	<b>99.3%</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 1/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
<b>Biotechnology</b>																	
Acceleron Pharma, Inc.	XLRN	\$39.47	6.7%	(14.8%)	\$53.93	\$23.61	\$1,273	\$1,084	\$22.4	(\$38.3)	(\$4.15)	(\$1.29)	NM	NM	NM	NM	NM
Acorda Therapeutics, Inc.	ACOR	41.55	19.3%	41.6%	45.45	28.26	1,743	1,266	376.2	59.1	0.39	0.52	3.36x	21.4x	75.6x	79.9x	1.78x
Adamas Pharmaceuticals, Inc.	ADMS	16.83	10.5%	NM	21.63	12.02	288	151	65.7	36.7	3.51	(0.63)	2.30x	4.1x	8.0x	NM	NM
Affimed N.V.	ADMS	5.69	20.6%	NM	8.30	3.55	136	84	10.4	(7.8)	(2.25)	(26.29)	8.07x	NM	30.3x	NM	NM
Akebia Therapeutics, Inc.	AKBA	10.27	(20.8%)	NM	31.00	8.60	209	91	-	(33.1)	(1.31)	(44.95)	NA	NM	NM	NM	NM
Alexion Pharmaceuticals, Inc.	ALXN	183.24	(4.2%)	15.4%	203.30	136.37	36,334	34,430	2,076.2	879.4	1.27	5.20	16.58x	39.2x	56.2x	NM	NM
Alkermes plc	ALKS	72.25	42.9%	48.4%	73.69	38.49	10,565	10,352	579.0	13.5	0.16	0.27	17.88x	NM	NM	NM	NM
Amarin Corporation plc	AMRN	1.02	8.4%	(44.3%)	2.09	0.78	178	266	47.8	(105.0)	(1.28)	(0.59)	5.56x	NM	NM	NM	NM
Amgen Inc.	AMGN	152.26	(6.1%)	28.0%	173.14	108.20	115,718	119,407	19,743.0	8,441.0	6.64	8.59	6.05x	14.1x	22.7x	NM	NM
Ascendis Pharma A/S	ASND	19.83	NM	NM	21.97	18.54	435	425	21.1	(2.7)	4.34	NM	20.15x	NM	NM	NM	NM
Atara Biotherapeutics, Inc.	ATRA	24.36	27.0%	NM	35.45	10.10	492	515	-	(21.0)	(9.08)	(1.96)	NA	NM	NM	NM	NM
Athersys, Inc.	ATHX	2.09	35.7%	(45.7%)	4.11	1.08	162	130	2.3	(27.4)	(0.53)	(0.30)	NM	NM	NM	NM	NM
Auspex Pharmaceuticals, Inc.	ASPX	61.45	126.8%	NM	64.06	13.25	1,873	1,732	-	(34.5)	(371.13)	(2.48)	NA	NM	NM	NM	NM
Avalanche Biotechnologies, Inc.	AAVL	39.68	10.6%	NM	62.48	22.00	971	806	0.4	(15.8)	(1.44)	(2.05)	NM	NM	NM	NM	NM
Bellicum Pharmaceuticals, Inc.	BLCM	24.71	NM	NM	33.63	18.20	639	461	2.6	(10.3)	(1.32)	(1.99)	NM	NM	NM	NM	NM
Bio Blast Pharma Ltd.	ORPN	8.15	48.2%	NM	10.00	4.50	116	82	-	-	(0.14)	(0.51)	NA	NA	NM	NM	NM
Biogen Idec Inc.	BIIB	389.16	21.2%	24.5%	397.00	272.02	91,902	90,642	9,027.7	4,117.0	7.81	13.53	10.04x	22.0x	31.5x	NM	NM
BioSpecifics Technologies Corp.	BSTC	39.34	(1.9%)	72.9%	42.00	20.32	256	238	13.5	6.8	0.76	0.67	17.65x	35.0x	61.6x	58.7x	NM
Calithera Biosciences, Inc.	CALA	19.89	111.1%	NM	33.48	6.51	357	392	-	(18.6)	(3.03)	(10.39)	NA	NM	NM	NM	NM
Cara Therapeutics Inc.	CARA	10.79	19.8%	(16.4%)	23.25	7.53	246	187	3.2	(15.1)	(0.74)	(0.97)	NM	NM	NM	NM	NM
Celgene Corporation	CELG	119.16	11.3%	56.9%	124.60	66.85	95,174	95,150	7,340.8	2,703.7	1.69	3.69	12.96x	35.2x	49.9x	NM	NM
Cepheid	CPHD	56.51	6.6%	6.9%	58.55	36.94	3,983	3,968	451.9	0.8	(0.27)	(0.52)	8.78x	NM	NM	NM	NM
Coherus Biosciences, Inc.	CHRS	22.44	NM	NM	24.46	12.27	746	806	25.8	(47.9)	(2.80)	(4.21)	NM	NM	NM	NM	NM
ContraFect Corporation	CFRX	4.75	45.7%	NM	5.20	2.50	96	65	-	(15.0)	(4.24)	(1.42)	NA	NM	NM	NM	NM
Curis, Inc.	CRIS	1.84	40.5%	(35.0%)	3.40	1.09	190	164	9.4	(15.3)	(0.15)	(0.22)	17.52x	NM	NM	NM	NM
Dicerna Pharmaceuticals, Inc.	DRNA	21.32	127.5%	(48.2%)	44.50	8.00	379	286	-	(36.5)	(709.57)	(2.74)	NA	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	0.95	(36.7%)	(34.5%)	1.87	0.80	29	34	13.9	(3.9)	(0.01)	NM	2.45x	NM	NM	NM	NM
Emergent BioSolutions, Inc.	EBS	28.03	23.9%	17.1%	29.00	19.31	1,053	1,061	400.3	80.5	0.85	1.22	2.65x	13.2x	49.0x	23.0x	NM
Exelixis, Inc.	EXEL	1.87	10.0%	(72.8%)	7.58	1.26	365	528	22.1	(229.5)	(1.33)	(1.42)	23.90x	NM	NM	NM	NM
FibroGen, Inc.	FGEN	29.53	NM	NM	40.59	20.10	1,708	1,675	133.9	(22.6)	(0.32)	(1.20)	12.51x	NM	NM	NM	NM
Forward Pharma A/S	FWP	24.67	13.7%	NM	27.44	17.50	1,130	1,138	-	(13.9)	(9.53)	(0.80)	NA	NM	NM	NM	NM
Genomic Health Inc.	GHDX	32.28	(11.2%)	7.2%	37.75	23.90	1,024	919	275.4	(19.4)	(0.42)	(0.81)	3.34x	NM	NM	NM	NM
Gilead Sciences Inc.	GILD	104.83	(6.4%)	30.0%	116.83	63.50	158,153	161,544	20,695.6	12,982.7	1.81	7.90	7.81x	12.4x	18.7x	13.3x	0.40x
GlycoMimetics, Inc.	GLYC	7.36	3.2%	(26.0%)	18.99	6.02	139	78	15.1	(7.4)	(8.87)	(0.46)	5.14x	NM	NM	NM	NM
Histogenics Corporation	HSGX	8.45	NM	NM	12.97	7.04	108	104	-	(31.0)	(8.24)	(2.52)	NA	NM	NM	NM	NM
Immunomedics Inc.	IMMU	5.35	35.4%	10.3%	5.48	3.04	498	466	4.6	(42.2)	(0.16)	(0.45)	NM	NM	NM	NM	NM
Immune Design Corp.	IMDZ	25.09	(19.0%)	NM	40.13	11.51	423	340	4.7	(20.9)	(2.28)	(2.31)	NM	NM	NM	NM	NM

Source: Capital IQ as of January 31, 2015; For definitions, see page 17

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 1/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
<b>Biotechnology (cont.)</b>																	
INSYS Therapeutics, Inc.	INSY	\$47.78	17.5%	21.8%	\$57.91	\$20.52	\$1,649	\$1,586	\$195.8	\$64.5	\$1.41	\$1.13	8.10x	24.6x	33.7x	42.5x	1.52x
Juno Therapeutics Inc.	JUNO	42.75	NM	NM	61.70	34.71	3,866	3,628	–	(121.2)	(33.99)	(1.82)	NA	NM	NM	NM	NM
Ligand Pharmaceuticals Incorporated	LGND	56.92	3.0%	(8.1%)	80.42	41.99	1,140	1,146	56.3	19.8	0.43	1.53	20.36x	NM	NM	37.3x	0.78x
Loxo Oncology, Inc.	LOXO	12.79	18.5%	NM	16.45	9.90	213	94	–	–	(6.37)	(2.37)	NA	NA	NM	NM	NM
MacroCure Ltd.	MCUR	9.50	26.2%	NM	11.26	6.82	154	101	–	(14.3)	(2.46)	(2.07)	NA	NM	NM	NM	NM
Momenta Pharmaceuticals Inc.	MNTA	10.77	(1.3%)	(39.8%)	18.38	9.38	556	379	43.8	(104.3)	(2.13)	(1.82)	8.65x	NM	NM	NM	NM
Myriad Genetics Inc.	MYGN	37.42	(5.2%)	35.4%	42.50	27.02	2,731	2,571	744.6	247.5	2.32	2.06	3.45x	10.4x	21.1x	18.2x	1.58x
Neotherics, Inc.	NEOT	6.67	NM	NM	14.10	6.11	91	80	–	(8.9)	(2.08)	(1.22)	NA	NM	NM	NM	NM
Neurocrine Biosciences Inc.	NBIX	33.66	81.7%	97.0%	35.00	12.17	2,558	2,379	0.7	(54.7)	(0.69)	(0.81)	NM	NM	NM	NM	NM
Ocular Therapeutix, Inc.	OCUL	30.48	99.6%	NM	30.75	11.90	650	584	0.3	(22.5)	(0.91)	(2.24)	NM	NM	NM	NM	NM
Osiris Therapeutics, Inc.	OSIR	16.13	18.3%	3.3%	17.60	11.80	554	506	48.6	(1.3)	(0.03)	0.02	10.41x	NM	NM	NM	NM
Otonomy, Inc.	OTIC	29.20	10.8%	NM	40.45	15.19	693	528	–	(37.4)	(268.79)	(3.95)	NA	NM	NM	NM	NM
Paratek Pharmaceuticals, Inc.	PRTK	24.70	54.4%	NM	39.80	16.00	356	467	0.4	(7.1)	(12.49)	(2.06)	NM	NM	NM	NM	NM
PDL BioPharma, Inc.	PDLI	7.29	(14.5%)	(19.9%)	10.26	7.16	1,171	1,380	465.7	443.5	1.66	2.14	2.96x	3.1x	3.7x	3.4x	NM
Pfenex Inc.	PFNX	6.86	(15.5%)	NM	9.00	5.28	140	92	12.9	(5.9)	(0.37)	(2.06)	7.16x	NM	NM	NM	NM
ProMetic Life Sciences Inc.	PLI	1.50	2.4%	32.3%	1.74	0.67	820	839	15.7	(26.0)	(0.03)	(0.01)	NM	NM	NM	NM	NM
ProQR Therapeutics N.V.	PRQR	20.08	56.5%	NM	23.02	11.00	446	304	0.0	(16.5)	(0.81)	(0.80)	NM	NM	NM	NM	NM
Prosensa Holding N.V.	RNA	18.74	58.9%	210.8%	22.80	4.12	677	610	21.4	(18.5)	(0.71)	(0.73)	28.55x	NM	NM	NM	NM
Proton Therapeutics Inc	PRTO	10.50	5.0%	NM	12.65	8.57	173	277	2.9	(6.1)	(3.07)	(2.51)	NM	NM	NM	NM	NM
Regeneron Pharmaceuticals, Inc.	REGN	416.66	5.8%	44.4%	437.64	269.50	42,119	41,642	2,627.6	853.0	3.81	10.00	15.85x	48.8x	NM	41.7x	2.27x
Roka Bioscience, Inc.	ROKA	4.03	(59.3%)	NM	13.00	2.97	71	18	4.4	(27.8)	(3.26)	(2.19)	4.15x	NM	NM	NM	NM
Sage Therapeutics, Inc.	SAGE	40.39	3.2%	NM	47.76	24.25	1,042	905	–	(27.1)	(1.92)	(2.55)	NA	NM	NM	NM	NM
Spark Therapeutics, Inc.	ONCE	50.00	NM	NM	51.90	40.16	1,175	1,107	0.0	–	(42.33)	NM	NM	NA	NM	NM	NM
Spectrum Pharmaceuticals, Inc.	SPPI	7.00	(7.7%)	(16.8%)	9.27	6.36	460	408	176.5	(10.2)	(1.02)	(0.76)	2.31x	NM	NM	NM	NM
T2 Biosystems, Inc.	TTOO	21.63	33.9%	NM	24.50	13.40	434	369	0.1	(26.9)	(1.53)	(3.31)	NM	NM	NM	NM	NM
Targacept, Inc.	TRGT	2.51	7.3%	(43.1%)	5.23	2.25	86	(11.3)	0.2	(37.9)	(1.39)	(0.91)	NM	0.3x	NM	NM	NM
Theravance Inc.	THRX	11.27	(29.7%)	(69.4%)	40.82	10.60	1,310	1,752	2.9	(174.9)	(1.67)	(1.37)	NM	NM	NM	NM	NM
Tokai Pharmaceuticals, Inc.	TKAI	12.26	(20.5%)	NM	30.00	9.67	274	169	–	(22.3)	(1.29)	(3.52)	NA	NM	NM	NM	NM
TRACON Pharmaceuticals, Inc.	TCON	9.40	NM	NM	10.49	9.21	114	134	2.6	(6.1)	(4.93)	NM	NM	NM	NM	NM	NM
Ultragenyx Pharmaceutical Inc.	RARE	58.10	23.6%	37.5%	69.77	32.02	1,853	1,652	–	(48.8)	(14.87)	(2.10)	NA	NM	NM	NM	NM
United Therapeutics Corporation	UTHR	141.13	7.8%	37.5%	149.02	84.63	6,705	6,229	1,231.2	362.8	3.28	6.45	5.06x	17.2x	39.8x	21.9x	0.79x
Vanda Pharmaceuticals, Inc.	VNDA	11.13	(7.3%)	(15.9%)	19.25	8.34	433	377	43.6	(54.0)	(0.67)	(1.63)	8.65x	NM	NM	NM	NM
Vascular Biogenics Ltd.	VBLT	15.80	135.1%	NM	17.02	4.65	314	310	–	(14.4)	(1.31)	(0.94)	NA	NM	NM	NM	NM
Versartis, Inc.	VSAR	17.73	(10.9%)	NM	36.86	16.15	506	324	–	(36.0)	(41.10)	(3.19)	NA	NM	NM	NM	NM
Vertex Pharmaceuticals Incorporated	VRTX	110.14	(2.2%)	39.3%	127.69	59.79	26,628	26,066	787.0	(453.4)	(1.98)	(3.02)	NM	NM	NM	NM	NM
Vital Therapies, Inc.	VTL	19.74	14.4%	NM	35.20	10.66	471	392	–	(45.5)	(74.86)	(3.59)	NA	NM	NM	NM	NM
Zafgen, Inc.	ZFGN	38.01	78.5%	NM	42.84	16.01	993	874	–	(28.6)	(19.53)	(2.96)	NA	NM	NM	NM	NM
<b>Median</b>			<b>10.6%</b>	<b>8.7%</b>									<b>8.10x</b>	<b>17.17x</b>	<b>32.56x</b>	<b>30.18x</b>	<b>1.52x</b>

Source: Capital IQ as of January 31, 2015; For definitions, see page 17

## Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 1/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
<b>Cardiology Devices</b>																	
ABIOMED, Inc.	ABMD	\$51.74	57.8%	88.2%	\$53.89	\$20.29	\$2,094	\$1,980	\$213.2	\$23.9	\$0.19	\$0.44	9.29x	NM	NM	NM	NM
AngioDynamics Inc.	ANGO	19.25	13.2%	21.0%	19.80	13.06	687	826	357.8	53.6	(0.09)	0.14	2.31x	15.4x	NM	NM	NM
Boston Scientific Corporation	BSX	14.81	11.5%	9.5%	15.05	11.10	19,645	23,644	7,331.0	1,638.0	(0.09)	0.83	3.23x	14.4x	70.2x	18.0x	1.70x
Cardiovascular Systems Inc.	CSII	34.09	10.0%	0.5%	37.73	23.15	1,072	971	148.2	(33.4)	(1.19)	(1.24)	6.55x	NM	NM	NM	NM
CareDx, Inc	CDNA	7.06	20.1%	NM	10.89	5.40	83	57	25.2	(0.2)	(0.48)	(0.19)	2.26x	NM	NM	NM	NM
Edwards Lifesciences Corp.	EW	125.35	3.7%	92.5%	137.19	63.04	13,409	12,505	2,240.9	526.5	3.44	3.39	5.58x	23.8x	17.5x	37.0x	2.49x
Greatbatch, Inc.	GB	48.56	(3.2%)	14.2%	51.64	40.02	1,214	1,342	694.7	124.3	1.43	2.37	1.93x	10.8x	24.7x	20.5x	1.86x
Heartware International Inc.	HTWR	83.53	8.3%	(15.8%)	102.99	69.05	1,422	1,354	258.3	(21.5)	(3.69)	(2.23)	5.24x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	7.95	8.6%	(0.3%)	8.50	6.48	138	120	69.6	8.8	0.20	0.21	1.72x	13.6x	49.6x	37.9x	NM
Lombard Medical, Inc.	EVAR	5.08	(27.3%)	NM	11.34	4.83	82	23	10.8	(31.7)	(2.14)	(2.56)	2.16x	NM	NM	NM	NM
Medtronic plc	MDT	71.40	4.8%	26.2%	77.39	53.33	101,304	100,528	17,255.0	5,682.0	3.52	3.98	5.83x	17.7x	24.7x	18.0x	1.59x
Neovasc Inc.	NVC	9.38	60.3%	203.5%	10.05	3.27	504	487	14.2	(11.7)	(0.13)	(0.20)	NM	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.38	39.6%	(3.2%)	0.44	0.09	128	122	0.0	(23.0)	(0.08)	(0.06)	NA	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	65.87	2.6%	8.5%	71.90	54.80	18,833	21,257	5,605.0	1,737.0	2.49	3.99	3.79x	12.2x	19.0x	NM	NM
Stereotaxis Inc.	STXS	1.66	(16.2%)	(67.6%)	6.34	1.32	34	43	34.3	(7.3)	(5.95)	NM	1.26x	NM	NM	NM	NM
Sunshine Heart Inc.	SSH	4.98	2.7%	(49.9%)	9.93	3.49	84	48	0.1	(25.9)	(1.71)	(1.53)	NM	NM	NM	NM	NM
Thoratec Corp.	THOR	35.89	32.0%	2.7%	38.02	22.50	1,974	1,725	477.8	95.5	1.26	1.26	3.61x	18.1x	39.9x	28.6x	3.28x
TriVascular Technologies, Inc.	TRIV	9.78	(26.2%)	NM	17.99	8.00	199	161	28.9	(48.7)	(5.01)	(3.33)	5.56x	NM	NM	NM	NM
Volcano Corporation	VOLC	17.97	77.6%	(14.4%)	24.62	9.81	927	1,171	395.1	15.7	(0.63)	(0.17)	2.96x	NM	NM	NM	NM
<b>Median</b>			<b>8.6%</b>	<b>5.6%</b>									<b>3.42x</b>	<b>14.9x</b>	<b>24.7x</b>	<b>24.5x</b>	<b>1.86x</b>
<b>Conglomerates</b>																	
3M Company	MMM	\$162.30	5.5%	26.6%	\$168.16	\$123.61	\$103,229	\$107,543	\$31,671.0	\$8,467.0	\$6.72	\$7.48	3.40x	12.7x	21.7x	NM	NM
Agilent Technologies Inc.	A	37.77	(31.7%)	(35.0%)	60.46	37.68	12,687	12,424	6,981.0	1,279.0	2.17	2.79	1.78x	9.7x	25.3x	13.5x	1.18x
Becton, Dickinson and Company	BDX	138.08	7.3%	27.7%	146.74	105.21	26,702	27,925	8,432.0	2,164.0	4.69	6.32	3.31x	12.9x	23.1x	21.8x	3.35x
Johnson & Johnson	JNJ	100.14	(7.1%)	13.2%	109.49	86.09	280,303	262,569	74,432.0	25,171.0	4.81	5.96	3.53x	10.4x	17.6x	NM	NM
Kimberly-Clark Corporation	KMB	107.96	(5.5%)	(1.3%)	119.01	103.50	40,210	46,719	21,368.0	4,448.0	5.53	5.51	2.19x	10.5x	27.6x	NM	NM
<b>Median</b>			<b>(5.5%)</b>	<b>13.2%</b>									<b>3.31x</b>	<b>10.5x</b>	<b>23.1x</b>	<b>17.7x</b>	<b>2.27x</b>
<b>Dental Devices</b>																	
COLTENE Holding AG	CLTN	\$67.28	8.0%	32.0%	\$72.71	\$49.16	\$284	\$301	\$181.6	\$27.9	\$3.51	\$3.66	1.66x	10.8x	19.0x	17.1x	NM
DENTSPLY International Inc.	XRAY	50.03	(1.5%)	8.4%	56.25	43.00	7,080	8,362	2,957.2	583.6	2.16	2.51	2.83x	14.3x	23.2x	19.9x	1.76x
Nobel Biocare Holding AG	NOBN	18.56	5.1%	21.3%	20.02	12.86	2,273	2,147	714.6	125.5	0.48	0.52	3.00x	17.1x	32.7x	38.4x	2.01x
Orthofix International N.V.	OFIX	30.50	3.9%	48.4%	36.90	20.37	562	557	398.5	53.4	(0.80)	1.16	1.40x	10.4x	NM	26.3x	1.43x

Source: Capital IQ as of January 31, 2015; For definitions, see page 17

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 1/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
<b>Dental Devices (cont.)</b>																	
Osstem Implant Co., Ltd.	A048260	\$40.27	(0.6%)	59.9%	\$42.00	\$18.77	\$572	\$580	\$219.5	\$27.4	\$0.66	\$1.06	2.64x	21.2x	46.5x	38.1x	NM
Sirona Dental Systems Inc.	SIRO	90.22	14.9%	25.4%	93.23	67.22	5,014	4,713	1,171.1	269.5	2.72	3.66	4.02x	17.5x	28.8x	24.7x	2.28x
Straumann Holding AG	STMN	225.83	(8.2%)	13.0%	303.32	188.83	3,508	3,356	771.4	170.4	7.30	8.59	4.35x	19.7x	28.2x	24.4x	1.27x
Tornier N.V.	TRNX	24.17	(13.5%)	32.9%	28.53	16.68	1,182	1,232	335.9	18.4	(0.79)	(0.56)	3.67x	NM	NM	NM	NM
<b>Median</b>			<b>1.6%</b>	<b>28.7%</b>									<b>2.92x</b>	<b>17.1x</b>	<b>28.5x</b>	<b>24.7x</b>	<b>1.76x</b>
<b>Orthopedics Devices</b>																	
Exactech Inc.	EXAC	\$20.79	(2.4%)	(6.7%)	\$26.52	\$19.87	\$287	\$302	\$246.6	\$44.2	\$1.12	\$1.14	1.23x	6.8x	18.3x	18.2x	NM
NuVasive, Inc.	NUVA	46.32	13.3%	23.7%	51.23	31.35	2,179	2,244	748.9	113.4	0.17	1.13	3.00x	19.8x	NM	41.0x	3.59x
Stryker Corporation	SYK	91.05	4.0%	17.3%	98.24	75.78	34,446	32,692	9,525.0	1,748.0	2.63	4.74	3.43x	18.7x	67.9x	NM	NM
Wright Medical Group Inc.	WMGI	24.41	(22.8%)	(19.7%)	33.80	24.20	1,206	1,212	280.0	(76.8)	(6.19)	(1.44)	4.33x	NM	NM	NM	NM
Zimmer Holdings, Inc.	ZMH	112.10	0.8%	19.3%	120.70	90.48	18,985	18,714	4,691.1	1,759.9	4.43	6.05	3.99x	10.6x	26.8x	NM	NM
<b>Median</b>			<b>0.8%</b>	<b>17.3%</b>									<b>3.43x</b>	<b>14.7x</b>	<b>26.8x</b>	<b>29.6x</b>	<b>3.59x</b>
<b>Diagnostic Imaging Devices</b>																	
Analogic Corporation	ALOG	\$81.53	11.8%	(14.8%)	\$99.97	\$63.28	\$1,009	\$892	\$525.8	\$66.6	\$2.60	\$3.89	1.70x	13.4x	24.7x	21.0x	NM
Digirad Corporation	DRAD	4.15	(3.5%)	18.6%	4.63	3.03	77	55	54.0	5.2	0.01	0.12	1.03x	10.6x	32.3x	34.6x	NM
Fonar Corp.	FONR	10.15	(19.6%)	(45.0%)	25.75	9.32	63	83	81.1	15.0	1.60	NM	1.02x	5.5x	6.4x	NM	NM
Hologic Inc.	HOLX	30.37	15.9%	42.2%	31.20	19.91	8,501	11,912	2,549.1	914.4	(4.37)	0.18	4.67x	13.0x	NM	NM	NM
<b>Median</b>			<b>4.1%</b>	<b>1.9%</b>									<b>1.36x</b>	<b>11.8x</b>	<b>24.7x</b>	<b>27.8x</b>	<b>NM</b>
<b>Mobility Devices</b>																	
Hill-Rom Holdings, Inc.	HRC	\$47.76	7.4%	31.7%	\$49.33	\$34.94	\$2,698	\$3,091	\$1,686.1	\$270.9	\$1.57	\$2.40	1.83x	11.4x	45.9x	19.9x	1.48x
Invacare Corporation	IVC	14.65	(6.7%)	(27.4%)	20.81	11.65	470	466	1,300.7	0.9	(1.60)	(1.62)	0.36x	NM	NM	NM	NM
Prism Medical Ltd.	PM	7.20	1.7%	49.9%	7.79	4.11	35	10	73.0	7.8	0.50	2.63	0.13x	1.2x	2.8x	3.0x	NM
ReWalk Robotics Ltd.	RWLK	17.44	(43.1%)	NM	43.71	11.50	209	161	1.7	(11.7)	(2.80)	(3.38)	NM	NM	NM	NM	NM
<b>Median</b>			<b>(2.5%)</b>	<b>31.7%</b>									<b>0.36x</b>	<b>6.3x</b>	<b>24.4x</b>	<b>11.5x</b>	<b>1.48x</b>
<b>Infection Prevention Devices</b>																	
Cantel Medical Corp.	CMN	\$40.57	(4.3%)	28.0%	\$45.84	\$29.60	\$1,685	\$1,749	\$503.3	\$95.9	\$1.00	\$1.09	3.47x	18.2x	39.0x	37.4x	NM
Steris Corp.	STE	65.22	5.5%	42.1%	68.04	39.90	3,876	4,350	1,738.8	331.9	2.22	2.86	2.50x	13.1x	31.7x	22.8x	2.28x
<b>Median</b>			<b>0.6%</b>	<b>35.1%</b>									<b>2.99x</b>	<b>15.7x</b>	<b>35.3x</b>	<b>30.1x</b>	<b>2.28x</b>
<b>Neural Implant Devices</b>																	
Cyberonics Inc.	CYBX	\$55.57	5.8%	(16.8%)	\$73.52	\$48.19	\$1,462	\$1,320	\$288.5	\$98.8	\$1.74	\$2.28	4.58x	13.4x	23.7x	24.3x	1.39x
Integra LifeSciences Holdings Corporation	IART	55.72	9.0%	19.9%	57.85	42.50	1,827	2,311	896.9	180.7	(0.60)	2.90	2.58x	12.8x	51.9x	19.2x	1.58x
<b>Median</b>			<b>7.4%</b>	<b>1.6%</b>									<b>3.58x</b>	<b>13.1x</b>	<b>37.8x</b>	<b>21.8x</b>	<b>1.49x</b>

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## Healthcare Sector Update

(\$ in millions, except per share amounts)

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
<b>Ophthalmology Devices</b>																	
IRIDEX Corporation	IRIX	\$9.05	17.4%	6.8%	\$10.35	\$6.41	\$89	\$76	\$41.6	\$2.6	\$0.22	NM	1.83x	29.3x	56.3x	NM	NM
Lumenis Ltd.	LMNS	10.27	10.5%	NM	13.38	8.16	366	319	265.4	24.5	0.58	0.54	1.20x	13.0x	33.0x	19.2x	0.68x
Optos plc	OPTS	3.77	0.4%	15.9%	4.08	2.21	274	286	168.9	21.1	0.09	0.14	1.69x	13.5x	36.1x	27.8x	NM
Presbia PLC	LENS	6.51	NM	NM	8.34	0.00	87	107	0.2	(12.9)	(1.03)	NM	NM	NM	NM	NM	NM
Second Sight Medical Products, Inc.	EYES	8.78	NM	NM	24.02	8.05	304	328	2.4	(19.3)	(1.02)	NM	NM	NM	NM	NM	NM
The Cooper Companies Inc.	COO	157.65	(3.8%)	26.9%	171.54	116.95	7,592	8,968	1,717.8	506.3	5.93	7.26	5.22x	17.7x	28.6x	21.7x	1.66x
<b>Median</b>			<b>5.5%</b>	<b>15.9%</b>									<b>1.76x</b>	<b>15.6x</b>	<b>34.5x</b>	<b>21.7x</b>	<b>1.17x</b>
<b>Surgical Devices</b>																	
Alphatec Holdings, Inc.	ATEC	\$1.28	(15.8%)	(41.0%)	\$2.53	\$1.16	\$128	\$210	\$204.9	\$21.0	(\$0.85)	(\$0.06)	1.02x	10.0x	NM	NM	NM
Avinger, Inc.	AVGR	13.50	NM	NM	13.75	13.00	97	118	11.5	(23.9)	(170.52)	NM	10.22x	NM	NM	NM	NM
Bovie Medical Corporation	BVX	3.55	(9.9%)	27.7%	5.00	2.67	64	64	26.3	(3.5)	(0.40)	NM	2.42x	NM	NM	NM	NM
CONMED Corporation	CNMD	47.64	13.5%	13.6%	50.47	35.55	1,311	1,486	742.9	124.1	1.28	1.93	2.00x	12.0x	41.1x	NM	NM
Entellus Medical, Inc.	ENTL	21.59	NM	NM	22.20	0.00	396	410	44.8	(5.5)	(1.07)	NM	9.15x	NM	NM	NM	NM
Intuitive Surgical, Inc.	ISRG	494.48	(0.3%)	21.3%	541.23	346.46	17,926	15,429	2,103.2	720.0	16.73	15.56	7.34x	21.4x	44.5x	NM	NM
<b>Median</b>			<b>(5.1%)</b>	<b>17.4%</b>									<b>4.88x</b>	<b>12.0x</b>	<b>42.8x</b>	<b>NM</b>	<b>NM</b>
<b>Diversified Medical Devices</b>																	
Abaxis, Inc.	ABAX	\$61.48	16.7%	61.1%	\$66.05	\$35.67	\$1,386	\$1,277	\$184.3	\$34.8	\$0.76	\$0.87	6.93x	36.6x	70.6x	NM	NM
AtriCure, Inc.	ATRC	19.84	13.8%	(3.2%)	22.21	13.19	545	486	99.5	(18.9)	(0.56)	(0.66)	4.88x	NM	NM	NM	NM
Baxter International Inc.	BAX	70.31	0.2%	2.9%	77.31	66.34	38,106	45,325	16,813.0	4,187.0	3.66	4.87	2.70x	10.8x	19.8x	NM	NM
Capnia, Inc.	CAPN	1.33	NM	NM	4.04	1.02	9	51	0.0	(3.8)	(2.65)	NM	NA	NM	NM	NM	NM
CareFusion Corporation	CFN	59.30	3.4%	45.5%	60.08	37.76	12,109	12,364	3,934.0	880.0	1.68	2.68	3.14x	14.1x	30.0x	22.2x	2.11x
CR Bard Inc.	BCR	171.03	4.3%	32.0%	180.35	125.00	12,810	13,241	3,218.3	922.4	8.39	8.36	4.11x	14.4x	45.5x	NM	NM
CryoLife Inc.	CRY	11.26	9.7%	4.4%	12.29	8.40	315	285	141.9	16.0	0.57	0.24	2.01x	17.8x	22.4x	46.9x	NM
Hospira Inc.	HSP	63.43	18.1%	44.1%	66.56	40.41	10,732	11,953	4,421.6	704.8	(0.05)	2.47	2.70x	17.0x	32.4x	25.6x	2.44x
IDEXX Laboratories, Inc.	IDXX	158.42	11.8%	38.6%	168.51	108.58	7,554	8,130	1,487.9	343.9	3.48	3.85	5.46x	23.6x	44.3x	NM	NM
InfuSystem Holdings, Inc.	INFU	2.76	(29.9%)	(7.4%)	4.50	2.24	62	87	60.8	16.7	0.08	0.15	1.44x	5.3x	19.7x	18.4x	NM
Masimo Corporation	MASI	25.52	1.1%	(12.8%)	29.54	19.30	1,338	1,345	556.0	95.9	1.02	1.27	2.42x	14.0x	23.7x	20.0x	1.20x
Misonix, Inc.	MSON	13.37	0.1%	160.6%	14.90	4.85	102	94	18.5	(0.4)	(0.37)	0.25	5.10x	NM	42.9x	54.6x	NM
Natus Medical Inc.	BABY	37.60	10.6%	45.2%	39.12	21.54	1,200	1,134	352.5	65.0	0.74	1.25	3.22x	17.4x	38.8x	NM	NM
Nevro Corp.	NVRO	45.56	NM	NM	48.94	24.35	1,132	1,252	29.1	(27.7)	(1.68)	(1.93)	NM	NM	NM	NM	NM
PhotoMedex, Inc.	PHMD	1.88	(51.0%)	(86.5%)	16.82	1.01	38	103	219.4	(0.4)	0.89	(1.56)	0.47x	NM	NM	NM	NM
ResMed Inc.	RMD	62.47	19.6%	43.2%	67.50	41.52	8,780	8,349	1,616.3	491.2	2.23	2.46	5.17x	17.0x	25.4x	NM	NM
Sientra, Inc.	SIEN	15.04	(15.5%)	NM	19.99	12.53	224	380	41.9	(5.9)	(2.08)	(2.52)	9.08x	NM	NM	NM	NM
SurModics, Inc.	SRDX	22.92	5.9%	(6.0%)	25.99	18.00	296	266	57.4	21.3	0.96	0.92	4.62x	12.5x	25.8x	NM	NM
Teleflex Incorporated	TFX	109.56	(4.0%)	17.0%	119.99	90.15	4,537	5,318	1,801.9	405.1	3.46	5.69	2.95x	13.1x	29.0x	19.3x	1.57x
Varian Medical Systems, Inc.	VAR	92.56	10.0%	13.8%	95.70	76.73	9,273	8,827	3,049.8	658.7	4.03	4.10	2.89x	13.4x	24.1x	NM	NM
<b>Median</b>			<b>5.1%</b>	<b>17.0%</b>									<b>3.18x</b>	<b>14.2x</b>	<b>29.0x</b>	<b>22.2x</b>	<b>1.84x</b>

Source: Capital IQ as of January 31, 2015; For definitions, see page 17



Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 1/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
<b>Life Science Conglomerates</b>																	
illumina Inc.	ILMN	\$195.19	1.4%	28.4%	\$213.33	\$127.69	\$27,717	\$27,670	\$1,736.3	\$516.9	\$0.90	\$2.65	15.94x	NM	82.4x	NM	NM
PerkinElmer Inc.	PKI	45.71	5.3%	4.8%	48.26	38.96	5,164	6,042	2,229.3	421.2	1.48	2.40	2.71x	14.3x	32.3x	NM	NM
Thermo Fisher Scientific, Inc.	TMO	125.21	6.5%	8.7%	131.12	107.33	50,087	63,299	15,863.7	3,641.0	3.50	6.91	3.99x	17.4x	26.6x	NM	NM
Median			5.3%	8.7%									3.99x	15.9x	32.3x	NM	NM
<b>Lab Instrumentation &amp; Devices</b>																	
Bruker Corporation	BRKR	\$18.86	(9.0%)	(7.3%)	\$24.93	\$17.26	\$3,178	\$3,096	\$1,853.0	\$239.0	\$0.48	\$0.74	1.67x	13.0x	48.4x	25.3x	2.15x
Great Basin Scientific, Inc.	GBSN	1.85	(67.0%)	NM	9.08	1.54	9	52	1.5	(10.0)	(104.71)	NM	NM	NM	NM	NM	NM
Harvard Bioscience Inc.	HBIO	5.21	8.5%	17.9%	5.93	3.68	169	165	106.2	10.0	0.02	0.26	1.56x	16.6x	85.6x	20.0x	NM
Waters Corporation	WAT	119.05	7.4%	10.0%	122.80	93.56	9,914	9,324	1,970.9	628.1	5.20	5.40	4.73x	14.8x	23.5x	NM	NM
Median			(0.8%)	10.0%									1.67x	14.8x	48.4x	22.7x	2.15x
<b>Lab Equipment</b>																	
Kewaunee Scientific Corp.	KEQU	\$17.62	1.3%	6.5%	\$19.00	\$15.74	\$46	\$47	\$113.9	\$8.6	\$1.57	NM	0.41x	5.4x	11.7x	NM	NM
Mettler-Toledo International Inc.	MTD	303.95	17.6%	23.4%	308.67	221.00	8,677	9,039	2,472.8	507.6	9.96	11.64	3.66x	17.8x	27.8x	26.1x	2.26x
Median			9.4%	15.0%									2.03x	11.6x	19.7x	26.1x	2.26x
<b>Life Science Consumables</b>																	
Affymetrix Inc.	AFFX	\$11.04	22.5%	17.6%	\$11.89	\$6.25	\$812	\$873	\$348.1	\$25.7	(\$0.23)	\$0.25	2.51x	33.9x	NM	44.2x	1.40x
Bio-Rad Laboratories, Inc.	BIO	114.47	1.5%	(10.0%)	134.13	102.71	3,344	3,078	2,179.5	291.0	2.69	3.53	1.41x	10.6x	41.7x	32.4x	NM
Cambrex Corporation.	CBM	22.43	6.4%	19.5%	24.45	15.76	688	722	348.9	70.9	0.98	1.16	2.07x	10.2x	17.8x	19.3x	NM
Luminex Corporation	LMNX	17.65	(7.1%)	(3.4%)	21.69	15.74	756	667	224.0	41.9	0.17	0.52	2.98x	15.9x	34.7x	33.9x	NM
Bio-Techne Corp.	TECH	93.02	2.2%	2.4%	97.15	82.51	3,449	3,443	380.1	188.0	3.09	3.53	9.06x	18.3x	32.1x	26.4x	2.11x
VWR Corporation	VWR	24.16	8.2%	NM	27.14	20.60	3,174	5,778	4,333.0	461.7	(0.26)	1.16	1.33x	12.5x	49.5x	20.9x	1.16x
Median			4.3%	2.4%									2.29x	14.2x	34.7x	29.4x	1.40x
<b>Large-Cap Pharmaceuticals</b>																	
AbbVie Inc.	ABBV	\$60.35	(4.9%)	22.6%	\$70.76	\$45.50	\$96,165	\$103,498	\$19,619.0	\$6,982.0	\$2.56	\$3.30	5.28x	14.8x	54.9x	NM	NM
Allergan Inc.	AGN	219.26	15.4%	91.3%	228.43	110.62	65,729	63,696	7,003.2	2,330.0	4.20	6.30	9.10x	27.3x	51.2x	34.8x	1.66x
Bristol-Myers Squibb Company	BMJ	60.27	3.6%	20.6%	64.44	46.30	99,974	100,489	16,062.0	4,290.0	1.54	1.80	6.26x	23.4x	50.2x	NM	NM
Eli Lilly and Company	LLY	72.00	8.5%	33.3%	75.10	52.29	76,809	77,679	20,303.1	4,830.2	4.32	2.78	3.83x	16.1x	32.4x	NM	NM
Merck & Co. Inc.	MRK	60.28	4.0%	13.8%	63.62	51.92	171,851	185,503	43,075.0	15,629.0	1.47	3.48	4.31x	11.9x	32.8x	17.3x	2.95x
Pfizer Inc.	PFE	31.25	4.3%	2.8%	33.50	27.51	196,896	200,890	50,045.0	21,318.0	1.64	2.26	4.01x	9.4x	22.2x	NM	NM
Valeant Pharmaceuticals International, Inc.	VRX	160.09	20.6%	17.9%	162.30	91.41	53,738	67,430	8,043.1	3,785.4	(2.70)	8.32	8.38x	17.8x	NM	19.2x	NM
Median			4.3%	20.6%									5.28x	16.1x	41.5x	19.2x	2.31x

Source: Capital IQ as of January 31, 2015; For definitions, see page 17



(\$ in millions, except per share amounts)

Company Name	Ticker	Price 1/31/15	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
<b>Pharmaceuticals</b>																	
Akorn, Inc.	AKRX	\$42.58	(4.4%)	87.6%	\$45.25	\$20.52	\$4,591	\$5,606	\$459.1	\$139.9	\$0.46	\$1.13	12.21x	40.1x	NM	37.6x	1.14x
Amphastar Pharmaceuticals, Inc.	AMPH	\$12.13	19.6%	NM	\$12.89	\$8.32	\$542	\$520	\$209.5	\$6.6	\$0.31	(\$0.14)	2.48x	NM	NM	NM	NM
Aratana Therapeutics, Inc.	PETX	16.57	47.9%	(23.0%)	25.50	9.20	575	482	0.6	(31.0)	(0.39)	(1.37)	NM	NM	NM	NM	NM
Auris Medical Holding AG	EARS	3.96	(13.3%)	NM	7.58	3.30	115	50	0.0	(20.7)	(1.13)	(1.19)	NA	NM	NM	NM	NM
BioDelivery Sciences International, Inc.	BDSI	13.10	(24.7%)	66.9%	18.48	6.71	672	600	40.4	(31.0)	(1.51)	(1.15)	14.87x	NM	NM	NM	NM
BioSynt Inc.	RX	8.51	(11.9%)	180.3%	10.10	2.48	118	113	10.1	3.4	0.12	0.18	11.16x	33.0x	51.5x	51.4x	NM
Catalent, Inc.	CTLT	27.62	6.1%	NM	30.18	19.34	3,420	5,177	1,831.7	411.0	(0.23)	NM	2.83x	12.6x	NM	NM	NM
Cipher Pharmaceuticals Inc.	CPH	13.76	9.8%	96.6%	15.38	5.33	353	315	32.5	23.7	0.91	0.73	9.69x	13.3x	13.4x	20.8x	NM
Cumberland Pharmaceuticals, Inc.	CPIX	5.81	18.6%	23.6%	6.20	4.20	101	46	35.7	1.9	(0.11)	0.05	1.30x	24.3x	NM	NM	NM
Dermira, Inc.	DERM	16.85	9.6%	NM	22.94	12.68	415	479	0.0	(31.6)	(2.31)	(2.73)	NA	NM	NM	NM	NM
DURECT Corporation	DRRX	0.94	28.8%	(55.0%)	2.69	0.68	107	96	19.4	(20.1)	(0.21)	(0.20)	4.94x	NM	NM	NM	NM
Endo International plc	ENDP	79.61	19.0%	20.8%	82.88	53.62	12,250	15,948	2,662.2	826.3	(5.19)	4.24	5.99x	19.3x	NM	18.8x	3.14x
Flex Pharma, Inc.	FLKS	14.74	NM	NM	15.54	0.00	262	226	0.0	0.0	NM	NM	NA	NA	NM	NM	NM
Foamix Pharmaceuticals Ltd.	FOMX	8.76	62.2%	NM	11.00	4.75	197	151	3.1	0.2	(0.22)	(0.30)	NM	NM	NM	NM	NM
Heska Corporation	HSKA	19.89	42.2%	127.6%	21.05	8.23	125	137	89.0	7.3	(0.21)	0.45	1.54x	18.8x	42.4x	44.4x	1.92x
Impax Laboratories Inc.	IPXL	36.67	26.6%	58.5%	39.49	21.34	2,613	2,170	565.6	117.8	1.47	1.29	3.84x	18.4x	54.5x	28.4x	1.62x
Kite Pharma, Inc.	KITE	67.15	81.5%	NM	89.21	21.00	2,809	2,614	0.0	(25.6)	(1.43)	(1.90)	NA	NM	NM	NM	NM
Lannett Company, Inc.	LCI	47.43	(16.4%)	34.3%	59.44	29.12	1,696	1,545	321.3	159.1	0.57	3.24	4.81x	9.7x	18.0x	14.6x	0.84x
Marinus Pharmaceuticals, Inc.	MRNS	11.10	48.0%	NM	16.60	5.49	155	110	0.0	(9.8)	(0.71)	(2.73)	NA	NM	NM	NM	NM
MediWound Ltd.	MDWD	8.79	49.0%	NM	19.31	4.60	187	118	0.1	(16.5)	(0.54)	(0.84)	NM	NM	NM	NM	NM
Merus Labs International Inc.	MSL	1.43	(8.1%)	12.4%	2.11	1.02	117	175	23.4	10.8	(0.10)	(0.05)	7.46x	16.1x	NM	NM	NM
Mylan, Inc.	MYL	53.15	(0.7%)	17.0%	59.60	42.43	19,933	27,715	7,445.4	1,998.0	1.58	3.56	3.72x	13.9x	23.0x	14.9x	1.09x
NeuroDerm Ltd.	NDRM	10.70	NM	NM	19.07	5.67	182	189	0.0	(6.5)	(9.15)	(0.94)	NA	NM	NM	NM	NM
Radius Health, Inc.	RDUS	48.19	161.8%	NM	50.00	7.46	1,777	1,733	0.0	(55.8)	(3.97)	(3.76)	NA	NM	NM	NM	NM
Revanche Therapeutics, Inc.	RVNC	16.10	(20.1%)	NM	39.86	14.02	382	204	0.6	(45.1)	1.05	(3.09)	NM	NM	NM	NM	NM
Salix Pharmaceuticals Ltd.	SLXP	134.67	(6.4%)	38.4%	172.98	86.00	8,582	11,099	1,378.7	465.1	2.18	4.06	8.05x	23.9x	NM	33.2x	1.72x
SciClone Pharmaceuticals, Inc.	SCLN	7.38	(3.4%)	57.0%	9.14	4.24	375	278	126.1	27.3	0.20	0.56	2.20x	10.2x	18.1x	13.2x	NM
The Medicines Company	MDCO	28.67	13.2%	(17.5%)	35.11	19.92	1,864	1,751	718.4	47.0	0.25	(1.26)	2.44x	37.3x	NM	NM	NM
Vitae Pharmaceuticals, Inc.	VTAE	14.57	10.0%	NM	23.35	5.41	268	207	23.7	(1.3)	NM	(2.00)	8.72x	NM	NM	NM	NM
Xenon Pharmaceuticals Inc.	XENE	17.79	NM	NM	23.50	9.21	252	307	29.1	13.8	1.24	0.95	10.55x	22.2x	12.4x	18.7x	1.87x
Zoetis Inc.	ZTS	42.73	15.0%	40.7%	45.24	28.14	21,422	24,501	4,719.0	1,358.0	1.01	1.53	5.19x	18.0x	38.1x	27.9x	2.28x
Zosano Pharma Corporation	ZSAN	11.09	NM	NM	12.40	10.90	131	143	3.0	(10.8)	(1.10)	NM	NM	NM	NM	NM	NM
ZS Pharma, Inc.	ZSPH	44.93	19.4%	NM	49.77	25.51	935	824	0.0	(49.6)	(3.31)	(4.27)	NA	NM	NM	NM	NM
<b>Median</b>			<b>13.2%</b>	<b>38.4%</b>									<b>5.06x</b>	<b>18.6x</b>	<b>23.0x</b>	<b>24.3x</b>	<b>1.72x</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 January 31, 2015

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