

Healthcare Sector Update

June 2013

Summary – Healthcare Services

- The S&P Healthcare Services Index has decreased 2.2% over the last three months, underperforming the S&P 500.
- Over the past three months:
 - > The best-performing sectors were Psychiatric Hospitals (up 22.2%) and Managed Care - Commercial (up 15.7%).
 - > The worst-performing sectors were Emergency Services (down 12.2%) and Home Care / Hospice (down 2.6%).
- The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.3x and 9.0x, respectively.
- The sectors with the highest valuation multiples include:
 - > Specialty HCIT (2.5x LTM Revenue, 27.4x LTM EBITDA)
 - > Provider Based HCIT (2.7x LTM Revenue, 21.1x LTM EBITDA)

Summary – Pharmaceutical / Medical Devices / Life Sciences

- The S&P 500 - Pharmaceuticals, Biotechnology & Life Sciences Index rose 15.2% over the last three months, outperforming the S&P 500.
- Over the past three months:
 - > The best-performing sectors were Life Sciences Conglomerates (up 22.3%) and Biotechnology (up 17.9%).
 - > The worst-performing sector was Lab Instrumentation & Devices (up 4.2%) and Dental Devices (down 1.9%).
- The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 2.4x and 11.3x, respectively.
- The sectors with the highest valuation multiples include:
 - > Biotechnology (7.2x LTM Revenue, 12.0x LTM EBITDA)
 - > Dental Devices (2.6x LTM Revenue, 14.2x LTM EBITDA)

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MARKET SECTOR	No. of Co's	Ag. Eqty Mkt. Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	Rev	EBITDA	2012	2013E	
			Acute Care Hospitalst	9	\$38,493	6.0%	57.7%	1.10x	
Assisted Living	8	6,334	5.7%	52.8%	2.26x	18.1x	15.4x	19.0x	1.5x
Care Management / TPA	7	6,643	2.8%	57.6%	1.21x	11.4x	23.1x	21.9x	1.2x
Clinical Laboratories	6	26,262	7.5%	15.2%	2.01x	9.0x	18.4x	14.2x	1.3x
Contract Research Orgs	7	17,365	13.8%	61.8%	1.64x	13.3x	30.0x	23.3x	1.5x
Diagnostic Imaging	3	240	(0.5%)	(7.9%)	1.50x	5.1x	1.5x	8.2x	NM
Dialysis Services	2	34,525	3.8%	30.2%	2.23x	11.0x	25.3x	17.5x	1.7x
Distribution / Supply	7	70,370	12.9%	28.3%	0.25x	9.0x	19.3x	17.4x	1.5x
Emergency Services	2	1,475	(12.2%)	(0.9%)	1.82x	6.9x	19.5x	20.6x	1.3x
HCIT - Provider Based	10	28,375	(0.7%)	8.0%	2.69x	21.1x	40.5x	23.8x	1.6x
HCIT - Specialty	9	7,301	9.5%	22.9%	2.50x	27.4x	63.1x	40.4x	2.1x
Healthcare Staffing	5	5,654	11.8%	56.4%	1.22x	12.8x	29.5x	21.8x	1.3x
Home Care / Hospice	6	2,700	(2.6%)	27.3%	0.62x	6.5x	14.8x	16.8x	1.3x
Long Term Care	4	2,206	10.6%	45.5%	0.62x	6.8x	30.2x	13.2x	1.1x
Managed Care - Commercial	7	145,114	15.7%	16.9%	0.58x	7.4x	12.3x	10.6x	0.9x
Managed Care - Government	3	6,817	13.0%	46.0%	0.19x	7.7x	15.0x	18.9x	0.9x
Other Services	4	11,249	(1.6%)	(2.5%)	1.37x	18.5x	32.7x	28.9x	1.7x
Pharmacy Management	5	67,292	13.0%	36.9%	0.93x	10.3x	31.3x	14.7x	0.9x
Physician Practice Mgmt	2	4,594	5.9%	27.1%	1.54x	9.6x	31.4x	17.1x	1.2x
Psychiatric Hospitals	3	3,408	22.2%	86.9%	0.34x	7.3x	26.8x	16.4x	1.2x
Specialty Managed Care	2	4,409	12.3%	30.8%	0.44x	6.0x	9.0x	9.4x	1.0x
Surgicenters / Rehabilitation	6	6,388	9.9%	21.8%	1.53x	8.6x	17.3x	16.6x	1.1x
Total / Median (\$MM)	117	497,214	8.5%	29.3%	1.29x	9.0x	21.3x	17.3x	1.3x

Source: Capital IQ

CAPITALIZATION PROFILE

	No. of Co's	Ag. Eqty Mkt. Value	% Total No. of Co's	% Ag. Eqty Mkt. Value	Stock Performance			
					3 mo	YTD	12 mo	36 mo
					> \$5 billion	21	\$381,306	17.9%
\$1 billion - \$5 billion	41	96,556	35.0%	19.4%	8.3%	50.9%	43.1%	22.5%
\$250 million - \$1 billion	32	17,422	27.4%	3.5%	8.5%	50.6%	51.0%	19.2%
\$100 million - \$250 million	7	1,244	6.0%	0.3%	20.7%	84.9%	85.5%	42.9%
< \$100 million	16	686	13.7%	0.1%	(2.7%)	13.8%	5.9%	(13.3%)
Total / Median (\$MM)	117	\$497,214	100.0%	100.0%	8.5%	50.6%	29.3%	19.2%

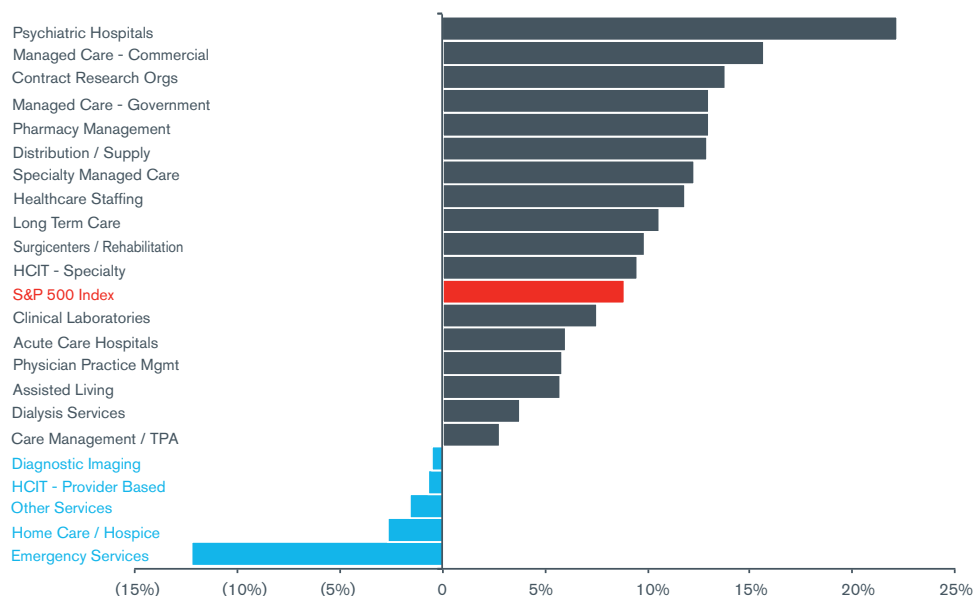
Source: Capital IQ

MARKET INDICES

	Value at 5/23/13	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$15,294.5	9.2%	16.7%	22.1%	51.9%
S&P 500 Index	1,650.5	8.9%	15.7%	25.0%	53.7%
NASDAQ Composite Index	3,459.4	9.4%	14.6%	21.8%	56.3%
Russell 2000 Index	984.3	7.4%	15.9%	28.4%	53.5%
AMEX Sector Index - Healthcare	88.5	2.3%	8.3%	6.4%	4.4%
S&P Healthcare Facilities (Sub Ind) Index	263.9	8.8%	31.2%	60.2%	31.0%
S&P Healthcare Providers & Services (Industry) Index	385.5	9.8%	24.2%	46.8%	55.4%
S&P Managed Healthcare (Sub Ind) Index	213.0	5.0%	18.7%	32.2%	90.0%
S&P Healthcare Services	305.2	(2.2%)	5.1%	35.5%	37.6%

Source: Capital IQ

Median % Change – 3 months



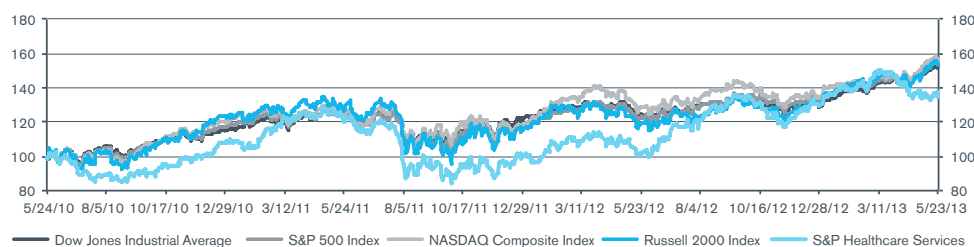
Source: Capital IQ

INTEREST RATES

	Value at 5/23/13	1 mo ago	3 mo ago	12 mo ago
LIBOR - USD - 5 Month	0.37%	0.38%	0.40%	0.65%
U.S. Treasury - 2 year	0.25%	0.23%	0.25%	0.28%
U.S. Treasury - 5 years	0.90%	0.70%	0.83%	0.73%
U.S. Treasury - 10 years	2.02%	1.70%	1.97%	1.72%
U.S. Treasury - 30 years	3.20%	2.89%	3.15%	3.15%
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 5/23/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Acute Care Hospitals																	
Chindex International Inc.	CHDX	\$14.81	33.2%	57.7%	\$16.62	\$8.94	\$245	\$247	\$161.3	\$19.8	\$0.24	NM	1.53x	12.5x	NM	NM	NM
Community Health Systems, Inc.	CYH	43.58	4.4%	100.4%	48.59	20.72	4,029	13,877	13,043.7	1,785.0	2.96	3.67	1.06x	7.8x	14.5x	11.9x	0.89x
HCA Holdings, Inc.	HCA	37.90	6.0%	45.8%	41.83	23.91	16,906	46,509	33,048.0	6,255.0	3.49	3.12	1.41x	7.4x	12.3x	12.2x	1.08x
Health Management Associates Inc.	HMA	10.98	0.0%	72.1%	13.63	5.92	2,847	6,347	5,875.9	932.1	0.67	0.83	1.08x	6.8x	18.1x	13.2x	1.11x
Lifepoint Hospitals Inc.	LPNT	48.09	9.5%	32.8%	49.78	34.37	2,279	3,920	3,471.9	504.7	3.14	2.96	1.13x	7.8x	18.0x	16.3x	1.81x
SunLink Health Systems Inc.	SSY	0.78	2.6%	(19.6%)	1.63	0.51	7	23	128.9	10.9	0.08	NM	0.18x	2.1x	3.3x	NM	NM
Tenet Healthcare Corp.	THC	45.00	14.5%	143.0%	49.48	17.24	4,658	10,103	9,204.0	1,164.0	1.70	2.82	1.10x	8.7x	NM	16.0x	1.23x
Universal Health Services Inc.	UHS	67.02	15.6%	72.5%	69.30	36.90	6,569	10,544	7,000.0	1,267.2	4.53	4.49	1.51x	8.3x	15.1x	14.9x	1.47x
Vanguard Health Systems Inc.	VHS	12.24	(17.0%)	53.0%	17.74	6.92	953	3,491	5,936.7	522.4	1.08	0.79	0.59x	6.7x	15.1x	15.6x	1.20x
Median			6.0%	57.7%									1.10x	7.8x	15.1x	14.9x	1.20x
Assisted Living																	
AdCare Health Systems Inc.	ADK	\$4.75	8.7%	44.6%	\$6.26	\$3.00	\$72	\$243	\$214.0	\$10.4	(\$0.81)	\$0.25	1.14x	23.3x	NM	19.0x	NM
Assisted Living Concepts Inc.	ALC	11.91	17.3%	(18.4%)	15.10	6.93	276	453	224.2	26.0	(1.14)	NM	2.02x	17.4x	NM	NM	NM
Brookdale Senior Living Inc.	BKD	28.88	2.8%	71.8%	30.31	14.99	3,553	6,164	2,473.1	387.5	(0.54)	0.04	2.49x	15.9x	NM	NM	NM
Capital Senior Living Corp.	CSU	26.13	17.4%	170.5%	27.90	9.31	725	1,115	318.6	53.4	(0.11)	0.40	3.50x	20.9x	NM	NM	NM
Emeritus Corp.	ESC	25.20	(10.8%)	67.6%	30.95	14.40	1,194	5,152	1,528.6	275.2	(1.73)	(2.08)	3.37x	18.7x	NM	NM	NM
Five Star Quality Care Inc.	FVE	4.88	(22.8%)	61.1%	6.87	3.00	235	270	1,228.1	45.9	0.28	0.25	0.22x	5.9x	16.5x	19.7x	1.97x
Skilled Healthcare Group, Inc.	SKH	6.77	12.5%	21.1%	8.01	4.97	266	712	872.1	90.7	0.57	0.59	0.82x	7.8x	14.4x	11.5x	1.04x
Stellar Resources Limited	SRZ	0.06	(7.2%)	(23.4%)	0.10	0.04	13	9	0.2	0.3	(0.01)	(0.00)	52.54x	28.2x	NM	NM	NM
Median			5.7%	52.8%									2.26x	18.1x	15.4x	19.0x	1.50x
Care Management / TPA																	
Alere Inc.	ALR	\$26.04	17.4%	42.1%	\$29.57	\$17.13	\$2,117	\$6,256	\$2,886.9	\$590.6	(\$1.23)	\$2.16	2.17x	10.6x	NM	12.0x	1.07x
CorVel Corporation	CRVL	49.15	2.8%	17.1%	51.36	40.31	532	511	421.8	56.1	2.13	2.24	1.21x	9.1x	23.1x	21.9x	NM
Crawford & Company	CRD.B	6.99	(16.3%)	95.3%	8.60	3.25	333	484	1,195.2	137.9	0.89	0.84	0.40x	3.5x	7.3x	8.3x	0.92x
ExamWorks Group, Inc.	EXAM	18.32	27.3%	70.7%	19.72	10.58	642	1,017	546.2	69.5	(0.44)	(0.32)	1.86x	14.6x	NM	NM	NM
Healthways Inc.	HWAY	14.05	22.7%	118.5%	14.54	6.29	480	749	677.1	57.1	0.24	0.28	1.11x	13.1x	NM	49.3x	1.70x
Hooper Holmes Inc.	HH	0.42	(19.2%)	(29.7%)	0.71	0.33	29	25	142.2	(5.7)	(0.25)	NM	0.18x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	73.48	2.1%	57.6%	81.37	43.79	2,510	2,324	1,179.7	189.7	2.30	3.32	1.97x	12.3x	26.1x	22.2x	1.35x
Median			2.8%	57.6%									1.21x	11.4x	23.1x	21.9x	1.21x

Source: Capital IQ as of May 23, 2013; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 5/23/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Clinical Laboratories																	
Bio-Reference Laboratories Inc.	BRLI	\$31.21	21.0%	58.3%	\$32.86	\$18.29	\$865	\$863	\$684.1	\$95.9	\$1.56	\$1.84	1.26x	9.0x	19.7x	17.0x	0.99x
CML Healthcare Inc.	TSX:CLC	7.36	3.9%	(25.6%)	9.91	5.24	661	914	345.0	102.7	0.44	0.61	2.65x	8.9x	20.1x	12.0x	4.01x
Laboratory Corp. of America Holdings	LH	100.71	13.2%	19.0%	101.69	81.56	9,363	11,521	5,689.0	1,287.7	5.99	7.09	2.03x	8.9x	17.0x	14.2x	1.26x
Psychemedics Corp.	PMD	11.45	(7.1%)	16.6%	12.49	9.46	61	58	25.4	5.3	0.57	NM	2.29x	10.9x	20.2x	NM	NM
Quest Diagnostics Inc.	DGX	61.97	11.2%	8.5%	64.87	53.25	9,793	13,096	7,260.5	1,576.9	3.92	4.36	1.80x	8.3x	17.0x	14.2x	1.31x
Sonic Healthcare Limited	ASX:SHL	13.91	3.6%	13.8%	14.52	11.69	5,519	7,044	3,530.3	662.9	0.85	0.85	2.00x	10.6x	17.1x	16.4x	2.20x
Median			7.5%	15.2%									2.01x	9.0x	18.4x	14.2x	1.31x
Contract Research Orgs																	
Albany Molecular Research Inc.	AMRI	\$11.05	37.1%	293.2%	\$12.50	\$2.25	\$347	\$327	\$232.4	\$38.7	(\$0.12)	NM	1.41x	8.4x	NM	NM	NM
GlaxoSmithKline SAE	BIOC	1.39	(5.2%)	(15.8%)	2.12	1.13	116	110	116.4	18.0	NM	NM	0.94x	6.1x	11.2x	NM	NM
Charles River Laboratories International, Inc.	CRL	44.35	9.8%	33.9%	46.90	31.48	2,174	2,728	1,134.8	255.4	2.10	2.82	2.40x	10.7x	21.2x	15.7x	1.83x
Covance Inc.	CVD	76.52	14.5%	68.8%	78.36	44.92	4,276	4,171	2,230.0	314.1	1.68	3.13	1.87x	13.3x	39.6x	24.4x	1.69x
ICON Public Limited Company	ICLR	33.43	13.0%	54.8%	35.86	20.25	2,024	1,827	1,179.5	132.8	0.92	1.55	1.55x	13.8x	30.9x	21.5x	1.27x
PAREXEL International Corporation	PRXL	46.19	35.0%	74.4%	47.23	25.28	2,626	2,734	1,663.9	190.2	1.28	1.80	1.64x	14.4x	32.9x	25.7x	1.21x
Quintiles Transnational Holdings Inc.	Q	45.00	NM	NM	46.50	41.78	5,801	7,769	3,731.7	512.9	1.51	1.93	2.08x	15.1x	29.0x	23.3x	NM
Median			13.8%	61.8%									1.64x	13.3x	30.0x	23.3x	1.48x
Diagnostic Imaging																	
Alliance Healthcare Services, Inc.	AIQ	\$12.80	83.6%	143.8%	\$13.40	\$3.61	\$133	\$694	\$461.9	\$146.1	(\$1.12)	NM	1.50x	4.8x	NM	NM	NM
American Shared Hospital Services	AMS	2.10	(0.5%)	(31.1%)	3.55	1.52	10	46	17.3	9.0	0.01	NM	2.64x	5.1x	NM	NM	NM
RadNet, Inc.	RDNT	2.44	(16.2%)	(7.9%)	3.22	2.13	98	683	658.1	100.9	1.64	0.30	1.04x	6.8x	1.5x	8.2x	NM
Median			(0.5%)	(7.9%)									1.50x	5.1x	1.5x	8.2x	NM
Dialysis Services																	
DaVita HealthCare Partners Inc.	DVA	\$125.56	8.2%	56.2%	\$131.33	\$80.01	\$13,284	\$21,863	\$9,162.2	\$1,923.0	\$5.47	\$7.52	2.39x	11.4x	30.5x	16.7x	1.36x
Fresenius Medical Care AG & Co. KGAA	DB:FME	69.22	(0.7%)	4.3%	77.78	61.96	21,240	29,634	14,292.7	2,780.1	3.87	3.77	2.07x	10.7x	20.1x	18.4x	2.09x
Median			3.8%	30.2%									2.23x	11.0x	25.3x	17.5x	1.73x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Distribution / Supply																	
Aceto Corp.	ACET	\$11.94	13.7%	45.6%	\$12.08	\$8.02	\$327	\$334	\$487.5	\$42.3	\$0.68	\$0.99	0.69x	7.9x	15.6x	12.1x	0.67x
AmerisourceBergen Corporation	ABC	54.58	16.3%	50.3%	56.91	36.02	12,603	12,652	81,383.5	1,412.5	2.89	3.13	0.16x	9.0x	18.7x	17.4x	1.45x
Cardinal Health, Inc.	CAH	47.17	3.5%	15.0%	48.40	36.91	16,124	17,529	102,437.0	2,362.0	3.29	3.74	0.17x	7.4x	14.1x	12.6x	1.29x
Henry Schein, Inc.	HSIC	95.69	9.0%	28.3%	97.09	71.97	8,338	9,365	9,134.5	770.0	4.32	4.89	1.03x	12.2x	21.3x	19.5x	1.76x
McKesson Corporation	MCK	117.28	13.1%	35.4%	119.32	84.65	26,577	28,994	122,455.0	2,903.0	6.60	7.00	0.24x	10.0x	21.0x	16.8x	1.26x
Owens & Minor Inc.	OMI	34.75	12.9%	25.5%	35.19	26.97	2,201	2,197	8,966.0	250.0	1.72	1.90	0.25x	8.8x	20.8x	18.3x	2.03x
Patterson Companies, Inc.	PDCO	39.55	9.7%	21.1%	39.82	31.36	4,201	4,421	3,637.2	400.5	2.00	2.17	1.22x	11.0x	19.3x	18.2x	1.52x
Median			12.9%	28.3%									0.25x	9.0x	19.3x	17.4x	1.45x
Emergency Services																	
Air Methods Corp.	AIRM	\$37.10	(15.2%)	21.4%	\$50.61	\$28.17	\$1,442	\$2,095	\$839.2	\$233.7	\$2.39	\$1.88	2.50x	9.0x	19.5x	19.8x	1.18x
InfuSystem Holdings, Inc.	INFU	1.50	(9.1%)	(23.1%)	2.15	1.34	33	61	53.5	12.5	(0.07)	0.07	1.13x	4.9x	NM	21.4x	1.43x
Median			(12.2%)	(0.9%)									1.82x	6.9x	19.5x	20.6x	1.30x
HCIT - Provider Based																	
Accretive Health, Inc.	AH	\$11.11	(9.2%)	(2.7%)	\$14.19	\$8.55	\$1,081	\$884	\$973.6	\$28.7	\$0.25	\$0.47	0.91x	30.8x	65.4x	23.8x	0.93x
The Advisory Board Company	ABCO	50.19	(0.2%)	5.2%	55.06	39.73	1,762	1,688	450.8	69.0	0.61	1.24	3.74x	24.5x	82.6x	40.4x	2.05x
Allscripts Healthcare Solutions, Inc.	MDRX	13.83	14.2%	25.2%	14.24	8.84	2,442	2,917	1,428.7	105.8	(0.01)	0.54	2.04x	27.6x	NM	25.5x	1.70x
athenahealth, Inc.	ATHN	85.24	(4.9%)	10.7%	99.79	56.33	3,132	3,189	451.3	43.5	0.50	1.11	7.07x	73.3x	NM	76.6x	2.95x
Cerner Corporation	CERN	96.41	10.1%	20.8%	98.88	67.64	16,571	15,748	2,645.9	745.6	2.26	2.81	5.95x	21.1x	40.5x	34.3x	1.86x
Computer Programs & Systems Inc.	CPSI	51.53	(0.1%)	(8.5%)	59.17	44.95	571	553	188.4	45.6	2.71	2.88	2.94x	12.1x	18.4x	17.9x	1.42x
Greenway Medical Technologies, Inc.	GWAY	11.78	(25.6%)	(18.3%)	19.65	11.52	350	337	135.7	1.9	(0.87)	(0.01)	2.49x	NM	NM	NM	NM
MedAssets, Inc.	MDAS	17.26	(8.7%)	49.2%	19.99	10.73	1,052	1,918	663.1	210.3	(0.12)	1.29	2.89x	9.1x	NM	13.4x	0.98x
Merge Healthcare Incorporated	MRGE	3.30	34.7%	36.9%	4.05	2.20	308	514	251.6	29.0	(0.31)	0.18	2.04x	17.7x	NM	18.5x	1.28x
Quality Systems Inc.	QSII	18.59	(1.2%)	(36.9%)	29.95	15.04	1,107	989	460.2	100.9	1.04	0.94	2.15x	9.8x	24.9x	20.1x	1.64x
Median			(0.7%)	8.0%									2.69x	21.1x	40.5x	23.8x	1.64x

Source: Capital IQ as of May 23, 2013; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 5/23/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
HCIT - Specialty																	
Accelrys Inc.	ACCL	\$8.63	(12.3%)	11.6%	\$9.98	\$7.50	\$482	\$383	\$165.2	\$10.7	(\$0.19)	\$0.32	2.32x	35.6x	NM	26.6x	1.48x
CardioNet, Inc.	BEAT	2.75	8.7%	19.6%	3.00	1.84	70	51	105.4	5.6	(0.49)	NM	0.49x	9.1x	NM	NM	NM
Healthstream Inc.	HSTM	24.36	10.3%	8.7%	30.76	19.50	649	553	109.7	22.0	0.28	0.34	5.04x	25.2x	81.7x	72.1x	3.54x
HMS Holdings Corp.	HMSY	25.14	(11.2%)	(2.4%)	37.19	18.50	2,205	2,389	483.0	152.0	0.57	0.88	4.95x	15.7x	44.5x	28.5x	1.30x
Medidata Solutions, Inc.	MDSO	67.54	34.2%	136.7%	75.22	26.91	1,796	1,676	231.2	37.0	0.71	1.29	7.25x	45.3x	86.3x	52.3x	2.68x
Omnicell Inc.	OMCL	18.27	0.5%	29.3%	20.00	12.33	627	557	337.0	47.4	0.47	1.04	1.65x	11.8x	36.8x	17.6x	1.11x
Streamline Health Solutions, Inc.	STRM	6.75	24.5%	231.7%	7.42	1.89	85	99	23.8	1.8	(0.48)	0.02	4.18x	55.8x	NM	NM	NM
WebMD Health Corp.	WBMD	28.27	38.3%	26.2%	30.69	13.13	1,388	1,189	475.7	40.2	(0.45)	0.49	2.50x	29.5x	NM	58.2x	6.12x
Median			9.5%	22.9%									2.50x	27.4x	63.1x	40.4x	2.08x
Healthcare Staffing																	
AMN Healthcare Services Inc.	AHS	\$13.55	8.1%	133.2%	\$15.94	\$5.45	\$624	\$781	\$979.7	\$70.9	\$0.35	\$0.62	0.80x	11.0x	30.5x	21.9x	1.10x
Cross Country Healthcare, Inc.	CCRN	5.20	(5.8%)	28.7%	6.23	3.80	161	140	443.2	3.5	(0.67)	0.02	0.32x	NM	NM	NM	NM
IPC The Hospitalist Company, Inc.	IPCM	47.90	11.8%	37.4%	50.48	33.10	803	802	546.8	59.5	1.92	2.21	1.47x	13.5x	23.5x	21.7x	1.27x
On Assignment Inc.	ASGN	26.75	27.9%	56.4%	26.91	14.48	1,425	1,797	1,472.1	147.6	0.89	1.24	1.22x	12.2x	28.5x	21.6x	1.23x
Team Health Holdings, Inc.	TMH	38.45	16.9%	73.6%	39.87	21.98	2,641	3,090	2,166.3	215.5	0.93	1.75	1.43x	14.3x	39.3x	22.0x	1.45x
Median			11.8%	56.4%									1.22x	12.8x	29.5x	21.8x	1.25x
Home Care / Hospice																	
Addus HomeCare Corporation	ADUS	\$15.79	68.5%	330.2%	\$17.49	\$3.57	\$172	\$154	\$248.4	\$18.5	\$0.86	\$0.92	0.62x	8.3x	17.1x	17.2x	1.27x
Almost Family Inc.	AFAM	19.48	(6.4%)	(7.6%)	23.99	17.87	182	149	345.4	28.3	1.85	1.20	0.43x	5.3x	11.6x	16.4x	1.36x
Amedisys Inc.	AMED	11.43	1.2%	15.3%	15.95	8.81	360	433	1,436.5	81.6	(2.75)	0.49	0.30x	5.3x	NM	23.3x	2.52x
Chemed Corp.	CHE	67.73	(13.4%)	21.6%	82.00	54.06	1,278	1,382	1,443.7	185.2	4.62	5.66	0.96x	7.5x	14.4x	12.0x	0.96x
Gentiva Health Services Inc.	GTIV	9.96	(9.4%)	80.1%	12.90	5.13	312	1,064	1,692.7	179.7	0.87	0.93	0.63x	5.9x	NM	10.8x	1.23x
LHC Group, Inc.	LHCG	22.55	9.8%	32.9%	24.14	15.69	397	431	627.7	61.0	1.53	1.25	0.69x	7.1x	15.3x	18.0x	1.34x
Median			(2.6%)	27.3%									0.62x	6.5x	14.8x	16.8x	1.30x

Source: Capital IQ as of May 23, 2013; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 5/23/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Long Term Care																	
Kindred Healthcare Inc.	KND	13.88	20.6%	72.4%	14.16	7.90	750	2,334	6,198.3	420.5	(0.65)	1.21	0.38x	5.6x	NM	11.4x	1.14x
National Healthcare Corp.	NHC	47.36	(1.0%)	10.8%	50.17	40.75	665	648	744.3	94.8	3.49	3.48	0.87x	6.8x	13.4x	13.6x	NM
The Ensign Group, Inc.	ENSG	36.22	10.6%	45.5%	36.99	24.36	791	955	840.9	88.3	1.85	2.74	1.14x	10.8x	47.1x	13.2x	1.00x
Median			10.6%	45.5%									0.62x	6.8x	30.2x	13.2x	1.07x
Managed Care - Commercial																	
Aetna Inc.	AET	\$60.39	26.9%	49.7%	\$61.19	\$34.58	\$22,842	\$26,458	\$37,217.8	\$3,537.2	\$4.81	\$5.80	0.71x	7.5x	12.3x	10.4x	0.95x
Cigna Corp.	CI	67.92	15.7%	57.1%	69.20	39.01	19,379	21,595	30,548.0	3,494.0	5.61	6.43	0.71x	6.2x	14.8x	10.6x	0.90x
Health Net, Inc.	HNT	31.68	23.7%	25.1%	33.30	16.65	2,514	2,782	11,255.7	227.9	0.31	2.23	0.25x	12.2x	30.5x	14.2x	0.99x
Humana Inc.	HUM	79.84	13.1%	3.7%	82.47	59.92	12,575	14,075	39,393.0	2,727.0	7.47	8.47	0.36x	5.2x	8.8x	9.4x	0.89x
UnitedHealth Group Incorporated	UNH	62.36	14.5%	12.6%	63.95	50.32	63,608	73,807	113,676.0	10,013.0	5.28	5.44	0.65x	7.4x	12.1x	11.5x	1.04x
Universal American Corp.	UAM	9.05	0.4%	(7.1%)	11.00	7.68	775	892	2,209.0	112.3	0.61	0.61	0.40x	7.9x	16.9x	14.8x	1.29x
WellPoint Inc.	WLP	77.98	25.9%	16.9%	79.58	52.52	23,422	37,114	63,983.7	5,439.8	8.18	8.07	0.58x	6.8x	9.1x	9.7x	0.89x
Median			15.7%	16.9%									0.58x	7.4x	12.3x	10.6x	0.95x
Managed Care - Government																	
Centene Corp.	CNC	\$51.34	13.0%	46.0%	\$52.60	\$24.26	\$2,794	\$2,600	\$9,636.5	\$95.7	\$0.03	\$2.72	0.27x	NM	NM	18.9x	0.93x
Molina Healthcare, Inc.	MOH	38.21	16.4%	49.3%	38.48	17.63	1,735	1,210	6,245.8	113.8	0.21	1.59	0.19x	10.6x	NM	24.1x	0.86x
WellCare Health Plans, Inc.	WCG	52.63	(10.2%)	(5.4%)	68.65	44.75	2,287	1,265	7,874.4	264.3	4.22	4.84	0.16x	4.8x	15.0x	10.9x	0.88x
Median			13.0%	46.0%									0.19x	7.7x	15.0x	18.9x	0.88x

Source: Capital IQ as of May 23, 2013; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 5/23/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Other Services																	
Healthcare Services Group Inc.	HCSG	\$22.39	(6.3%)	13.1%	\$25.95	\$17.60	\$1,532	\$1,455	\$1,090.7	\$78.4	\$0.65	\$0.81	1.33x	18.6x	30.4x	27.6x	1.67x
PDI, Inc.	PDII	4.62	(38.0%)	(42.1%)	8.68	3.82	70	14	138.1	3.0	(1.75)	(0.20)	0.10x	4.6x	NM	NM	NM
Sharps Compliance Corp.	SMED	2.95	3.1%	(18.1%)	3.74	2.01	45	29	20.8	(1.9)	(0.29)	(0.07)	1.40x	NM	NM	NM	NM
Stericycle, Inc.	SRCL	111.28	15.8%	29.8%	113.11	85.21	9,601	10,877	1,966.9	587.9	3.08	3.69	5.53x	18.5x	35.1x	30.1x	1.77x
Median			(1.6%)	(2.5%)									1.37x	18.5x	32.7x	28.9x	1.72x
Pharmacy Management																	
BioScrip Inc.	BIOS	\$13.60	17.6%	99.4%	\$14.73	\$6.14	\$918	\$1,172	\$706.1	\$36.0	(\$0.15)	\$0.30	1.66x	32.5x	NM	46.1x	2.25x
Catamaran Corporation	TSX:CCT	47.88	(12.3%)	6.0%	57.06	40.65	9,860	10,617	11,442.7	506.2	0.70	1.87	0.93x	21.0x	64.1x	25.6x	0.87x
Express Scripts Holding Company	ESRX	62.88	13.0%	21.6%	66.06	49.79	51,331	63,797	107,788.5	6,216.6	1.79	4.29	0.59x	10.3x	36.2x	14.7x	0.92x
Omnicare Inc.	OCR	45.41	19.6%	42.8%	46.80	29.24	4,765	6,307	6,092.3	702.8	1.73	3.55	1.04x	9.0x	26.3x	12.8x	0.85x
PharMerica Corporation	PMC	14.10	(1.6%)	36.9%	15.42	9.03	419	683	1,773.5	111.5	0.77	1.47	0.38x	6.1x	15.8x	9.6x	1.12x
Median			13.0%	36.9%									0.93x	10.3x	31.3x	14.7x	0.92x
Physician Practice Management																	
Birmer Dental Management Services Inc.	BDMS	\$17.68	3.7%	3.7%	\$23.03	\$16.21	\$33	\$38	\$62.8	\$4.5	\$0.44	NM	0.60x	8.4x	44.2x	NM	NM
MEDNAX, Inc.	MD	93.01	8.1%	50.4%	94.58	59.24	4,561	4,705	1,896.7	434.5	4.85	5.43	2.48x	10.8x	18.5x	17.1x	1.18x
Median			5.9%	27.1%									1.54x	9.6x	31.4x	17.1x	1.18x
Psychiatric Hospitals																	
Acadia Healthcare Company, Inc.	ACHC	\$32.74	22.2%	99.8%	\$34.98	\$15.02	\$1,652	\$2,122	\$479.1	\$94.1	\$0.53	\$1.03	NM	22.6x	66.7x	31.9x	1.28x
Magellan Health Services Inc.	MGLN	53.61	6.2%	29.4%	56.58	40.24	1,438	1,154	3,255.9	234.1	5.42	3.79	0.35x	4.9x	9.4x	14.1x	(10.10x)
Providence Service Corp.	PRSC	24.33	35.8%	86.9%	24.67	9.56	317	368	1,127.2	50.5	0.64	1.49	0.33x	7.3x	26.8x	16.4x	1.17x
Median			22.2%	86.9%									0.34x	7.3x	26.8x	16.4x	1.17x

Source: Capital IQ as of May 23, 2013; For definitions, see page 10

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 5/23/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Specialty Managed Care																	
Assurant Inc.	AIZ	\$50.05	20.2%	47.9%	\$51.19	\$32.41	\$3,853	\$4,784	\$8,586.0	\$898.0	\$5.67	\$5.54	0.56x	5.3x	9.4x	9.0x	1.13x
Triple-S Management Corporation	GTS	19.66	4.4%	13.8%	21.60	16.05	556	778	2,424.2	115.0	1.90	2.02	0.32x	6.8x	8.6x	9.8x	0.94x
Median			12.3%	30.8%									0.44x	6.0x	9.0x	9.4x	1.04x
Surgicenters / Rehabilitation																	
AmSurg Corp.	AMSG	\$36.04	13.2%	29.2%	\$36.48	\$25.00	\$1,153	\$2,222	\$959.7	\$321.2	\$1.98	\$2.17	2.32x	6.9x	17.6x	16.6x	1.15x
Hanger, Inc.	HGR	30.99	1.8%	47.8%	32.65	20.79	1,071	1,574	1,001.0	168.5	1.83	2.06	1.57x	9.3x	16.8x	15.1x	1.14x
HEALTHSOUTH Corp.	HLS	30.30	24.1%	55.4%	30.81	18.44	2,643	4,412	2,167.8	514.9	1.65	1.75	2.04x	8.6x	17.3x	17.3x	1.28x
LCA-Vision Inc.	LCAV	3.16	7.5%	(38.5%)	6.19	2.67	61	28	93.7	(6.3)	(0.45)	(0.25)	0.30x	NM	NM	NM	NM
Select Medical Holdings Corporation	SEM	8.03	(12.3%)	(12.0%)	14.89	7.21	1,120	2,661	2,916.9	390.7	1.05	0.92	0.91x	6.8x	8.1x	8.7x	0.87x
US Physical Therapy Inc.	USPH	28.19	12.3%	14.3%	28.40	22.69	340	371	247.8	41.6	1.51	1.56	1.50x	8.9x	19.6x	18.1x	1.21x
Median			9.9%	21.8%									1.53x	8.6x	17.3x	16.6x	1.15x

Definitions

PEG Ratio: Price Earnings to Growth

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

EPS: Earnings Per Share

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

LTM: Last Twelve Months

MARKET SECTOR	No. of Co's	Ag. Eqty Mkt. Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	Rev	EBITDA	2012	2013E	
Biotechnology	38	\$363,698	17.9%	32.3%	7.23x	12.0x	26.9x	27.9x	1.5x
Cardiology Devices	16	92,073	3.7%	8.5%	2.96x	11.7x	26.7x	21.4x	1.5x
Conglomerates	6	426,622	9.0%	30.4%	2.65x	10.6x	17.7x	16.3x	1.8x
Dental Devices	8	15,307	(1.9%)	13.5%	2.60x	14.2x	26.6x	19.9x	1.3x
Diagnostic Imaging Devices	5	7,024	8.5%	18.5%	1.75x	12.7x	30.0x	20.6x	1.1x
Diversified Medical Devices	19	88,277	5.2%	22.8%	2.31x	12.0x	20.5x	17.3x	1.6x
Infection Prevention Devices	2	3,561	11.7%	52.9%	2.23x	12.1x	20.7x	21.2x	1.4x
Lab Equipment	2	6,737	3.8%	47.3%	1.68x	9.7x	17.5x	21.0x	1.5x
Lab Instrumentation & Devices	3	11,322	(4.2%)	18.4%	1.64x	13.5x	30.1x	21.1x	1.8x
Large-Cap Pharmaceuticals	6	590,382	8.2%	31.8%	4.04x	9.8x	22.3x	14.5x	2.6x
Life Science Conglomerates	4	55,892	22.3%	65.8%	3.40x	13.9x	38.7x	16.8x	1.6x
Life Science Consumables	5	7,195	(1.2%)	(2.9%)	2.55x	10.7x	21.7x	22.6x	1.3x
Mobility Devices	3	2,663	(0.5%)	0.8%	0.88x	10.2x	24.1x	15.7x	1.8x
Neural Implant Devices	3	3,752	1.9%	15.0%	3.16x	9.4x	29.5x	18.4x	1.4x
Ophthalmology Devices	3	5,373	4.1%	24.9%	1.21x	8.9x	20.1x	17.1x	1.1x
Orthopedics Devices	7	41,948	4.9%	21.0%	1.89x	10.9x	19.3x	16.5x	1.7x
Pharmaceuticals	27	82,836	11.8%	19.2%	3.06x	13.2x	23.4x	19.3x	1.2x
Surgical Devices	6	21,397	10.5%	19.7%	1.82x	8.8x	28.9x	23.3x	1.6x
Total / Median (\$MM)	163	1,826,059	5.0%	20.4%	2.43x	11.3x	23.8x	19.6x	1.5x

Source: Capital IQ

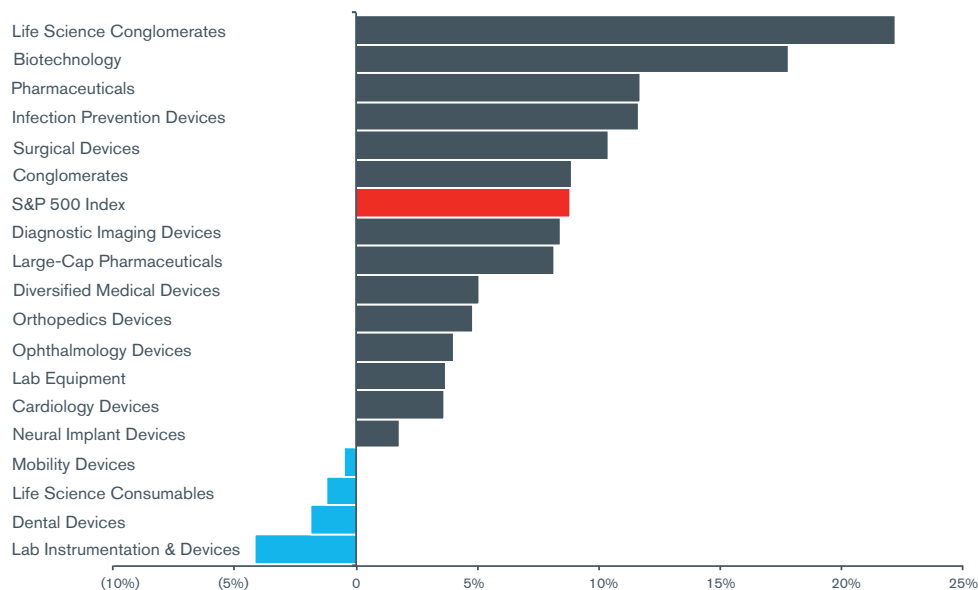
CAPITALIZATION PROFILE	No. of Co's	Ag. Eqty Mkt. Value	% Total No. of Co's	% Ag. Eqty Mkt. Value	Median Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	45	\$1,713,237	27.6%	93.8%	13.8%	55.3%	35.2%	21.2%
\$1 billion - \$5 billion	36	83,662	22.1%	4.6%	13.5%	46.9%	32.2%	15.3%
\$250 million - \$1 billion	41	24,980	25.2%	1.4%	12.0%	41.7%	40.0%	12.4%
\$100 million - \$250 million	18	3,119	11.0%	0.2%	6.6%	55.2%	39.2%	34.0%
< \$100 million	23	1,061	14.1%	0.1%	(6.2%)	45.7%	14.0%	(0.0%)
Total / Median (\$MM)	163	\$1,826,059	100.0%	100.0%	5.0%	46.9%	20.4%	15.3%

Source: Capital IQ

INTEREST RATES	Value at 5/23/13	1 mo ago	3 mo ago	12 mo ago
LIBOR - USD - 5 Month	0.37%	0.38%	0.40%	0.65%
U.S. Treasury - 2 year	0.25%	0.23%	0.25%	0.28%
U.S. Treasury - 5 years	0.90%	0.70%	0.83%	0.73%
U.S. Treasury - 10 years	2.02%	1.70%	1.97%	1.72%
U.S. Treasury - 30 years	3.20%	2.89%	3.15%	3.15%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

Median % Change – 3 months

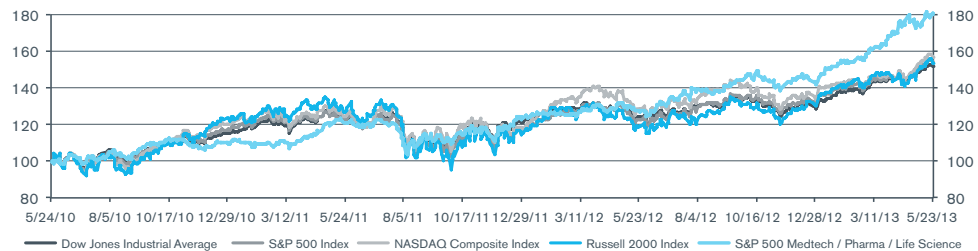


Source: Capital IQ

MARKET INDICES	Value at 5/23/13	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$15,294.5	9.2%	16.7%	22.1%	51.9%
S&P 500 Index	1,650.5	8.9%	15.7%	25.0%	53.7%
NASDAQ Composite Index	3,459.4	9.4%	14.6%	21.8%	56.3%
Russell 2000 Index	984.3	7.4%	15.9%	28.4%	53.5%
S&P Life Science Tools & Services (Industry) Index	226.1	14.2%	25.9%	41.9%	53.6%
S&P 500 Pharmaceuticals (Industry) Index	453.3	11.6%	21.5%	33.1%	66.0%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	490.8	15.9%	26.5%	40.7%	85.2%
S&P 500 Biotechnology (Industry) Index	2,271.4	27.9%	41.3%	72.7%	163.9%
Dow Jones U.S. Medical Equipment Index	663.8	7.3%	19.4%	28.2%	41.5%
S&P 500 - Pharmaceuticals, Biotechnology & Life Sciences (Industry Group)	555.0	15.2%	25.9%	41.1%	80.3%

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 5/23/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Biotechnology																	
Acorda Therapeutics, Inc.	ACOR	\$32.23	7.4%	42.2%	\$40.87	\$21.26	\$1,307	\$1,028	\$306.4	\$20.1	\$3.84	\$0.75	3.36x	NM	9.0x	42.8x	1.99x
Alexion Pharmaceuticals, Inc.	ALXN	99.88	14.2%	10.3%	119.54	81.82	19,491	18,617	1,228.3	453.6	1.28	2.94	15.16x	41.0x	68.0x	34.0x	1.43x
Alkermes plc	ALKS	33.00	58.6%	107.0%	33.17	14.82	4,435	4,499	575.5	171.4	(0.32)	1.05	7.82x	26.3x	NM	25.2x	0.83x
Amarin Corporation plc	AMRN	6.92	(16.0%)	(33.7%)	15.96	6.34	1,043	1,080	2.3	(157.4)	(1.24)	(1.46)	461.41x	NM	NM	NM	NM
Amgen Inc.	AMGN	105.62	21.7%	54.5%	114.95	67.61	79,213	81,834	17,455.0	7,054.0	5.52	7.29	4.69x	11.6x	17.9x	14.5x	1.67x
Astex Pharmaceuticals, Inc.	ASTX	5.12	65.2%	210.3%	6.95	1.62	484	347	83.2	5.9	0.08	(0.32)	4.17x	NM	NM	NM	NM
Athersys, Inc.	ATHX	1.81	16.0%	34.1%	2.42	0.95	102	81	6.3	(18.4)	(0.45)	(0.52)	12.84x	NM	NM	NM	NM
Biogen Idec Inc.	BIIB	232.62	41.5%	76.9%	238.83	126.39	55,218	55,471	5,639.5	2,343.9	5.76	8.03	9.84x	23.7x	37.3x	29.0x	1.60x
BioSpecifics Technologies Corp.	BSTC	15.87	2.7%	(1.2%)	21.99	12.52	101	89	12.5	6.0	0.43	0.28	7.06x	14.7x	31.0x	56.7x	2.46x
Cangene Corp.	CNJ	2.86	(7.9%)	78.3%	3.17	1.35	191	154	118.4	(2.8)	(0.28)	0.15	1.30x	NM	NM	19.2x	NM
Celgene Corporation	CELG	123.64	21.6%	79.0%	131.82	58.53	51,573	51,179	5,698.0	2,355.2	3.30	5.71	8.98x	21.7x	37.3x	21.6x	0.96x
Cepheid	CPHD	38.23	5.6%	1.5%	46.00	28.12	2,565	2,465	345.9	23.0	(0.30)	0.44	7.13x	NM	NM	87.3x	4.35x
Cubist Pharmaceuticals Inc.	CBST	56.03	31.5%	41.9%	56.54	36.73	3,653	3,176	944.6	254.4	2.10	1.96	3.36x	12.5x	30.9x	28.6x	1.80x
Curis, Inc.	CRIS	3.78	31.7%	(17.5%)	5.51	2.66	304	284	7.5	(16.1)	(0.21)	(0.21)	37.94x	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	1.92	(3.0%)	82.9%	2.25	0.85	60	64	15.6	1.2	0.04	NM	4.09x	NM	NM	NM	NM
Emergent BioSolutions, Inc.	EBS	14.26	(9.3%)	2.8%	16.99	12.50	515	447	274.7	44.2	0.65	0.74	1.63x	10.1x	22.9x	19.3x	0.89x
Exelixis, Inc.	EXEL	4.77	8.2%	4.4%	6.95	4.19	877	851	38.6	(119.3)	(0.92)	(1.21)	22.04x	NM	NM	NM	NM
Genomic Health Inc.	GHDX	37.00	31.1%	11.4%	37.64	25.25	1,118	1,022	239.8	12.2	0.26	(0.04)	4.26x	NM	NM	NM	NM
GenVec, Inc.	GNVC	0.70	(58.8%)	(72.4%)	2.78	0.63	9	(2.7)	7.4	(12.4)	(1.09)	(0.63)	(0.37x)	0.2x	NM	NM	NM
Gilead Sciences Inc.	GILD	55.48	30.7%	121.0%	58.07	24.12	84,627	90,922	9,951.7	4,349.3	1.64	1.99	9.14x	20.9x	31.2x	27.9x	1.09x
ImmuCell Corp.	ICCC	3.65	(6.9%)	(32.6%)	7.00	3.25	11	7	5.5	0.7	0.03	NM	1.35x	10.9x	79.6x	NM	NM
Immunomedics Inc.	IMMU	3.28	33.3%	(1.8%)	3.76	2.11	271	223	4.6	(30.3)	(0.36)	(0.24)	48.91x	NM	NM	NM	NM
Ligand Pharmaceuticals Incorporated	LGND	27.95	31.7%	143.3%	29.92	11.42	566	579	37.4	8.4	(0.13)	0.53	15.49x	NM	NM	52.4x	3.49x
Maxygen, Inc.	MAXY	2.38	(4.0%)	(59.0%)	6.33	2.35	66	(15.0)	30.0	21.0	0.73	(0.30)	(0.50x)	NM	3.2x	NM	NM
Momenta Pharmaceuticals Inc.	MNTA	13.31	5.6%	(5.1%)	17.09	10.05	691	367	47.3	(71.3)	(1.16)	(1.97)	7.76x	NM	NM	NM	NM
Myriad Genetics Inc.	MYGN	32.19	28.7%	26.6%	34.70	22.02	2,564	2,228	572.0	219.8	1.46	1.77	3.89x	10.1x	20.0x	18.2x	1.28x
Neurocrine Biosciences Inc.	NBIX	12.71	15.9%	90.8%	12.85	6.25	848	690	42.6	(8.0)	0.08	(0.79)	16.19x	NM	NM	NM	NM
Osiris Therapeutics, Inc.	OSIR	11.07	57.5%	92.9%	14.46	5.72	365	335	11.5	(11.9)	(0.34)	(0.31)	29.24x	NM	NM	NM	NM
PDL BioPharma, Inc.	PDLI	8.35	18.8%	27.9%	8.48	6.18	1,169	1,294	389.0	364.0	1.45	1.64	3.33x	3.6x	5.5x	5.1x	NM
ProMetic Life Sciences Inc.	PLI	0.36	(23.7%)	194.2%	0.48	0.10	175	179	23.4	2.5	0.00	0.00	7.67x	NM	NM	NM	NM

Source: Capital IQ as of May 23, 2013; For definitions, see page 19

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 5/23/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Biotechnology (cont.)																	
Regeneron Pharmaceuticals, Inc.	REGN	\$254.87	58.9%	99.8%	\$283.99	\$107.31	\$24,794	\$24,949	\$1,586.4	\$626.5	\$6.75	\$7.36	15.73x	39.8x	33.5x	34.6x	1.50x
Spectrum Pharmaceuticals, Inc.	SPPI	8.55	(23.9%)	(22.1%)	17.48	6.92	511	423	246.5	72.2	1.46	(0.16)	1.72x	5.9x	11.7x	NM	NM
Targacept, Inc.	TRGT	5.46	25.2%	30.6%	5.69	3.85	184	75	38.5	(11.3)	(0.21)	(1.36)	1.96x	NM	NM	NM	NM
Theravance Inc.	THRX	36.78	70.0%	74.4%	42.41	17.06	3,658	3,659	10.0	(125.1)	(0.20)	(2.25)	365.77x	NM	NM	NM	NM
Unigene Laboratories Inc.	UGNE	0.03	(82.4%)	(88.5%)	0.37	0.02	3	61	8.3	(10.2)	(0.36)	NM	7.32x	NM	NM	NM	NM
United Therapeutics Corporation	UTHR	67.61	17.1%	59.0%	69.65	42.12	3,358	2,965	955.0	442.4	5.71	5.92	3.10x	6.7x	11.8x	11.4x	0.37x
Vanda Pharmaceuticals, Inc.	VNDA	7.12	79.3%	71.6%	7.53	2.92	202	91	32.7	(22.2)	(0.98)	(0.93)	2.78x	NM	NM	NM	NM
Vertex Pharmaceuticals Incorporated	VRTX	78.48	70.9%	22.7%	87.47	38.44	17,376	17,107	1,416.7	(72.9)	(0.51)	(0.41)	12.08x	NM	NM	NM	NM
Median			17.9%	32.3%									7.23x	12.0x	26.9x	27.9x	1.50x
Cardiology Devices																	
ABIOMED, Inc.	ABMD	\$21.72	47.6%	(1.4%)	\$24.93	\$11.80	\$822	\$746	\$158.1	\$19.3	\$0.33	\$0.60	4.71x	38.6x	59.4x	36.3x	1.22x
AngioDynamics Inc.	ANGO	10.67	(13.5%)	(12.7%)	12.91	9.52	372	498	309.0	42.7	(0.25)	0.32	1.61x	11.7x	NM	33.3x	2.39x
Boston Scientific Corporation	BSX	9.16	24.3%	55.0%	9.39	4.79	12,358	16,344	7,144.0	1,625.0	(2.89)	0.40	2.29x	10.1x	NM	23.1x	2.68x
Cardiovascular Systems Inc.	CSII	19.01	17.9%	104.4%	20.86	8.24	457	401	98.0	(18.7)	(1.01)	(1.20)	4.09x	NM	NM	NM	NM
Edwards Lifesciences Corp.	EW	65.72	(23.9%)	(22.7%)	110.79	62.34	7,424	7,059	1,937.1	491.1	2.48	3.07	3.64x	14.4x	20.7x	21.4x	1.37x
Greatbatch, Inc.	GB	31.87	18.8%	54.4%	32.27	20.34	762	985	635.3	115.3	(0.20)	1.92	1.55x	8.5x	NM	16.6x	1.46x
Heartware International Inc.	HIN	2.79	11.0%	27.0%	2.82	1.97	1,597	1,478	133.8	(62.6)	(0.18)	NM	11.05x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	6.17	2.2%	20.5%	6.50	4.81	94	79	58.0	6.6	0.16	0.21	1.36x	12.0x	32.7x	28.9x	1.45x
Medtronic, Inc.	MDT	51.46	15.1%	39.9%	53.83	35.67	52,284	51,864	16,590.0	5,599.0	3.28	3.84	3.13x	9.3x	15.2x	13.4x	1.89x
Neovasc Inc.	NVC	2.42	5.3%	97.2%	3.86	0.94	111	105	7.8	(4.9)	(0.01)	NM	13.44x	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.56	(4.0%)	(11.5%)	0.71	0.38	185	149	0.0	(23.8)	(0.07)	(0.07)	NM	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	45.17	9.7%	16.5%	47.45	30.25	12,800	15,239	5,446.0	1,752.0	2.39	3.70	2.80x	8.7x	18.2x	12.2x	1.29x
Stereotaxis Inc.	STXS	1.73	(21.4%)	(42.4%)	3.90	1.01	14	36	42.7	(8.5)	(1.33)	(2.03)	0.85x	NM	NM	NM	NM
Sunshine Heart Inc.	SHC	0.02	(23.9%)	(13.8%)	0.06	0.02	60	47	0.0	(15.0)	(0.01)	NM	NM	NM	NM	NM	NM
Thoratec Corp.	THOR	31.52	(12.7%)	0.5%	39.86	29.39	1,807	1,555	482.6	131.6	0.94	1.78	3.22x	11.8x	38.2x	17.7x	1.81x
Volcano Corporation	VOLC	17.00	(24.9%)	(40.3%)	30.59	16.37	927	907	384.7	43.2	0.15	0.05	2.36x	21.0x	NM	NM	NM
Median			3.7%	8.5%									2.96x	11.7x	26.7x	21.4x	1.46x

Source: Capital IQ as of May 23, 2013; For definitions, see page 19

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 5/23/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Conglomerates																	
3M Company	MMM	\$110.41	6.6%	30.2%	\$112.34	\$81.99	\$76,204	\$78,210	\$30,052.0	\$7,806.0	\$6.32	\$6.70	2.60x	10.0x	17.4x	16.5x	1.48x
Agilent Technologies Inc.	A	45.74	9.4%	12.2%	47.47	35.32	15,879	15,719	6,902.0	1,342.0	3.13	2.89	2.28x	11.7x	15.8x	15.8x	1.63x
Becton, Dickinson and Company	BDX	100.17	13.9%	34.6%	102.73	71.56	19,458	21,207	7,848.3	2,154.6	5.52	5.84	2.70x	9.8x	18.0x	17.1x	1.94x
Covidien plc	COV	65.21	3.9%	23.0%	68.83	50.25	30,680	34,074	12,167.0	3,291.0	3.93	4.04	2.80x	10.4x	16.9x	16.1x	1.67x
Johnson & Johnson	JNJ	87.21	14.4%	37.8%	89.99	61.71	244,963	239,187	68,590.0	21,741.0	3.86	5.42	3.49x	11.0x	23.6x	16.1x	2.53x
Kimberly-Clark Corporation	KMB	102.54	8.5%	30.6%	106.54	77.80	39,437	45,641	21,140.0	4,174.0	4.42	5.73	2.16x	10.9x	22.5x	17.9x	2.21x
Median			9.0%	30.4%									2.65x	10.6x	17.7x	16.3x	1.81x
Dental Devices																	
COLTENE Holding AG	CLTN	\$48.69	19.0%	72.4%	\$51.42	\$25.61	\$205	\$226	\$172.7	\$24.0	\$2.49	\$3.29	1.31x	9.4x	19.9x	14.8x	0.56x
DENTSPLY International Inc.	XRAY	41.51	(0.6%)	9.2%	44.21	35.04	5,948	7,617	2,944.1	537.1	2.18	2.37	2.59x	14.2x	17.9x	17.5x	1.55x
Nobel Biocare Holding AG	NOBN	12.44	25.3%	17.8%	12.75	7.32	1,528	1,455	736.0	119.9	0.49	0.50	1.98x	12.1x	26.6x	24.6x	1.80x
Orthofix International N.V.	OFIX	26.86	(27.3%)	(30.8%)	45.62	25.30	523	509	446.5	89.7	2.78	1.57	1.14x	5.7x	11.1x	17.1x	1.07x
Osstem Implant Co., Ltd.	A048260	27.59	(13.8%)	165.2%	34.65	10.71	392	437	158.9	18.9	0.41	1.63	2.75x	23.1x	70.9x	21.2x	NM
Sirona Dental Systems Inc.	SIRO	69.39	(1.9%)	59.4%	75.81	40.59	3,812	3,733	1,029.1	261.4	2.37	3.49	3.63x	14.3x	28.9x	19.9x	1.57x
Straumann Holding AG	STMN	137.02	(2.1%)	(16.3%)	165.93	101.09	2,116	1,964	749.6	137.8	2.57	6.61	2.62x	14.3x	55.8x	20.7x	1.05x
Tornier N.V.	TRNX	16.90	(1.9%)	(18.0%)	23.54	14.53	785	866	285.7	25.4	(0.54)	(0.28)	3.03x	34.1x	NM	NM	NM
Median			(1.9%)	13.5%									2.60x	14.2x	26.6x	19.9x	1.31x
Orthopedics Devices																	
Exactech Inc.	EXAC	\$18.18	(1.7%)	8.8%	\$21.16	\$15.01	\$244	\$280	\$225.0	\$39.4	\$0.96	\$1.08	1.25x	7.1x	18.1x	16.9x	1.69x
MAKO Surgical Corp.	MAKO	11.29	0.2%	(52.3%)	27.18	10.00	530	460	107.9	(24.7)	(0.76)	(0.59)	4.26x	NM	NM	NM	NM
NuVasive, Inc.	NUVA	22.20	24.4%	17.3%	25.99	12.35	982	1,127	628.1	99.9	0.07	1.02	1.79x	11.3x	NM	21.8x	1.95x
Stryker Corporation	SYK	67.24	7.2%	31.1%	70.00	49.43	25,421	23,706	8,686.0	2,068.0	3.39	4.29	2.73x	11.5x	20.5x	15.7x	1.81x
Symmetry Medical, Inc.	SMA	10.42	(0.1%)	32.2%	12.83	7.38	388	589	408.3	56.2	0.25	0.63	1.44x	10.5x	47.0x	16.5x	0.98x
Wright Medical Group Inc.	WMGI	23.73	4.9%	21.0%	25.08	18.11	923	905	477.5	42.4	0.14	(0.28)	1.89x	21.4x	NM	NM	NM
Zimmer Holdings, Inc.	ZMH	79.95	7.8%	33.3%	81.92	57.46	13,461	13,967	4,469.9	1,667.8	4.29	5.76	3.12x	8.4x	18.2x	13.9x	1.48x
Median			4.9%	21.0%									1.89x	10.9x	19.3x	16.5x	1.69x
Diagnostic Imaging Devices																	
Analogic Corporation	ALOG	\$80.25	8.5%	22.4%	\$84.71	\$59.22	\$982	\$807	\$530.7	\$63.8	\$2.67	\$3.90	1.52x	12.6x	30.0x	20.6x	1.21x
Digirad Corporation	DRAD	2.40	16.5%	3.0%	2.68	1.73	46	20	49.1	(1.6)	(0.26)	NM	0.42x	NM	NM	NM	NM
Fonar Corp.	FONR	6.67	19.1%	55.1%	7.94	3.02	41	73	41.8	8.6	0.87	NM	1.75x	8.5x	8.1x	NM	NM

Source: Capital IQ as of May 23, 2013; For definitions, see page 19

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Company Name	Ticker	Price 5/23/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Diagnostic Imaging Devices (cont.)																	
Given Imaging Ltd.	GIVN	\$14.88	(7.3%)	(14.7%)	\$19.48	\$12.14	\$463	\$372	\$179.3	\$22.9	\$0.45	\$0.72	2.07x	16.3x	33.6x	20.7x	0.83x
Hologic Inc.	HOLX	20.39	(6.1%)	18.5%	23.96	16.18	5,491	9,751	2,302.8	761.8	(0.35)	1.59	4.23x	12.8x	NM	12.8x	1.08x
Median			8.5%	18.5%									1.75x	12.7x	30.0x	20.6x	1.08x
Mobility Devices																	
Hill-Rom Holdings, Inc.	HRC	\$35.97	10.0%	22.4%	\$37.44	\$24.69	\$2,150	\$2,390	\$1,692.2	\$273.9	\$1.80	\$2.12	1.41x	8.7x	20.2x	17.0x	1.78x
Invacare Corporation	IVC	14.70	(0.5%)	0.8%	18.27	10.26	470	562	1,438.0	50.0	(0.26)	(0.60)	0.39x	11.2x	NM	NM	NM
Prism Medical Ltd.	PM	5.13	(7.3%)	(13.8%)	6.29	4.69	43	64	72.6	6.3	0.27	0.36	0.88x	10.2x	28.0x	14.3x	NM
Median			(0.5%)	0.8%									0.88x	10.2x	24.1x	15.7x	1.78x
Infection Prevention Devices																	
Cantel Medical Corp.	CMN	\$33.89	7.2%	53.8%	\$35.96	\$21.01	\$912	\$992	\$401.7	\$71.6	\$1.38	\$1.42	2.47x	13.9x	24.7x	24.0x	1.33x
Steris Corp.	STE	45.31	16.2%	52.0%	46.59	28.77	2,649	2,999	1,501.9	291.8	2.78	2.46	2.00x	10.3x	16.7x	18.4x	1.45x
Median			11.7%	52.9%									2.23x	12.1x	20.7x	21.2x	1.39x
Neural Implant Devices																	
Cyberonics Inc.	CYBX	\$47.52	1.9%	24.3%	\$56.73	\$37.11	\$1,313	\$1,182	\$243.3	\$80.5	\$1.62	\$1.81	4.86x	14.7x	29.5x	26.2x	1.31x
Integra LifeSciences Holdings Corporation	IART	36.51	(8.7%)	5.6%	44.53	30.87	1,025	1,460	831.3	154.8	1.44	2.46	1.76x	9.4x	34.0x	14.8x	1.65x
Globus Medical, Inc.	GMED	15.36	15.0%	NM	19.93	10.26	1,414	1,252	396.3	133.3	0.80	0.84	3.16x	9.4x	18.6x	18.4x	1.38x
Median			1.9%	15.0%									3.16x	9.4x	29.5x	18.4x	1.38x
Ophthalmology Devices																	
IRIDEX Corporation	IRIX	\$6.24	26.6%	61.4%	\$6.57	\$3.07	\$53	\$42	\$34.5	\$0.2	(\$0.02)	\$0.22	1.21x	NM	58.0x	28.4x	1.13x
The Cooper Companies Inc.	COO	107.12	4.1%	24.9%	116.79	71.40	5,176	5,587	1,498.9	412.9	5.43	6.28	3.73x	13.5x	20.1x	17.1x	1.20x
Optos plc	OPTS	2.00	(34.8%)	(34.1%)	3.48	1.63	144	189	193.2	44.4	0.21	0.13	0.98x	4.3x	9.1x	15.4x	(0.38x)
Median			4.1%	24.9%									1.21x	8.9x	20.1x	17.1x	1.13x
Surgical Devices																	
Alphatec Holdings, Inc.	ATEC	\$1.94	12.8%	21.3%	\$2.40	\$1.41	\$186	\$232	\$198.3	\$15.6	(\$0.17)	(\$0.05)	1.17x	14.9x	NM	NM	NM
ArthroCare Corporation	ARTC	33.64	(6.2%)	35.0%	36.99	24.83	949	800	367.9	92.0	1.25	1.44	2.18x	8.7x	28.3x	23.3x	2.22x
Bovie Medical Corp.	BVX	3.24	13.7%	12.9%	4.79	2.06	58	57	26.6	0.8	0.03	NM	2.15x	NM	NM	NM	NM
CONMED Corporation	CNMD	33.54	8.2%	22.9%	34.48	24.78	930	1,124	758.3	127.6	1.41	1.86	1.48x	8.8x	23.8x	18.0x	1.64x
Intuitive Surgical, Inc.	ISRG	478.46	(16.7%)	(9.9%)	585.67	455.18	19,215	17,857	2,295.0	996.5	15.98	18.10	7.78x	17.9x	29.4x	26.4x	1.54x
Theragenics Corp.	TGX	2.01	33.1%	18.2%	2.15	1.32	59	47	80.7	10.1	0.07	NM	0.58x	4.6x	52.2x	NM	NM
Median			10.5%	19.7%									1.82x	8.8x	28.9x	23.3x	1.64x

Source: Capital IQ as of May 23, 2013; For definitions, see page 19

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 5/23/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Diversified Medical Devices																	
Abaxis, Inc.	ABAX	\$43.53	0.0%	33.1%	\$49.45	\$31.04	\$962	\$885	\$186.0	\$30.8	\$1.14	\$1.08	4.75x	28.7x	35.5x	40.1x	2.19x
AtriCure, Inc.	ATRC	9.30	8.9%	10.6%	9.98	5.90	195	167	72.2	(3.9)	(0.47)	(0.41)	2.31x	NM	NM	NM	NM
Baxter International Inc.	BAX	72.15	7.7%	38.9%	73.95	48.98	39,205	42,422	14,250.0	4,005.0	4.18	4.66	2.98x	10.6x	17.3x	15.5x	1.69x
CareFusion Corporation	CFN	34.41	5.2%	41.6%	35.61	23.77	7,564	7,106	3,608.0	812.0	1.74	2.23	1.97x	8.8x	20.9x	15.4x	1.47x
Conceptus, Inc.	CPTS	30.98	42.1%	83.5%	31.10	15.81	1,025	1,010	145.4	29.7	0.16	0.33	6.94x	33.9x	NM	94.8x	2.59x
CR Bard Inc.	BCR	105.15	7.0%	6.1%	108.31	93.69	8,463	8,992	2,968.4	914.5	6.16	6.26	3.03x	9.8x	18.6x	16.8x	1.67x
CryoLife Inc.	CRY	6.34	3.6%	38.1%	7.27	4.19	174	166	134.7	20.8	0.28	0.28	1.23x	8.0x	19.3x	22.8x	0.91x
Hospira Inc.	HSP	35.18	18.3%	10.2%	37.78	28.62	5,822	6,841	4,010.2	231.4	0.27	2.03	1.71x	29.6x	NM	17.3x	2.35x
IDEXX Laboratories, Inc.	IDXX	84.48	(8.4%)	(0.4%)	101.18	81.31	4,571	4,605	1,302.8	316.6	3.17	3.44	3.53x	14.5x	25.7x	24.6x	1.71x
Masimo Corporation	MASI	21.84	8.6%	13.8%	25.35	18.20	1,232	1,153	508.1	96.2	1.07	1.14	2.27x	12.0x	20.1x	19.1x	1.38x
Misonix Inc.	MSON	5.55	(6.9%)	171.1%	9.13	2.03	39	33	16.4	(2.1)	(0.10)	(0.03)	2.03x	NM	NM	NM	NM
Natus Medical Inc.	BABY	13.97	16.4%	22.8%	15.18	9.65	425	453	318.7	33.3	0.13	0.86	1.42x	13.6x	61.4x	16.2x	1.02x
PhotoMedex, Inc.	PHMD	16.10	8.0%	9.5%	16.65	9.85	333	270	227.6	40.9	1.08	1.25	1.19x	6.6x	14.0x	12.9x	0.65x
ResMed Inc.	RMD	50.02	16.0%	55.6%	51.40	29.82	7,126	6,454	1,471.8	440.4	1.98	2.40	4.39x	14.7x	23.2x	20.8x	1.59x
Solta Medical, Inc.	SLTM	2.13	(7.8%)	(19.9%)	3.53	1.44	169	167	146.6	7.8	(0.59)	0.14	1.14x	21.5x	NM	15.6x	NM
SurModics, Inc.	SRDX	26.16	2.6%	83.2%	27.98	13.53	379	344	55.3	21.3	0.73	0.86	6.21x	16.1x	30.6x	30.3x	1.65x
Teleflex Incorporated	TFX	78.30	(0.1%)	32.9%	87.46	57.26	3,219	3,888	1,579.4	328.0	(4.47)	4.72	2.46x	11.9x	25.3x	16.6x	1.58x
Varian Medical Systems, Inc.	VAR	67.89	(3.2%)	11.1%	75.78	52.90	7,361	6,803	2,908.2	687.3	3.83	4.24	2.34x	9.9x	17.2x	16.0x	1.37x
Zynex, Inc.	ZYXI	0.43	(20.7%)	(38.2%)	1.01	0.37	13	20	38.4	2.8	0.05	0.02	0.51x	7.0x	13.9x	21.6x	1.03x
Median			5.2%	22.8%									2.31x	12.0x	20.5x	17.3x	1.58x
Life Science Conglomerates																	
illumina Inc.	ILMN	\$71.08	45.0%	63.6%	\$77.11	\$37.77	\$8,841	\$8,625	\$1,206.7	\$343.4	\$1.13	\$1.69	7.15x	25.1x	90.4x	42.2x	2.65x
Life Technologies Corporation	LIFE	73.94	27.1%	76.3%	74.33	39.73	12,740	14,860	3,821.9	1,198.4	2.40	4.21	3.89x	12.4x	31.3x	17.6x	1.79x
PerkinElmer Inc.	PKI	31.76	(4.5%)	21.1%	35.86	23.73	3,555	4,456	2,109.7	319.4	0.60	2.04	2.11x	13.9x	46.0x	15.6x	1.35x
Thermo Fisher Scientific, Inc.	TMO	85.69	17.5%	68.1%	88.08	48.14	30,757	36,867	12,644.6	2,648.0	3.43	5.34	2.92x	13.9x	24.2x	16.1x	1.50x
Median			22.3%	65.8%									3.40x	13.9x	38.7x	16.8x	1.65x

Source: Capital IQ as of May 23, 2013; For definitions, see page 19

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 5/23/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Lab Instrumentation & Devices																	
Bruker Corporation	BRKR	\$17.00	(4.2%)	15.0%	\$19.46	\$9.91	\$2,840	\$2,911	\$1,779.2	\$223.4	\$0.46	\$0.81	1.64x	13.0x	42.8x	21.1x	1.70x
Harvard Bioscience Inc.	HBIO	5.16	(10.9%)	41.4%	6.15	3.45	155	146	108.9	5.9	0.05	0.08	1.34x	24.9x	NM	62.2x	NM
Waters Corp.	WAT	97.17	4.9%	18.4%	99.19	74.12	8,326	7,970	1,853.5	590.6	5.19	5.21	4.30x	13.5x	17.4x	18.6x	1.85x
Median			(4.2%)	18.4%									1.64x	13.5x	30.1x	21.1x	1.78x
Lab Equipment																	
Kewaunee Scientific Corp.	KEQU	\$13.14	3.1%	58.9%	\$13.45	\$7.90	\$34	\$38	\$114.3	\$8.8	\$1.19	NM	0.33x	4.3x	10.9x	NM	NM
Mettler-Toledo International Inc.	MTD	222.06	4.5%	35.6%	229.68	143.60	6,703	7,057	2,330.5	469.3	9.14	10.55	3.03x	15.0x	24.0x	21.0x	1.50x
Median			3.8%	47.3%									1.68x	9.7x	17.5x	21.0x	1.50x
Life Science Consumables																	
Affymetrix Inc.	AFFX	\$3.68	(4.9%)	(23.8%)	\$5.50	\$2.96	\$262	\$399	\$308.3	\$19.0	(\$0.15)	\$0.02	1.30x	21.0x	NM	NM	NM
Bio-Rad Laboratories, Inc.	BIO	115.57	(1.2%)	15.2%	127.17	91.52	3,296	3,194	2,082.6	352.9	5.72	4.70	1.53x	9.1x	21.7x	24.6x	1.69x
Cambrex Corporation	CBM	12.53	5.1%	77.7%	14.33	6.92	376	417	281.4	58.9	2.09	0.84	1.48x	7.1x	5.7x	15.0x	0.64x
Luminex Corporation	LMNX	18.96	9.5%	(17.1%)	25.79	15.39	797	738	207.1	35.4	0.30	0.46	3.57x	20.9x	NM	41.2x	0.94x
Techne Corp.	TECH	66.90	(2.1%)	(2.9%)	76.02	62.55	2,464	2,151	309.8	174.6	2.98	3.25	6.94x	12.3x	22.1x	20.6x	1.99x
Median			(1.2%)	(2.9%)									2.55x	10.7x	21.7x	22.6x	1.32x
Large-Cap Pharmaceuticals																	
AbbVie Inc.	ABBV	\$46.59	21.1%	NM	\$48.00	\$32.51	\$73,786	\$81,465	\$18,536.0	\$7,852.0	\$3.34	\$3.12	4.39x	10.4x	13.4x	15.0x	2.30x
Allergan Inc.	AGN	97.96	(9.2%)	10.0%	116.45	81.28	30,128	30,069	5,917.8	1,867.3	3.58	4.75	5.08x	16.1x	26.3x	20.6x	1.59x
Bristol-Myers Squibb Company	BMJ	47.00	27.4%	44.5%	47.48	30.64	77,200	82,601	16,201.0	4,622.0	1.16	1.82	5.10x	17.9x	53.7x	25.9x	2.88x
Eli Lilly and Company	LLY	54.74	0.9%	34.6%	58.41	39.93	59,866	60,584	22,603.4	6,511.6	3.66	3.91	2.68x	9.3x	13.0x	14.0x	4.69x
Merck & Co. Inc.	MRK	47.33	10.1%	26.8%	48.79	37.02	142,918	150,298	46,207.0	16,365.0	2.00	3.53	3.25x	9.2x	24.1x	13.4x	3.83x
Pfizer Inc.	PFE	29.11	6.3%	31.8%	31.15	21.40	206,484	212,092	57,601.0	25,335.0	1.26	2.21	3.68x	8.4x	20.5x	13.2x	3.55x
Median			8.2%	31.8%									4.04x	9.8x	22.3x	14.5x	2.59x

Source: Capital IQ as of May 23, 2013; For definitions, see page 19

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 5/23/13	% Change		52-Week		Market Cap	Ent Val (TEV)	LTM		EPS		LTM Multiples		Earnings Ratio		PEG Ratio 2012
			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Pharmaceuticals																	
Akorn, Inc.	AKRX	\$14.59	14.3%	7.3%	\$16.87	\$11.73	\$1,402	\$1,462	\$278.3	\$92.3	\$0.32	\$0.43	5.25x	15.8x	37.5x	33.5x	1.41x
BioDelivery Sciences International, Inc.	BDSI	4.50	11.9%	8.7%	6.89	3.12	171	121	39.6	(13.7)	0.05	(1.14)	3.06x	NM	NM	NM	NM
BioSynt Inc.	RX	1.15	(14.0%)	97.1%	1.38	0.52	16	14	5.6	1.6	0.11	NM	2.44x	8.6x	11.1x	NM	NM
Cadence Pharmaceuticals Inc.	CADX	6.97	48.3%	142.9%	7.53	2.56	598	563	65.8	(50.8)	(0.95)	(0.28)	8.55x	NM	NM	NM	NM
Cipher Pharmaceuticals Inc.	DND	4.05	59.5%	208.5%	4.09	1.21	99	83	9.8	4.7	0.10	0.21	8.50x	17.5x	27.4x	19.0x	NM
Cornerstone Therapeutics Inc.	CRTX	8.41	25.0%	64.6%	9.13	3.10	225	252	131.9	11.9	(0.46)	0.66	1.91x	21.2x	NM	12.7x	NM
Cumberland Pharmaceuticals, Inc.	CPIX	4.75	11.8%	(21.4%)	6.85	4.03	88	22	48.9	11.2	0.30	0.14	0.44x	1.9x	15.1x	34.4x	NM
DURECT Corporation	DRRX	0.89	(21.9%)	12.7%	1.85	0.61	91	66	16.0	(18.6)	0.18	(0.11)	4.13x	NM	NM	NM	NM
Endo Health Solutions Inc.	ENDP	34.28	22.3%	3.7%	38.32	25.01	3,848	6,642	3,045.2	1,144.8	(6.40)	4.33	2.18x	5.8x	NM	7.9x	2.00x
Forest Laboratories Inc.	FRX	39.53	7.8%	20.0%	39.68	31.28	10,526	8,806	3,097.0	70.2	0.43	0.75	2.84x	NM	NM	52.5x	1.14x
Heska Corporation	HSKA	7.84	(6.1%)	(36.7%)	12.93	7.45	46	59	72.6	2.1	0.22	0.08	0.81x	27.8x	NM	98.0x	6.53x
Hi Tech Pharmacal Co., Inc.	HITK	34.38	(5.7%)	19.2%	38.17	27.35	467	380	235.2	54.1	2.25	2.52	1.62x	7.0x	14.9x	13.7x	(1.20x)
Impax Laboratories Inc.	IPXL	18.60	(4.8%)	(11.0%)	27.25	14.41	1,238	889	601.6	167.3	0.82	0.20	1.48x	5.3x	8.6x	91.1x	2.41x
Lannett Company, Inc.	LCI	12.65	65.4%	223.5%	12.83	3.72	363	331	146.6	21.8	0.31	0.39	2.26x	15.1x	32.5x	32.2x	1.29x
Mylan, Inc.	MYL	31.75	9.6%	52.0%	32.09	20.50	12,100	18,053	6,843.9	1,902.8	1.52	2.87	2.64x	9.5x	20.8x	11.1x	1.17x
Merus Labs International Inc.	MSL	0.61	(50.1%)	(62.0%)	1.84	0.46	19	63	20.4	12.7	(0.71)	0.02	3.10x	5.0x	NM	31.5x	NM
Paladin Labs Inc.	PLB	47.39	5.9%	16.0%	50.19	37.73	975	805	236.5	79.2	2.87	2.21	3.40x	10.2x	17.5x	21.4x	1.02x
Patheon Inc.	PTI	5.51	79.1%	209.6%	5.66	1.69	774	1,291	808.7	97.9	(1.06)	0.29	1.60x	13.2x	NM	19.3x	NM
Perrigo Co.	PRGO	117.86	4.0%	16.4%	121.33	98.79	11,083	12,175	3,404.4	817.7	4.61	6.11	3.58x	14.9x	26.1x	19.3x	1.63x
Questcor Pharmaceuticals, Inc.	QCOR	35.29	14.2%	(11.7%)	58.91	17.25	2,038	1,902	548.5	302.5	3.14	3.55	3.47x	6.3x	10.8x	9.9x	0.47x

Source: Capital IQ as of May 23, 2013; For definitions, see page 19

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			3 mo	12 mo	High	Low			Rev	EBITDA	2012	2013E	Rev	EBITDA	2012	2013E	
Pharmaceuticals (cont.)																	
Salix Pharmaceuticals Ltd.	SLXP	\$59.69	20.9%	20.4%	\$60.20	\$37.52	\$3,659	\$3,565	\$766.9	\$249.4	\$1.01	\$3.44	4.65x	14.3x	49.7x	17.4x	0.83x
Santarus, Inc.	SNTS	22.93	73.4%	299.5%	24.00	4.82	1,489	1,401	251.5	45.5	0.27	0.88	5.57x	30.8x	43.7x	26.1x	1.40x
SciClone Pharmaceuticals, Inc.	SCLN	4.97	3.1%	(15.8%)	7.58	3.68	269	186	156.3	38.3	0.16	0.61	1.19x	4.9x	30.4x	8.1x	NM
The Medicines Company	MDCO	33.32	5.6%	56.4%	37.40	20.04	1,778	1,754	587.7	64.1	0.93	1.77	2.98x	27.4x	56.1x	18.8x	0.61x
Valeant Pharmaceuticals International, Inc.	VRX	74.32	13.3%	60.1%	77.99	42.55	22,731	32,769	3,758.9	1,967.2	(0.38)	5.69	8.72x	16.7x	NM	13.1x	1.06x
ViroPharma Inc.	VPHM	26.44	4.7%	31.7%	31.36	19.58	1,727	1,630	399.3	41.2	0.08	0.72	4.08x	39.6x	NM	37.0x	1.59x
Warner Chilcott plc	WCRX	20.00	43.3%	(2.2%)	20.75	10.85	5,018	8,410	2,449.0	1,341.0	1.61	3.34	3.43x	6.3x	12.4x	6.0x	0.94x
Median			11.8%	19.2%									3.06x	13.2x	23.4x	19.3x	1.17x

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 23, 2013

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