

Healthcare Sector Update



May 2014

Summary – Healthcare Services

- The S&P Healthcare Services Index has fallen 5.4% over the last three months, underperforming the S&P 500.
- Over the past three months:
 - The best performing sectors were Long Term Care (up 13.0%) and Care Management / TPA (up 12.5%).
 - The worst performing sectors were Specialty HCIT (down 23.2%) and Home Care / Hospice (down 10.9%).
- The current median LTM revenue and LTM EBITDA multiples for the Healthcare Services industry overall are 1.65x and 10.7x, respectively.
- The sectors with the highest valuation multiples include:
 - Specialty HCIT (3.64x LTM Revenue, 21.2x LTM EBITDA)
 - Provider Based HCIT (3.22x LTM Revenue, 18.6x LTM EBITDA)

Summary – Pharmaceutical / Medical Devices / Life Sciences

- The S&P 500 - Pharmaceuticals, Biotechnology & Life Sciences Index has risen 4.9% over the last three months, underperforming the S&P 500.
- Over the past three months:
 - The best performing sectors were Pharmaceuticals (up 9.2%) and Large-Cap Pharmaceuticals (up 7.8%).
 - The worst performing sectors were Diagnostic Imaging Devices (down 15.6%) and Cardiology Devices (down 9.5%).
- The current median LTM revenue and LTM EBITDA multiples for the Pharmaceutical / Medical Device / Life Science industry overall are 2.78x and 13.6x, respectively.
- The sectors with the highest valuation multiples include:
 - Biotechnology (9.61x LTM Revenue, 19.2x LTM EBITDA)
 - Large-Cap Pharmaceuticals (4.62x LTM Revenue, 12.1x LTM EBITDA)

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MARKET SECTOR	No. of Cos.	Ag. Eqty Mkt. Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	Rev	EBITDA	LTM	2014E	
Acute Care Hospitals	6	\$42,754	3.1%	19.7%	1.37x	8.7x	17.8x	16.1x	1.6x
Assisted Living	6	6,648	9.3%	2.0%	1.79x	15.5x	29.3x	18.0x	1.0x
Care Management / TPA	7	9,257	12.5%	41.9%	1.91x	12.2x	23.0x	13.0x	1.2x
Clinical Laboratories	5	23,808	6.8%	5.7%	1.91x	9.6x	17.5x	14.8x	1.5x
Contract Research Orgs	6	19,257	(7.1%)	20.7%	1.89x	11.4x	25.0x	19.5x	1.5x
Diagnostic Imaging	3	518	1.4%	81.4%	1.88x	6.2x	NM	NM	NM
Dialysis Services	2	35,594	1.6%	8.3%	1.95x	10.1x	21.4x	18.8x	1.8x
Distribution / Supply	7	94,448	(0.7%)	26.4%	0.32x	11.4x	21.5x	17.5x	1.7x
Emergency Services	2	2,240	4.6%	74.7%	2.38x	9.8x	36.5x	18.1x	1.2x
HCIT - Provider Based	9	31,099	(8.8%)	10.0%	3.22x	18.6x	44.2x	26.1x	1.9x
HCIT - Specialty	12	19,353	(23.2%)	9.4%	3.64x	21.2x	39.5x	48.4x	2.9x
Healthcare Staffing	6	12,920	(7.0%)	30.0%	1.27x	14.4x	25.4x	22.4x	1.3x
Home Care / Hospice	6	3,022	(10.9%)	5.4%	0.71x	10.5x	20.8x	16.1x	1.2x
Long Term Care	4	3,148	13.0%	32.6%	0.79x	9.1x	25.4x	18.5x	4.9x
Managed Care - Commercial	7	169,621	3.8%	24.4%	0.60x	8.2x	14.0x	13.6x	1.1x
Managed Care - Government	3	8,518	2.7%	15.7%	0.23x	8.9x	22.1x	17.9x	0.9x
Other Services	4	12,088	(6.9%)	19.0%	1.80x	21.8x	38.1x	29.7x	1.8x
Pharmacy Management	5	66,475	(10.8%)	12.1%	0.62x	10.9x	30.9x	16.3x	1.1x
Physician Practice Mgmt	2	5,969	2.5%	14.7%	1.64x	11.1x	21.3x	18.8x	1.5x
Psychiatric Hospitals	3	4,253	(4.8%)	33.2%	0.44x	11.1x	28.8x	25.4x	1.7x
Specialty Managed Care	2	5,238	(7.8%)	12.4%	0.36x	4.7x	8.8x	11.5x	1.5x
Surgicenters / Rehabilitation	7	9,187	2.2%	29.2%	1.66x	9.6x	18.1x	18.0x	1.5x
Total / Median (\$MM)	114	\$585,417	1.5%	19.3%	1.65x	10.7x	23.0x	18.0x	1.5x

Source: Capital IQ

CAPITALIZATION PROFILE

	No. of Cos.	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	26	\$467,321	22.8%	79.8%	0.4%	62.6%	21.5%	42.8%
\$1 billion - \$5 billion	40	98,129	35.1%	16.8%	(0.8%)	91.3%	26.8%	48.7%
\$250 million - \$1 billion	29	17,567	25.4%	3.0%	(1.1%)	90.1%	27.9%	59.6%
\$100 million - \$250 million	9	1,830	7.9%	0.3%	15.5%	113.2%	43.7%	68.8%
< \$100 million	10	570	8.8%	0.1%	(1.8%)	36.0%	27.6%	9.7%
Total / Median (\$MM)	114	\$585,417	100.0%	100.0%	1.5%	90.1%	19.3%	48.7%

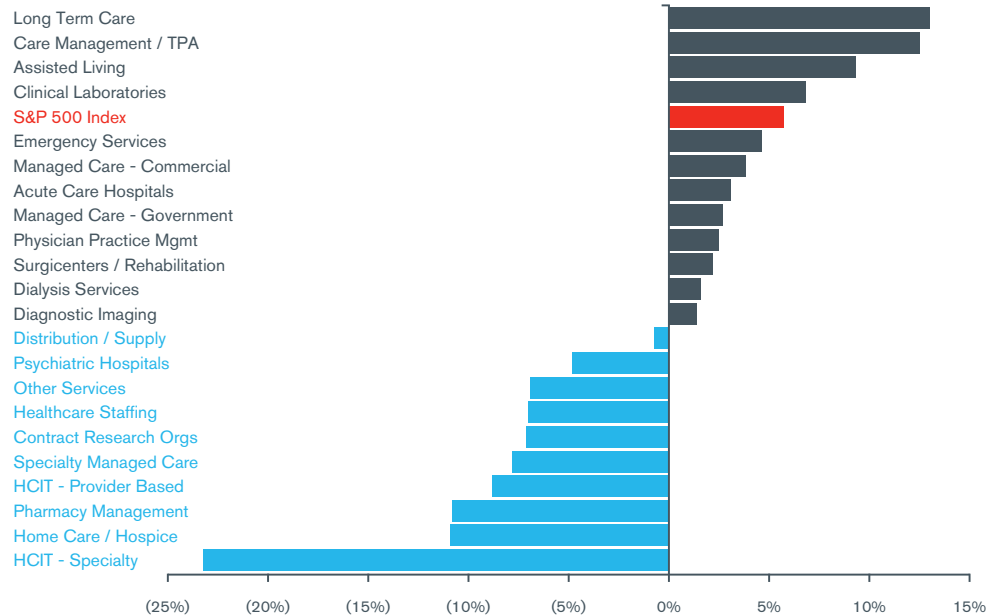
Source: Capital IQ

MARKET INDICES

	Value at 4/30/14	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$16,580.8	5.6%	0.0%	12.8%	29.4%
S&P 500 Index	1,884.0	5.7%	1.9%	19.0%	38.2%
NASDAQ Composite Index	4,114.6	0.3%	(1.5%)	24.7%	43.2%
Russell 2000 Index	1,126.9	(0.4%)	(3.2%)	21.9%	30.2%
AMEX Sector Index - Healthcare	107.0	(18.5%)	(11.0%)	22.5%	4.8%
S&P Healthcare Facilities (Sub Ind) Index	296.3	(2.3%)	(0.2%)	13.8%	28.1%
S&P Healthcare Providers & Services (Industry) Index	452.2	(0.6%)	1.1%	21.2%	49.3%
S&P Managed Healthcare (Sub Ind) Index	250.9	4.0%	4.4%	17.8%	48.2%
S&P Healthcare Services	345.2	(5.4%)	(8.9%)	15.0%	22.2%

Source: Capital IQ

Median % Change — 3 months



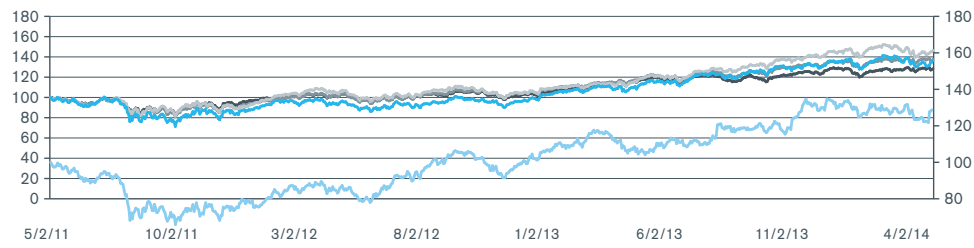
Source: Capital IQ

INTEREST RATES

	Value at 4/30/14	1 mo ago	3 mo ago	12 mo ago
LIBOR - USD - 5 Month	0.00%	0.00%	0.00%	0.37%
U.S. Treasury - 2 years	0.42%	0.41%	0.32%	0.22%
U.S. Treasury - 5 years	1.68%	1.72%	1.51%	0.68%
U.S. Treasury - 10 years	2.65%	2.71%	2.70%	1.67%
U.S. Treasury - 30 years	3.46%	3.55%	3.64%	3.64%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

Performance of Market Indices for Latest 36 months



Source: Capital IQ

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/30/14	% 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	
Acute Care Hospitals																	
Chindex International Inc.	CHDX	\$23.83	40.9%	73.9%	\$23.85	\$12.85	\$423	\$420	\$175.2	\$12.1	(\$0.36)	NM	2.40x	34.6x	NM	NM	NM
Community Health Systems, Inc.	CYH	37.89	(6.0%)	(16.9%)	51.29	34.55	4,296	13,886	12,997.7	1,663.9	1.51	2.92	1.07x	8.3x	25.1x	13.0x	1.09x
HCA Holdings, Inc.	HCA	52.00	5.1%	30.4%	53.81	35.20	23,075	52,510	34,574.0	6,607.0	3.37	3.69	1.52x	7.9x	15.3x	14.1x	1.23x
Lifepoint Hospitals Inc.	LPNT	55.92	6.3%	16.5%	59.71	43.97	2,487	4,433	3,754.4	489.7	2.68	2.74	1.18x	9.1x	20.2x	20.4x	2.18x
Tenet Healthcare Corp.	THC	45.08	(0.6%)	(0.6%)	49.48	36.87	4,399	15,495	12,641.0	1,455.0	(1.21)	1.30	1.23x	10.6x	NM	34.6x	2.01x
Universal Health Services Inc.	UHS	81.79	1.1%	22.8%	86.08	63.51	8,074	11,550	7,372.4	1,393.3	5.14	5.09	1.57x	8.3x	15.4x	16.1x	1.56x
Median			3.1%	19.7%									1.37x	8.7x	17.8x	16.1x	1.56x
Assisted Living																	
AdCare Health Systems Inc.	ADK	\$4.10	(2.1%)	(29.3%)	\$5.93	\$3.62	\$72	\$225	\$222.8	\$12.3	(\$0.79)	(\$0.34)	1.01x	18.4x	NM	NM	NM
Brookdale Senior Living Inc.	BKD	31.84	14.7%	23.5%	34.80	24.42	3,959	6,539	2,546.2	427.4	(0.03)	0.27	2.57x	15.3x	NM	NM	NM
Capital Senior Living Corp.	CSU	24.73	7.1%	1.9%	27.10	19.87	717	1,225	343.8	54.5	(0.58)	0.31	3.56x	22.5x	NM	NM	NM
Emeritus Corp.	ESC	29.83	35.6%	16.1%	32.57	18.15	1,462	5,394	1,929.7	344.9	(3.04)	(1.96)	2.80x	15.6x	NM	NM	NM
Five Star Quality Care Inc.	FVE	4.83	(14.2%)	2.1%	6.20	4.41	235	249	1,086.7	42.0	0.17	0.25	0.23x	5.9x	29.3x	19.1x	1.34x
Skilled Healthcare Group, Inc.	SKH	5.16	11.4%	(26.7%)	7.51	4.08	203	618	834.5	64.3	(0.16)	0.31	0.74x	9.6x	NM	16.9x	0.67x
Median			9.3%	2.0%									1.79x	15.5x	29.3x	18.0x	1.01x
Care Management / TPA																	
Alere Inc.	ALR	\$33.40	(12.2%)	30.1%	\$39.90	\$24.00	\$2,758	\$6,157	\$3,006.8	\$608.2	(\$1.13)	\$2.58	2.05x	10.1x	NM	13.0x	1.04x
CorVel Corporation	CRVL	45.54	(6.3%)	91.9%	53.35	22.58	953	920	470.5	71.8	1.57	NM	1.96x	12.8x	29.0x	NM	NM
Crawford & Company	CRD.B	11.42	37.4%	50.5%	12.22	5.62	572	641	1,145.7	106.0	0.92	0.90	0.56x	6.1x	12.4x	12.7x	1.27x
ExamWorks Group, Inc.	EXAM	36.80	20.6%	103.3%	38.34	17.63	1,409	1,729	616.0	76.9	(0.29)	0.14	2.81x	22.5x	NM	NM	NM
Healthways Inc.	HWAY	18.00	13.6%	29.6%	22.20	9.59	634	895	674.9	29.6	(0.25)	0.20	1.33x	30.2x	NM	NM	NM
Hooper Holmes Inc.	HH	0.61	12.5%	41.9%	0.74	0.31	43	39	49.2	(6.5)	(0.15)	NM	0.79x	NM	NM	NM	NM
MAXIMUS, Inc.	MMS	42.57	0.4%	6.8%	50.55	34.65	2,889	2,769	1,451.6	240.4	1.85	2.08	1.91x	11.5x	23.0x	20.5x	1.20x
Median			12.5%	41.9%									1.91x	12.2x	23.0x	13.0x	1.20x

Source: Capital IQ as of April 30, 2014; For definitions, see page 9

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Clinical Laboratories																	
Bio-Reference Laboratories Inc.	BRLI	\$25.40	(4.7%)	(0.4%)	\$37.97	\$24.13	\$704	\$742	\$735.4	\$93.1	\$1.45	\$1.89	1.01x	8.0x	17.5x	13.4x	0.89x
Laboratory Corp. of America Holdings	LH	98.70	10.8%	5.7%	108.00	87.01	8,370	11,058	5,798.1	1,150.1	6.25	6.68	1.91x	9.6x	16.4x	14.8x	1.72x
Psychemedics Corp.	PMD	15.76	2.6%	41.2%	18.76	10.55	84	83	27.5	6.3	0.72	0.42	3.01x	13.1x	22.5x	37.5x	NM
Quest Diagnostics Inc.	DGX	55.93	6.8%	(0.7%)	64.10	50.46	8,069	11,900	7,105.0	1,402.0	5.31	4.02	1.67x	8.5x	10.4x	13.9x	1.44x
Sonic Healthcare Limited	SHL	16.42	12.9%	19.5%	16.79	12.08	6,582	8,396	3,296.0	600.5	0.81	0.96	2.55x	14.0x	19.6x	17.1x	1.61x
Median			6.8%	5.7%									1.91x	9.6x	17.5x	14.8x	1.53x
Contract Research Orgs																	
Albany Molecular Research Inc.	AMRI	\$16.06	48.2%	34.6%	\$20.55	\$9.71	\$520	\$468	\$246.5	\$43.7	\$0.40	\$0.79	1.90x	10.7x	40.2x	20.5x	NM
Charles River Laboratories International, Inc.	CRL	53.72	(6.7%)	23.5%	62.50	40.28	2,598	3,083	1,173.7	256.5	2.15	3.18	2.63x	12.0x	23.5x	16.9x	1.55x
Covance Inc.	CVD	88.28	(7.6%)	18.4%	106.50	71.84	5,056	4,577	2,442.2	381.5	3.15	3.86	1.87x	12.0x	28.0x	22.9x	1.47x
ICON Public Limited Company	ICLR	38.77	(8.5%)	20.7%	50.00	31.74	2,388	2,067	1,368.9	192.5	1.65	2.14	1.51x	10.7x	20.3x	18.1x	1.21x
PAREXEL International Corporation	PRXL	45.35	(8.2%)	10.7%	57.25	37.53	2,567	2,636	1,891.9	261.5	1.97	2.32	1.39x	10.1x	22.0x	19.6x	1.14x
Quintiles Transnational Holdings Inc.	Q	47.13	(1.2%)	NM	55.00	40.10	6,129	7,421	3,886.2	586.8	1.77	2.42	1.91x	12.6x	26.6x	19.5x	1.57x
Median			(7.1%)	20.7%									1.89x	11.4x	25.0x	19.5x	1.47x
Diagnostic Imaging																	
Alliance Healthcare Services, Inc.	AIQ	\$28.46	1.4%	123.2%	\$35.40	\$10.52	\$300	\$842	\$448.8	\$135.3	(\$2.02)	NM	1.88x	6.2x	NM	NM	NM
American Shared Hospital Services	AMS	2.78	(2.5%)	68.5%	3.46	1.52	13	57	17.6	9.3	(0.07)	NM	3.22x	6.1x	NM	NM	NM
RadNet, Inc.	RDNT	4.97	161.6%	81.4%	5.25	1.50	206	782	703.0	104.3	0.05	0.06	1.11x	7.5x	NM	NM	NM
Median			1.4%	81.4%									1.88x	6.2x	NM	NM	NM
Dialysis Services																	
DaVita HealthCare Partners Inc.	DVA	\$69.30	6.8%	16.8%	\$70.68	\$52.75	\$14,844	\$23,189	\$11,970.8	\$2,376.9	\$2.89	\$3.70	1.94x	9.8x	24.0x	18.7x	1.49x
Fresenius Medical Care AG & Co. KGAA	FME	68.81	(3.6%)	(0.2%)	76.26	64.59	20,751	29,428	14,993.4	2,819.6	3.65	3.64	1.96x	10.4x	18.7x	18.9x	2.09x
Median			1.6%	8.3%									1.95x	10.1x	21.4x	18.8x	1.79x

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Company Name	Ticker	Price 4/30/14	% 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	
Distribution / Supply																	
Aceto Corp.	ACET	\$21.88	1.0%	110.4%	\$25.25	\$10.00	\$621	\$602	\$519.8	\$58.6	\$1.11	\$1.20	1.16x	10.3x	19.7x	18.3x	NM
AmerisourceBergen Corporation	ABC	65.18	(3.8%)	20.4%	71.92	52.38	14,939	15,640	104,008.0	1,093.3	1.57	3.87	0.15x	14.3x	44.6x	16.9x	1.17x
Cardinal Health, Inc.	CAH	69.51	0.8%	57.2%	74.40	43.90	23,834	25,027	93,610.0	2,610.0	1.08	3.96	0.27x	9.6x	NM	17.6x	1.90x
Henry Schein, Inc.	HSIC	114.23	(0.7%)	26.4%	120.99	89.17	9,770	10,567	9,697.3	812.5	4.93	5.37	1.09x	13.0x	23.2x	21.3x	1.93x
McKesson Corporation	MCK	169.19	(4.5%)	59.9%	188.02	105.19	38,935	41,378	130,370.0	3,327.0	5.33	10.00	0.32x	12.4x	31.7x	16.9x	0.88x
Owens & Minor Inc.	OMI	33.54	(4.6%)	3.0%	38.55	31.66	2,119	2,152	9,081.5	242.5	1.76	1.97	0.24x	8.9x	19.1x	17.0x	1.89x
Patterson Companies, Inc.	PDCO	40.70	1.1%	7.2%	44.39	36.59	4,230	4,627	3,926.6	406.3	2.04	2.32	1.18x	11.4x	19.9x	17.5x	1.55x
Median			(0.7%)	26.4%									0.32x	11.4x	21.5x	17.5x	1.72x
Emergency Services																	
Air Methods Corp.	AIRM	\$55.67	8.8%	52.1%	\$59.07	\$32.24	\$2,177	\$2,855	\$881.6	\$200.9	\$1.54	\$2.71	3.24x	14.2x	36.1x	20.5x	1.23x
InfuSystem Holdings, Inc.	INFU	2.82	0.4%	97.2%	3.05	1.27	63	88	57.8	16.2	0.08	0.18	1.52x	5.4x	36.9x	15.7x	NM
Median			4.6%	74.7%									2.38x	9.8x	36.5x	18.1x	1.23x
HCIT - Provider Based																	
Accretive Health, Inc.	ACHI	\$8.05	(13.4%)	(23.6%)	\$11.58	\$7.58	\$783	\$587	\$973.6	\$28.7	\$0.43	\$0.41	0.60x	20.5x	47.5x	19.9x	NM
The Advisory Board Company	ABCO	57.26	(11.6%)	16.5%	70.55	44.20	2,069	2,016	502.3	60.7	0.59	1.28	4.01x	33.2x	NM	44.8x	2.95x
Allscripts Healthcare Solutions, Inc.	MDRX	15.22	(8.7%)	10.0%	19.68	12.54	2,731	3,230	1,373.1	9.9	(0.59)	0.40	2.35x	NM	NM	38.4x	1.50x
athenahealth, Inc.	ATHN	123.64	(14.9%)	28.4%	206.70	82.01	4,679	4,774	632.4	58.4	0.07	1.06	7.55x	81.7x	NM	NM	NM
Cerner Corporation	CERN	51.30	(8.8%)	6.0%	63.07	45.81	17,615	16,744	2,939.3	774.0	1.13	1.65	5.70x	21.6x	44.2x	31.0x	1.87x
Computer Programs & Systems Inc.	CPSI	63.13	11.1%	20.3%	71.89	47.23	705	682	203.4	55.6	2.95	3.31	3.35x	12.3x	21.4x	19.1x	1.78x
MedAssets, Inc.	MDAS	22.83	3.3%	21.9%	26.58	16.31	1,411	2,187	678.4	202.1	0.45	1.38	3.22x	10.8x	NM	16.5x	1.29x
Merge Healthcare Incorporated	MRGE	2.28	8.1%	(26.9%)	4.71	1.99	217	426	218.9	25.5	(0.42)	0.03	1.94x	16.7x	NM	84.4x	5.63x
Quality Systems Inc.	QSII	14.77	(20.8%)	(17.3%)	24.15	14.10	889	795	440.8	72.8	0.10	0.70	1.80x	10.9x	NM	21.1x	3.85x
Median			(8.8%)	10.0%									3.22x	18.6x	44.2x	26.1x	1.87x

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HCIT - Specialty																	
BioTelemetry, Inc.	BEAT	\$7.94	15.4%	172.9%	\$11.98	\$2.61	\$207	\$186	\$121.7	\$13.4	(\$0.29)	\$0.02	1.53x	13.8x	NM	NM	NM
Castlight Health, Inc.	CSLT	15.02	NM	NM	41.95	13.39	1,300	1,233	13.0	(61.7)	(0.84)	(0.81)	95.05x	NM	NM	NM	NM
Care.com, Inc.	CRCM	12.25	(54.6%)	NM	29.25	10.66	380	502	88.6	(26.7)	(9.45)	(1.11)	5.67x	NM	NM	NM	NM
Everyday Health, Inc.	EVDY	14.09	NM	NM	14.94	13.01	418	473	155.9	10.6	(0.89)	0.36	3.04x	44.8x	NM	39.0x	NM
Healthstream Inc.	HSTM	22.65	(23.2%)	(1.3%)	39.77	20.76	624	522	141.0	23.9	0.30	0.29	3.71x	21.8x	NM	78.6x	4.14x
HMS Holdings Corp.	HMSY	16.17	(31.0%)	(35.9%)	26.77	15.10	1,415	1,554	491.8	127.9	0.45	0.65	3.16x	12.2x	35.9x	25.0x	2.90x
IMS Health Holdings, Inc.	IMS	23.74	NM	NM	24.43	21.63	7,879	12,122	2,576.0	697.0	0.51	NM	4.71x	17.4x	46.5x	NM	NM
Medidata Solutions, Inc.	MDSO	36.31	(43.4%)	9.4%	68.21	32.61	1,964	1,975	290.2	25.7	0.31	0.75	6.81x	76.8x	NM	48.4x	2.42x
Omnicell, Inc.	OMCL	26.48	2.7%	46.9%	30.33	17.01	968	864	395.2	57.6	0.67	1.22	2.18x	15.0x	39.5x	21.7x	1.21x
Streamline Health Solutions, Inc.	STRM	5.00	(16.0%)	(20.1%)	8.50	4.70	87	103	28.7	0.6	(0.91)	(0.12)	3.58x	NM	NM	NM	NM
Veeva Systems Inc.	VEEV	19.21	(40.4%)	NM	49.00	17.85	2,443	2,155	210.2	40.7	0.15	0.24	10.26x	53.0x	NM	80.0x	2.89x
WebMD Health Corp.	WBMD	44.09	(8.7%)	82.6%	51.41	23.40	1,667	1,840	536.4	86.8	0.31	0.80	3.43x	21.2x	NM	54.9x	5.49x
Median			(23.2%)	9.4%									3.64x	21.2x	39.5x	48.4x	2.89x
Healthcare Staffing																	
AMN Healthcare Services Inc.	AHS	\$12.48	(17.2%)	(9.1%)	\$16.20	\$11.30	\$579	\$723	\$1,000.6	\$79.3	\$0.69	\$0.73	0.72x	9.1x	18.1x	17.1x	1.07x
Cross Country Healthcare, Inc.	CCRN	7.09	(35.3%)	41.8%	11.54	4.82	221	221	438.3	6.3	(1.75)	0.10	0.50x	NM	NM	NM	NM
Envision Healthcare Holdings, Inc.	EVHC	33.79	3.1%	NM	36.80	24.50	6,120	7,838	3,728.3	441.0	0.04	1.11	2.10x	17.8x	NM	30.6x	1.30x
IPC The Hospitalist Company, Inc.	IPCM	40.50	(24.5%)	(11.2%)	63.70	40.08	694	756	629.2	67.2	2.39	2.41	1.20x	11.2x	17.2x	16.8x	1.03x
On Assignment Inc.	ASGN	35.00	15.3%	44.2%	39.86	22.88	1,901	2,272	1,692.2	157.2	1.00	1.47	1.34x	14.4x	32.7x	23.8x	1.77x
Team Health Holdings, Inc.	TMH	48.48	10.5%	30.0%	50.33	35.30	3,405	3,848	2,449.3	248.0	1.24	2.17	1.57x	15.5x	37.0x	22.4x	1.29x
Median			(7.0%)	30.0%									1.27x	14.4x	25.4x	22.4x	1.29x
Home Care / Hospice																	
Addus HomeCare Corporation	ADUS	\$21.62	(7.5%)	82.6%	\$32.40	\$11.74	\$235	\$220	\$274.6	\$17.6	\$1.01	\$1.08	0.80x	12.5x	21.4x	20.1x	1.34x
Almost Family Inc.	AFAM	21.47	(31.3%)	8.8%	33.97	17.66	202	250	392.4	14.9	0.91	1.34	0.64x	16.7x	23.6x	16.1x	NM
Amedisys Inc.	AMED	13.63	(10.7%)	35.8%	18.70	9.51	446	476	1,233.5	45.2	(2.98)	(0.02)	0.39x	10.5x	NM	NM	NM
Chemed Corp.	CHE	83.27	4.3%	2.0%	92.43	61.68	1,492	1,638	1,405.0	183.0	4.16	5.88	1.17x	8.9x	20.3x	14.2x	0.94x
Gentiva Health Services Inc.	GTIV	7.53	(36.7%)	(28.2%)	13.85	7.39	277	1,363	1,726.6	130.5	(18.75)	0.86	0.79x	10.4x	NM	8.7x	1.03x
LHC Group, Inc.	LHCG	20.78	(11.0%)	(4.3%)	26.90	19.06	370	393	644.4	56.2	1.30	1.26	0.61x	7.0x	16.0x	16.4x	1.98x
Median			(10.9%)	5.4%									0.71x	10.5x	20.8x	16.1x	1.18x

Source: Capital IQ as of April 30, 2014; For definitions, see page 9

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/30/14	% 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	
Long Term Care																	
Diversicare Healthcare Services Inc.	DVCR	\$6.95	22.9%	43.2%	\$7.38	\$4.45	\$42	\$99	\$281.9	\$3.8	(\$1.00)	NM	0.35x	NM	NM	NM	NM
Kindred Healthcare Inc.	KND	25.10	28.6%	139.3%	26.72	10.28	1,375	2,869	4,900.5	282.6	(0.93)	1.16	0.59x	10.2x	NM	21.6x	8.63x
National Healthcare Corp.	NHC	54.73	3.1%	17.9%	58.15	45.03	778	771	769.8	106.2	3.87	NM	1.00x	7.3x	14.1x	NM	NM
The Ensign Group, Inc.	ENSG	42.50	0.5%	21.9%	46.39	32.88	953	1,144	904.6	126.4	1.16	2.77	1.26x	9.1x	36.6x	15.3x	1.12x
Median			13.0%	32.6%									0.79x	9.1x	25.4x	18.5x	4.88x
Managed Care - Commercial																	
Aetna Inc.	AET	\$71.45	3.8%	24.4%	\$76.71	\$57.45	\$25,536	\$32,635	\$51,745.8	\$4,737.4	\$5.33	\$6.50	0.63x	6.9x	12.6x	11.0x	1.14x
Cigna Corp.	CI	80.04	(8.7%)	21.0%	90.63	65.33	21,726	24,290	32,661.0	2,924.0	5.18	7.17	0.74x	8.3x	15.5x	11.2x	1.07x
Health Net, Inc.	HNT	34.33	3.8%	16.8%	35.70	25.40	2,753	2,819	11,053.7	342.4	2.12	2.26	0.26x	8.2x	16.2x	15.2x	0.67x
Humana Inc.	HUM	109.75	11.8%	48.1%	119.93	73.63	16,981	18,846	41,313.0	2,315.0	7.73	7.79	0.46x	8.1x	14.2x	14.1x	1.50x
UnitedHealth Group Incorporated	UNH	75.04	3.1%	25.2%	83.32	58.87	73,847	84,366	123,857.0	10,526.0	5.50	5.52	0.68x	8.0x	13.8x	13.6x	1.64x
Universal American Corp	UAM	7.17	1.0%	(16.1%)	11.13	6.60	621	695	2,106.0	27.4	(2.20)	0.23	0.33x	NM	NM	31.2x	(3.06x)
WellPoint Inc.	WLP	100.68	14.7%	38.1%	102.56	72.05	28,157	42,552	71,306.9	5,002.1	8.67	8.45	0.60x	8.5x	12.3x	11.9x	1.51x
Median			3.8%	24.4%									0.60x	8.2x	14.0x	13.6x	1.14x
Managed Care - Government																	
Centene Corp.	CNC	\$66.40	9.0%	43.7%	\$68.26	\$45.94	\$3,830	\$3,559	\$11,475.2	\$398.8	\$2.87	\$3.71	0.31x	8.9x	22.1x	17.9x	0.74x
Molina Healthcare, Inc.	MOH	37.40	2.7%	12.7%	40.90	31.10	1,729	1,578	6,881.1	172.7	0.96	1.93	0.23x	9.1x	39.0x	19.4x	0.85x
WellCare Health Plans, Inc.	WCG	67.47	2.6%	15.7%	75.31	50.41	2,959	2,077	9,527.9	326.6	3.98	3.97	0.22x	6.4x	17.0x	17.0x	2.54x
Median			2.7%	15.7%									0.23x	8.9x	22.1x	17.9x	0.85x

Source: Capital IQ as of April 30, 2014; For definitions, see page 9

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/30/14	% 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	
Other Services																	
Healthcare Services Group Inc.	HCSG	\$29.10	6.5%	30.6%	\$30.25	\$21.60	\$2,045	\$1,961	\$1,188.2	\$74.2	\$0.67	\$0.91	1.65x	26.4x	44.0x	31.9x	1.94x
PDI, Inc.	PDII	4.74	(19.4%)	3.7%	6.25	3.82	73	24	150.8	(3.2)	(0.31)	(0.43)	0.16x	NM	NM	NM	NM
Sharps Compliance Corp.	SMED	4.11	(12.9%)	33.4%	5.90	2.49	63	48	24.7	(0.1)	(0.09)	(0.04)	1.95x	NM	NM	NM	NM
Stericycle, Inc.	SRCL	116.44	(0.9%)	7.5%	121.61	105.50	9,908	11,252	2,199.0	654.7	3.56	4.24	5.12x	17.2x	32.2x	27.5x	1.65x
Median			(6.9%)	19.0%									1.80x	21.8x	38.1x	29.7x	1.79x
Pharmacy Management																	
BioScrip Inc.	BIOS	\$6.92	(19.1%)	(50.1%)	\$17.62	\$5.61	\$472	\$906	\$842.2	\$29.7	(\$0.83)	\$0.03	1.08x	30.6x	NM	NM	NM
Catamaran Corporation	CCT	37.97	(23.4%)	(34.3%)	55.56	36.95	7,854	8,707	16,474.9	725.3	1.27	2.31	0.53x	12.0x	30.9x	16.5x	0.62x
Express Scripts Holding Company	ESRX	66.58	(10.8%)	12.1%	79.37	59.02	51,465	63,406	101,763.9	6,412.8	2.31	4.90	0.62x	9.9x	29.1x	13.6x	0.95x
Omnicare Inc.	OCR	59.27	(5.2%)	35.4%	64.87	43.37	5,869	7,798	6,125.5	714.9	0.78	3.69	1.27x	10.9x	NM	16.0x	1.32x
PharMerica Corporation	PMC	27.19	11.4%	110.9%	28.58	11.84	815	1,023	1,770.3	115.1	0.63	1.47	0.58x	8.9x	43.2x	18.5x	1.92x
Median			(10.8%)	12.1%									0.62x	10.9x	30.9x	16.3x	1.13x
Physician Practice Management																	
Birmer Dental Management Services Inc.	BDMS	\$17.15	(3.3%)	(4.1%)	\$22.40	\$17.00	\$32	\$40	\$64.1	\$3.7	\$0.05	NM	0.62x	10.6x	NM	NM	NM
MEDNAX, Inc.	MD	59.25	8.3%	33.6%	64.51	42.98	5,937	5,926	2,217.6	505.9	2.78	3.15	2.67x	11.7x	21.3x	18.8x	1.45x
Median			2.5%	14.7%									1.64x	11.1x	21.3x	18.8x	1.45x
Psychiatric Hospitals																	
Acadia Healthcare Company, Inc.	ACHC	\$42.02	(17.0%)	33.2%	\$53.87	\$30.70	\$2,134	\$2,789	\$753.6	\$147.7	\$0.86	\$1.31	NM	18.9x	40.4x	32.1x	17.13x
Magellan Health Services Inc.	MGLN	57.72	(4.8%)	12.8%	62.00	49.67	1,553	1,296	3,691.0	239.6	4.53	2.49	0.35x	5.4x	13.0x	23.2x	1.16x
Providence Service Corp.	PRSC	40.61	53.8%	131.9%	43.35	17.20	567	598	1,122.7	54.0	1.41	1.60	0.53x	11.1x	28.8x	25.4x	1.69x
Median			(4.8%)	33.2%									0.44x	11.1x	28.8x	25.4x	1.69x

Source: Capital IQ as of April 30, 2014; For definitions, see page 9

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/30/14	% 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	
Specialty Managed Care																	
Assurant Inc.	AIZ	\$67.41	2.7%	41.8%	\$69.26	\$47.23	\$4,829	\$4,990	\$9,345.4	\$1,023.2	\$6.30	\$6.28	0.53x	4.9x	10.1x	10.7x	1.51x
Triple-S Management Corporation	GTS	14.98	(18.2%)	(16.9%)	23.70	14.70	409	423	2,381.6	95.7	2.01	1.22	0.18x	4.4x	7.5x	12.3x	1.48x
Median			(7.8%)	12.4%									0.36x	4.7x	8.8x	11.5x	1.49x
Surgicenters / Rehabilitation																	
AmSurg Corp.	AMSG	\$43.31	2.2%	29.1%	\$49.84	\$32.21	\$1,377	\$2,456	\$1,084.3	\$364.6	\$2.27	\$2.44	2.27x	6.7x	19.2x	17.7x	1.56x
Surgical Care Affiliates, Inc.	SCAI	29.38	(11.0%)	NM	30.71	28.49	1,124	1,947	787.0	175.3	(1.39)	0.99	2.47x	11.1x	NM	29.7x	NM
Hanger, Inc.	HGR	34.67	(11.3%)	14.1%	40.71	29.49	1,192	1,651	1,052.7	165.7	1.80	2.16	1.57x	10.0x	19.3x	16.1x	1.46x
HEALTHSOUTH Corp.	HLS	34.64	10.7%	26.0%	37.01	27.03	3,052	4,735	2,265.7	557.0	2.59	1.90	2.09x	8.5x	13.3x	18.2x	2.00x
LCA-Vision Inc.	LCAV	5.36	31.1%	57.6%	5.69	2.97	104	76	89.4	(1.4)	(0.07)	0.03	0.84x	NM	NM	NM	NM
Select Medical Holdings Corporation	SEM	13.96	27.0%	69.2%	14.29	7.21	1,962	3,460	2,949.2	362.2	0.82	0.92	1.17x	9.6x	17.1x	15.1x	1.37x
US Physical Therapy Inc.	USPH	30.85	(4.5%)	29.3%	37.25	23.50	376	432	259.7	44.6	1.45	1.56	1.66x	9.7x	NM	19.8x	1.44x
Median			2.2%	29.2%									1.66x	9.6x	18.1x	18.0x	1.46x

Definitions

PEG Ratio: Price Earnings to Growth

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

EPS: Earnings Per Share

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

LTM: Last Twelve Months

Source: Capital IQ as of April 30, 2014

MARKET SECTOR	No. of Cos.	Ag. Eqty Mkt. Value	Median % Change		LTM Multiples		Earnings Ratio		PEG Ratio 2014E
			3 mo	12 mo	Rev	EBITDA	LTM	2014E	
Biotechnology	45	\$454,036	(6.8%)	23.0%	9.61x	19.2x	30.1x	25.7x	1.5x
Cardiology Devices	18	110,839	(9.5%)	30.5%	3.55x	12.5x	26.0x	19.8x	1.8x
Conglomerates	6	491,700	4.3%	19.4%	2.94x	11.7x	20.3x	17.5x	1.9x
Dental Devices	8	17,636	0.8%	3.8%	2.34x	14.3x	28.6x	24.1x	1.5x
Diagnostic Imaging Devices	4	6,844	(15.6%)	13.6%	1.61x	9.8x	19.4x	14.7x	1.5x
Diversified Medical Devices	16	96,277	4.8%	26.4%	2.87x	13.4x	23.0x	20.6x	1.5x
Infection Prevention Devices	2	4,203	2.8%	36.4%	2.57x	13.7x	27.4x	23.1x	1.7x
Lab Equipment	2	6,878	(2.9%)	20.2%	1.70x	9.9x	17.1x	20.1x	1.7x
Lab Instrumentation & Devices	3	11,956	(6.6%)	6.6%	1.84x	14.1x	32.2x	23.6x	1.9x
Large-Cap Pharmaceuticals	7	694,577	7.8%	24.6%	4.62x	12.1x	24.6x	16.9x	2.3x
Life Science Conglomerates	3	67,655	(4.7%)	41.3%	4.44x	20.5x	28.8x	16.8x	1.5x
Life Science Consummables	5	8,827	(3.2%)	39.2%	2.21x	16.8x	37.6x	25.7x	1.5x
Mobility Devices	3	2,713	1.1%	17.5%	1.11x	8.8x	18.4x	8.9x	NM
Neural Implant Devices	2	3,073	(7.0%)	33.2%	3.70x	13.8x	34.0x	20.4x	1.6x
Ophthalmology Devices	4	6,895	(2.2%)	19.5%	1.63x	15.0x	26.2x	18.7x	1.2x
Orthopedics Devices	6	49,326	(6.0%)	19.3%	2.73x	9.7x	21.8x	16.3x	1.8x
Pharmaceuticals	22	91,553	9.2%	71.8%	4.52x	15.4x	32.6x	25.0x	1.4x
Surgical Devices	5	17,027	6.4%	21.5%	2.83x	13.5x	38.0x	30.7x	2.7x
Total / Median (\$MM)	161	\$2,142,013	(2.6%)	22.3%	2.78x	13.6x	26.8x	20.3x	1.6x

Source: Capital IQ

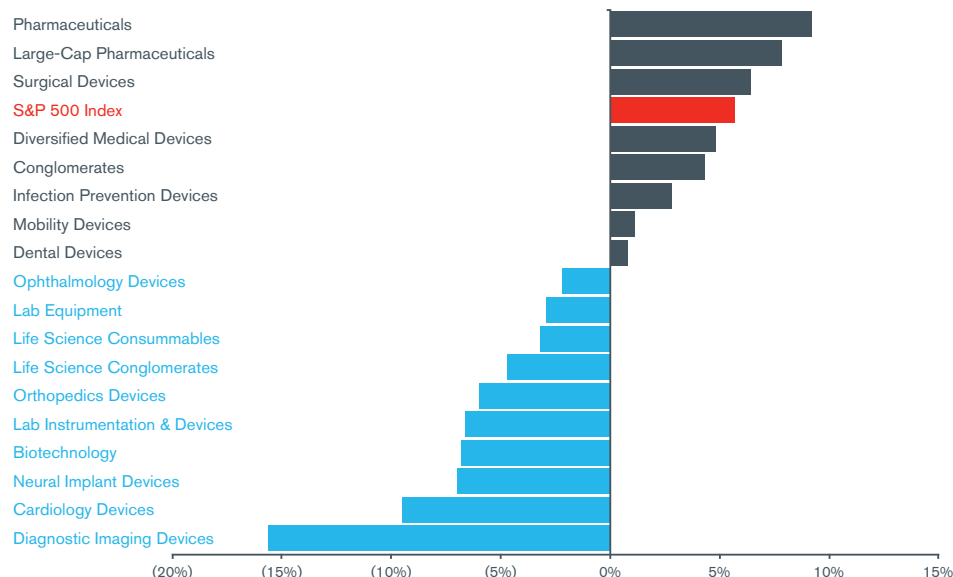
CAPITALIZATION PROFILE	No. of Cos.	Ag. Eqty Mkt. Value	% Total No. of Co's	% Ag. Eqty Mkt. Value	Median Stock Performance			
					3 mo	YTD	12 mo	36 mo
> \$5 billion	48	\$2,028,939	29.8%	94.7%	2.3%	96.0%	33.0%	54.6%
\$1 billion - \$5 billion	38	86,126	23.6%	4.0%	(1.1%)	121.6%	47.3%	89.2%
\$250 million - \$1 billion	45	23,337	28.0%	1.1%	(7.8%)	102.4%	32.8%	55.1%
\$100 million - \$250 million	15	2,619	9.3%	0.1%	(10.7%)	97.8%	5.9%	37.5%
< \$100 million	15	993	9.3%	0.0%	3.1%	175.6%	56.1%	63.3%
Total / Median (\$MM)	161	\$2,142,013	100.0%	100.0%	(2.6%)	102.4%	22.3%	55.1%

Source: Capital IQ

INTEREST RATES	Value at 4/30/14	1 mo ago	3 mo ago	12 mo ago
LIBOR - USD - 5 Month	0.00%	0.00%	0.00%	0.37%
U.S. Treasury - 2 years	0.42%	0.41%	0.32%	0.22%
U.S. Treasury - 5 years	1.68%	1.72%	1.51%	0.68%
U.S. Treasury - 10 years	2.65%	2.71%	2.70%	1.67%
U.S. Treasury - 30 years	3.46%	3.55%	3.64%	3.64%
U.S. Prime Rate	3.25%	3.25%	3.25%	3.25%

Source: Capital IQ

Median % Change — 3 months



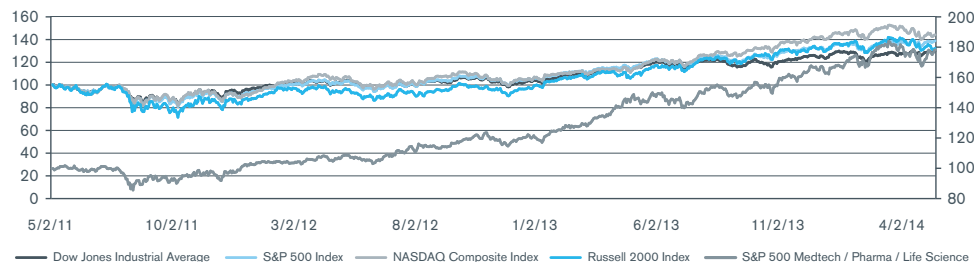
Source: Capital IQ

MARKET INDICES

Market Index	Value at 4/30/14	% Change			
		3 mo	YTD	12 mo	36 mo
Dow Jones Industrial Average	\$16,580.8	5.6%	0.0%	12.8%	29.4%
S&P 500 Index	1,884.0	5.7%	1.9%	19.0%	38.2%
NASDAQ Composite Index	4,114.6	0.3%	(1.5%)	24.7%	43.2%
Russell 2000 Index	1,126.9	(0.4%)	(3.2%)	21.9%	30.2%
S&P Life Science Tools & Services (Industry) Index	271.7	(3.8%)	(0.6%)	27.1%	43.1%
S&P 500 Pharmaceuticals (Industry) Index	535.2	9.7%	9.4%	22.8%	65.2%
Dow Jones U.S. Pharmaceuticals & Biotechnology Index	587.6	3.8%	6.2%	25.1%	82.6%
S&P 500 Biotechnology (Industry) Index	2,810.4	(4.5%)	0.3%	31.5%	168.1%
Dow Jones U.S. Medical Equipment Index	775.9	2.6%	2.7%	23.7%	38.1%
S&P 500 - Pharmaceuticals, Biotechnology & Life Sciences (Industry Group)	663.4	4.9%	6.3%	25.1%	79.8%

Source: Capital IQ

Performance of Market Indices for Latest 36 months



Source: Capital IQ

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/30/14	% 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	
Biotechnology																	
Acceleron Pharma, Inc.	XLRN	\$34.35	(30.8%)	NM	\$57.89	\$16.78	\$1,070	\$974	\$57.2	\$7.9	(\$4.15)	(\$1.38)	17.02x	NM	NM	NM	NM
Acorda Therapeutics, Inc.	ACOR	35.45	18.2%	(10.4%)	39.95	27.51	1,477	1,207	345.1	44.6	0.39	0.52	3.50x	27.0x	90.9x	67.8x	1.72x
Adamas Pharmaceuticals, Inc.	ADMS	18.45	NM	NM	19.11	12.02	303	217	71.1	57.1	3.51	NM	3.06x	3.8x	5.3x	NM	NM
Akebia Therapeutics, Inc.	AKBA	24.37	NM	NM	28.50	16.41	470	437	-	(15.9)	(1.31)	(1.42)	NA	NM	NM	NM	NM
Alexion Pharmaceuticals, Inc.	ALXN	158.20	(2.3%)	61.4%	185.43	87.01	31,291	29,866	1,779.0	694.3	1.27	4.82	16.79x	43.0x	95.7x	32.8x	0.97x
Alkermes plc	ALKS	46.26	(6.9%)	51.1%	54.25	26.47	6,685	6,496	544.0	75.9	0.16	0.50	11.94x	NM	NM	93.3x	4.04x
Amarin Corporation plc	AMRN	1.62	(10.0%)	(78.1%)	7.98	1.36	280	337	26.4	(178.4)	(1.28)	(0.61)	12.78x	NM	NM	NM	NM
Amgen Inc.	AMGN	111.75	(7.6%)	7.2%	128.96	94.15	84,597	96,819	18,959.0	7,611.0	6.64	8.09	5.11x	12.7x	18.1x	13.8x	1.72x
Athersys, Inc.	ATHX	1.47	(62.2%)	(34.0%)	4.33	1.08	113	81	2.4	(24.1)	(0.53)	(0.35)	NM	NM	NM	NM	NM
Auspex Pharmaceuticals, Inc.	ASPX	21.44	NM	NM	35.78	13.25	506	570	-	(12.8)	(371.13)	(1.58)	NA	NM	NM	NM	NM
Biogen Idec Inc.	BIIB	287.12	(9.8%)	31.1%	358.89	194.66	68,105	67,444	7,646.9	3,268.1	7.81	11.46	8.82x	20.6x	35.7x	25.1x	1.51x
BioSpecifics Technologies Corp.	BSTC	23.73	1.7%	49.5%	27.86	15.05	152	139	14.5	8.0	0.76	0.66	9.61x	17.4x	31.2x	35.8x	NM
Cangene Corp.	CNJ	3.28	1.7%	5.6%	3.29	1.87	219	182	115.4	6.5	0.05	0.04	1.58x	28.2x	NM	79.1x	NM
Cara Therapeutics Inc.	CARA	14.39	NM	NM	23.25	10.40	325	378	12.0	0.6	(0.74)	(0.80)	NM	NM	NM	NM	NM
Celgene Corporation	CELG	147.01	(4.5%)	24.5%	174.66	110.53	58,865	58,901	6,759.3	2,233.7	3.37	7.30	8.71x	26.4x	46.8x	20.1x	0.80x
Cepheid	CPHD	43.48	(8.0%)	14.0%	55.89	30.95	3,026	3,030	416.3	2.4	(0.27)	(0.35)	7.28x	NM	NM	NM	NM
Cubist Pharmaceuticals Inc.	CBST	70.06	(6.3%)	52.6%	82.12	44.46	5,275	5,574	1,085.7	151.7	(0.27)	0.50	5.13x	36.7x	NM	NM	NM
Curis, Inc.	CRIS	2.26	(23.4%)	(39.7%)	4.74	2.07	194	167	15.0	(9.3)	(0.15)	(0.22)	11.11x	NM	NM	NM	NM
Dicerna Pharmaceuticals, Inc.	DRNA	18.77	(59.2%)	NM	46.00	15.00	333	402	-	(16.9)	(709.57)	(1.91)	NA	NM	NM	NM	NM
Dyadic International, Inc.	DYAI	1.42	(4.7%)	(23.2%)	2.18	1.25	44	43	17.1	0.7	(0.01)	NM	2.53x	NM	NM	NM	NM
Emergent BioSolutions, Inc.	EBS	26.36	10.9%	71.8%	28.48	13.88	983	866	312.7	72.1	0.85	1.03	2.77x	12.0x	31.0x	25.7x	NM
Exelixis, Inc.	EXEL	3.54	(49.6%)	(31.8%)	8.41	3.02	689	794	26.6	(227.7)	(1.33)	(1.51)	29.88x	NM	NM	NM	NM
Genomic Health Inc.	GHDX	26.24	(15.5%)	(13.6%)	38.99	24.50	819	714	261.6	(5.5)	(0.42)	(0.85)	2.73x	NM	NM	NM	NM
Gilead Sciences Inc.	GILD	78.49	(3.7%)	55.0%	84.88	46.70	120,690	122,246	13,669.0	6,882.5	1.81	6.21	8.94x	17.8x	29.1x	12.6x	0.33x
GlycoMimetics, Inc.	GLYC	13.27	37.9%	NM	18.99	8.40	247	245	4.0	(10.5)	(8.87)	0.10	NM	NM	NM	NM	NM
Immunomedics Inc.	IMMU	4.21	(14.4%)	64.5%	7.35	2.40	351	323	9.8	(29.9)	(0.17)	(0.32)	NM	NM	NM	NM	NM
INSYS Therapeutics, Inc.	INSY	41.06	5.7%	268.8%	57.91	5.56	1,404	1,359	99.3	34.3	1.41	1.26	13.68x	39.6x	29.2x	32.6x	1.36x
Ligand Pharmaceuticals Incorporated	LGND	63.17	0.4%	131.2%	80.42	25.60	1,302	1,295	49.0	18.6	0.43	1.46	26.45x	NM	NM	43.3x	1.44x
Momenta Pharmaceuticals Inc.	MNTA	11.42	(38.6%)	(7.3%)	19.90	10.24	621	375	35.5	(101.4)	(2.13)	0.86	10.58x	NM	NM	13.3x	NM
Myriad Genetics Inc.	MYGN	42.21	55.8%	51.6%	42.50	20.02	3,080	2,727	737.1	300.5	2.32	1.89	3.70x	9.1x	18.2x	22.4x	1.56x
Neurocrine Biosciences Inc.	NBIX	14.02	(18.1%)	21.5%	20.29	8.57	1,064	844	2.2	(48.8)	(0.69)	(0.85)	NM	NM	NM	NM	NM
Osiris Therapeutics, Inc.	OSIR	14.23	(9.5%)	26.8%	27.40	10.00	487	444	24.3	(2.2)	(0.03)	(0.26)	18.25x	NM	NM	NM	NM
PDL BioPharma, Inc.	PDLI	8.49	(6.7%)	9.7%	10.21	7.38	1,361	1,657	442.9	412.8	1.66	1.84	3.74x	4.0x	5.1x	4.6x	NM

Source: Capital IQ as of April 30, 2014; For definitions, see page 17

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/30/14	% 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	
Biotechnology (cont.)																	
ProMetic Life Sciences Inc.	PLI	\$0.99	(19.5%)	166.9%	\$1.50	\$0.29	\$525	\$516	\$19.4	(\$11.5)	(\$0.03)	(\$0.01)	26.56x	NM	NM	NM	NM
Prosensa Holding N.V.	RNA	6.99	20.9%	NM	34.55	3.43	251	149	12.3	(21.6)	(0.71)	(0.46)	12.08x	NM	NM	NM	NM
Regeneron Pharmaceuticals, Inc.	REGN	296.89	1.3%	38.0%	352.49	206.30	29,791	29,602	2,104.7	801.2	3.81	4.37	14.06x	36.9x	77.9x	68.0x	2.34x
Spectrum Pharmaceuticals, Inc.	SPPI	6.87	(20.2%)	(7.3%)	10.32	6.36	451	382	155.9	(10.0)	(1.02)	(0.54)	2.45x	NM	NM	NM	NM
Targacept, Inc.	TRGT	4.44	(1.8%)	(3.7%)	6.11	3.75	150	59	3.6	(45.8)	(1.39)	(1.24)	16.21x	NM	NM	NM	NM
Theravance Inc.	THRX	26.92	(29.1%)	(20.2%)	42.96	26.04	3,014	2,837	4.8	(161.4)	(1.67)	(1.29)	NM	NM	NM	NM	NM
Ultragenyx Pharmaceutical Inc.	RARE	38.78	NM	NM	69.77	34.12	1,165	1,240	-	(31.8)	(14.87)	(1.82)	NA	NM	NM	NM	NM
United Therapeutics Corporation	UTHR	100.01	(5.9%)	49.8%	116.65	61.23	4,818	4,347	1,161.3	445.3	3.28	7.61	3.74x	9.8x	21.7x	13.1x	2.63x
Vanda Pharmaceuticals, Inc.	VNDA	13.93	6.7%	186.6%	19.25	4.65	472	341	33.9	(18.5)	(0.67)	(1.60)	10.08x	NM	NM	NM	NM
Versartis, Inc.	VSAR	30.52	NM	NM	36.30	23.51	710	697	-	(22.7)	(1.99)	(2.80)	NA	NM	NM	NM	NM
Vertex Pharmaceuticals Incorporated	VRTX	67.70	(17.6%)	(11.9%)	89.96	58.06	15,985	15,026	1,002.1	(335.1)	(1.98)	(2.28)	15.00x	NM	NM	NM	NM
Vital Therapies, Inc.	VTL	13.00	NM	NM	13.00	11.85	275	236	-	(30.6)	(3.14)	NM	NA	NM	NM	NM	NM
Median			(6.8%)	23.0%									9.61x	19.2x	30.1x	25.7x	1.53x
Cardiology Devices																	
ABIOMED, Inc.	ABMD	\$23.69	(12.0%)	28.3%	\$30.77	\$18.12	\$942	\$862	\$183.6	\$10.8	\$0.19	\$0.39	4.70x	NM	NM	60.1x	3.44x
AngioDynamics Inc.	ANGO	13.44	(18.0%)	32.7%	19.00	10.04	474	604	346.6	45.9	(0.07)	0.28	1.74x	13.2x	NM	47.5x	3.17x
Boston Scientific Corporation	BSX	12.61	(7.0%)	68.4%	14.08	7.45	16,689	20,747	7,156.0	1,634.3	(0.09)	0.80	2.90x	12.7x	46.2x	15.7x	1.31x
Cardiovascular Systems Inc.	CSII	28.75	(17.9%)	67.5%	37.73	16.99	863	720	125.9	(29.3)	(1.19)	(1.12)	5.72x	NM	NM	NM	NM
Edwards Lifesciences Corp.	EW	81.47	24.4%	27.7%	84.40	60.62	8,565	8,458	2,071.2	505.3	3.44	3.11	4.08x	16.7x	29.6x	26.2x	2.17x
Greatbatch, Inc.	GB	46.03	6.8%	64.7%	47.96	27.58	1,143	1,299	690.0	121.1	1.43	2.32	1.88x	10.7x	25.9x	19.8x	1.65x
Heartware International Inc.	HTWR	84.96	(14.7%)	(12.6%)	105.84	69.31	1,443	1,349	225.2	(37.1)	(3.69)	(3.02)	5.99x	NM	NM	NM	NM
LeMaitre Vascular, Inc.	LMAT	8.21	3.3%	35.5%	8.96	6.00	128	116	65.3	6.4	0.20	0.23	1.77x	17.9x	58.9x	36.3x	1.82x
Lombard Medical, Inc.	EVAR	9.83	NM	NM	11.34	9.50	159	121	7.0	(19.5)	(2.14)	NM	17.36x	NM	NM	NM	NM
Medtronic, Inc.	MDT	58.82	3.2%	26.0%	62.90	46.26	58,868	57,434	16,900.0	5,672.0	3.52	4.04	3.40x	10.1x	16.7x	14.6x	2.30x
Neovasc Inc.	NVC	6.05	52.1%	143.9%	7.16	1.98	293	290	11.1	(6.5)	(0.13)	(0.12)	26.23x	NM	NM	NM	NM
REVA Medical, Inc.	RVA	0.14	(63.1%)	(74.9%)	0.60	0.12	47	25	0.0	(27.1)	(0.08)	(0.12)	NA	NM	NM	NM	NM
St. Jude Medical Inc.	STJ	63.47	3.6%	54.0%	68.79	40.55	18,019	20,483	5,526.0	1,701.3	2.49	3.98	3.71x	12.0x	24.7x	15.9x	1.43x
Stereotaxis Inc.	STXS	3.87	(26.4%)	115.0%	10.85	1.21	75	79	38.0	(7.6)	(5.95)	NM	2.08x	NM	NM	NM	NM
Sunshine Heart Inc.	SSH	5.79	(42.4%)	11.8%	13.80	4.78	98	44	0.1	(22.7)	(1.71)	NM	NM	NM	NM	NM	NM
Thoratec Corp.	THOR	32.78	(6.2%)	(9.4%)	43.58	29.91	1,865	1,559	502.8	126.2	1.26	1.76	3.10x	12.4x	26.0x	18.7x	1.84x
TriVascular Technologies, Inc.	TRIV	13.99	NM	NM	16.00	11.15	270	277	19.5	(42.9)	(5.01)	NM	14.18x	NM	NM	NM	NM
Volcano Corporation	VOLC	17.56	(17.7%)	(13.5%)	24.62	16.37	899	962	392.2	15.8	(0.63)	(0.16)	2.45x	NM	NM	NM	NM
Median			(9.5%)	30.5%									3.55x	12.5x	26.0x	19.8x	1.84x

Source: Capital IQ as of April 30, 2014; For definitions, see page 17

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/30/14	% 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	
Conglomerates																	
3M Company	MMM	\$139.09	8.6%	32.8%	\$140.43	\$104.42	\$91,004	\$94,767	\$31,068.0	\$8,121.0	\$6.72	\$7.45	3.05x	11.7x	20.2x	18.7x	1.67x
Agilent Technologies Inc.	A	54.04	(9.2%)	30.4%	61.22	41.24	18,018	17,974	6,781.0	1,390.0	2.17	3.20	2.65x	12.9x	24.9x	16.9x	1.76x
Becton, Dickinson and Company	BDX	113.03	4.7%	19.9%	118.77	93.31	21,817	23,273	8,199.0	2,131.4	4.69	6.39	2.84x	10.9x	24.1x	17.7x	1.96x
Covidien plc	COV	71.25	3.9%	11.6%	73.77	56.79	32,085	35,526	10,329.0	2,788.0	3.31	4.09	3.44x	12.7x	20.4x	17.4x	1.83x
Johnson & Johnson	JNJ	101.29	13.2%	18.8%	101.98	82.12	286,481	275,455	71,922.0	23,640.0	4.81	5.88	3.83x	11.7x	19.4x	17.2x	2.49x
Kimberly-Clark Corporation	KMB	112.25	3.6%	8.8%	113.09	91.44	42,295	48,277	21,112.0	4,217.0	5.53	6.11	2.29x	11.4x	20.1x	18.4x	2.66x
Median			4.3%	19.4%									2.94x	11.7x	20.3x	17.5x	1.89x
Dental Devices																	
COLTENE Holding AG	CLTN	\$64.58	28.0%	25.1%	\$66.17	\$47.71	\$272	\$284	\$179.8	\$27.7	\$3.51	\$4.17	1.58x	10.3x	18.2x	15.5x	1.52x
DENTSPLY International Inc.	XRAY	44.63	(4.2%)	5.4%	50.99	39.90	6,328	7,831	2,950.8	560.5	2.16	2.52	2.65x	14.0x	20.7x	17.7x	1.48x
Nobel Biocare Holding AG	NOBN	13.91	(10.5%)	24.4%	17.66	11.53	1,710	1,579	777.2	127.4	0.48	0.58	2.03x	12.4x	29.5x	24.1x	1.42x
Orthofix International N.V.	OFIX	30.20	45.5%	(6.8%)	33.43	19.35	549	540	400.5	49.7	(0.80)	1.09	1.35x	10.9x	NM	27.8x	NM
Osstem Implant Co., Ltd.	A048260	24.82	(1.9%)	(12.4%)	32.57	19.98	353	391	205.1	19.3	0.66	0.97	1.90x	20.2x	36.7x	25.5x	NM
Sirona Dental Systems Inc.	SIRO	75.22	3.6%	2.3%	77.31	62.48	4,158	4,026	1,127.8	276.4	2.72	3.73	3.57x	14.6x	27.7x	20.2x	1.63x
Straumann Holding AG	STMN	221.61	8.6%	69.0%	222.07	131.19	3,442	3,230	763.5	158.5	7.30	8.95	4.23x	20.4x	30.0x	24.8x	2.08x
Tornier N.V.	TRNX	16.97	(7.5%)	(6.7%)	21.87	15.17	823	836	311.0	22.1	(0.79)	(0.53)	2.69x	37.8x	NM	NM	NM
Median			0.8%	3.8%									2.34x	14.3x	28.6x	24.1x	1.52x
Orthopedics Devices																	
Exactech Inc.	EXAC	\$22.22	(2.0%)	20.1%	\$25.14	\$17.80	\$303	\$318	\$241.0	\$42.2	\$1.12	\$1.21	1.32x	7.5x	19.7x	18.3x	1.02x
NuVasive, Inc.	NUVA	33.71	(11.3%)	61.0%	39.89	20.45	1,571	1,642	703.2	101.9	0.17	1.09	2.34x	16.1x	NM	30.8x	2.97x
Stryker Corporation	SYK	77.75	(0.5%)	18.6%	84.85	63.71	29,475	28,492	9,136.0	1,483.0	2.63	4.82	3.12x	19.2x	38.5x	16.1x	1.78x
Symmetry Medical, Inc.	SMA	8.26	(14.0%)	(30.7%)	11.91	7.44	310	477	401.6	50.2	(0.99)	0.51	1.19x	9.5x	NM	16.3x	1.36x
Wright Medical Group Inc.	WMGI	27.35	(9.9%)	16.7%	33.80	22.58	1,351	1,275	254.5	(58.4)	(6.19)	(1.41)	5.01x	NM	NM	NM	NM
Zimmer Holdings, Inc.	ZMH	96.80	4.0%	26.6%	108.33	74.55	16,316	16,408	4,646.0	1,688.3	4.43	6.13	3.53x	9.7x	21.8x	15.8x	1.86x
Median			(6.0%)	19.3%									2.73x	9.7x	21.8x	16.3x	1.78x
Diagnostic Imaging Devices																	
Analogic Corporation	ALOG	\$75.08	(21.0%)	(5.5%)	\$99.97	\$68.86	\$932	\$821	\$543.5	\$61.5	\$2.58	\$5.21	1.51x	13.4x	29.1x	14.4x	0.96x
Digirad Corporation	DRAD	3.18	(11.2%)	24.2%	4.85	2.16	59	33	50.8	3.9	0.01	0.08	0.64x	8.3x	NM	39.8x	NM
Fonar Corp.	FONR	15.47	(20.0%)	119.3%	27.95	5.12	95	122	71.3	14.4	1.60	NM	1.72x	8.5x	9.7x	NM	NM
Hologic Inc.	HOLX	20.99	(0.1%)	3.0%	23.24	18.46	5,758	9,541	2,470.0	862.6	(4.37)	1.43	3.86x	11.1x	NM	14.7x	2.04x
Median			(15.6%)	13.6%									1.61x	9.8x	19.4x	14.7x	1.50x

Source: Capital IQ as of April 30, 2014; For definitions, see page 17

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	
Mobility Devices																	
Hill-Rom Holdings, Inc.	HRC	\$37.36	1.1%	9.7%	\$44.64	\$32.74	\$2,147	\$2,341	\$1,670.8	\$265.2	\$1.57	\$2.36	1.40x	8.8x	23.7x	15.8x	NM
Invacare Corporation	IVC	15.80	(26.0%)	17.5%	25.96	13.31	506	533	1,330.0	9.6	(1.60)	(0.43)	0.40x	NM	NM	NM	NM
Prism Medical Ltd.	PM	7.22	50.9%	36.7%	7.37	4.10	61	79	71.1	9.0	0.50	3.76	1.11x	8.8x	13.1x	1.9x	NM
Median			1.1%	17.5%									1.11x	8.8x	18.4x	8.9x	NM
Infection Prevention Devices																	
Cantel Medical Corp.	CMN	\$33.16	2.6%	57.4%	\$38.04	\$20.71	\$1,371	\$1,426	\$452.6	\$85.5	\$1.00	\$1.15	3.15x	16.7x	33.2x	29.0x	1.61x
Steris Corp.	STE	48.05	3.0%	15.5%	51.87	39.90	2,832	3,151	1,585.2	294.7	2.22	2.77	1.99x	10.7x	21.7x	17.3x	1.73x
Median			2.8%	36.4%									2.57x	13.7x	27.4x	23.1x	1.67x
Neural Implant Devices																	
Cyberonics Inc.	CYBX	\$59.16	(11.9%)	36.3%	\$73.52	\$42.50	\$1,587	\$1,471	\$275.5	\$89.8	\$1.74	\$2.27	5.34x	16.4x	34.0x	26.1x	1.49x
Integra LifeSciences Holdings Corporation	IART	45.58	(2.1%)	30.1%	49.99	33.13	1,485	1,759	854.6	157.0	(0.60)	3.09	2.06x	11.2x	NM	14.8x	1.74x
Median			(7.0%)	33.2%									3.70x	13.8x	34.0x	20.4x	1.61x
Ophthalmology Devices																	
IRIDEX Corporation	IRIX	\$8.33	(2.2%)	63.3%	\$11.00	\$5.04	\$83	\$70	\$39.7	\$2.8	\$0.22	\$0.30	1.76x	24.7x	37.9x	27.8x	NM
Lumenis Ltd.	LMNS	8.61	NM	NM	10.20	8.16	303	330	265.4	24.5	0.58	NM	1.24x	13.5x	14.8x	NM	NM
Optos plc	OPTS	2.70	(15.5%)	7.4%	3.62	1.80	196	237	158.2	15.0	0.11	0.19	1.50x	15.8x	30.1x	14.2x	NM
The Cooper Companies Inc.	COO	131.91	5.3%	19.5%	145.34	105.71	6,313	6,648	1,612.9	465.6	5.93	7.06	4.12x	14.3x	22.2x	18.7x	1.21x
Median			(2.2%)	19.5%									1.63x	15.0x	26.2x	18.7x	1.21x
Surgical Devices																	
Alphatec Holdings, Inc.	ATEC	\$1.35	(39.5%)	(28.6%)	\$2.53	\$1.16	\$132	\$136	\$202.0	\$15.9	(\$0.85)	(\$0.07)	0.67x	8.5x	NM	NM	NM
ArthroCare Corporation	ARTC	48.53	6.4%	40.1%	49.95	31.56	1,673	1,542	381.7	87.7	0.64	1.50	4.04x	17.6x	75.8x	32.3x	2.69x
Bovie Medical Corporation	BVX	3.95	40.6%	21.5%	4.79	1.94	70	67	23.7	(1.2)	(0.25)	(0.15)	2.83x	NM	NM	NM	NM
CONMED Corporation	CNMD	46.33	11.1%	47.9%	49.10	29.95	1,261	1,447	751.9	125.7	1.28	1.93	1.92x	11.5x	38.0x	24.0x	1.85x
Intuitive Surgical, Inc.	ISRG	361.70	(13.1%)	(26.5%)	541.23	351.14	13,891	12,331	2,118.4	797.1	16.73	11.79	5.82x	15.5x	27.2x	30.7x	11.23x
Median			6.4%	21.5%									2.83x	13.5x	38.0x	30.7x	2.69x

Source: Capital IQ as of April 30, 2014; For definitions, see page 17

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/30/14	% 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	
Diversified Medical Devices																	
Abaxis, Inc.	ABAX	\$40.61	6.8%	(4.9%)	\$51.84	\$32.11	\$903	\$801	\$171.9	\$28.1	\$0.76	\$0.82	4.66x	28.5x	64.5x	49.7x	2.21x
AtriCure, Inc.	ATRC	15.40	(26.1%)	84.7%	23.00	7.65	422	343	86.9	(13.3)	(0.56)	(0.76)	3.95x	NM	NM	NM	NM
Baxter International Inc.	BAX	72.79	5.1%	4.2%	75.68	62.80	39,496	46,164	15,762.0	4,087.0	3.66	5.13	2.93x	11.3x	19.8x	14.2x	1.89x
CareFusion Corporation	CFN	39.06	(6.4%)	16.8%	42.09	32.48	8,139	8,285	3,623.0	782.0	1.68	2.57	2.29x	10.6x	23.2x	15.2x	1.42x
CR Bard Inc.	BCR	137.33	4.8%	38.2%	150.13	99.11	10,472	10,937	3,079.8	816.8	8.39	8.22	3.55x	13.4x	14.9x	16.7x	1.35x
CryoLife Inc.	CRY	9.08	(16.2%)	51.3%	12.14	5.65	255	222	140.0	18.1	0.57	0.22	1.59x	12.3x	17.2x	40.7x	NM
Hospira Inc.	HSP	45.80	4.8%	38.3%	46.96	30.96	7,655	8,757	4,169.6	518.2	(0.05)	2.16	2.10x	16.9x	56.4x	21.2x	2.09x
IDEXX Laboratories, Inc.	IDXX	126.44	11.2%	43.7%	129.27	81.57	6,487	6,669	1,405.2	330.1	3.48	3.84	4.75x	20.2x	35.5x	33.0x	2.30x
Masimo Corporation	MASI	26.76	(10.1%)	33.4%	32.20	19.60	1,518	1,401	544.9	98.3	1.02	1.15	2.57x	14.3x	23.7x	23.2x	1.55x
Misonix Inc.	MSON	6.12	21.9%	7.0%	7.17	3.86	44	39	14.0	(5.3)	(0.37)	0.10	2.81x	NM	NM	61.2x	NM
Natus Medical Inc.	BABY	24.83	(5.5%)	98.5%	27.71	11.73	782	755	343.9	56.6	0.74	1.21	2.20x	13.3x	30.4x	20.6x	1.11x
PhotoMedex, Inc.	PHMD	15.11	7.9%	(7.3%)	17.05	10.51	286	237	224.7	28.2	0.89	1.03	1.06x	8.4x	17.0x	14.7x	1.33x
ResMed Inc.	RMD	49.85	13.5%	3.8%	57.34	41.52	7,062	6,519	1,554.4	490.8	2.23	2.55	4.19x	13.3x	21.9x	19.5x	1.42x
SurModics, Inc.	SRDX	21.76	(6.1%)	(17.7%)	27.04	19.24	294	271	56.1	19.9	0.96	0.90	4.84x	13.6x	22.7x	24.2x	1.61x
Teleflex Incorporated	TFX	102.09	8.2%	30.7%	109.73	73.83	4,223	5,094	1,711.4	368.8	3.46	5.51	2.98x	13.8x	28.5x	18.5x	1.52x
Varian Medical Systems, Inc.	VAR	79.55	(3.4%)	22.1%	86.60	64.05	8,238	7,688	2,986.1	679.5	4.03	4.45	2.57x	11.3x	20.4x	17.9x	1.49x
Median			4.8%	26.4%									2.87x	13.4x	23.0x	20.6x	1.52x
Life Science Conglomerates																	
Illumina Inc.	ILMN	\$135.85	(9.9%)	110.0%	\$183.30	\$63.78	\$17,440	\$17,196	\$1,511.0	\$424.4	\$0.90	NM	11.38x	40.5x	95.6x	NM	NM
PerkinElmer Inc.	PKI	41.97	(4.7%)	36.9%	46.72	30.54	4,736	5,442	2,192.8	403.9	1.48	2.46	2.48x	13.5x	28.0x	17.1x	1.75x
Thermo Fisher Scientific, Inc.	TMO	114.00	(0.9%)	41.3%	127.63	80.27	45,479	61,319	13,802.3	2,984.6	3.50	6.90	4.44x	20.5x	28.8x	16.5x	1.17x
Median			(4.7%)	41.3%									4.44x	20.5x	28.8x	16.8x	1.46x
Lab Instrumentation & Devices																	
Bruker Corporation	BRKR	\$20.66	(0.4%)	16.3%	\$24.40	\$15.41	\$3,469	\$3,389	\$1,839.4	\$240.6	\$0.48	\$0.87	1.84x	14.1x	43.0x	23.6x	1.82x
Harvard Bioscience Inc.	HBIO	4.22	(6.6%)	(17.6%)	6.13	4.04	135	134	105.0	9.2	0.02	0.15	1.28x	14.5x	NM	28.1x	NM
Waters Corporation	WAT	98.54	(10.3%)	6.6%	115.06	92.04	8,353	7,832	1,904.4	584.5	5.20	5.34	4.11x	13.4x	21.3x	18.4x	1.99x
Median			(6.6%)	6.6%									1.84x	14.1x	32.2x	23.6x	1.91x

Source: Capital IQ as of April 30, 2014; For definitions, see page 17

Healthcare Sector Update

(\$ in millions, except per share amounts)

Company Name	Ticker	Price 4/30/14	% 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	
Lab Equipment																	
Kewaunee Scientific Corp.	KEQU	\$16.82	0.7%	28.9%	\$18.40	\$11.08	\$44	\$46	\$115.9	\$9.0	\$1.57	NM	0.40x	5.2x	10.7x	NM	NM
Mettler-Toledo International Inc.	MTD	233.12	(6.5%)	11.6%	258.31	196.00	6,834	7,140	2,379.0	489.1	9.96	11.61	3.00x	14.6x	23.4x	20.1x	1.66x
Median			(2.9%)	20.2%									1.70x	9.9x	17.1x	20.1x	1.66x
Life Science Consumables																	
Affymetrix Inc.	AFFX	\$7.43	(21.0%)	104.1%	\$9.80	\$3.22	\$540	\$628	\$335.4	\$26.4	(\$0.23)	\$0.12	1.87x	23.7x	NM	64.1x	4.26x
Bio-Rad Laboratories, Inc.	BIO	123.21	(4.2%)	2.9%	134.13	110.02	3,546	3,375	2,132.7	322.5	2.69	4.99	1.58x	10.5x	45.8x	24.7x	NM
Cambrex Corporation.	CBM	20.49	10.9%	64.1%	22.34	11.75	627	684	309.5	59.1	0.98	1.03	2.21x	11.6x	20.9x	20.0x	0.88x
Luminex Corporation	LMNX	19.21	3.2%	15.5%	24.10	15.39	817	737	216.8	36.3	0.17	0.64	3.40x	20.3x	52.5x	30.2x	0.79x
Techne Corp.	TECH	89.31	(3.2%)	39.2%	96.96	64.00	3,296	3,075	344.7	183.0	3.09	3.47	8.92x	16.8x	29.4x	25.7x	2.06x
Median			(3.2%)	39.2%									2.21x	16.8x	37.6x	25.7x	1.47x
Large-Cap Pharmaceuticals																	
AbbVie Inc.	ABBV	\$52.08	7.8%	13.1%	\$54.78	\$40.10	\$83,122	\$87,950	\$19,024.0	\$7,289.3	\$2.56	\$3.13	4.62x	12.1x	20.3x	16.6x	1.98x
Allergan Inc.	AGN	165.84	44.1%	46.1%	169.29	81.33	49,604	48,115	6,291.8	2,129.8	4.20	5.47	7.65x	22.6x	39.5x	30.3x	2.34x
Bristol-Myers Squibb Company	BMJ	50.09	(0.8%)	26.1%	57.49	39.18	83,008	83,667	16,365.0	4,217.0	1.54	1.78	5.11x	19.8x	29.0x	28.1x	1.90x
Eli Lilly and Company	LLY	59.10	10.9%	6.7%	61.15	47.53	63,048	63,111	22,194.2	6,383.6	4.32	2.78	2.84x	9.9x	16.5x	21.3x	9.82x
Merck & Co. Inc.	MRK	58.56	9.4%	24.6%	59.00	44.60	171,560	181,720	43,626.0	15,915.8	1.47	3.46	4.17x	11.4x	38.6x	16.9x	3.52x
Pfizer Inc.	PFE	31.28	1.5%	7.6%	32.96	27.12	199,658	204,296	50,527.0	22,062.8	1.64	2.24	4.04x	9.3x	19.0x	13.9x	7.74x
Valeant Pharmaceuticals International, Inc.	VRX	133.65	(2.1%)	76.0%	155.43	66.19	44,577	60,942	5,765.4	2,847.7	(2.70)	8.65	10.57x	21.4x	NM	15.4x	0.96x
Median			7.8%	24.6%									4.62x	12.1x	24.6x	16.9x	2.34x
Pharmaceuticals																	
Akorn, Inc.	AKRX	\$25.22	11.2%	67.6%	\$28.00	\$12.86	\$2,438	\$2,512	\$317.7	\$103.7	\$0.46	\$0.83	7.91x	24.2x	54.8x	30.5x	1.86x
Aratana Therapeutics, Inc.	PETX	13.78	(36.3%)	NM	29.32	6.56	406	378	0.1	(17.8)	(0.39)	(1.45)	NM	NM	NM	NM	NM
BioDelivery Sciences International, Inc.	BDSI	8.91	10.8%	56.9%	10.20	3.86	421	417	11.4	(55.1)	(1.51)	(0.61)	NM	NM	NM	NM	NM
BioSyent Inc.	RX	4.86	60.3%	333.2%	5.47	0.98	66	62	7.3	2.3	0.12	NM	8.51x	27.2x	41.0x	NM	NM
Cipher Pharmaceuticals Inc.	DND	7.70	9.2%	112.4%	8.74	3.25	193	171	28.6	20.5	0.91	0.65	5.98x	8.3x	8.7x	11.9x	NM
Cumberland Pharmaceuticals, Inc.	CPIX	4.45	(7.7%)	(4.9%)	5.85	4.30	80	24	32.0	(2.5)	(0.11)	0.05	0.76x	NM	NM	89.0x	2.97x
DURECT Corporation	DRRX	1.30	(40.6%)	(17.2%)	2.69	0.76	144	123	17.5	(19.1)	(0.21)	(0.19)	7.05x	NM	NM	NM	NM
Endo International plc	ENDP	62.95	(4.8%)	71.8%	82.16	32.66	9,583	12,855	2,553.0	786.1	(5.19)	3.55	5.04x	16.4x	NM	17.7x	2.19x

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			3 mo	12 mo	High	Low			Rev	EBITDA	2013	2014E	Rev	EBITDA	LTM	2014E	
Pharmaceuticals (cont.)																	
Forest Laboratories Inc.	FRX	\$91.91	38.6%	145.7%	\$100.88	\$36.89	\$24,908	\$23,084	\$3,646.9	\$397.4	\$0.58	\$3.48	6.33x	NM	NM	26.4x	0.41x
Heska Corporation	HSKA	11.51	33.2%	38.0%	12.74	5.16	70	83	78.3	1.1	(0.21)	0.16	1.05x	NM	NM	73.3x	4.89x
Impax Laboratories Inc.	IPXL	26.15	9.2%	49.4%	28.50	16.09	1,832	1,419	481.7	65.4	1.47	0.70	2.95x	21.7x	17.8x	37.5x	1.10x
Lannett Company, Inc.	LCI	34.53	(4.1%)	197.4%	46.51	10.18	1,210	1,106	192.4	31.4	0.57	1.38	5.75x	35.2x	60.3x	25.0x	1.11x
MediWound Ltd.	MDWD	10.25	NM	NM	19.31	9.45	209	199	0.1	(10.3)	(0.54)	(0.70)	NM	NM	NM	NM	NM
Merus Labs International Inc.	MSL	1.49	16.6%	145.4%	1.82	0.44	57	81	26.7	15.7	(0.10)	0.03	3.05x	5.2x	NM	42.9x	NM
Mylan, Inc.	MYL	50.78	11.5%	74.4%	57.52	27.77	18,886	26,537	6,993.2	1,866.5	1.58	3.44	3.79x	14.2x	32.1x	14.8x	1.38x
Patheon Inc.	PTI	9.43	2.1%	114.8%	9.45	3.37	1,329	1,902	1,076.3	143.3	0.10	0.34	1.77x	13.3x	88.5x	27.7x	NM
Questcor Pharmaceuticals, Inc.	QCOR	82.18	22.6%	167.3%	85.69	29.60	4,979	4,657	890.9	516.9	4.76	6.98	5.23x	9.0x	15.5x	11.8x	0.40x
Revanche Therapeutics, Inc.	RVNC	34.28	NM	NM	39.86	21.00	639	786	0.6	(36.3)	1.05	(3.21)	NM	NM	32.6x	NM	NM
Salix Pharmaceuticals Ltd.	SLXP	110.00	11.7%	110.4%	120.00	51.96	6,974	7,448	933.8	316.3	2.18	6.59	7.98x	23.5x	50.5x	16.7x	0.83x
SciClone Pharmaceuticals, Inc.	SCLN	4.78	(3.2%)	1.1%	6.30	4.24	248	164	127.1	14.5	0.20	0.34	1.29x	11.3x	23.9x	14.1x	NM
The Medicines Company	MDCO	26.60	(24.9%)	(21.2%)	41.28	23.53	1,729	1,588	709.3	88.7	0.25	(0.13)	2.24x	17.9x	79.2x	NM	NM
Zoetis Inc.	ZTS	30.26	(1.3%)	(8.4%)	34.28	28.14	15,152	18,221	4,561.0	1,263.0	1.01	1.53	3.99x	14.4x	30.0x	19.8x	1.35x
Median			9.2%	71.8%									4.52x	15.4x	32.6x	25.0x	1.35x

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

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