



Contents

<i>Market Overview</i>	2
<i>Notable Industry Developments</i>	3
<i>Selected M&A Transactions by Sector</i>	4
<i>Valuation Metrics by Sector</i>	14

About SOLIC

SOLIC Capital Advisors, LLC ("SCA") is a leading specialty investment bank providing merger & acquisition, restructuring, capital placement and valuation advisory services to companies, lenders, institutional investors, the legal community and other creditor constituencies. SCA is a subsidiary of SOLIC Holdings, LLC which includes: SOLIC Capital Advisors (financial advisory), SOLIC Capital Partners (principal investing), SOLIC Capital, LLC (FINRA registered Broker/Dealer), and SOLIC Capital Management (asset management services).

May, 2015

The first quarter of 2015 set a new record in terms of transaction volume, with 355 healthcare M&A transactions announced, up 25% compared with the same quarter a year ago and surpassing all other first quarters on record, according to preliminary figures from Irving Levin Associates. Deal value in Q1 2015 reached \$104.9 billion, 109% greater than the Q1 2014 total of \$50.1 billion. Healthcare Services represented 57% (203 deals) of the quarter's transactions, slightly lower than the previous quarter's 60%. Behavioral Healthcare had its strongest quarterly M&A showing since Q4 2013, with eight deals announced. On April 6, CMS proposed extending the Mental Health Parity and Addiction Equity Act of 2008 to managed Medicaid organizations, Medicaid alternative benefit plans, and Children's Health Insurance Programs, beyond the commercial payors now covered under the act. If enacted, the tailwinds in this sector will likely draw in even more investor interest. Managed Care is another sector poised for a busy year. With 10 deals announced in the first quarter, the sector experienced its strongest quarterly performance since Q4 2011, which also totaled 10 transactions.

Acute care hospital transaction activity is projected to remain high as the confluence of two major economic and financial stressors in the healthcare industry have put many independent community hospitals into a challenging position. As community hospitals deal with the pressures of changing reimbursement and a shift in physician needs, they will increasingly need to partner with regional health systems that benefit from economies of scale in several areas including clinical networks, back-office infrastructure, and managed care contracting. By partnering with these regional systems, struggling hospitals can address critical needs, such as having specialists periodically in residence, without sacrificing the physical, community-based facility. We continue to see this hub-and-spoke model evolving throughout the country, and its popularity will only increase with time. Small communities that are at a loss for such partnerships – because of culture clashes, timing, or other factors that often make these transactions difficult – may find themselves dealing with the loss of a hospital facility. To prevent this, executives, both within struggling hospitals as well as successful community providers, should work to make these partnerships a time of expansion and growth during this era of connected care.

In another sector, healthcare software vendors that effectively address reimbursement pressures, evolving reimbursement models and increased regulatory scrutiny are projected to see heightened transaction activity. Enabling technologies are becoming necessary to address and succeed in a market place experiencing declining reimbursement rates, increased regulatory compliance requirements, pay-for-performance and coordinated care mandates.

Many institutional investors want to increase their exposure to the healthcare sector as a result of several macro factors including aging demographics, the nearly 20% of GDP spent on healthcare, increased concerns regarding medical errors, the need for unbiased physician education, the changing reimbursement models of government and private payors, the print-to-digital transition, and increasing regulatory compliance requirements. According to *Preqin* data, private equity firms have approximately \$1.2 trillion of dry powder to put to work and are taking advantage of the liquidity and debt markets that remain strong to compete with strategic buyers on valuation within this sector.

We welcome your comments and hope you find our SOLICconnect report informative.



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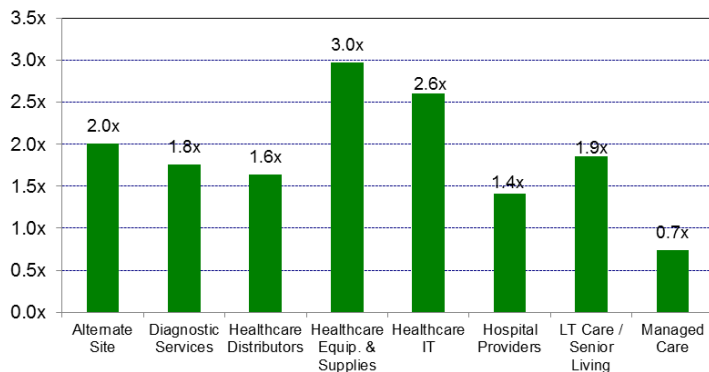
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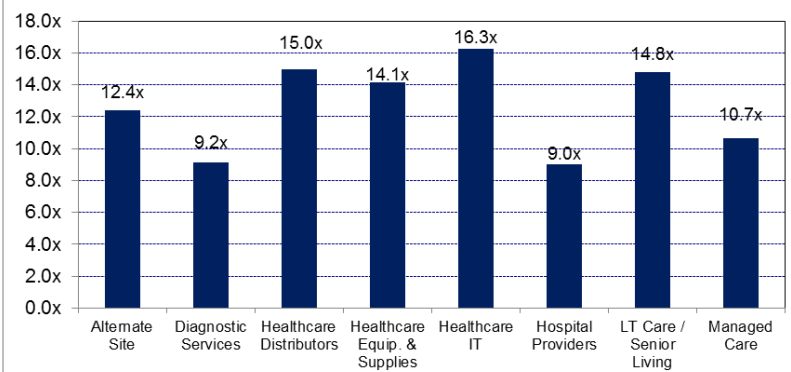
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Healthcare Services: Market Overview

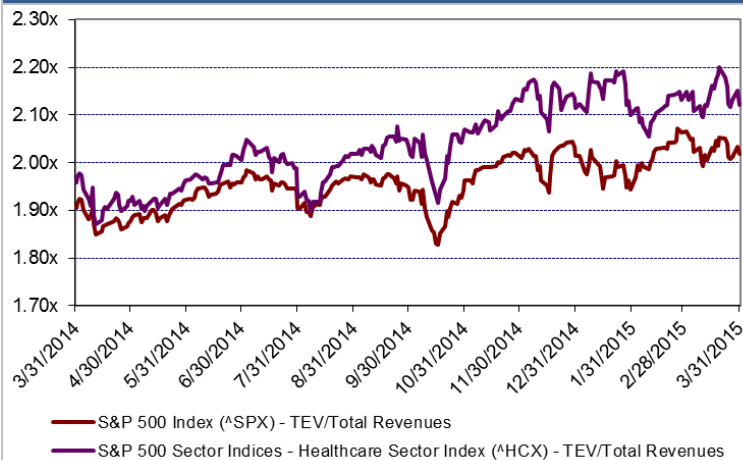
Enterprise Value to Revenue



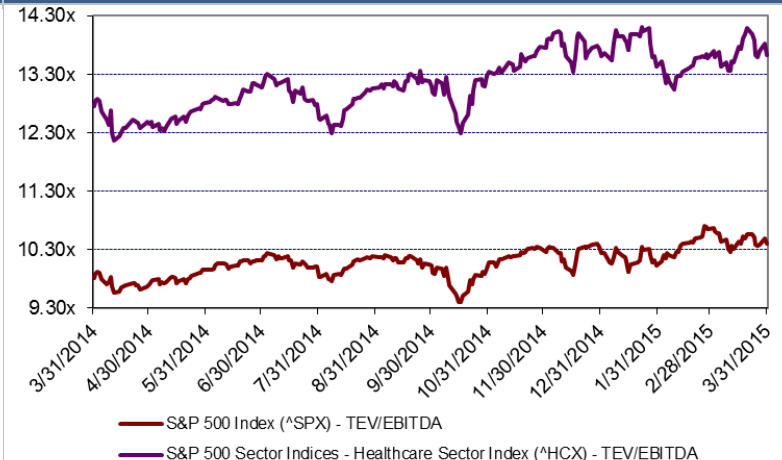
Enterprise Value to EBITDA



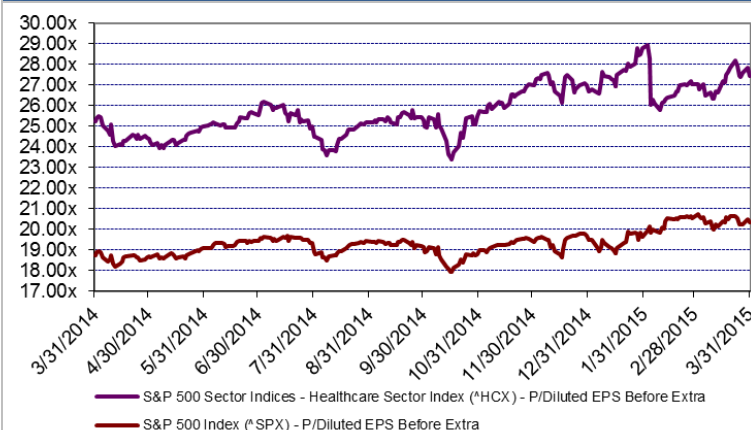
S&P Healthcare Index vs. the S&P 500 – Total Enterprise Value / Revenue



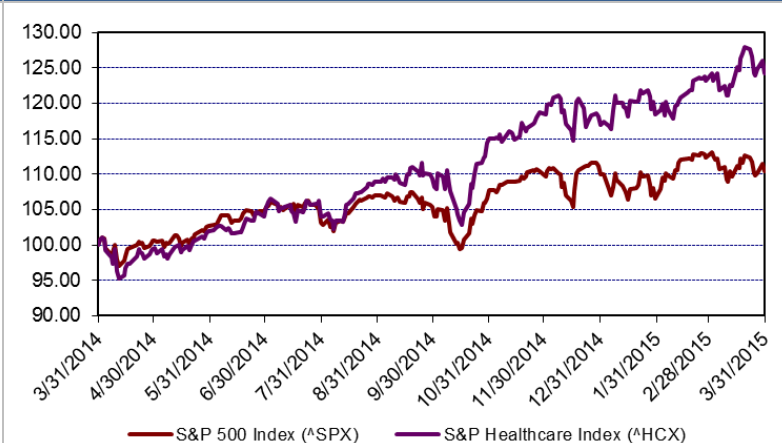
S&P Healthcare Index vs. the S&P 500 – Total Enterprise Value / EBITDA



S&P Healthcare Index vs. the S&P 500 – Price / Diluted EPS



S&P Healthcare Index vs. S&P 500 – Relative Performance (%)



Healthcare Services: Notable Industry Developments

Date	Industry Development
3/31/2015	<p>More PE-owned high yield healthcare companies are projected to go public over the next 18-24 months, according to Moody's. Against the backdrop of a strong U.S. equity market, more PE firms are expected to pursue IPOs of high-yield healthcare companies that they own as exit strategies. Although a private sale offers certain benefits, such as avoiding public company filing fees and regulatory compliance costs, the strong U.S. stock market and the resulting high valuations are making IPOs an increasingly attractive option for sponsors looking to maximize their returns upon exit. This is especially true in healthcare. In the 12 months ended March 31, 2015, the S&P Healthcare Index rose by almost 26%, beating the already strong S&P 500 Index annual return of 12.7%. High enterprise value multiples in certain subsectors, such as contract research organizations and contract manufacturing organizations, will also help motivate financial sponsors to exit via IPOs versus other channels. IPOs could significantly improve credit quality if proceeds are used for debt repayment.</p>
3/31/2015	<p>According the U.S. Census Bureau, by 2030, more than 20% of U.S. residents – or approximately 72 million people – will be 65 or older, compared with 13% in 2010 and 10% in 1970. The number of people in the oldest-old age group – those 85 and over – will grow from 5.9 million in 2012 to 8.9 million in 2030. This shift in demographics is clearly credit positive for the healthcare industry, as an aging population increases demand for healthcare services. Additionally, as life expectancies lengthen, the timeframe over which people consume healthcare will also expand, further increasing the demand for healthcare products and services. But the shift comes at a price. The cost of providing healthcare for one person aged 65 or older is three to five times higher than the cost for someone younger than 65, according to a report by the U.S. Centers for Disease Control and Prevention. Largely because the population will be older, the report states that by 2030, U.S. healthcare expenditures will increase by 25%, excluding account inflation and the higher costs of new technologies. That means that already-strapped payors, like Medicare or private insurers, will increasingly look for ways to cut costs, putting pressure on all types of healthcare providers. Over time, payors may no longer want, or even be able, to foot the bill for procedures that may or may not improve the quality or length of an older person's life.</p>
3/25/2015	<p>Moody's outlook for the medical device industry is stable based on a recent report. The medical device sector's aggregate organic EBITDA is expected to grow approximately 2.5%-3.5% over the next 12 to 18 months. Product launches and initial synergies from acquisitions set to be completed in early 2015 will fuel profitability, offsetting weak hospital volume trends, pricing pressure and negative effects from foreign exchange. New technologies and services that provide value to customers will boost growth. Cardiac and orthopedic companies will benefit as new technologies expand their market share and reduce price erosion. Device-makers must demonstrate that their new products reduce healthcare spending or help hospitals avoid penalties. Hospital volume trends will remain soft and prices will remain under stress. U.S. hospitals, a key customer base for device companies, will benefit from Medicaid expansion programs and reductions in bad debt expenses, but inpatient admissions growth will remain soft, which will constrain growth for the medical device sector. Reimbursement pressure and penalties for re-admissions will likely prompt hospitals to focus on efficiencies and better outcomes.</p>
1/19/2015	<p>The U.S. Department of Health and Human Services (HHS) reported that more than 6.8 million individuals had selected a health plan or re-enrolled in plans through the federal insurance exchange, HealthCare.gov. Continued growth in the number of enrollees is credit positive for for-profit hospital operators as it reduces the number of uninsured patients, which reduces hospitals' bad debt expense. To the degree that newly enrolled individuals were not previously uninsured, but are switching from other coverage, the positive effect on hospital operators is dampened. States with the largest enrollments include Florida and Texas, which bodes well for for-profit operators with significant operations in those states, including HCA Holdings, CHS/Community Health Systems and Tenet Healthcare Corporation. However, because Texas and Florida have yet to expand their Medicaid programs as envisioned under the Affordable Care Act, reductions in hospital bad debt will be limited. Other states with strong enrollment numbers, according to the HHS data, include Pennsylvania and Michigan, which will likely benefit operators in those states, including Community Health Systems and LifePoint Hospitals.</p>

Healthcare Services: Selected M&A Transactions

Alternate Site					
Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
3/30/2015	Sunrise House Foundation, Inc.	American Addiction Centers (NYSE: AAC)	\$7	-	-
American Addiction Centers announced an agreement to acquire Sunrise House Foundation. Sunrise House Foundation operates 92 rehab beds and 18 detox beds on its main campus in Lafayette, New Jersey, and two outpatient treatment programs. A total of 30 halfway house beds are in Franklin and Plainfield, New Jersey facilities.					
3/23/2015	Concentra Inc.	MJ Acquisition Corp.	\$1,055	1.1x	-
MJ Acquisition Corp., a joint venture formed by private equity firm Welsh, Carson, Anderson & Stowe and Select Medical Corporation (NYSE:SEM), has announced an agreement to acquire Concentra from Humana Inc. (NYSE: HUM). Concentra operates urgent care, occupational medicine, physical therapy and primary care programs.					
3/23/2015	United Surgical Partners International	Tenet Healthcare Corporation (NYSE: THC)	\$848	-	-
Tenet Healthcare has announced an agreement to acquire United Surgical Partners International from Welsh, Carson, Anderson & Stowe. The deal creates the largest U.S. provider of ambulatory surgery with 244 ambulatory surgery centers, 16 short-stay surgical hospitals and 20 imaging centers in 29 states.					
3/2/2015	Quality Addiction Management	Acadia Healthcare Company (NASDAQ: ACHC)	\$53	-	-
Acadia Healthcare acquired Quality Addiction Management, an operator of seven comprehensive opioid-dependence treatment centers in Wisconsin, which see approximately 2,600 patients per day.					
2/2/2015	LCA-Vision	Vision Acquisition, LLC	\$40	-	-
Vision Acquisition acquired LCA-Vision from PhotoMedex, Inc. (NASDAQ: PHMD). LCA-Vision operates 59 LasikPlus vision centers in the U.S., including 51 full-service LasikPlus fixed-site laser vision correction centers and eight pre- and post-operative LasikPlus satellite centers.					
2/2/2015	Nine Clinic Physical Therapy Practice	U.S. Physical Therapy, Inc. (NYSE: USPH)	\$7	1.6x	-
U.S. Physical Therapy acquired a 60% interest in a nine-clinic practice. The business generates approximately \$7.4 million in annual revenue, and sees approximately 80,000 patients annually.					

Diagnostic Services

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
3/6/2015	MD Office Solutions, Inc.	Digirad Corporation (NasdaqGM:DRAD)	\$3	1.1x	-
Digirad Corporation acquired MD Office Solutions, a provider of imaging equipment including portable nuclear imaging cameras, vans and other related equipment.					
1/30/2015	Charter Medical, Ltd.	Solexis Medical Technologies	\$30	1.5x	9.1x
Solexis Medical Technologies acquired Charter Medical from Lydall Inc. (NYSE:LDL). Charter Medical designs and supplies single use systems for processing cell based and biologic fluids in biotech and clinical applications for life science and healthcare customers.					
1/26/2015	Vitall, Inc.	CaerVision Global, Inc. (OTCPK:SUGO)	\$-	-	-
CaerVision Global acquired Vitall a developer and manufacturer of a patient-wearable mobile healthcare monitoring device. The company's system gives a picture of patient's health, as well as reports on activity, vital signs, and medication consumption to healthcare providers.					

Healthcare Distributors					
Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
3/2/2015	American Medical Systems Holdings Inc., Men's Health and Prostate Health Businesses	Boston Scientific Corporation (NYSE:BSX)	\$1,650	4.1x	-
Boston Scientific Corporation announced an agreement to acquire the Men's Health and Prostate Health Businesses from American Medical Systems Holdings. American Medical Systems Holdings, Men's Health and Prostate Health Businesses distributes medical devices to physicians for the treatment of urological disorders.					
2/26/2015	BioRx, LLC	Diplomat Pharmacy, Inc. (NYSE:DPLO)	\$350	1.5x	15.2x
Diplomat Pharmacy acquired BioRx from Symmetric Partners, PCR Holdings and others. BioRx is a specialty pharmacy that distributes specialty pharmaceuticals and related supplies; it also provides clinical, reimbursement, infusion, and in-home support services in the U.S.					
2/4/2015	SVS, LLC	Premier, Inc. (NasdaqGS:PINC)	\$36	-	-
Premier acquired the remaining 40% stake in SVS. SVS, doing business as S2S Global, engages in direct sourcing for medical and foodservice products.					

Healthcare Equipment & Supplies

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
3/17/2015	CareFusion Corporation	Becton, Dickinson and Company (NYSE:BDX)	\$12,058	3.1x	13.6x
Becton, Dickinson and Company acquired CareFusion Corporation, a medical technology company that provides various healthcare products and services. It offers product lines in the areas of medication management, infection prevention, operating room effectiveness, and respiratory care.					
3/2/2015	American Medical Systems' Urology business	Boston Scientific Corporation (NYSE: BSX)	\$1,600	4.1x	-
Boston Scientific Corporation has announced an agreement to acquire American Medical Systems' Urology business. American Medical Systems is a subsidiary of Endo International (NASDAQ: ENDP).					
3/2/2015	Ethicon, Inc., Cordis Business	Cardinal Health Inc. (NYSE: CAH)	\$1,944	2.5x	-
Cardinal Health entered into an agreement to acquire certain assets of the Cordis business of Ethicon, a business that develops, manufactures, and distributes medical devices. Ethicon is a subsidiary of Johnson & Johnson (NYSE:JNJ).					
2/25/2015	Branch Medical Group, Inc.	Globus Medical, Inc. (NYSE:GMED)	\$53	2.3x	5.8x
Globus Medical entered into an agreement to acquire Branch Medical Group, a third-party medical device manufacturer, specializing in implants, spinal implants and graphic case solutions. Branch Medical Group is currently Globus' top supplier of complex, high-precision parts for medical devices.					
2/17/2015	Volcano Corporation	Philips Holding USA Inc.	\$1,191	3.0x	-
Philips Holding USA entered into a definitive merger agreement to acquire Volcano Corporation. Volcano Corporation designs, develops, manufactures, and commercializes a suite of precision guided therapy tools worldwide.					
2/2/2015	Celleration, Inc.	Alliqua BioMedical, Inc. (NASDAQ: ALQA)	\$30	5.7x	-
Alliqua BioMedical announced an agreement to acquire Celleration, a medical device company that develops and commercializes therapeutic ultrasound healing technologies in the U.S.					

Healthcare IT

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
3/17/2015	Physicians Practice Plus Inc.	Constellation Healthcare (AIM: CHT)	\$20	1.9x	9.1x
Constellation Healthcare acquired Physicians Practice Plus, a holding company with three subsidiaries, each focused on revenue cycle management, located in Florida, New Jersey and New York. With this acquisition, Constellation gains a foothold in those markets.					
2/25/2015	DR Systems, Inc.	Merge Healthcare Incorporated (NasdaqGS:MRGE)	\$76	-	-
Merge Healthcare acquired DR Systems, a provider of information and image management solutions for healthcare enterprises. It offers radiology solutions, such as Unity RISA solution for managing various imaging-related workflows; automated clinical reporting; PACS for presentation of relevant clinical data; breast imaging; and Unity 3D Processing for image processing clinical needs.					
2/13/2015	HealthLine Systems, Inc.	HealthStream, Inc. (NasdaqGS: HSTM)	\$88	-	-
HealthStream acquired HealthLine Systems, a provider of credentialing software, contact center software and quality management software. HealthStream will form a new, rebranded company that combines HealthLine with its SyMed business.					
1/9/2015	NextCODE Health LLC	WuXi PharmaTech Inc. (NYSE:WX)	\$65	-	-
WuXi PharmaTech acquired NextCODE Health, a sequence-based clinical diagnostics company. It offers a genomics platform that enables physicians to obtain clinical insights to deliver rapid diagnoses for patient cases.					

Hospital Providers

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
3/28/2015	Community Medical Center, Inc.	Billings Clinic; RegionalCare Hospital Partners, Inc.	\$68	-	-
Billings Clinic and RegionalCare Hospital Partners acquired Community Medical Center located in Missoula, Montana. The 151-bed medical center will now operate as a for-profit organization.					
3/27/2015	Carroll Hospital Center	LifeBridge Health	\$-	-	-
LifeBridge acquired Carroll Hospital Center, a 193-bed hospital in Westminster, Maryland. Terms of the transaction were not disclosed.					
3/18/2015	Teton Medical Center	Benefis Health Systems	\$-	-	-
Benefis Health Systems announced an agreement to acquire Teton Medical Center, a critical access hospital in Choteau, Montana. Terms of the transaction were not disclosed.					
3/3/2015	Two South Carolina Hospitals	Medical Properties Trust, Inc. (NYSE: MPW)	\$-	-	-
Medical Properties Trust announced an agreement to acquire 59-bed Chesterfield General Hospital in Cheraw, South Carolina, and 102-bed Marlboro Park Hospital in Bennettsville, South Carolina. Terms of the transaction were not disclosed.					
3/2/2015	Five Oklahoma Hospitals	Community Health Systems (NYSE: CYH)	\$-	-	-
Community Health Systems acquired five Oklahoma hospitals: 53-bed Blackwell Regional Hospital in Blackwell, 56-bed Clinton Regional Hospital in Clinton, 25-bed Marshall County Medical Center in Madill, 52-bed Mayes County Medical Center in Pryor, and 32-bed Seminole Medical Center in Seminole. Terms of the transaction were not disclosed.					
3/2/2015	Mercy Suburban Hospital	Prime Healthcare Services	\$30	-	-
Prime Healthcare Services announced an agreement to acquire 126-bed Mercy Suburban Hospital in Philadelphia, Pennsylvania. Mercy Suburban Hospital is an affiliate of Mercy Health System of Southeastern Pennsylvania.					
2/26/2015	Mineral Area Regional Medical Center	BJC Health System, Inc.	\$-	-	-
BJC Health System announced an agreement to acquire Mineral Area Regional Medical Center from Capella Healthcare, Inc. Mineral Area Regional Medical Center has 127 beds and is located in Farmington, Missouri. Terms of the transaction were not disclosed.					

Hospital Providers (cont.)

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
2/16/2015	Jameson Health System	University of Pittsburgh Medical Center	\$-	-	-
University of Pittsburgh Medical Center announced an agreement to acquire Jameson Health System, which includes 254-bed Jameson Hospital North Campus and Jameson Hospital South Campus. Jameson Health System is located in New Castle, Pennsylvania. Terms of the transaction were not disclosed.					
2/9/2015	Alexian Brothers Health System	Adventist Midwest Health	\$-	-	-
Alexian Brothers Health System, part of St. Louis-based Ascension, and Adventist Midwest Health, part of Adventist Health System, Altamonte Springs, Florida, announced that they have completed all the legal and regulatory steps to make their Joint Operating Company official, creating the third-largest health system in Illinois.					
2/2/2015	Carson Health	Sparrow Health Systems	\$-	-	-
Sparrow Health Systems acquired Carson Health in Carson City, Missouri. Carson Health includes a 61-bed acute-care hospital and 16 physician practices. Terms of the transaction were not disclosed.					
1/29/2015	Hackettstown Regional Medical Center	Atlantic Health System, Inc.	\$54	-	-
Atlantic Health System agreed to acquire Hackettstown Regional Medical Center from Adventist Healthcare. Hackettstown Regional Medical Center is a 91-bed hospital located in Hackettstown, New Jersey.					
1/23/2015	Metro Health Hospital	Community Health Systems, Inc.	\$-	-	-
Community Health Systems announced an agreement to acquire 208-bed Metro Health Hospital in Wyoming, Michigan. Terms of the transaction were not disclosed.					
1/21/2015	Lincoln County Medical Center	Mercy Health	\$-	-	-
Mercy Health announced an agreement to acquire 25-bed Lincoln County Medical Center located in Troy, Missouri. Terms of the transaction were not disclosed.					
1/16/2015	Southlake Hospital	Griffin-American Healthcare REIT III	\$128	-	-
Griffin-American Healthcare acquired Southlake Hospital, a 70-bed acute care hospital located in Southlake, Texas. The hospital consists of 142,000 square feet and 10.6 acres.					

Hospital Providers (cont.)

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
1/14/2015	Johnson Memorial Medical Center, Inc.	Saint Francis Care, Inc.	\$24	-	-
Saint Francis Care announced an agreement to acquire Johnson Memorial Medical Center. Johnson Memorial Medical Center is a 92-bed hospital located in in Stafford Springs, Connecticut.					
1/13/2015	Southampton Hospital	Stony Brook University Hospital	\$-	-	-
Stony Brook University Hospital announced an agreement to acquire Southampton Hospital, in Southampton, New York. Terms of the transaction were not disclosed.					
1/9/2015	McCullough-Hyde Memorial Hospital	TriHealth, Inc.	\$17	-	-
TriHealth acquired 60% of McCullough-Hyde Memorial Hospital, a 60-bed acute care hospital. McCullough-Hyde Memorial Hospital is located in Oxford, Ohio.					
1/8/2015	Nason Hospital	Conemaugh Health System	\$12	-	-
Conemaugh Health System, a subsidiary of Lifepoint Hospitals Inc. (NasdaqGS: LPNT), acquired Nason Hospital, a 44-bed acute care hospital which services the communities in Blair, Bedford and Huntingdon counties in central Pennsylvania. Nason Hospital is located in Roaring Spring, Pennsylvania.					
1/6/2015	Crittenton Hospital Medical Center	Ascension Health Michigan	\$-	-	-
Ascension Health Michigan announced an agreement to acquire Crittenton Hospital Medical Center. Crittenton Hospital Medical Center is a 290 bed acute care hospital in Rochester, Michigan. Terms of the transaction were not disclosed.					
1/1/2015	Wabash County Hospital	Parkview Health	\$-	-	-
Parkview Health acquired Wabash County Hospital, a 25 bed hospital located in Wabash, Indiana. Terms of the transaction were not disclosed.					

Long-Term Care					
Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
3/31/2015	Hollinger North Portfolio	Care Investment Trust, LLC	\$54	-	-
Care Investment Trust has acquired the Hollinger North Portfolio, this portfolio includes three assisted living communities in Maryland, plus one each in New Jersey, Pennsylvania and Virginia. The average occupancy is 94%, and the facilities were built between 1986 and 2002.					
3/30/2015	HCR ManorCare, Inc., Nine Specified Facilities	HCP, Inc. (NYSE:HCP)	\$275	-	-
HCP announced an agreement to acquire nine specified facilities from HCR ManorCare. HCR ManorCare and its subsidiaries provide a range of healthcare services in the U.S. Its services include post-acute care, skilled nursing care, assisted living, hospice care, home health care, and rehabilitation therapy.					
3/17/2015	CSH Master Care USA Inc.	HCP, Inc. (NYSE: HCP); Brookdale Senior Living Inc. (NYSE: BKD)	\$849	-	-
HCP and Brookdale Senior Living entered into a definitive agreement to acquire CSH Master Care USA from Chartwell Retirement Residences (TSX:CSH.UN). This portfolio includes 33 owned and two leased properties located in Florida (13), Texas (9), Colorado (6), Ohio (3) and one each in Michigan, Virginia, Rhode Island and Tennessee.					
2/2/2015	Gentiva Health Services Inc.	Kindred Healthcare Inc. (NYSE:KND)	\$1,792	0.9x	11.6x
Kindred Healthcare entered into an agreement to acquire Gentiva Health Services. Gentiva Health Services provides home health, hospice, and community care services in the U.S.					
1/30/2015	Coventry Village	Senior Housing Properties Trust (NYSE:SNH)	\$40	-	-
Senior Housing Properties Trust acquired Coventry Village from Harris Webber Ltd. Coventry Village comprises a 176-unit senior housing community in Wisconsin.					

Managed Care

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
3/30/2015	Catamaran Corporation (NASDAQ: CTRX)	OptumRx	\$13,215	0.6x	15.6x
OptumRx, the free-standing pharmacy care business of UnitedHealth Group (NYSE: UNH), announced an agreement to acquire Catamaran, a pharmacy benefit management services and healthcare information technology company. The combination is expected to create a dynamic competitor in the PBM market.					
3/18/2015	4D Pharmacy Management Systems, Inc.	Magellan Health, Inc. (NASDAQ: MGLN)	\$85	-	-
Magellan Health acquired 4D Pharmacy Management Systems, a full-service pharmacy benefits management company serving managed care organizations, employers and government-sponsored benefit programs, such as Medicare Part D plans.					
2/26/2015	Healthcare Solutions, Inc.	Catamaran Corporation (NASDAQ: CTRX)	\$405	-	-
Catamaran Corporation acquired Healthcare Solutions, a portfolio company of Brazos Private Equity Partners. Healthcare Solutions provides pharmacy benefit management and specialty services to the workers' compensation industry.					
2/11/2015	Envision Pharmaceutical Services, Inc.	Rite Aid Corporation (NYSE: RAD)	\$2,011	-	-
Rite Aid Corporation announced an agreement to acquire Envision Pharmaceutical Services, a portfolio company of TPG that provides pharmacy benefit management options, as well as mail-order and specialty pharmacy services, a claims adjudication software platform and a Medicare Part D drug plan.					
1/28/2015	Premier Healthcare Exchange, Inc.	Performant Financial Corporation (NASDAQ: PFMT)	\$130	-	-
Performant Financial announced an agreement to acquire Premier Healthcare Exchange, a provider of healthcare cost management solutions for more than 200 commercial health plans and third-party administrators. The combined company expects to enter new markets and leverage its existing audit and recovery infrastructure.					

Healthcare Services: Valuation Metrics by Sector

Ticker	Company Name	Stock Price	52 - Week		% of 52 Week High	Market Cap (\$ mm)	Enterprise Value (\$ mm)	Enterprise Value to:		P/E
			High	Low				LTM Revenue	LTM EBITDA	
<u>Alternate Site ^[1]</u>										
AMED	Amedisys Inc.	\$26.78	\$31.27	\$12.86	85.7%	\$901.8	\$1,010.7	0.9x	14.6x	67.0x
AMSG	AmSurg Corp.	61.52	65.03	40.00	94.6%	2,918.8	5,731.2	3.5x	11.8x	48.3x
DVA	DaVita HealthCare Partners Inc.	81.28	83.04	66.60	97.9%	17,540.2	25,762.2	2.0x	10.6x	24.4x
DB:FME	Fresenius Medical Care AG & Co. KGAA	69.08	87.10	50.27	79.3%	25,181.7	34,167.9	2.4x	13.0x	27.1x
IPCM	IPC Healthcare, Inc.	46.64	50.66	36.12	92.1%	806.1	871.2	1.3x	12.0x	21.1x
Mean								2.0x	12.4x	24.2x
<u>Diagnostic Services ^[2]</u>										
AIQ	Alliance Healthcare Services, Inc.	\$22.18	\$34.46	\$18.92	64.4%	\$234.1	\$766.8	1.8x	6.1x	22.6x
BRLI	Bio-Reference Laboratories Inc.	35.24	36.75	24.19	95.9%	978.9	1,011.9	1.2x	8.8x	19.5x
LH	Laboratory Corp. of America Holdings	126.09	131.19	95.12	96.1%	12,646.8	15,114.3	2.5x	12.8x	21.3x
DGX	Quest Diagnostics Inc.	76.85	78.33	54.90	98.1%	11,090.3	14,717.3	2.0x	10.3x	20.3x
RDNT	RadNet, Inc.	8.40	10.35	2.82	81.2%	366.6	966.2	1.3x	7.9x	280.0x
Mean								1.8x	9.2x	20.9x
<u>Healthcare Distributors</u>										
ABC	AmerisourceBergen Corporation	\$113.67	\$114.73	\$62.55	99.1%	\$24,962.5	\$24,659.6	0.2x	17.5x	NM
CAH	Cardinal Health, Inc.	90.27	91.59	63.06	98.6%	29,800.9	30,895.9	0.3x	12.7x	27.9x
HSIC	Henry Schein, Inc.	139.62	143.89	109.34	97.0%	11,700.4	12,909.8	1.2x	14.7x	25.7x
MCK	McKesson Corporation	226.20	232.69	162.90	97.2%	52,669.5	60,009.5	0.3x	15.3x	30.9x
OCR	Omnicare Inc.	77.06	79.70	57.00	96.7%	7,483.7	9,445.9	1.5x	12.7x	44.4x
OMI	Owens & Minor Inc.	33.84	36.35	31.55	93.1%	2,136.5	2,688.2	0.3x	11.3x	31.9x
SRCL	Stericycle, Inc.	140.43	141.44	108.62	99.3%	11,928.3	13,587.0	5.3x	18.9x	37.1x
TMO	Thermo Fisher Scientific, Inc.	134.34	139.03	107.33	96.6%	53,303.8	66,519.5	3.9x	16.8x	28.5x
Mean								1.6x	15.0x	32.3x
<u>Healthcare Equip. & Supplies ^[3]</u>										
ABT	Abbott Laboratories	\$46.33	\$47.88	\$36.65	96.8%	\$69,911.0	\$73,409.0	3.6x	16.7x	41.4x
BAX	Baxter International Inc.	68.50	77.31	65.95	88.6%	37,231.9	43,646.9	2.6x	10.2x	19.2x
BDX	Becton, Dickinson and Company	143.59	149.98	111.07	95.7%	29,983.2	31,331.2	3.7x	14.5x	24.7x
BSX	Boston Scientific Corporation	17.75	18.17	11.10	97.7%	23,770.5	27,442.5	3.8x	16.4x	NM
BEAT	BioTelemetry, Inc.	8.85	11.33	6.42	78.1%	238.3	243.2	1.5x	16.6x	NM
JNJ	Johnson & Johnson	100.60	109.49	95.10	91.9%	279,717.2	265,388.2	3.6x	10.6x	17.6x
MDT	Medtronic plc	77.99	79.50	55.85	98.1%	111,150.3	108,889.3	6.3x	19.1x	25.0x
SIE	Siemens Aktiengesellschaft	108.02	114.20	86.27	94.6%	90,223.9	102,885.4	1.3x	11.4x	17.0x
STJ	St. Jude Medical Inc.	65.40	71.90	54.80	91.0%	18,320.0	20,759.0	3.7x	11.8x	18.9x
Mean								3.0x	14.1x	23.4x
[1] AMSG PE multiple is excluded from the mean. AMED PE multiple is excluded from the mean.										

[1] AMSG PE multiple is excluded from the mean. AMED PE multiple is excluded from the mean.

[2] RDNT PE multiple is excluded from the mean.

[3] MDT revenue multiple is excluded from the mean.

Healthcare Services: Valuation Metrics by Sector (cont.)

Ticker	Company Name	Stock Price	52 - Week		% of 52 Week High	Market Cap (\$ mm)	Enterprise Value (\$ mm)	Enterprise Value to:		P/E
			High	Low				LTM Revenue	LTM EBITDA	
Healthcare IT ^[4]										
MDRX	Allscripts Healthcare Solutions, Inc.	\$11.96	\$18.40	\$11.00	65.0%	\$2,159.0	\$2,682.1	1.9x	47.1x	NM
ATHN	athenahealth, Inc.	119.39	168.18	97.30	71.0%	4,560.2	4,653.7	6.2x	75.6x	NM
CERN	Cerner Corporation	73.26	74.83	48.39	97.9%	25,098.0	23,807.5	7.2x	24.7x	48.8x
CPSI	Computer Programs & Systems Inc.	54.26	67.42	47.40	80.5%	614.0	579.5	2.8x	10.9x	18.5x
HMSY	HIMS Holdings Corp.	15.45	23.69	15.10	65.2%	1,365.1	1,429.8	3.2x	16.3x	97.1x
MDAS	MedAssets, Inc.	18.82	25.57	17.00	73.6%	1,133.4	2,011.0	2.8x	9.3x	NM
OMCL	Omnicell, Inc.	35.10	35.79	25.00	98.1%	1,269.4	1,143.5	2.6x	17.2x	42.3x
QSII	Quality Systems Inc.	15.98	18.89	13.01	84.6%	963.4	838.5	1.8x	19.5x	44.4x
WBMD	WebMD Health Corp.	43.84	53.30	34.48	82.2%	1,554.1	1,799.5	3.1x	15.9x	45.0x
Mean								2.6x	16.3x	39.8x
Hospital Providers ^[5]										
CYH	Community Health Systems, Inc.	\$52.28	\$57.72	\$34.55	90.6%	\$6,104.1	\$23,190.1	1.2x	8.3x	39.6x
HCA	HCA Holdings, Inc.	75.23	78.44	47.79	95.9%	31,559.3	62,169.3	1.7x	8.4x	18.1x
LPNT	Lifepoint Hospitals Inc.	73.45	77.84	50.51	94.4%	3,246.4	5,387.8	1.2x	9.3x	27.3x
THC	Tenet Healthcare Corp.	49.51	63.61	37.95	77.8%	4,909.1	17,058.1	1.0x	8.7x	145.6x
UHS	Universal Health Services Inc.	117.71	121.95	73.06	96.5%	11,646.7	15,187.8	1.9x	10.3x	21.7x
Mean								1.4x	9.0x	26.7x
Long-Term Care / Senior Living										
BKD	Brookdale Senior Living Inc.	\$37.76	\$38.96	\$29.50	96.9%	\$6,929.1	\$13,091.5	3.9x	21.6x	14.7x
CSU	Capital Senior Living Corp.	25.94	26.85	20.33	96.6%	755.1	1,388.5	3.7x	21.8x	19.4x
DVCR	Diversicare Healthcare Services Inc.	13.85	13.95	5.75	99.3%	85.3	130.5	0.4x	6.4x	13.6x
ENSG	The Ensign Group, Inc.	46.86	48.00	26.02	97.6%	1,176.9	1,187.8	1.2x	12.0x	30.0x
GEN	Genesis Healthcare, Inc.	7.12	9.32	6.72	76.4%	1,093.3	5,445.4	1.1x	13.7x	NM
KND	Kindred Healthcare Inc.	23.79	26.81	16.94	88.7%	1,884.8	4,541.9	0.9x	13.2x	NM
Mean								1.9x	14.8x	19.4x
Managed Care										
AET	Aetna Inc.	\$106.53	\$109.90	\$66.85	96.9%	\$37,466.6	\$45,725.3	0.8x	9.7x	18.8x
CI	Cigna Corp.	129.44	131.13	73.47	98.7%	33,462.7	37,299.7	1.1x	9.6x	16.5x
ESRX	Express Scripts Holding Company	86.77	88.83	64.64	97.7%	63,237.4	74,982.6	0.7x	11.2x	32.9x
HNT	Health Net, Inc.	60.49	61.55	30.39	98.3%	4,651.9	4,282.2	0.3x	12.3x	33.6x
HUM	Humana Inc.	178.02	183.05	103.89	97.3%	26,636.8	28,860.8	0.6x	11.0x	24.2x
UNH	UnitedHealth Group Incorporated	118.29	123.76	73.61	95.6%	112,812.6	124,166.6	1.0x	11.0x	20.8x
ANTM	Anthem, Inc.	154.41	160.64	90.75	96.1%	41,194.6	55,710.4	0.8x	10.0x	17.2x
Mean								0.7x	10.7x	23.4x
OVERALL SECTOR								1.9x	12.7x	26.3x

[4] ATHN and CERN revenue multiples, MDRX and ATHN EBITDA multiples, and the HMSY PE multiple are excluded from the mean.

[5] THC PE multiple is excluded from the mean.

[4] ATHN and CERN revenue multiples, MDRX and ATHN EBITDA multiples, and the HMSY PE multiple are excluded from the mean.

[5] THC PE multiple is excluded from the mean.

Notes

- Sources: Capital IQ, Bond Buyer, Bloomberg, company 10-K, 10-Q and 8-K SEC filings, annual reports, press releases, and others as indicated.
- Any public companies chosen for the “SCA Healthcare Services Universe” are companies commonly used for industry information to show performance within a sector. They do not include all public companies that could be categorized within the sector and were not created as benchmarks; they do not imply benchmarking and do not constitute recommendations for a particular security and/or sector. The charts and graphs used in this report have been compiled by SOLIC Capital Advisors solely for purposes of illustration.

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Recent Representative Transactions *

<p>\$690,600,000</p> <p>Sale of Assets on behalf of</p>  <p>MedCath Corporation (Nasdaq: MDTH)</p> <p>Sell Side Advisor</p>	<p>\$83,800,000</p>  <p>HEART HOSPITAL of AUSTIN</p> <p>has been acquired by</p> <p>St. David's Healthcare Partnership, L.P.</p> <p>Sell Side Advisor</p>	<p>\$156,000,000</p>  <p>SUMNER Regional Health Systems, Inc.</p> <p>has been acquired by</p>  <p>LIFEPOINT HOSPITALS*</p> <p>Sell Side Advisor</p>	<p>\$75,000,000</p>  <p>Community Memorial Healthcenter</p> <p>has affiliated with</p>  <p>VCU Medical Center Virginia Commonwealth University Health System</p> <p>Financial Advisor to Community Memorial Healthcenter</p>	<p>\$58,500,000</p>  <p>Morton Hospital And Medical Center</p> <p>has been acquired by</p>  <p>Steward Health Care System LLC</p> <p>Sell Side Advisor</p>
<p>\$31,000,000</p>  <p>HUALAPAI MOUNTAIN MEDICAL CENTER</p> <p>has been acquired by</p>  <p>KINGMAN REGIONAL MEDICAL CENTER Serving Our Community with Compassion and Commitment</p> <p>Sell Side Advisor</p>	<p>\$73,000,000</p>  <p>ARKANSAS HEART HOSPITAL*</p> <p>has been acquired by</p> <p>AR-MED, LLC</p> <p>Sell Side Advisor</p>	<p>\$830,000,000</p>  <p>Caritas CARITAS CHRISTI HEALTH CARE</p> <p>has been acquired by</p>  <p>Steward Health Care System LLC</p> <p>Sell Side Advisor</p>	<p>\$38,000,000</p>  <p>QUINCY MEDICAL CENTER</p> <p>has been acquired by</p>  <p>Steward Health Care System LLC</p> <p>Sell Side Advisor</p>	<p>\$206,900,000</p>  <p>TOMBALL REGIONAL MEDICAL CENTER</p> <p>has been acquired by</p>  <p>CHS Community Health Systems</p> <p>Sell Side Advisor</p>
 <p>ROCKFORD HEALTH system</p> <p>has merged with</p>  <p>MERCY HEALTH SYSTEM</p> <p>With all our heart. With all our mind.®</p> <p>Financial Advisor to Rockford Health System</p>	 <p>Winchester Hospital Advancing Health. Advancing Care.</p> <p>has affiliated with</p>  <p>Lahey Health</p> <p>Financial Advisor to Winchester Hospital</p>	<p>\$86,400,000</p> <p>An equity interest in</p>  <p>Avera Heart Hospital of South Dakota</p> <p>has been acquired by</p>  <p>Avera</p> <p>Sell Side Advisor</p>	<p>\$25,000,000</p>  <p>MedCath</p> <p>MedCath Partners Division</p> <p>has been acquired by</p>  <p>DLP Cardiac Partners Duke LifePoint Healthcare</p> <p>Sell Side Advisor</p>	<p>\$38,100,000</p>  <p>CARDIOVASCULAR CARE GROUP</p> <p>has acquired MedCath's equity interest and secured loan in</p>  <p>BAKERSFIELD HEART HOSPITAL</p> <p>Sell Side Advisor</p>
<p>\$76,250,000</p>  <p>TEXSAN HEART HOSPITAL</p> <p>has been acquired by</p>  <p>METHODIST HEALTHCARE SYSTEM San Antonio, Texas</p> <p>Sell Side Advisor</p>	<p>\$62,600,000</p>  <p>HARLINGEN MEDICAL CENTER</p> <p>has been acquired by</p>  <p>PRIME HEALTHCARE SERVICES, INC.</p> <p>Sell Side Advisor</p>	 <p>United Surgical Partners INTERNATIONAL</p> <p>has acquired an interest in</p>  <p>SIOUXLAND SURGERY CENTER</p> <p>Financial Advisor to Physician Members of Siouxland Surgery Center</p>	<p>\$32,000,000</p>  <p>ARIZONA HEART HOSPITAL</p> <p>has been acquired by</p>  <p>VANGUARD HEALTH SYSTEMS</p> <p>Sell Side Advisor</p>	<p>\$119,000,000</p>  <p>HEART HOSPITAL of NEW MEXICO</p> <p>has been acquired by</p>  <p>Lovelace Health System</p> <p>Sell Side Advisor</p>

* Includes transactions led by the team of SOLIC professionals at predecessor firms