



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>	15

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).

February, 2015

With more than \$386.7 billion and 1,256 deals, 2014 healthcare M&A volume was the largest in this century, according to preliminary figures from Irving Levin Associates, Inc. The combination of robust levels of private equity (over \$1.2 trillion dollars committed to private equity funds as of Q4 2014, according to *Preqin*) and favorable credit markets helped spur deal activity during the year. For global institutions, the favorable corporate tax rates for companies domiciled overseas accelerated transaction volume.

M&A in 2014 demonstrated the continued growth of billion-dollar-plus deals. This year boasted 46 billion-dollar-plus transactions, totaling \$325.2 billion, which accounted for 84% of the year's announced spend. In 2013, the 33 billion-dollar-plus acquisitions added up to \$118.2 billion, a 72% share of the year's \$163.7 billion total. In 2012, which had a higher transaction total (1,114) but lower spending (\$143.9 billion), the 31 billion-dollar deals announced then accounted for 60% of the total.

In 2014, two sectors broke all previous records for transaction volume and value: Long-Term Care and Pharmaceuticals. Long-Term Care reached 288 deals and \$29.1 billion in dollar volume. The sector, which has only had two billion-dollar-plus transactions in the two previous years, had five transactions over the billion-dollar mark in 2014. The two largest acquisitions were REIT to REIT transactions, as NorthStar Realty Finance Corp. (NASDAQ: NRF) paid \$4 billion for Griffin-American Healthcare REIT II in August 2014 and Omega Healthcare Investors (NYSE: OHI) paid \$3.0 billion for Aviv REIT (NYSE: AVIV) in October 2014. In July 2014, Brookdale Senior Living (NYSE: BKD) acquired rival Emeritus Corporation (NYSE: ESC) for \$2.8 billion, creating the largest senior care and housing company in the country. In 2014, the Pharmaceuticals sector broke all previous records with 186 transactions and \$213.2 billion in dollar volume. Pharmaceuticals acquisitions made up 15% of the annual volume, and 55% of the total spending. The largest transaction of the year, Actavis plc's (NYSE: ACT) acquisition of Allergan (NYSE: AGN) was the largest consummated, at \$66.0 billion.

In Q4 2014, there were 341 deals announced with a dollar volume of \$138.3 billion. The quarter contributed 27% of the year's transaction activity, and 36% of the total spending. Compared with the previous quarter, which was uncharacteristically busy for summer months, Q4 2014 transaction volume showed only 3% growth. Compared with Q4 2013, however, Q4 2014 showed solid growth in deal volume, up 18% year over year. Long Term Care accounted for 24% of the Q4 total acquisition activity, up 4% over the same period a year prior. The Hospital sector generated 29 deals in Q4, approximately 9% of the quarter's total, up 123% from Q4 2013.

With favorable credit markets and cash-rich corporate balance sheets, M&A in the healthcare industry is expected to continue to grow in 2015. The response to the Patient Protection and Affordable Care Act along with the need for consolidation of core businesses and competition will be some of the biggest drivers of M&A activity for healthcare providers and payers. M&A and alignments among hospitals and healthcare providers is expected to remain brisk in 2015. The benefit of size and scale to reduce per-unit shared service costs, continued shifts in value-based reimbursement creating clinical efficiencies and gaining access to larger patient populations will continue to drive consolidation in the acute care space.

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



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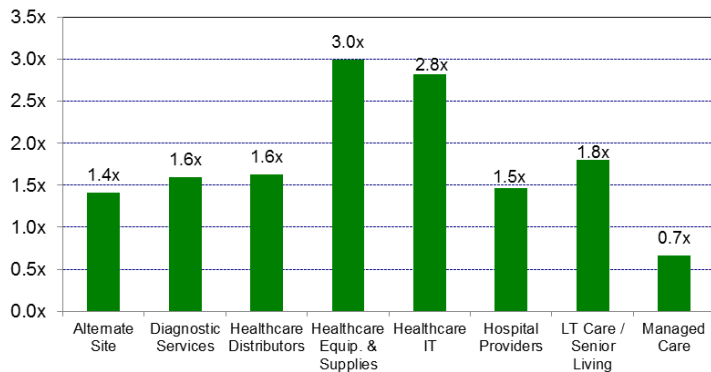
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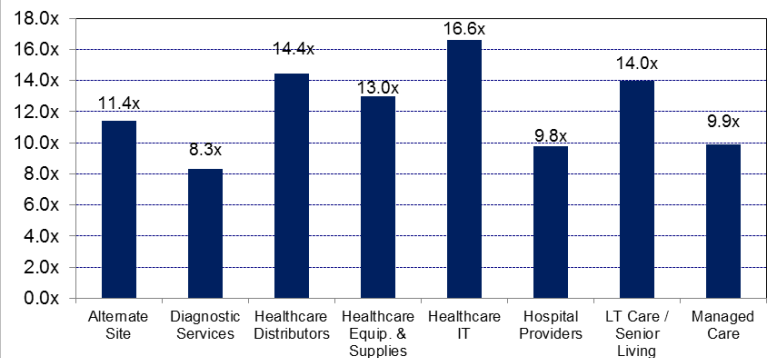
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Healthcare Services: Market Overview

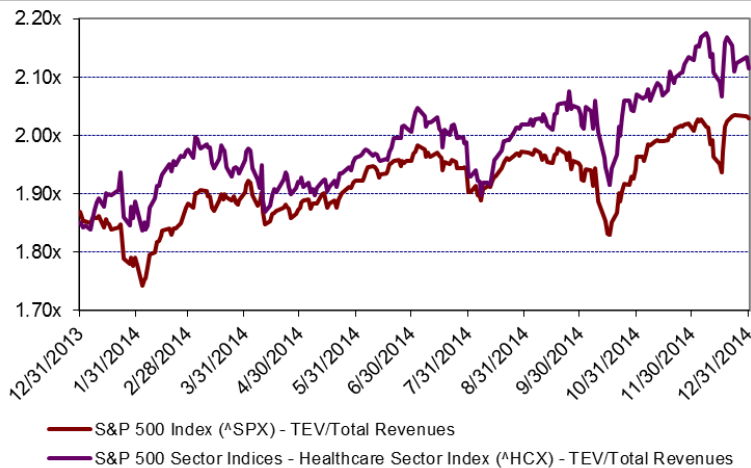
Enterprise Value to Revenue



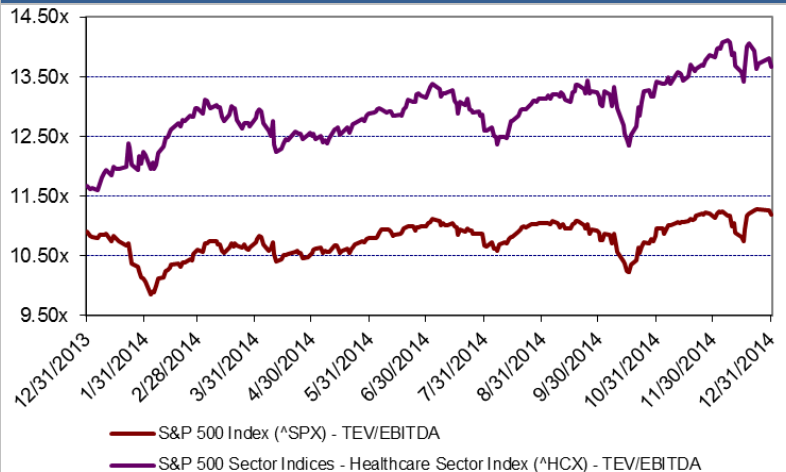
Enterprise Value to EBITDA



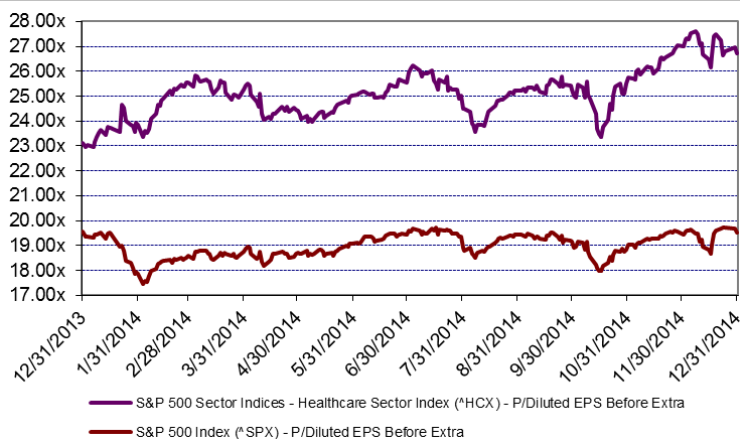
S&P Healthcare Index vs. the S&P 500 – Total Enterprise Value / Revenue



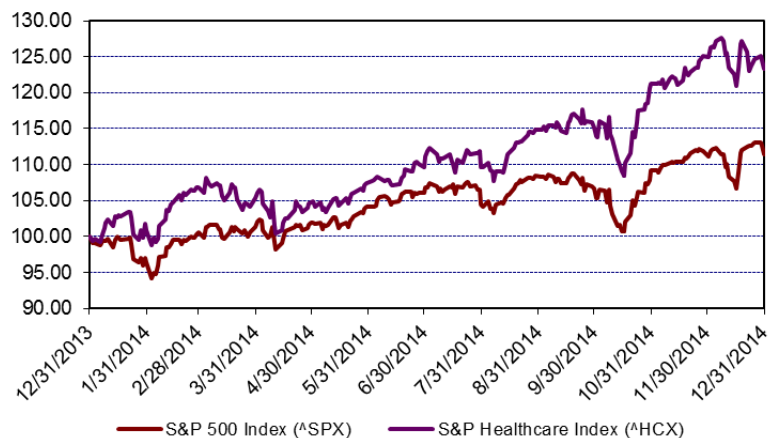
S&P Healthcare Index vs. the S&P 500 – Total Enterprise Value / EBITDA



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
12/23/2014	Based on a recent article from <i>Hospital 100</i> , regulatory challenges have become more prevalent, often causing significant delays and, in some cases, abandoned efforts. Regulatory issues related to hospital transactions continue to increase as (i) antitrust continues to be a major factor, (ii) self-disclosures related to due diligence of physician alignment are becoming common place, and (iii) for-profit acquisitions are occurring in states where not prevalent previously. Antitrust challenges have prevented, or resulted in the unwinding of, a number of major transactions. HCA attempted to acquire two Ascension Health hospitals in the Kansas City area, but after a lengthy FTC review process, the parties abandoned the transaction. After the FTC first filed a complaint related to HCA's sale of its Palmyra Park Hospital to Phoebe Putney Memorial Hospital in 2011, it appeared a resolution had been reached in early 2014. However, the FTC reversed course in terms of allowing the sale, and another hearing is now set for February 2015. In addition to FTC issues, self-disclosures related to physician arrangements have regularly been discovered in due diligence and may extend the timing from announcement of a transaction to closing. In the midst of Vanguard Health Systems' transaction with Detroit Medical Center, possible anti-kickback violations were identified ultimately leading to a \$30 million payment by Detroit Medical Center to the U.S. government.
12/18/2014	Continuing negative pressures in the U.S. nonprofit healthcare sector will drive credit quality in the sector in 2015 which, according to a recent S&P report, will result in more downgrades than upgrades for the year. Organizations will find that negative pressures are broad based and, on average, are weighing credit quality down. When combined with the longer time required to improve operations, providers will likely be unable to implement robust positive countermeasures. Solid positives in select circumstances such as Medicaid expansion, M&A activity and improved balance sheets, will help some healthcare sector participants. Even the strongest hospitals and health systems are, at best, only likely to hold existing margin and reserve levels, while weaker providers will likely see ongoing operating margin and cash flow erosion and eventually balance sheet pressure leading to rating deterioration, which has already materialized and will continue into 2015.
12/09/2014	Fitch is maintaining its negative sector outlook for nonprofit hospitals and healthcare systems in 2015. The negative sector outlook reflects the ongoing uncertainties surrounding the implementation and legality of key provisions of the ACA and continued movement toward value-based reimbursement models. However, Fitch is maintaining its stable rating outlook for the sector, as it expects the vast majority of rating actions and outlooks in 2015 to be affirmations and stable, respectively, reflecting the ability of hospital and health systems rated by Fitch to maintain adequate profitability, despite continued pressure on reimbursement, softening inpatient volumes and ongoing challenges to the validity and legality of key provisions of the ACA. Many of the key factors that pressured hospital utilization, particularly inpatient admissions and surgeries in 2013 and 2014, remain in place for 2015. Fitch believes that the combination of Medicare's value-based payment reforms, the continued shift from inpatient settings to outpatient settings and the further migration toward HDHPs will continue to pressure inpatient volumes. Provider emphasis on population health management, better management of chronic conditions in the community and enhancing coordination of care across the continuum of care (such as rehabilitation, home health and primary care) will lead to more healthcare services delivered in non-acute care settings. Additionally, continued advancement in surgical technology and procedures will contribute to a further shift in traditional inpatient procedures to be delivered in less costly outpatient settings.
12/02/2014	In a December 2014 report, Moody's assigned a negative outlook for the U.S. not-for-profit healthcare sector reflecting their expectations that the financial and economic conditions in the sector will remain weak over the next 12-18 months. After falling each year, from a recent high of 7% in 2009, Moody's expects operating cash flow growth will be low, but relatively stable over the next two years, ranging from -0.5% to +1.5%. This forecast reflects weak revenue growth stemming from a variety of reimbursement pressures and margin contraction related to investments that hospitals are making to comply with the ACA and new reimbursement models. Operating margins are projected to weaken in 2015 due to investments in physician practices, IT systems and other strategic resources that will continue to pressure margins. Revenue growth is estimated to remain low in 2015. Median top-line revenue growth is projected to be below 4%, which is in line with the last several years, but well below historical norms of 6% to 8% prior to 2009. In recent years, acquisitions and various nonrecurring payments have supported revenue growth.

Healthcare Services: Selected M&A Transactions

Alternate Site					
Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/2/2014	Gastroenterology Anesthesia	CRH Medical Corporation (TSX:CRH)	\$58	-	-
CRH Medical Corporation acquired Gastroenterology Anesthesia Associates, a provider of anesthesiology services to gastroenterologists in the southeastern U.S. This acquisition increases brand awareness for CRH and the specialized products that they offer.					
10/29/2014	CRC Health Group, Inc.	Acadia Healthcare Company, Inc. (NasdaqGS:ACHC)	\$1,208	-	-
Acadia Healthcare Company announced an agreement to acquire CRC Health Group, a provider of specialized behavioral care services in the U.S. The company was founded in 1995 and is headquartered in Cupertino, California.					
10/29/2014	The NEXus Medical Group, LLC	American Anesthesiology, Inc.	\$-	-	-
American Anesthesiology announced an agreement to acquire The NEXus Medical Group, a provider of anesthesia and peri-operative medical care services in the U.S. The NEXus Medical Group was founded in 2003 and is based in Macon, Georgia. Terms of the transaction were not disclosed.					

Diagnostic Services

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/31/2014	Boston Heart Diagnostics Corporation	Eurofins Scientific SA (ENXTPA:ERF)	\$200	-	-
Eurofins Scientific SA acquired Boston Heart Diagnostics Corporation, a developer of lipid tests and methodologies for cardiovascular risk assessment and disease management. The company was founded in 2007 and is based in Framingham, Massachusetts.					
12/19/2014	Ariosa Diagnostics, Inc.	Roche Holding AG (SWX:ROG)	\$-	-	-
Roche Holding AG acquired Ariosa Diagnostics, a commercial-stage molecular diagnostics company that focuses on developing and delivering genetic testing for patient care in the U.S., Europe, and internationally. Ariosa Diagnostics, Inc. was founded in 2008 and is headquartered in San Jose, California. Terms of the transaction were not disclosed.					
11/6/2014	eRAD Image Medical, Inc.	The Jackson Clinic	\$-	-	-
The Jackson Clinic acquired eRAD Image Medical, a provider of web-centric radiology image and data management solutions. Terms of the transaction were not disclosed.					
11/3/2014	Covance Inc.	Laboratory Corp. of America (NYSE:LH)	\$5,600	-	-
Laboratory Corp. of America (LabCorp) announced an agreement to acquire Covance, one of the largest providers of contract medical research. The acquisition of Covance will greatly increase LabCorp's presence in the drug development research and animal testing industry. The deal is expected to close within the first three months of 2015.					
11/3/2014	RedPath Integrated Pathology, Inc.	Interpace Diagnostics, LLC	\$35	-	-
Interpace Diagnostics acquired RedPath Integrated Pathology, a commercial diagnostics laboratory that provides molecular diagnostic and clinical testing services for gastroenterologists, pathologists, and other clinicians to diagnose cancer.					
10/6/2014	Wave Imaging, LLC	MemorialCare Medical Foundation	\$-	-	-
MemorialCare Medical Foundation acquired Wave Imaging, an owner and operator of diagnostic imaging centers in the U.S. Terms of the transaction were not disclosed.					
10/6/2014	Strategic Medical Inc., Three Imaging Centers	Wave Imaging, LLC	\$-	-	-
Wave Imaging announced an agreement to acquire three imaging centers from Strategic Medical. Strategic Medical's three imaging centers offer diagnostic imaging technologies and services, all located in the U.S. Terms of the transaction were not disclosed.					

Healthcare Distributors

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/1/2014	PIMD International LLC	ScriptsAmerica, Inc. (OTCPK:SCRC)	\$-	-	-
ScriptsAmerica announced an agreement to acquire PIMD International, a distributor of pharmaceuticals and medical devices for healthcare establishments and medical clinics in the U.S. Terms of the transaction were not disclosed.					
11/13/2014	Cadista Holdings Inc.	Jubilant Generics Inc.	\$188	-	-
Jubilant Generics acquired Cadista Holdings, a company that engages in the development, manufacture, sale, and distribution of prescription generic pharmaceutical products in the U.S.					
10/28/2014	Impact Instrumentation Inc.	ZOLL Medical Corporation	\$-	-	-
ZOLL Medical Corporation announced an agreement to acquire Impact Instrumentation, a developer, manufacturer, and distributor of respiratory care products and measuring instruments. Terms of the transaction were not disclosed.					

Healthcare Equipment & Supplies

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/17/2014	Volcano Corporation (NASDAQ:VOLC)	Royal Philips	\$1,200	-	-
<p>Royal Philips acquired Volcano Corporation, a producer of catheter-based, precision guided therapy tools worldwide, that will fit well with Philips' own image-guided therapy business. Philips, through this acquisition, is beginning to strategically focus on its higher-margin healthcare business.</p>					
12/4/2014	PneumRx, Inc.	BTG plc	\$230	-	-
<p>BTG plc announced an agreement to acquire PneumRx, which specializes in minimally invasive pulmonary devices. Its main product, the RePneu Coil, has been marketed in Europe since 2008 and will become the cornerstone of BTG's growing interventional pulmonology business. The deal subsequently closed on January 7, 2015.</p>					
10/29/2014	Topera, Inc.	Abbott Laboratories (NYSE:ABT)	\$250	-	-
<p>Abbott Laboratories announced an agreement to acquire Topera, a medical device company based in Menlo Park, California. Topera is a leading developer of catheter-based electrophysiology technologies.</p>					
10/27/2014	Wright Medical Group Inc. (NasdaqGS:WMGI)	Tornier N.V. (NasdaqGS:TRNX)	\$1,264	4.5x	-
<p>Tornier N.V. announced an agreement to acquire Wright Medical Group, a specialty orthopedic company, that provides extremity and biologic solutions that enable clinicians to alleviate pain and restore their patients' lifestyles. The company was founded in 1950 and is headquartered in Memphis, Tennessee.</p>					
10/8/2014	EndoSee Corporation	The Cooper Companies, Inc. (NYSE:COO)	\$44	-	-
<p>The Cooper Companies announced that CooperSurgical, its women's healthcare unit, has completed the acquisition of EndoSee Corporation. Headquartered in Los Altos, California, EndoSee Corporation is a developer of an office-based disposable hysteroscopy system.</p>					
10/5/2014	CareFusion Corporation	Becton Dickinson (NYSE:BDX)	\$12,200	-	-
<p>Becton Dickinson announced a definitive agreement to acquire CareFusion Corporation. CareFusion is headquartered in San Diego, California, and develops leading products and services that help hospitals improve the safety and quality of the care they provide. The acquisition will create a global leader in medication management and patient safety solutions.</p>					

Healthcare IT

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/30/14	Physician Management Information Services, Inc.	The Consult, Inc.	\$-	-	-
The Consult announced an agreement to acquire Physician Management Information Services, a provider of software, services, and technology to healthcare providers. Terms of the transaction were not disclosed.					
12/15/2014	AdminiSource Communications	Emdeon, Inc.	\$35	-	-
Emdeon acquired AdminiSource Communications, a provider of healthcare payment distribution services to insurance carriers and healthcare organizations. This transaction is Emdeon's third in 2014.					
12/8/2014	Change Healthcare Corporation	Emdeon Inc.	\$135	-	-
Emdeon acquired Change Healthcare, a provider of healthcare cost transparency and consumer engagement solutions for health plans, employers, and strategic partners in the U.S.					
11/25/2014	Bswift, LLC	Aetna Inc. (NYSE:AET)	\$400	-	-
Aetna acquired Bswift, a privately held provider of a technology platform that offers a retail shopping experience for health insurance exchanges and employers nationwide.					

Hospital Providers

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/23/2014	Bert Fish Medical Center	Florida Hospital	\$40	-	-
Florida Hospital agreed to acquire Bert Fish Medical Center, located in New Smyrna Beach, Florida. Four years ago, Bert Fish attempted to merge with Florida Hospital, but a judge voided the transaction on the grounds that negotiations were held in secret, in violation of the Sunshine Law.					
12/17/2014	Saint Francis Care	Trinity Health	\$-	-	-
Trinity Health agreed to acquire Saint Francis Care, located in Hartford Connecticut . The organizations will combine strengths in inpatient, outpatient and continuing care settings to better serve patients. Terms of the transaction were not disclosed.					
12/16/2014	Runnells Specialized Hospital	Center Management Group, LLC	\$26	-	-
Center Management Group acquired Runnells Specialized Hospital, a 102-year-old, 44-bed facility, which has struggled over the past two years. Runnells Specialized Hospital is located in Berkeley Height, New Jersey. Center Management Group provides regional healthcare management services focusing on long-term care.					
12/16/2014	Rockford Health System	Mercy Health System	\$-	-	-
Mercy Health System combined with Rockford Health System to create a billion dollar regional healthcare system serving northern Illinois and southern Wisconsin. The new combined system operates five hospitals, employs more than 550 physicians, with approximately 7,500 employees and provides outpatient service in more than 80 centers of care. Terms of the transaction were not disclosed. SOLIC was the exclusive financial advisor for Rockford.					
12/11/2014	Harris Hospital	White County Medical Center	\$-	-	-
White County Medical Center announced an agreement to acquire Harris Hospital, located in Newport, Arizona. Harris Hospital is a 133-bed hospital with related outpatient services. Terms of the transaction were not disclosed.					
12/10/2014	Good Samaritan Health System	WellSpan Health	\$-	-	-
WellSpan Health announced an agreement to acquire Good Samaritan Health System, a 170-bed acute care facility located in Lebanon, Pennsylvania. Terms of the transaction were not disclosed.					
12/8/2014	Northern Westchester Hospital	NorthShore-LIJ Health System	\$-	-	-
NorthShore-LIJ Health System announced an agreement to acquire Northern Westchester Hospital, a 233-bed hospital located in Mount Kisco, New York. Terms of the transaction were not disclosed.					

Hospital Providers (cont.)

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/8/2014	Mount St. Mary's Hospital and Health Center	Catholic Health System	\$-	-	-
Catholic Health System acquired Mount St. Mary's Hospital and Health Center, a 175-bed hospital in Lewiston, New York, but its 250-bed skilled nursing and rehab facility will remain as a solely-operated entity of Ascension Health. Terms of the transaction were not disclosed.					
11/25/2014	Huntsville Hospital Health System	Curae Health	\$-	-	-
Curae Health announced an agreement to acquire Huntsville Hospital Health System from LifePoint Hospitals. Huntsville Hospital Health System is a three hospital system in North Alabama. Terms of the transaction were not disclosed.					
11/20/2014	Valley General Hospital	EvergreenHealth	\$-	-	-
EvergreenHealth announced an agreement to acquire Valley General Hospital, a full-service district hospital located in Monroe, Washington. Terms of the transaction were not disclosed.					
11/20/2014	Saint Joseph Mercy Health	Prime Healthcare Services	\$20	-	-
Prime Healthcare Services announced an agreement to acquire Saint Joseph Mercy Health System in Port Huron, Michigan. Saint Joseph Mercy Health System is a 164-bed acute-care hospital that was previously a member of Trinity Health. This deal is the sixth in recent months for Prime Healthcare, continuing its rapid expansion through acquisitions.					
11/18/2014	Dallas Regional Medical Center	Prime Healthcare Services, Inc.	\$-	-	-
Prime Healthcare Services acquired Dallas Regional Medical Center in Dallas, Texas. Dallas Regional Medical Center is a 155-bed full service acute care hospital. Terms of the transaction were not disclosed.					
11/10/2014	St. Mary's Medical Center	Cabell Huntington Hospital	\$-	-	-
Cabell Huntington Hospital announced an agreement to acquire St. Mary's Medical Center in Huntington, West Virginia. These two hospitals are the only acute care facilities in Huntington. Terms of the transaction were not disclosed.					
11/6/2014	SwedishAmerican Health	UW Health	\$255	-	-
UW Health announced an agreement to acquire SwedishAmerican Health System, an operator of two hospitals, 30 clinics, a home health agency and a foundation. SwedishAmerican is a not-for-profit healthcare system headquartered in Rockford, Illinois.					

Hospital Providers (cont.)

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/3/2014	Phelps Memorial Hospital Center	North Shore-LIJ Health System	\$-	-	-
North Shore-LIJ Health System has signed a definitive agreement to acquire Phelps Memorial Hospital Center in Sleepy Hollow, New York. Phelps Memorial Hospital Center is a 58-year-old hospital with 238 beds. Terms of the transaction were not disclosed.					
11/3/2014	Gaffney Medical Center	Community Health Systems, Inc. (NYSE:CYH)	\$-	-	-
Community Health Systems completed the acquisition of the Gaffney Medical center, a 125 bed hospital from Gaffney, South Carolina. Terms of the transaction were not disclosed.					
10/14/2014	Carondelet Health Facilities	Prime Healthcare Services	\$-	-	-
Prime Healthcare Services announced an agreement to acquire several Carondelet Health facilities. The agreement includes St. Joseph Medical Center in Kansas City, St. Mary's Medical Center in Blue Springs, Missouri, and three Carondelet Health long-term care facilities. Terms of the transaction were not disclosed.					
10/13/2014	Carolina Pines Regional Medical Center	Capella Healthcare	\$-	-	-
Capella Healthcare announced a signed agreement to acquire an ownership interest in Carolina Pines Regional Medical Center and its related outpatient services. Carolina Pines Regional Medical Center is a 116-bed acute care hospital in Hartsville, South Carolina. Terms of the transaction were not disclosed.					
10/13/2014	Texas Health Presbyterian Hospital	Alecto Healthcare Services	\$-	-	-
Alecto Healthcare Services completed the acquisition of Texas Health Presbyterian Hospital, a 237- bed non-profit hospital located in Sherman, Texas. The hospital has been renamed Wilson N. Jones Regional Medical Center. Terms of the transaction were not disclosed.					
10/10/2014	Daughters of Charity Health System	Prime Healthcare Services	\$831	-	-
Prime Healthcare Services announced an agreement to acquire Daughters of Charity Health System, located in Los Altos Hills, California. The agreement is expected to ensure quality healthcare at six struggling California hospitals that were previously owned by Daughters of Charity Health System. The transaction is expected to close later this year.					
10/6/2014	Culpeper Regional Hospital	University of Virginia Medical Center	\$50	-	-
University of Virginia Medical Center completed the acquisition of Culpeper Regional Hospital, located in Culpeper, Virginia. Culpeper Regional Hospital is a 70-bed, non-profit hospital.					

Long-Term Care

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/23/2014	38 Senior Living Properties	Senior Housing Properties Trust (NYSE:SNH)	\$790	-	-
Senior Housing Properties Trust agreed to acquire 38 senior living properties from CNL Lifestyle Properties. These 38 communities include 826 independent living units, 1,860 assisted living units, 744 memory care units and 36 skilled nursing beds. The overall occupancy is 93%.					
12/22/2014	17 Seniors Housing Properties	New Senior Investment Group (NYSE:SNR)	\$435	-	-
New Senior Investment Group agreed to acquire 17 seniors housing properties from Hawthorn Retirement Group. The properties are located in 10 states and had average occupancy of 92%.					
12/14/2014	Wellington at Hershey's Mill	ARC Healthcare Trust-II	\$95	-	-
ARC Healthcare Trust-II acquired Wellington at Hershey's Mill, a large rental Continuing Care Retirement Community that first opened in 2005 with 193 independent living units and an occupancy rate of over 95%.					
12/10/2014	The Hallmark Buckhead	Senior Resource Group, LLC	\$80	-	-
Senior Resource Group acquired The Hallmark Buckhead, a 22-story independent living community located in Atlanta, Georgia. It has been renamed The Piedmont at Buckhead. There are 163 independent living units and 40 assisted living units with occupancy rates at 98%.					
12/1/2014	Eight Continuing Care Retirement Communities	National Health Investors, Inc. (NYSE:NHI)	\$476	-	-
National Health Investors, Inc. acquired eight continuing care retirement communities from Senior Living Communities. Senior Living Communities sold the eight continuing care retirement communities it had been leasing from Health Care REIT with an annual rent of approximately \$24 million.					
12/1/2014	Eight Continuing Care Retirement Communities	Senior Living Communities, Inc.	\$435	-	-
Senior Living Communities, Inc. acquired eight continuing care retirement communities from Health Care REIT. The communities consist of one rental and seven entrance-fee, located in South Carolina (4), North Carolina (2) and one each in Georgia and Florida. The overall occupancy is 85% and the average age of the buildings is 12 years.					
11/7/2014	Extendicare U.S. portfolio (TSX:EXE)	Formation Capital, LLC	\$870	-	-
Formation Capital agreed to acquire a majority of Extendicare's U.S. portfolio of skilled nursing facilities. The acquired portion of the portfolio includes 141 owned and operated SNFs, four leased SNFs, 10 managed SNFs and 21 SNFs in Kentucky leased to a third-party operator.					

Long-Term Care (cont.)

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
11/5/2014	28 senior care properties	Aviv REIT, Inc. (NYSE:AVIV)	\$305	-	-
Aviv REIT announced the acquisition of a portfolio from Diamond Senior Living LLC, which includes 23 skilled nursing facilities, four assisted living facilities and one independent living community. They are located in Michigan (11), Ohio (8), North Carolina (7), Indiana (1) and Virginia (1).					
10/31/2014	Aviv REIT, Inc. (NYSE:AVIV)	Omega Healthcare Investors, Inc. (NYSE:OHI)	\$3,000	-	-
Omega Healthcare Investors agreed to acquire 70% of Aviv REIT, an owner of post-acute and long-term care facilities. Aviv REIT owns 312 properties with 26,520 licensed beds that are triple-net leased to 38 operators in 29 states. The deal is expected to close by the end of March, 2015.					
10/9/2014	Gentiva Health Services Inc. (NasdaqGS:GTIV)	Kindred Healthcare Inc. (NYSE:KND)	\$1,792	0.9x	11.6x
Kindred Healthcare announced an agreement to acquire Gentiva Health Services, a provider of home health, hospice, and community care services in the U.S. The company's Community Care segment serves patients who have chronic or long-term disabilities who need help with routine personal care through approximately 30 locations in five states, including Texas, Missouri, Oklahoma, North Carolina, and Kansas.					
10/7/2014	Four Assisted Living Communities (The Arbors)	NorthStar Healthcare Income	\$125	-	-
NorthStar Healthcare Income agreed to acquire a portfolio of assisted living communities known as The Arbors. This portfolio includes four assisted living communities on New York's Long Island with 570 units and 404,000 square feet, with occupancy rates of approximately 89%.					
10/6/2014	Six Senior Housing Communities	ARC Healthcare Trust-II	\$98	-	-
ARC Healthcare Trust-II agreed to acquire six senior housing communities from Principal Senior Living Group. This portfolio consists of assisted living and memory care communities, which include four properties in Georgia and one each in Florida and Missouri. Five of the six were built in the past five years, and one was built in 2004 but updated in 2012.					
10/1/2014	Nine Assisted Living Communities	Ventas, Inc. (NYSE:VTR)	\$150	-	-
Ventas agreed to acquire nine assisted living communities, including four in California, three in Oregon and two in Washington, with 442 assisted living units, 310 Alzheimer's units, 71 independent living units, 25 cottages and 18 enhanced care units. The average occupancy is approximately 86%.					
10/1/2014	Allegro Senior Living Portfolio	ARC Health Trust-II	\$176	-	-
ARC Health Trust-II agreed to acquire The Allegro Senior Living portfolio, which includes four communities in Florida and one in Kentucky, with a total of 705 units. The communities total 166 independent living units, 314 assisted living units, 73 memory care units and 52 nursing beds. The occupancy is approximately 91%.					

Managed Care

Transaction Date	Target	Buyer	Enterprise Value (\$ in millions)	Enterprise Value / Revenue	Enterprise Value / EBITDA
12/31/2014	Encompass Home Health, Inc.	HealthSouth Corp. (NYSE:HLS)	\$750	2.1x	-
HealthSouth acquired Encompass Home Health, an operator of a home health care agency. Encompass Home Health was formerly known as Advanced Homecare Management.					
12/22/2014	Simply Healthcare Holdings, Inc.	Anthem, Inc. (NYSE:ANTM)	\$-	-	-
Anthem announced an agreement to acquire Simply Healthcare Holdings, a provider of managed care services for people enrolled in Medicaid and Medicare programs in Florida. Terms of the transaction were not disclosed.					
10/28/2014	Alere Health (NYSE:ALR)	OptumHealth Care Solutions, Inc.	\$600	-	-
OptumHealth Care Solutions agreed to acquire Alere Health, a provider of condition management, case management, wellbeing, wellness and women's and children's health services to more than 200 regional and local health plans, 89 Fortune 500 employers and 29 states in the U.S. The deal subsequently closed on January 9, 2015.					

Healthcare Services: Valuation Metrics by Sector

Ticker	Com pany Name	Stock Price	52 - Week		% of 52 Week High	Market Cap (\$ mm)	Enterprise Value (\$ mm)	Enterprise Value to:		
			High	Low				LTM Revenue	LTM EBITDA	P/E
Alternate Site ^[1]										
AMED	Amedisys Inc.	\$29.35	\$30.48	\$12.86	96.3%	\$979.7	\$1,087.8	0.9x	20.0x	NM
AMSG	AmSurg Corp.	54.73	55.65	40.00	98.3%	2,633.9	5,434.5	4.1x	12.7x	41.0x
DVA	DaVita HealthCare Partners Inc.	75.74	78.52	62.52	96.5%	16,276.5	24,047.0	1.9x	9.9x	22.5x
DB:FME	Fresenius Medical Care AG & Co. KGAA	69.08	74.95	56.64	92.2%	22,507.3	31,639.1	2.1x	11.2x	22.1x
GTIV	Gentiva Health Services Inc.	19.05	19.90	7.35	95.7%	712.6	1,759.1	0.9x	11.4x	NM
IPCM	IPC Healthcare, Inc.	45.89	59.35	36.12	77.3%	790.3	834.8	1.2x	11.7x	20.7x
							Mean	1.4x	11.4x	21.7x
Diagnostic Services ^[2]										
AIQ	Alliance Healthcare Services, Inc.	\$20.99	\$35.40	\$18.92	59.3%	\$221.7	\$732.7	1.7x	5.6x	48.8x
BRLI	Bio-Reference Laboratories Inc.	32.13	34.00	24.13	94.5%	890.9	928.8	1.1x	8.6x	19.1x
LH	Laboratory Corp. of America Holdings	107.90	109.84	87.25	98.2%	9,117.6	11,575.0	1.9x	10.0x	18.1x
DGX	Quest Diagnostics Inc.	67.06	68.51	50.46	97.9%	9,692.5	13,443.5	1.8x	9.5x	19.3x
RDNT	RadNet, Inc.	8.54	10.35	1.50	82.5%	364.8	980.4	1.4x	8.0x	NM
							Mean	1.6x	8.3x	18.8x
Healthcare Distributors ^[3]										
ABC	AmerisourceBergen Corporation	\$90.16	\$92.84	\$62.55	97.1%	\$19,717.3	\$19,904.4	0.2x	14.5x	74.5x
CAH	Cardinal Health, Inc.	80.73	83.40	63.06	96.8%	26,718.6	28,256.6	0.3x	11.8x	25.5x
HSIC	Henry Schein, Inc.	136.15	139.15	109.34	97.8%	11,465.9	12,767.0	1.3x	14.9x	25.6x
MCK	McKesson Corporation	207.58	214.37	159.45	96.8%	48,134.1	56,497.1	0.4x	15.9x	34.5x
OCR	Omnicare Inc.	72.93	74.42	56.41	98.0%	7,138.7	9,067.7	1.4x	12.4x	31.0x
OMI	Owens & Minor Inc.	35.11	37.90	31.55	92.6%	2,214.7	2,370.9	0.3x	10.0x	27.4x
SRCL	Stericycle, Inc.	131.08	134.14	108.62	97.7%	11,131.8	12,790.3	5.2x	18.3x	35.2x
TMO	Thermo Fisher Scientific, Inc.	125.29	129.77	107.33	96.5%	50,119.1	64,058.3	4.0x	17.6x	30.2x
							Mean	1.6x	14.4x	29.9x
Healthcare Equip. & Supplies ^[4]										
ABT	Abbott Laboratories	\$45.02	\$46.50	\$35.65	96.8%	\$67,790.7	\$71,319.7	3.2x	14.9x	35.5x
BAX	Baxter International Inc.	73.29	77.31	66.34	94.8%	39,721.6	46,940.6	2.8x	11.1x	21.9x
BDX	Becton, Dickinson and Company	139.16	142.56	105.21	97.6%	26,911.0	28,134.0	3.3x	13.0x	23.2x
BSX	Boston Scientific Corporation	13.25	14.08	11.10	94.1%	17,576.0	21,575.0	2.9x	13.2x	62.8x
BEAT	BioTelemetry, Inc.	10.03	11.98	6.42	83.7%	267.6	274.0	1.9x	19.1x	NM
JNJ	Johnson & Johnson	104.57	109.49	86.09	95.5%	292,703.0	274,969.0	3.7x	10.9x	17.3x
MDT	Medtronic, Inc.	72.20	75.66	53.33	95.4%	71,067.7	70,291.7	4.1x	12.5x	25.0x
SIE	Siemens Aktiengesellschaft	0.00	122.54	97.20	0.0%	95,027.9	108,859.5	1.3x	10.3x	15.2x
STJ	St. Jude Medical Inc.	65.03	71.90	54.80	90.4%	18,592.9	21,183.9	3.8x	12.2x	21.5x
							Mean	3.0x	13.0x	22.8x
[1] AMSG revenue and PE multiples are excluded from the mean. AMED EBITDA multiple is excluded from the mean.							Mean	3.0x	13.0x	22.8x

[1] AMSG revenue and PE multiples are excluded from the mean. AMED EBITDA multiple is excluded from the mean.

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

[3] ABC PE multiple is excluded from the mean.

[4] BSX PE 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:		
			High	Low				LTM Revenue	LTM EBITDA	P/E
Healthcare IT ^[5]										
MDRX	Allscripts Healthcare Solutions, Inc.	\$12.77	\$19.68	\$11.00	64.9%	\$2,301.9	\$2,851.9	2.1x	62.0x	NM
ATHN	athenahealth, Inc.	145.70	206.70	97.30	70.5%	5,550.3	5,657.8	8.0x	95.3x	NM
CERN	Cerner Corporation	64.66	66.45	48.39	97.3%	22,079.6	20,894.6	6.6x	24.8x	51.8x
CPSI	Computer Programs & Systems Inc.	60.75	71.89	56.60	84.5%	680.9	652.3	3.1x	10.9x	18.8x
HMSY	HMS Holdings Corp.	21.14	26.60	15.10	79.5%	1,855.8	1,933.4	4.3x	18.7x	67.6x
MDAS	MedAssets, Inc.	19.76	26.09	18.15	75.7%	1,189.7	2,084.5	3.0x	10.1x	40.3x
OMCL	Omnicell, Inc.	33.12	34.00	24.85	97.4%	1,179.2	1,075.0	2.5x	16.6x	43.1x
QSII	Quality Systems Inc.	15.59	21.07	13.01	74.0%	939.6	816.1	1.8x	19.7x	NM
WBMD	WebMD Health Corp.	39.55	53.30	34.48	74.2%	1,429.8	1,682.2	3.0x	15.6x	46.2x
							Mean	2.8x	16.6x	40.0x
Hospital Providers ^[6]										
CYH	Community Health Systems, Inc.	\$53.92	\$57.72	\$34.55	93.4%	\$6,269.9	\$23,900.9	1.4x	10.5x	184.4x
HCA	HCA Holdings, Inc.	73.39	75.82	46.02	96.8%	31,819.2	61,291.2	1.7x	8.5x	18.8x
LPNT	Lifepoint Hospitals Inc.	71.91	76.50	50.18	94.0%	3,255.6	5,325.5	1.3x	9.7x	24.4x
THC	Tenet Healthcare Corp.	50.67	63.61	37.95	79.7%	4,979.8	16,859.8	1.1x	9.6x	NM
UHS	Universal Health Services Inc.	111.26	115.64	73.06	96.2%	11,011.4	14,723.1	1.9x	10.6x	22.4x
							Mean	1.5x	9.8x	21.9x
Long-Term Care / Senior Living										
BKD	Brookdale Senior Living Inc.	\$36.67	\$37.03	\$26.11	99.0%	\$6,725.6	\$12,903.1	4.4x	24.7x	14.7x
CSU	Capital Senior Living Corp.	24.91	26.89	20.33	92.6%	724.7	1,363.2	3.7x	23.9x	19.4x
DVCR	Diversicare Healthcare Services Inc.	9.45	13.32	4.61	70.9%	58.2	105.1	0.3x	6.6x	13.6x
ENSG	The Ensign Group, Inc.	44.39	47.78	26.02	92.9%	997.8	955.8	1.0x	8.7x	26.8x
KND	Kindred Healthcare Inc.	18.18	26.81	17.59	67.8%	1,265.6	2,628.5	0.5x	9.0x	NM
SKH	Skilled Healthcare Group, Inc.	8.57	9.00	4.08	95.2%	343.9	741.2	0.9x	10.9x	NM
							Mean	1.8x	14.0x	18.6x
Managed Care										
AET	Aetna Inc.	\$88.83	\$91.87	\$64.68	96.7%	\$31,241.5	\$38,379.3	0.7x	7.9x	14.8x
CI	Cigna Corp.	102.91	105.73	73.47	97.3%	26,919.1	30,556.1	0.9x	10.0x	14.1x
ESRX	Express Scripts Holding Company	84.67	86.27	64.64	98.1%	62,140.2	76,003.4	0.8x	11.7x	33.8x
HNT	Health Net, Inc.	53.53	55.19	29.23	97.0%	4,171.0	3,555.9	0.3x	9.7x	27.0x
HUM	Humana Inc.	143.63	151.52	91.00	94.8%	22,023.5	23,923.5	0.5x	10.7x	23.2x
UNH	UnitedHealth Group Incorporated	101.09	104.00	69.57	97.2%	97,025.3	108,757.3	0.8x	9.9x	18.2x
ANTM	Anthem, Inc.	125.67	129.96	81.84	96.7%	33,923.5	49,167.1	0.7x	9.5x	15.5x
							Mean	0.7x	9.9x	20.9x
[5] ATHN and CERN revenue multiples, MDRX and ATHN EBITDA multiples, and the HMSY PE multiple are excluded from the mean.										
[6] CYH PE multiple is excluded from the mean.										
OVERALL SECTOR							Mean	1.8x	12.2x	24.3x

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

[6] CYH 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 *

\$690,600,000 Sale of Assets on behalf of  MedCath Corporation (Nasdaq: MDTH) Sell Side Advisor	\$83,800,000  HEART HOSPITAL of AUSTIN has been acquired by St. David's Healthcare Partnership, L.P. Sell Side Advisor	\$156,000,000  SUMNER Regional Health Systems, Inc. has been acquired by LIFEPOINT HOSPITALS® Sell Side Advisor	 Community Memorial Healthcenter has affiliated with  VCU Medical Center Virginia Commonwealth University Health System Financial Advisor to Community Memorial Healthcenter	\$58,500,000  Morton Hospital And Medical Center has been acquired by  Steward Steward Health Care System LLC Sell Side Advisor
\$31,000,000  HUALAPAI MOUNTAIN MEDICAL CENTER has been acquired by  KINGMAN REGIONAL MEDICAL CENTER Serving Our Community with Compassion and Commitment Sell Side Advisor	\$73,000,000 ARKANSAS HEART HOSPITAL® THE HEART HOSPITAL has been acquired by AR-MED, LLC Sell Side Advisor	\$830,000,000  Caritas CARITAS CHRISTI HEALTH CARE has been acquired by  Steward Steward Health Care System LLC Sell Side Advisor	\$38,000,000  QUINCY MEDICAL CENTER has been acquired by  Steward Steward Health Care System LLC Sell Side Advisor	\$206,900,000  TOMBALL REGIONAL MEDICAL CENTER has been acquired by  CHS Community Health Systems Sell Side Advisor
Not Disclosed  RIVERVIEW Regional Medical Center SUMNER REGIONAL HEALTH SYSTEMS, INC. has been acquired by LIFEPOINT HOSPITALS® Sell Side Advisor	 Winchester Hospital Advancing Health. Advancing Care. has affiliated with  Lahey Health Financial Advisor to Winchester Hospital	\$86,400,000 An equity interest in  Avera Heart Hospital of South Dakota has been acquired by Avera Sell Side Advisor	\$25,000,000  MedCath MedCath Partners Division has been acquired by DLP Cardiac Partners Duke LifePoint Healthcare Sell Side Advisor	\$38,100,000  CARDIOVASCULAR CARE GROUP has acquired MedCath's equity interest and secured loan in  BAKERSFIELD HEART HOSPITAL Sell Side Advisor
\$76,250,000  TEXSAN HEART HOSPITAL has been acquired by  METHODIST HEALTHCARE SYSTEM San Antonio, Texas Sell Side Advisor	\$62,600,000  HARLINGEN MEDICAL CENTER has been acquired by  PRIME HEALTHCARE SERVICES, INC. Sell Side Advisor	 United Surgical Partners INTERNATIONAL has acquired an interest in  SIUXLAND SURGERY CENTER Financial Advisor to Physician Members of Siouxland Surgery Center	\$32,000,000  ARIZONA HEART HOSPITAL has been acquired by  VANGUARD HEALTH SYSTEMS Sell Side Advisor	\$119,000,000  HEART HOSPITAL of NEW MEXICO has been acquired by Lovelace Health System Sell Side Advisor

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