



# Quarterly Review of the Medical Technology Sector (MedTech)

Q1 2014



Mergers & Acquisitions

Custom Capital Solutions

Corporate Finance Advisory

Member: FINRA/SIPC



## About Navidar

Navidar is an **investment banking firm** providing companies and investors in dynamic industries with **strategic M&A advice, capital raising solutions**, vital insights and breakthrough opportunities.

- Big Firm Experience Combined with Senior Banker Attention
- Global Relationships With Top-Tier Investors and World-Leading Companies
- Greater Creativity & Customized Solutions
- Focused on the Middle Corridor of the United States

| Navidar's Recent Transaction Experience  |  |   |
|--|--|---|
| <br>Has been acquired by<br><b>bazaarVOICE</b><br>Sellside Advisor            | <br>Private Equity Placement  | <br>Has been acquired by<br><b>NTT DATA</b><br>Sellside Advisor    |
| <br>Has acquired<br><b>avangate</b><br>Buyside Advisor                        | <br>Has been acquired by<br><b>TENEX</b> CAPITAL MANAGEMENT<br>Sellside Advisor | <br>Has been acquired by<br><b>ExactTarget</b><br>Sellside Advisor |
| <br>Has been acquired by<br><b>Alta Equity Partners</b><br>Sellside Advisor | <br>NOL Shareholder Rights Plan<br>Capital Structure Review                   | <br>Has been acquired by<br><b>AeroScout</b><br>Sellside Advisor |
| <br>Has been acquired by<br><b>HARMAN</b><br>Sellside Advisor               | <br>Debt Placement<br>Private Equity Placement                                | <br>Private Equity Placement                                     |
| <br>Has acquired<br><b>World Golf Systems Group PLC</b><br>Buyside Advisor  | <br>Recapitalization  | <br>Private Equity Placement                                     |

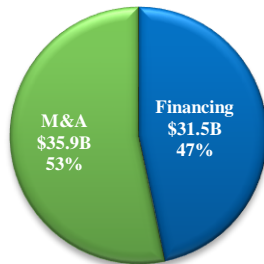
*Note: Transactions above only represent a sample of past transactions executed by Navidar.*



## Navidar at a Glance

### Experienced Strategic Advisors

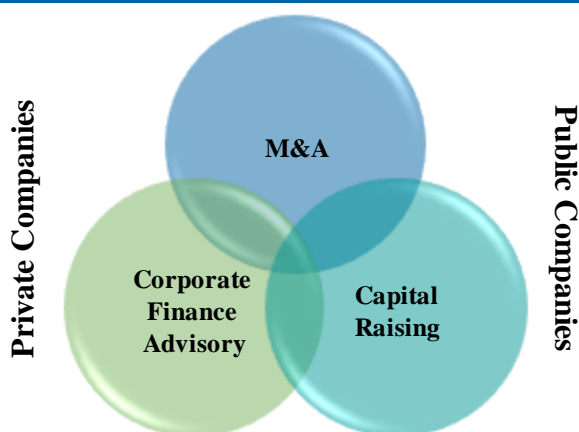
*Executed Over 300 Deals,  
Nearly \$70B of Transaction Value*



### Advising Dynamic Companies

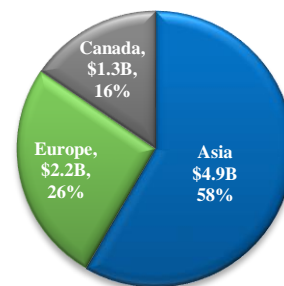


### Creative Insights & Customized Solutions



### International Expertise

*\$8.4B of Transaction Value*



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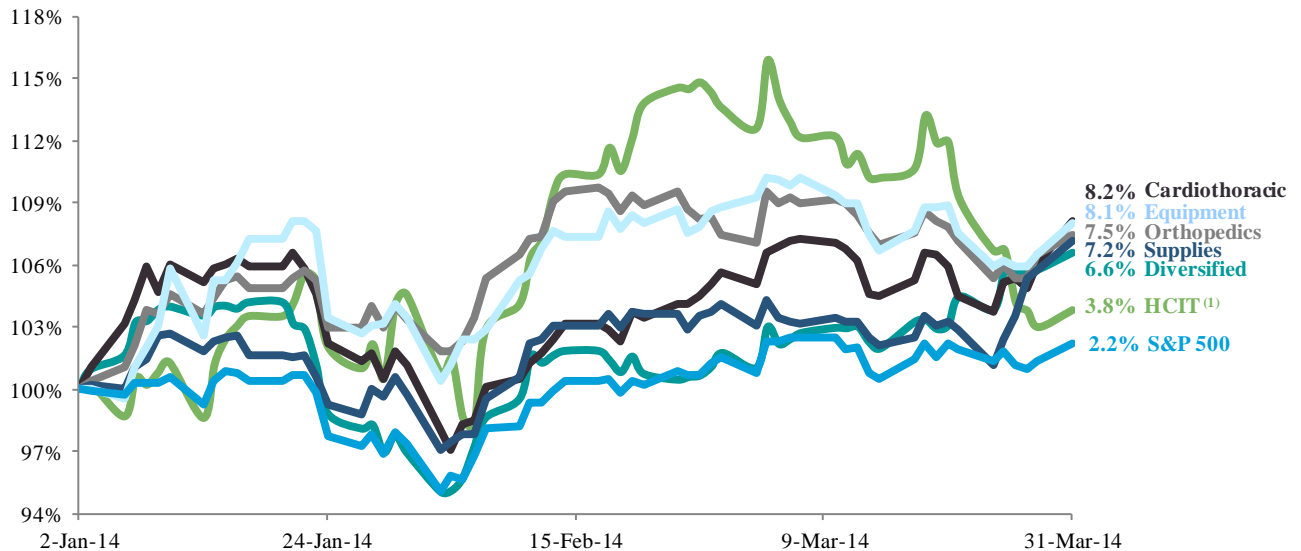
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Steve Schmidt  
*Managing Director*



## Q1 2014 Medical Technology Sector Review

### Relative Share Price Performance – YTD



### MedTech Sector Share Price Performance

| Sub-Sector          | YTD Return |
|---------------------|------------|
| Cardiothoracic      | 8.2%       |
| Equipment           | 8.1%       |
| Orthopedics         | 7.5%       |
| Supplies            | 7.2%       |
| Diversified         | 6.6%       |
| HCIT <sup>(1)</sup> | 3.8%       |
| S&P 500             | 2.2%       |

### Top 5 Global M&A Deals in Q1 By Value

| Date       | Buyer                  | Target                     | Trans. Value (\$M) |
|------------|------------------------|----------------------------|--------------------|
| 01/16/2014 | THE CARLYLE GROUP      | Ortho-Clinical Diagnostics | 4,150              |
| 02/03/2014 | smith&nephew Corporate | ArthroCare Corporation     | 1,730              |
| 02/03/2014 | accellent              | Lake Region Medical        | 315                |
| 02/18/2014 | stryker                | BERCHTOLD                  | 172                |
| 01/06/2014 | Medtronic              | TYRX                       | 160                |

### Key Takeaways From the Quarter:

- All MedTech sub-sectors outperformed the S&P 500 in Q1'14, with Cardiothoracic, Equipment and Orthopedics sub-sectors leading the overall sector. The significant gains achieved across sub-sectors were led by Hansen Medical's 50% return, Globus Medical's 32% return and Insulet's 28% return
- M&A deal volume and transaction value experienced a quarter-over-quarter downtick in Q1'14, with 137 deals worth \$7.3 billion compared to Q4'13's 141 deals worth \$8.5 billion. However, on a year-over-year basis, MedTech transaction value increased by more than \$1 billion to \$7.3 billion with deal volume increasing modestly from 126 to 137 deals. Strategic acquirers were the most active buyers in Q1'14, accounting for more than 80% of total deal volume
- Total M&A transaction value in Q1'14 was largely driven by two large deals in the quarter: The Carlyle Group's \$4.15 billion buyout of Ortho-Clinical Diagnostics and Smith & Nephew's \$1.73 billion acquisition of ArthroCare
- Main Capital Partners and National Pension Service were the most active financial buyers in the MedTech sector in Q1'14

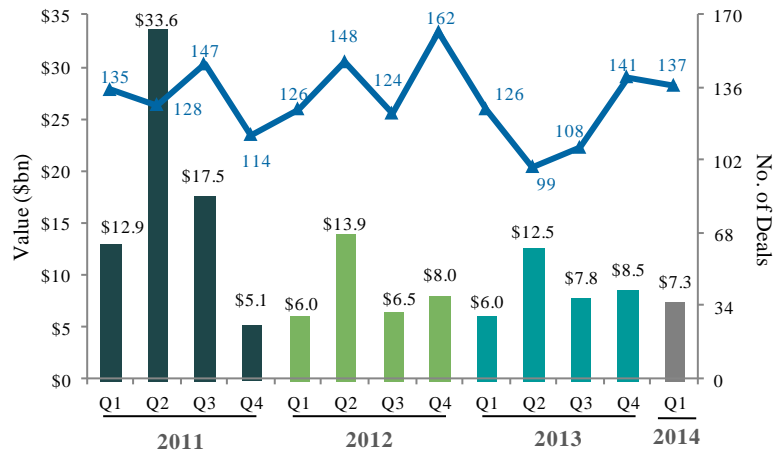
Source: CapitalIQ, Industry Research and Online Publications.

(1) HCIT = Healthcare Information Technology.



## Medical Technology Sector M&A Review

### Global MedTech M&A Deals – Since 2011



### Commentary

After a robust upturn in 2H'13, Global MedTech M&A deal volume remained relatively flat in Q1'14. U.S. M&A deal volume remained unchanged quarter-over-quarter.

- Global M&A deal volume experienced a quarter-over-quarter decline of 3%, however, total M&A deal volume experienced a 9% increase year-over-year
- Total transaction value also experienced a 14% quarter-over-quarter decrease in Q1'14, from \$8.5 billion to \$7.3 billion. However, when compared to Q1'13, total transaction value saw a 22% uptick year-over-year

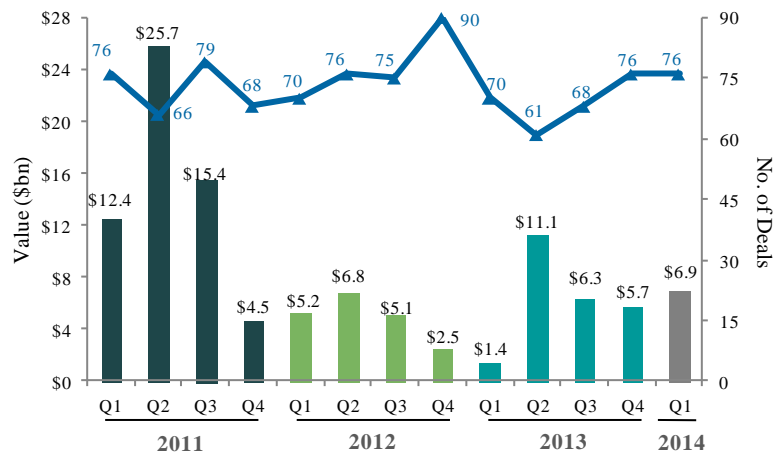
**Nearly 95% of total Global M&A transaction value was from the acquisition of U.S.-based companies.**

- U.S. deal volume in Q1'14 increased 9% compared to Q1'13, from 70 to 76 acquisitions. Transaction value also surged 400% over the same period, from \$1.4 billion to \$6.9 billion. This surge was largely attributable to:
  - The Carlyle Group's \$4.2 billion EV acquisition of Ortho-Clinical Diagnostics
  - Smith & Nephew's \$1.7 billion acquisition of ArthroCare

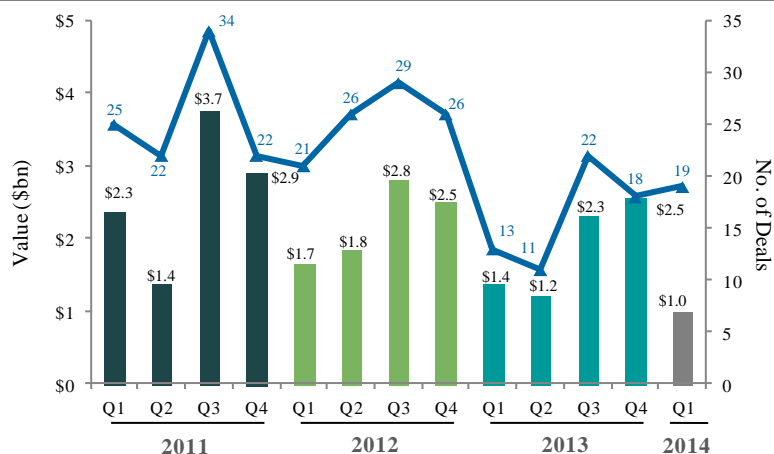
**U.S. Middle Market deal volume remained relatively flat quarter-over-quarter.**

- However, Q1'14 Middle Market M&A deal volume increased 46% year-over-year, with a total of 19 acquisitions

### U.S. MedTech M&A Deals – Since 2011



### U.S. Middle Market MedTech M&A Deals – Since 2011<sup>(1)</sup>



Source: CapitalIQ and Industry Research.

(1) Defined as transaction value of \$500M EV and less.



## Medical Technology Sector M&A Review (Cont.)

### Top 10 Global MedTech M&A Transactions in Q1 2014

| Announced Date | Buyer   | Target  | Trn. Value (\$M) | LTM EV/Rev. (x) | LTM EV/EBITDA (x) |
|----------------|---|---|------------------|-----------------|-------------------|
| 03/20/2014     | EKF Diagnostics (U.K.)                            | Selah Genomics (U.S.)   | 73.2             | 55.9x           | NA                |
| 03/13/2014     | Medira (U.S.)                                     | Medegen Medical Products & Certain Assets of Patient Care Business (U.S.) | 75.0             | NA              | NA                |
| 02/24/2014     | Zhongyuan Union Stem Cell Bio-engineering (China) | Shanghai Zhicheng Biological Technology (China)                           | 139.1            | NA              | NA                |
| 02/18/2014     | Stryker (U.S.)                                    | Berchtold (Germany)   | 172.0            | 1.4x            | NA                |
| 02/03/2014     | Smith & Nephew (U.S.)                             | ArthroCare (U.S.)   | 1,730.1          | 4.0x            | 17.8x             |
| 02/03/2014     | Accellent (U.S.)                                  | Lake Region Medical (U.S.)  | 315.0            | NA              | NA                |
| 01/30/2014     | Wright Medical Group (U.S.)                       | Solana Surgical (U.S.)  | 84.9             | NA              | NA                |
| 01/16/2014     | The Carlyle Group (U.S.)                          | Ortho-Clinical Diagnostics (U.S.)   | 4,150.0          | 2.2x            | NA                |
| 01/07/2014     | Carl Zeiss Meditec (U.S.)                         | Aaren Scientific (U.S.)   | 70.0             | NA              | NA                |
| 01/06/2014     | Medtronic (U.S.)                                  | TYRX (U.S.)   | 160.0            | NA              | NA                |

### U.S. MedTech M&A Deal Volume by Size

| \$ in millions except # | Q1 2013         |                  | Q1 2014         |                  | Q4 2013         |                  |
|-------------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|
|                         | Number of Deals | Total Deal Value | Number of Deals | Total Deal Value | Number of Deals | Total Deal Value |
| < \$50M                 | 8               | 158              | 13              | 199              | 5               | 27               |
| \$50M to \$100M         | 2               | 178              | 4               | 303              | 4               | 253              |
| \$100M to \$250M        | NA              | NA               | 1               | 160              | 4               | 565              |
| \$250M to \$500M        | 3               | 1,042            | 1               | 315              | 4               | 1,205            |
| \$500M to \$1000M       | NA              | NA               | NA              | NA               | 3               | 1,965            |
| >1B                     | NA              | NA               | 2               | 5,880            | 1               | 1,675            |
| Undisclosed             | 57              | NA               | 55              | NA               | 55              | NA               |
| <b>Total</b>            | <b>70</b>       | <b>1,377</b>     | <b>76</b>       | <b>6,857</b>     | <b>76</b>       | <b>5,689</b>     |

Source: CapitalIQ and Industry Research.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



## Medical Technology Sector M&A Review (Cont.)

### Review of Selected MedTech Transactions in Q1

#### Healthstream acquired Health Care Compliance Strategies (HCCS) for \$16M EV.

- **Acquisition enhances Healthstream's Workforce Development portfolio with a comprehensive solution of premium courseware and a proven application for conflict of interest remediation**

Headquartered in Jericho, NY, HCCS offers General Compliance Suite, providing online training courses and learning management systems to hospitals and healthcare institutions. The Company also provides Research Compliance Suite, providing solutions for grant and contract writing, conflict of interest remediation, research best practices and other solutions for professional relationships and data issues. HCCS also offers Quality Improvement Suite, which offers joint commission accreditation and tracer methodology, patient safety solutions, bioterrorism and disaster preparation, organizational performance improvement and patient education. In addition, HCCS' Workplace Compliance Suite includes tools for preventing sexual harassment in healthcare organizations and identifying theft prevention.

#### Varian Medical Systems acquired Velocity Medical Solutions. Valuation was not disclosed.

- **Acquisition of Velocity Medical's product portfolio bolsters Varian Medical's Oncology business, enabling healthcare professionals to utilize patient images and data to plan and assess treatments, collaborate with colleagues and share clinical knowledge**

Based in Atlanta, GA, Velocity Medical Solutions provides intelligent radiation treatment tools for oncologists. Velocity specializes in oncology-focused picture archiving and communications systems (PACS) with wide applicability to the research, clinical and drug discovery markets. The Company was founded by leading clinicians who have helped develop innovative and powerful tools to transform unstructured data into useful clinical knowledge. Proprietary Velocity software enables clinicians to easily collect, integrate and share data from CT, PET and MR images and diverse treatment systems for close collaboration with referring physicians, oncologists and medical physicists. Velocity software is already in use in over 200 cancer treatment centers worldwide.

#### TELUS Health Solutions acquired Med Access. Valuation was not disclosed.

- **Acquisition positions TELUS as Canada's largest electronic medical record provider, expanding the Company's EMR reach to 12,500 Canadian physicians and medical specialists**

Based in Canada, Med Access provides electronic medical record services to 2,000 specialty and general practice doctors in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The Company offers Web-based electronic medical record system software for linking patients, physicians, hospitals and healthcare service providers across Canada. Company solutions include Rise Health Suite, which includes calendar-facing views for booking, appointment listing, patient information discovery and recalls and alerts for physicians. In addition, the Med Access solution offers an entry-level scheduling and billing software and services package, combined with Med Easy, a solution for meeting the billing and scheduling needs of clients.

*Source: CapitalIQ, Press Releases, Equity Research, Online Publications and Industry Research.*

*Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents) and NTM = Next Twelve Months.*





## Medical Technology Sector M&A Review (Cont.)

### *Healthcare Supplies*

#### **Carl Zeiss Meditec acquired Aaren Scientific for \$70M EV.**

- **Acquisition of Aaren Scientific expands Carl Zeiss' intraocular lens portfolio, complementing the existing development and manufacturing sites in Berlin, Germany and La Rochelle, France**

Headquartered in Canada, Aaren Scientific designs and manufactures intraocular lenses (IOLs) and ophthalmic surgical products for cataract and refractive surgeries. Aaren offers hydrophilic and hydrophobic IOLs processed with the Company's P.U.R.E. system, aspheric optics to enhance contrast sensitivity in cases of lens misalignment and heparin surface modification for biocompatibility. Aaren Scientific, manufacturer of IOLs for over two decades, was the first so in the U.S. to receive CE registration and is well regarded for its innovative R&D capabilities. The Company earned 2012 total revenues of ~\$20 million and has 235 employees worldwide.

#### **North Coast Medical acquired ActivaTek. Valuation was not disclosed.**

- **Acquisition represents new growth vectors for ActivaTek's business and its global distribution partners in the Rehabilitation medical sector, while enabling North Coast Medical to enhance the well-being of a greater number of rehabilitation patients**

Based in Salt Lake City, UT, ActivaTek develops and markets iontophoresis products to the rehabilitation medicine market. The Company offers drug delivery and medical devices, including Trivarion, an iontophoresis system that delivers treatment to key extremities such as the elbows, wrists, Achilles tendon, shoulders, knees, fingers and knuckles. ActivaTek also offers ActivaStim, a muscle stimulation electrode, ActivaPatch, a self-contained iontophoretic drug delivery system, Trivarion Butterfly, a buffered iontophoretic delivery kit and ActivaDoseII, a drug dose control system.

#### **Minnesota Thermal Science acquires Cool Logistics. Valuation was not disclosed.**

- **Acquisition accelerates Minnesota Thermal's BioPharma strategy and expands Cool Logistics' market positioning with a large global footprint, strong local sales and customer service support**

Headquartered in the U.K, Cool Logistics designs and manufactures temperature-controlled packaging solutions for pharmaceutical and healthcare industries in the United Kingdom and internationally. The Company offers dry ice shippers, off-the-shelf temperature controlled packaging systems, passive vacuum insulated panels, material phase-change packaging solutions, thermal packaging solutions and bulk shipping products. Cool Logistics, founded in 2000, employed approximately 50 professionals globally.

*Source: CapitalIQ, Press Releases, Equity Research, Online Publications and Industry Research.*

*Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents) and NTM = Next Twelve Months.*





## Medical Technology Sector M&A Review (Cont.)

### *Healthcare Equipment*

#### **Smith & Nephew acquired ArthroCare for \$1.73B EV, which implied 4.0x LTM Revenue.**

- Acquisition combines ArthroCare's latest generation of radio frequency technology and Smith & Nephew's strong mechanical blade portfolio
- Additionally, ArthroCare's shoulder anchor solutions strongly complements Smith & Nephew's competencies in knee repair, forming an extensive, integrated joint repair portfolio

Headquartered in Austin, TX, ArthroCare develops and manufactures surgical devices, instruments and implants that enhance surgical techniques, supplement minimally-invasive procedures and improve patient outcomes. ArthroCare's two core product lines are Sports Medicine and Ear, Nose & Throat with a growing presence in spine, wound care, urology and gynecology. The Company has approximately 1,800 employees and had 2012 revenue of \$368 million.

#### **Accellent acquired Lake Region Medical for \$315M EV.**

- Acquisition of Lake Region Medical enables Accellent to offer patients interventional catheter deliver, access and retrieval systems to complement customers' core therapeutic devices
- Additionally, the new Lake Region Medical will have strong manufacturing capabilities to support customers' product needs for components, sub-assemblies and fully-assembled devices in both Cardio & Vascular and Advanced Surgical markets

Based in Chaska, MN, Lake Region Medical develops and manufactures medical devices and components for customers in the United States and internationally. The Company provides interventional and low-volume diagnostic guidewires, specialized medical devices, precision machining as well as hydrophilic, silicone, PTFE, heparin and polyimide coatings. Lake Region's product applications include stimulation therapy for the cardiovascular, neurovascular and peripheral vascular systems.

#### **Stryker acquired Berchtold for \$172M EV, which implied 1.4x LTM Revenue.**

- Acquisition bolsters Stryker's fast-growing Endoscopy division with the addition of Berchtold's innovative operating room equipment product portfolio

Headquartered in Germany, Berchtold develops, manufactures and installs operating room lights and surgical tables. The Company's products include Chromophare operating room (OR) instruments and examination lights, mobile OR tables, ceiling pendants, telemedicine products and infrastructure for scalable in-room routing, device control and digital data exchange with external devices. Berchtold had 2013 revenue of approximately \$125 million.

*Source: CapitalIQ, Press Releases, Equity Research, Online Publications and Industry Research.*

*Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents) and NTM = Next Twelve Months.*



## Medical Technology Sector M&A Review (Cont.)

### *Healthcare Equipment*

#### **Medtronic acquired TYRX for \$160M EV.**

- **Acquisition of TYRX's infection-reducing surgical products and medical devices marks a strategic entry point for Medtronic into the broader healthcare services and solutions market**

Headquartered in Monmouth Junction, NJ, TYRX's product offerings include the recently FDA-approved AIGISRx® Fully Resorbable Antibacterial Envelope, designed to reduce surgical site infections associated with Cardiac Implantable Electronic Devices and the AIGISRx Antibacterial Envelope, for use with spinal cord neuromostimulators. TYRX, founded in 1998, had 2013 revenue of \$30 million and employed approximately 50 professionals worldwide.

#### **Wright Medical acquired Solana Surgical for \$84.9M EV and OrthoPro for \$36M EV.**

- **Acquisition of Solana Surgical improves Wright's biologic offerings in the foot and ankle market, while OrthoPro fills in product gaps in Wright's lower extremity hardware portfolio**

Headquartered in Memphis, TN, Solana Surgical is a global orthopedics solution provider developing innovative products to restore motion, relieve pain and improve surgical outcomes. Since coming to market in 2011, Solana Surgical's aim has been to advance the science of foot, ankle and hand wellness.

Headquartered in Salt Lake City, UT, OrthoPro provides high quality, innovative foot and ankle products. In the last decade, OrthoPro has launched several innovative surgical products for the foot and ankle market, including the Phalinx Cannulated Hammertoe Fixation System, Total Compression Plate System and Hemiarthroplasty Implant. OrthoPro was founded in 2003.

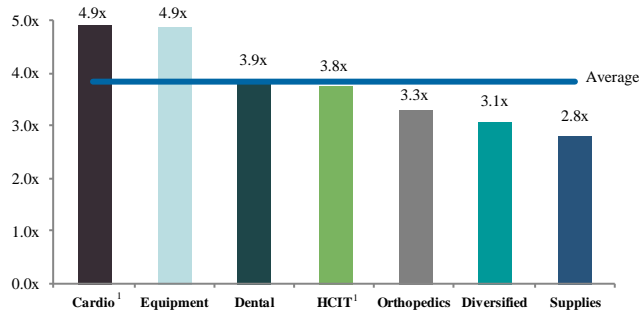
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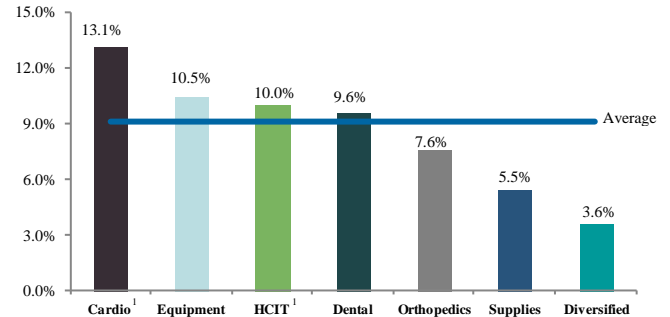


## Comparable Public Company Valuation Metrics – MedTech Sector

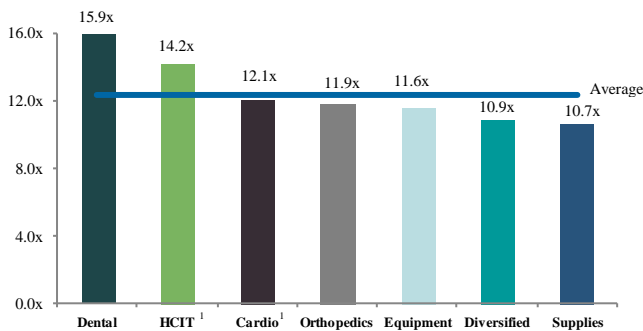
Enterprise Value / CY 2014E Rev.



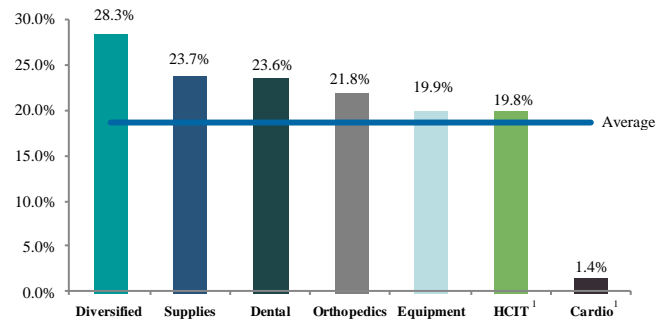
CY 2014E Rev. Growth %



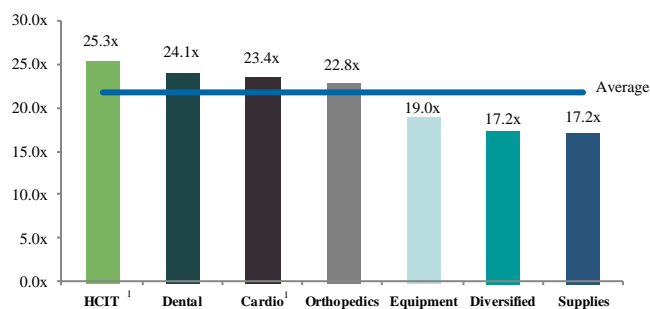
Enterprise Value / CY 2014E EBITDA



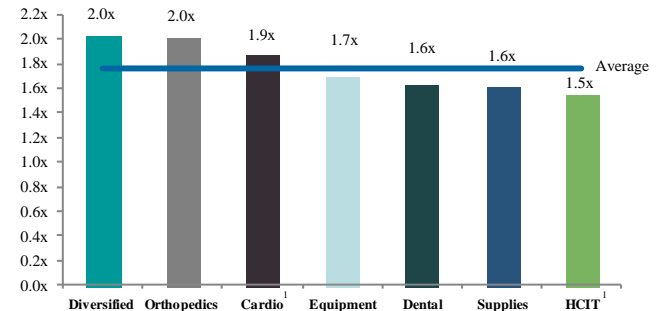
CY 2014E EBITDA Margin %



Price / Earnings 2014E



Price-to-Earnings Growth Ratio 2014E



Source: CapitalIQ.

Note: Market Data as of Q1 2014 Quarter End.

Note: Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x and PEG > 3x.

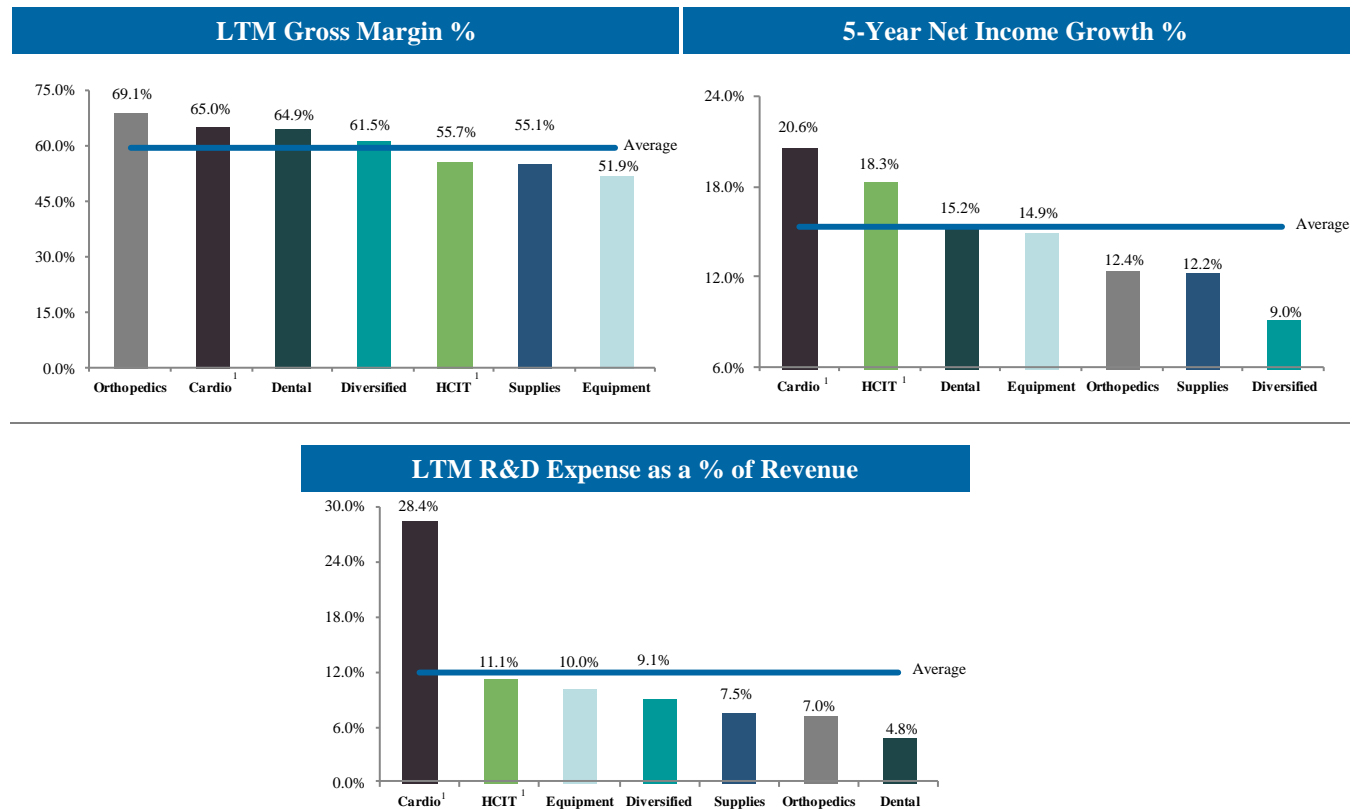
Note: CY=Calendar Year, LTM=Last Twelve Months and NTM = Next Twelve Months.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).

(1) Cardio = Cardiothoracic and HCIT = Healthcare Information Technology.



## Comparable Public Company Valuation Metrics – Medical Technology Sector (Cont.)



Source: CapitalIQ.

Note: Market Data as of Q1 2014 Quarter End.

Note: Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x and PEG > 3x.

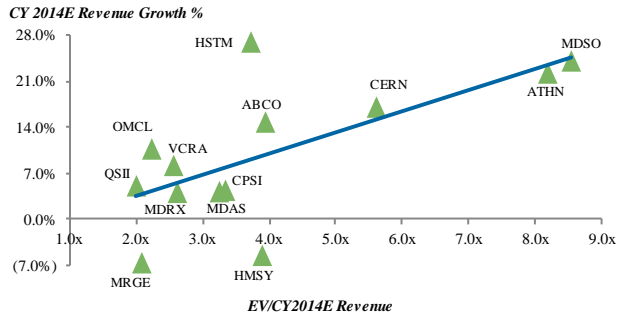
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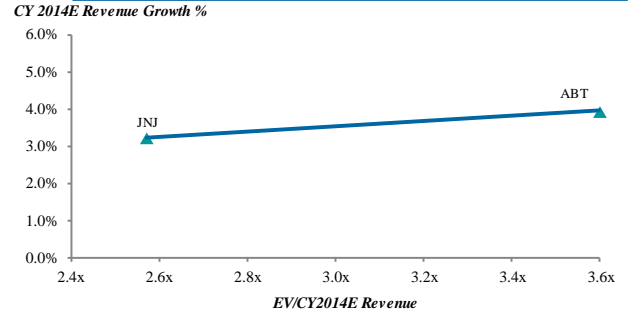


# Valuation & Revenue Growth Correlation – Public MedTech Companies

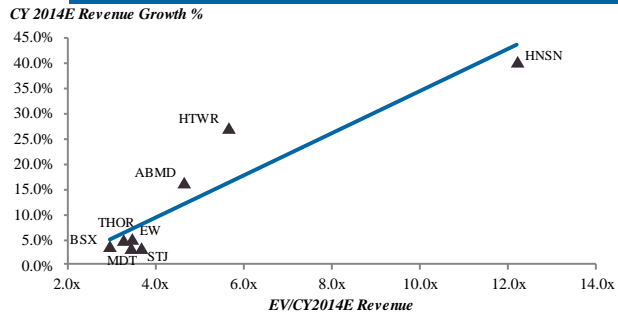
## HCIT



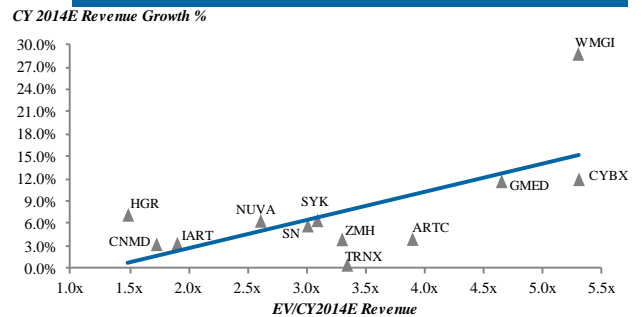
## Diversified



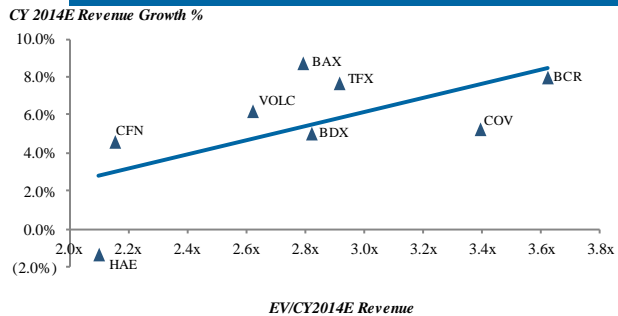
## Cardiothoracic



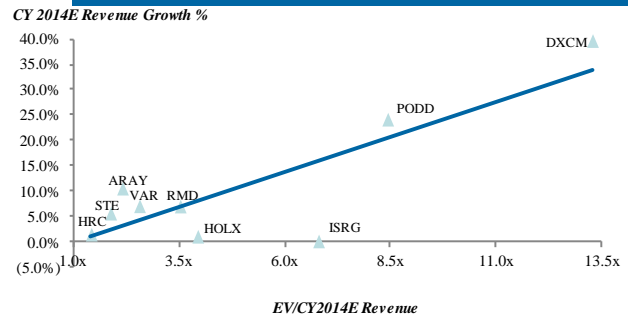
## Orthopedics



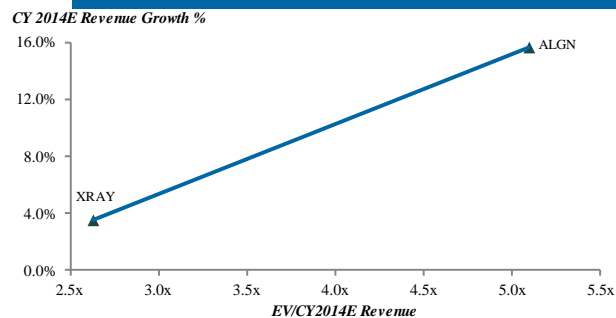
## Supplies



## Equipment



## Dental



Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q1 2014 Quarter End.

Note: CY=Calendar Year.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



# Appendix



## Appendix – Comparable Public Company Analysis

### Healthcare Technology (HCIT) – Valuation Metrics

(\$Millions, except per share values)

| (\$Millions, except per share values) |                   |  |              |            |            |            | Valuation Metrics |       |              |       |       |       |           |       |
|---------------------------------------|-------------------|--|--------------|------------|------------|------------|-------------------|-------|--------------|-------|-------|-------|-----------|-------|
|                                       |                   |  |              |            |            |            | EV/CY Revenue     |       | EV/CY EBITDA |       | P/E   |       | PEG Ratio |       |
|                                       |                   |  |              |            |            |            | 2014E             | 2015E | 2014E        | 2015E | 2014E | 2015E | 2014E     | 2015E |
| Stock Price                           | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value | Net Debt   | Ent. Value |            |                   |       |              |       |       |       |           |       |
| HCIT                                  |                   |  |              |            |            |            |                   |       |              |       |       |       |           |       |
| Cerner                                | \$56.25           | 89%  | 1.24x        | \$19,347.0 | (\$713.6)  | \$18,633.4 | 5.6x              | 5.0x  | 16.2x        | 14.0x | 34.1x | 28.8x | 1.89x     | 1.60x |
| Athenahealth <sup>(1)</sup>           | \$160.24          | 78%  | 1.95x        | \$5,989.9  | \$159.1    | \$6,149.0  | 8.2x              | 6.6x  | NM           | NM    | NM    | NM    | NM        | NM    |
| Allscripts Healthcare Solutions       | \$18.03           | 92%  | 1.46x        | \$3,228.3  | \$499.3    | \$3,727.6  | 2.6x              | 2.4x  | 16.9x        | 14.0x | 44.0x | 31.9x | 1.98x     | 1.44x |
| Medidata Solutions                    | \$54.34           | 80%  | 2.05x        | \$2,943.7  | (\$11.4)   | \$2,932.2  | 8.5x              | 7.1x  | NM           | 27.2x | NM    | NM    | NM        | NM    |
| The Advisory Board Co.                | \$64.25           | 91%  | 1.45x        | \$2,322.1  | (\$53.8)   | \$2,268.2  | 3.9x              | 3.4x  | 21.9x        | 18.5x | NM    | 44.3x | NM        | 2.68x |
| HMS Holdings Corp.                    | \$19.05           | 68%  | 1.10x        | \$1,666.6  | \$139.4    | \$1,806.0  | 3.9x              | 3.2x  | 14.4x        | 10.5x | 29.8x | 19.3x | 1.80x     | 1.17x |
| MedAssets                             | \$24.71           | 93%  | 1.52x        | \$1,527.1  | \$770.7    | \$2,297.8  | 3.2x              | 3.0x  | 9.7x         | 9.0x  | 17.8x | 15.8x | 1.39x     | 1.24x |
| Omnicell                              | \$28.62           | 94%  | 1.68x        | \$1,040.7  | (\$104.5)  | \$936.1    | 2.2x              | 2.0x  | 11.6x        | 9.7x  | 23.7x | 20.4x | 1.29x     | 1.11x |
| Quality Systems                       | \$16.88           | 70%  | 1.04x        | \$1,016.3  | (\$94.0)   | \$922.4    | 2.0x              | 1.8x  | 10.1x        | 8.9x  | 23.8x | 19.2x | 1.96x     | 1.58x |
| Accretive Health                      | \$8.00            | 91%  | 1.02x        | \$778.1    | (\$196.4)  | \$581.8    | 0.7x              | NM    | 8.4x         | 5.3x  | 19.8x | 11.3x | 0.74x     | 0.42x |
| Healthstream                          | \$26.70           | 67%  | 1.37x        | \$732.1    | (\$108.2)  | \$623.9    | 3.7x              | 3.1x  | 24.3x        | 19.2x | NM    | NM    | NM        | NM    |
| Computer Programs & Systems           | \$64.60           | 90%  | 1.37x        | \$721.2    | (\$22.4)   | \$698.8    | 3.3x              | 3.2x  | 11.6x        | 10.9x | 19.5x | 18.6x | 1.67x     | 1.59x |
| Vocera Communications                 | \$16.33           | 68%  | 1.36x        | \$410.1    | (\$127.1)  | \$283.0    | 2.6x              | 2.2x  | NM           | NM    | NM    | NM    | NM        | NM    |
| Merge Healthcare Incorporated         | \$2.44            | 52%  | 1.23x        | \$230.8    | \$217.1    | \$448.3    | 2.1x              | 2.0x  | 10.9x        | 9.4x  | 15.3x | 11.6x | 1.02x     | 0.77x |
|                                       |                   |  |              |            |            | Average    | 3.8x              | 3.5x  | 14.2x        | 13.0x | 25.3x | 22.1x | 1.53x     | 1.36x |
|                                       |                   |  |              |            |            | Median     | 3.3x              | 3.1x  | 11.6x        | 10.7x | 23.7x | 19.3x | 1.67x     | 1.34x |

### Healthcare Technology (HCIT) – Operating Metrics

(\$Millions, except per share values)

| (S\$illions, except per share values) |                   |  |              |            |            |                | Operating Metrics |                  |        |          |       |         |         |         |       |       |
|---------------------------------------|-------------------|--|--------------|------------|------------|----------------|-------------------|------------------|--------|----------|-------|---------|---------|---------|-------|-------|
| Stock Price                           | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value | Net Debt   | Ent. Value | CY Rev. Growth |                   | CY EBITDA Margin |        | 5-Yr NI  | GM    | S&M Mgn | R&D Mgn | G&A Mgn |       |       |
|                                       |                   |  |              |            |            | 2014E          | 2015E             | 2014E            | 2015E  | Growth % | LTM   | LTM     | LTM     | LTM     |       |       |
| HCIT                                  |                   |  |              |            |            |                |                   |                  |        |          |       |         |         |         |       |       |
| Cerner                                | \$56.25           | 89%  | 1.24x        | \$19,347.0 | (\$713.6)  | \$18,633.4     | 17.1%             | 12.8%            | 34.6%  | 35.6%    | 18.0% | 84.3%   | 41.3%   | 11.9%   | 10.8% |       |
| Athenahealth <sup>(1)</sup>           | \$160.24          | 78%  | 1.95x        | \$5,989.9  | \$159.1    | \$6,149.0      | 22.2%             | 24.3%            | 17.8%  | 17.8%    | 26.4% | 59.9%   | 24.3%   | 9.4%    | 15.4% |       |
| Allscripts Healthcare Solutions       | \$18.03           | 92%  | 1.46x        | \$3,228.3  | \$499.3    | \$3,727.6      | 4.1%              | 6.8%             | 15.4%  | 17.4%    | 22.2% | 45.1%   | NA      | 14.5%   | NA    |       |
| Medidata Solutions                    | \$54.34           | 80%  | 2.05x        | \$2,943.7  | (\$11.4)   | \$2,932.2      | 24.1%             | 20.8%            | 24.1%  | 25.9%    | 21.8% | 74.7%   | 24.0%   | 18.5%   | 23.3% |       |
| The Advisory Board Co.                | \$64.25           | 91%  | 1.45x        | \$2,322.1  | (\$53.8)   | \$2,268.2      | 14.8%             | 15.5%            | 18.0%  | 18.4%    | 16.5% | 46.7%   | 18.5%   | NA      | 14.2% |       |
| HMS Holdings Corp.                    | \$19.05           | 68%  | 1.10x        | \$1,666.6  | \$139.4    | \$1,806.0      | (5.5%)            | 22.6%            | 27.1%  | 30.1%    | 16.5% | 36.2%   | NA      | NA      | NA    |       |
| MedAssets                             | \$24.71           | 93%  | 1.52x        | \$1,527.1  | \$770.7    | \$2,297.8      | 4.2%              | 6.3%             | 33.4%  | 33.9%    | 12.8% | 77.7%   | 9.0%    | 4.5%    | 33.5% |       |
| Omnicell                              | \$28.62           | 94%  | 1.68x        | \$1,040.7  | (\$104.5)  | \$936.1        | 10.7%             | 10.9%            | 19.2%  | 20.6%    | 18.4% | 53.4%   | 0.1%    | 7.1%    | NA    |       |
| Quality Systems                       | \$16.88           | 70%  | 1.04x        | \$1,016.3  | (\$94.0)   | \$922.4        | 5.1%              | 13.7%            | 19.6%  | 19.8%    | 12.1% | 55.8%   | 1.5%    | 7.9%    | NA    |       |
| Accretive Health                      | \$8.00            | 91%  | 1.02x        | \$778.1    | (\$196.4)  | \$581.8        | NA                | NM               | 8.0%   | NA       | 26.7% | 20.7%   | NA      | NA      | 9.9%  |       |
| Healthstream                          | \$26.70           | 67%  | 1.37x        | \$732.1    | (\$108.2)  | \$623.9        | 27.0%             | 21.2%            | 15.3%  | 15.9%    | 20.7% | 58.0%   | 18.2%   | 8.9%    | 11.7% |       |
| Computer Programs & Systems           | \$64.60           | 90%  | 1.37x        | \$721.2    | (\$22.4)   | \$698.8        | 4.4%              | 4.1%             | 28.8%  | 29.3%    | 11.7% | 46.7%   | 7.3%    | NA      | 14.3% |       |
| Vocera Communications                 | \$16.33           | 68%  | 1.36x        | \$410.1    | (\$127.1)  | \$283.0        | 8.2%              | 15.5%            | (3.1%) | 3.2%     | 18.7% | 62.6%   | 43.8%   | 14.6%   | 14.5% |       |
| Merge Healthcare Incorporated         | \$2.44            | 52%  | 1.23x        | \$230.8    | \$217.1    | \$448.3        | (6.6%)            | 6.0%             | 19.0%  | 20.8%    | 15.0% | 58.6%   | 15.8%   | 14.0%   | 15.7% |       |
|                                       |                   |  |              |            |            |                | Average           | 10.0%            | 13.9%  | 19.8%    | 22.2% | 18.4%   | 55.7%   | 18.5%   | 11.1% | 16.3% |
|                                       |                   |  |              |            |            |                | Median            | 8.2%             | 13.7%  | 19.1%    | 20.6% | 18.2%   | 56.9%   | 18.2%   | 10.7% | 14.4% |

Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q1 2014 Quarter End.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price/Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).

(1) CY Revenue Growth and EV/CY Revenue Multiple Adjusted for Acquisitions.





## Appendix – Comparable Public Company Analysis (Cont.)

### Diversified – Valuation Metrics

(\$Millions, except per share values)

| (\$Millions, except per share values) |                   |  |              |             |              |             | Valuation Metrics |       |              |       |       |       |           |       |
|---------------------------------------|-------------------|--|--------------|-------------|--------------|-------------|-------------------|-------|--------------|-------|-------|-------|-----------|-------|
|                                       |                   |  |              |             |              |             | EV/CY Revenue     |       | EV/CY EBITDA |       | P/E   |       | PEG Ratio |       |
|                                       |                   |  |              |             |              |             |                   |       |              |       |       |       |           |       |
| Stock Price                           | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value | Net Debt    | Ent. Value   | 2014E       | 2015E             | 2014E | 2015E        | 2014E | 2015E | 2014E | 2015E     |       |
| Diversified                           |                   |  |              |             |              |             |                   |       |              |       |       |       |           |       |
| Johnson & Johnson                     | \$98.23           | 100%   | 1.22x        | \$277,826.3 | (\$11,026.0) | \$266,800.3 | 3.6x              | 3.4x  | 10.9x        | 10.2x | 16.9x | 15.6x | 2.53x     | 2.34x |
| Abbott Laboratories                   | \$38.51           | 95%  | 1.18x        | \$59,423.6  | (\$1,537.0)  | \$57,982.6  | 2.6x              | 2.4x  | 10.8x        | 9.9x  | 17.5x | 15.7x | 1.54x     | 1.37x |
| Average                               |                   |  |              |             |              |             | 3.1x              | 2.9x  | 10.9x        | 10.0x | 17.2x | 15.6x | 2.03x     | 1.86x |
| Median                                |                   |  |              |             |              |             | 3.1x              | 2.9x  | 10.9x        | 10.0x | 17.2x | 15.6x | 2.03x     | 1.86x |

### Diversified – Operating Metrics

(\$Millions, except per share values)

|                     |  |  |  |  |  |  | Operating Metrics |  |                  |             |              |             |         |         |         |       |       |       |      |       |    |
|---------------------|--|--|--|--|--|--|-------------------|--|------------------|-------------|--------------|-------------|---------|---------|---------|-------|-------|-------|------|-------|----|
|                     |  |  |  |  |  |  | CY Rev. Growth    |  | CY EBITDA Margin |             | 5-Yr NI      | GM          | S&M Mgn | R&D Mgn | G&A Mgn |       |       |       |      |       |    |
|                     |  |  |  |  |  |  | 2014E             | 2015E  | 2014E            | 2015E       | Growth %     | LTM         | LTM     | LTM     | LTM     |       |       |       |      |       |    |
| Stock Price         |  |  |  |  |  |  | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value     | Net Debt    | Ent. Value   |             |         |         |         |       |       |       |      |       |    |
| Diversified         |  |  |  |  |  |  |                   |  |                  |             |              |             |         |         |         |       |       |       |      |       |    |
| Johnson & Johnson   |  |  |  |  |  |  | \$98.23           | 100%   | 1.22x            | \$277,826.3 | (\$11,026.0) | \$266,800.3 | 3.9%    | 4.5%    | 32.9%   | 33.9% | 6.7%  | 68.7% | 3.5% | 11.5% | NA |
| Abbott Laboratories |  |  |  |  |  |  | \$38.51           | 95%  | 1.18x            | \$59,423.6  | (\$1,537.0)  | \$57,982.6  | 3.2%    | 5.6%    | 23.7%   | 24.7% | 11.4% | 54.3% | NA   | 6.6%  | NA |
| Average             |  |  |  |  |  |  | 3.6%              | 5.0%   | 28.3%            | 29.3%       | 9.0%         | 61.5%       | 3.5%    | 9.1%    | NA      |       |       |       |      |       |    |
| Median              |  |  |  |  |  |  | 3.6%              | 5.0%   | 28.3%            | 29.3%       | 9.0%         | 61.5%       | 3.5%    | 9.1%    | NA      |       |       |       |      |       |    |

### Cardiothoracic – Valuation Metrics

(\$Millions, except per share values)

| (\$Millions, except per share values) |             |                   |  |              |             |            | Valuation Metrics |       |              |       |       |       |           |       |
|---------------------------------------|-------------|-------------------|--|--------------|-------------|------------|-------------------|-------|--------------|-------|-------|-------|-----------|-------|
|                                       |             |                   |  |              |             |            | EV/CY Revenue     |       | EV/CY EBITDA |       | P/E   |       | PEG Ratio |       |
|                                       |             |                   |  |              |             |            | 2014E             | 2015E | 2014E        | 2015E | 2014E | 2015E | 2014E     | 2015E |
|                                       | Stock Price | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value | Net Debt    | Ent. Value |                   |       |              |       |       |       |           |       |
| Cardiothoracic                        |             |                   |  |              |             |            |                   |       |              |       |       |       |           |       |
| Medtronic                             | \$61.54     | 100%              | 1.36x  | \$61,590.2   | (\$1,434.0) | \$60,156.2 | 3.4x              | 3.3x  | 9.7x         | 9.2x  | 15.2x | 14.1x | 2.29x     | 2.12x |
| St. Jude Medical                      | \$65.39     | 95%               | 1.64x  | \$18,564.4   | \$2,172.0   | \$20,909.4 | 3.7x              | 3.5x  | 11.8x        | 11.0x | 16.5x | 15.2x | 1.78x     | 1.64x |
| Boston Scientific                     | \$13.52     | 96%               | 1.91x  | \$17,893.3   | \$4,030.0   | \$21,923.3 | 3.0x              | 2.8x  | 12.6x        | 11.8x | 26.0x | 21.8x | 2.47x     | 2.07x |
| Edwards Lifesciences                  | \$74.17     | 86%               | 1.22x  | \$7,797.3    | (\$339.8)   | \$7,457.5  | 3.5x              | 3.3x  | 14.9x        | 13.3x | 24.7x | 21.5x | 1.98x     | 1.73x |
| Thoratec Corp.                        | \$35.81     | 82%               | 1.20x  | \$2,032.6    | (\$305.8)   | \$1,726.9  | 3.3x              | 3.0x  | 11.5x        | 10.0x | 20.2x | 17.2x | 1.96x     | 1.67x |
| Heartware International               | \$93.78     | 89%               | 1.35x  | \$1,589.9    | (\$93.4)    | \$1,496.5  | 5.7x              | 5.0x  | NM           | NM    | NM    | NM    | NM        | NM    |
| ABIOMED                               | \$26.04     | 85%               | 1.62x  | \$1,035.5    | (\$79.6)    | \$955.9    | 4.6x              | 4.2x  | NM           | 28.2x | 37.7x | 27.1x | 0.69x     | 0.50x |
| Hansen Medical                        | \$2.60      | 90%               | 2.28x  | \$287.6      | \$3.4       | \$291.0    | 12.2x             | 9.6x  | NM           | NM    | NM    | NM    | NM        | NM    |
|                                       |             |                   |  |              |             | Average    | 4.9x              | 4.3x  | 12.1x        | 13.9x | 23.4x | 19.5x | 1.86x     | 1.62x |
|                                       |             |                   |  |              |             | Median     | 3.6x              | 3.4x  | 11.8x        | 11.4x | 22.4x | 19.4x | 1.97x     | 1.70x |

### Cardiothoracic – Operating Metrics

(\$Millions, except per share values)

| (SMillions, except per share values) |             |                   |  |              |             |            | Operating Metrics |       |                  |         |          |       |         |         |         |
|--------------------------------------|-------------|-------------------|--|--------------|-------------|------------|-------------------|-------|------------------|---------|----------|-------|---------|---------|---------|
|                                      |             |                   |  |              |             |            | CY Rev. Growth    |       | CY EBITDA Margin |         | 5-Yr NI  | GM    | S&M Mgn | R&D Mgn | G&A Mgn |
|                                      |             |                   |  |              |             |            | 2014E             | 2015E | 2014E            | 2015E   | Growth % | LTM   | LTM     | LTM     | LTM     |
|                                      | Stock Price | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value | Net Debt    | Ent. Value |                   |       |                  |         |          |       |         |         |         |
| Cardiothoracic                       |             |                   |  |              |             |            |                   |       |                  |         |          |       |         |         |         |
| Medtronic                            | \$61.54     | 100%              | 1.36x  | \$61,590.2   | (\$1,434.0) | \$60,156.2 | 3.4%              | 3.8%  | 35.4%            | 36.2%   | 6.6%     | 74.6% | NA      | 8.9%    | NA      |
| St. Jude Medical                     | \$65.39     | 95%               | 1.64x  | \$18,564.4   | \$2,172.0   | \$20,909.4 | 3.4%              | 4.6%  | 31.1%            | 32.0%   | 9.3%     | 72.3% | NA      | 12.6%   | NA      |
| Boston Scientific                    | \$13.52     | 96%               | 1.91x  | \$17,893.3   | \$4,030.0   | \$21,923.3 | 3.8%              | 4.2%  | 23.5%            | 24.1%   | 10.5%    | 67.6% | NA      | 12.1%   | NA      |
| Edwards Lifesciences                 | \$74.17     | 86%               | 1.22x  | \$7,797.3    | (\$339.8)   | \$7,457.5  | 5.2%              | 4.5%  | 23.2%            | 24.9%   | 12.5%    | 74.5% | NA      | 15.8%   | NA      |
| Thoratec Corp.                       | \$35.81     | 82%               | 1.20x  | \$2,032.6    | (\$305.8)   | \$1,726.9  | 5.0%              | 10.2% | 28.3%            | 29.6%   | 10.3%    | 67.5% | 1.2%    | 18.8%   | NA      |
| Heartware International              | \$93.78     | 89%               | 1.35x  | \$1,589.9    | (\$93.4)    | \$1,496.5  | 27.2%             | 13.9% | (13.1%)          | (5.4%)  | 40.5%    | 63.2% | NA      | 47.5%   | NA      |
| ABIOMED                              | \$26.04     | 85%               | 1.62x  | \$1,035.5    | (\$79.6)    | \$955.9    | 16.4%             | 11.2% | 10.0%            | 14.8%   | 54.3%    | 79.6% | NA      | 16.7%   | NA      |
| Hansen Medical                       | \$2.60      | 90%               | 2.28x  | \$287.6      | \$3.4       | \$291.0    | 40.3%             | 27.0% | (127.2%)         | (91.3%) | NM       | 20.6% | NA      | 95.0%   | NA      |
| Average                              |             |                   |  |              |             |            | 13.1%             | 9.9%  | 1.4%             | 8.1%    | 20.6%    | 65.0% | 1.2%    | 28.4%   | NA      |
| Median                               |             |                   |  |              |             |            | 5.1%              | 7.4%  | 23.3%            | 24.5%   | 10.5%    | 69.9% | 1.2%    | 16.3%   | NA      |

Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q1 2014 Quarter End.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price/Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



## Appendix – Comparable Public Company Analysis (Cont.)

### Orthopedics – Valuation Metrics

(\$Millions, except per share values)

| (\$Millions, except per share values)        |                   |  |              |            |             |            | Valuation Metrics |       |              |       |       |       |           |       |
|--|-------------------|--|--------------|------------|-------------|------------|-------------------|-------|--------------|-------|-------|-------|-----------|-------|
|  |                   |  |              |            |             |            | EV/CY Revenue     |       | EV/CY EBITDA |       | P/E   |       | PEG Ratio |       |
|  |                   |  |              |            |             |            |                   |       |              |       |       |       |           |       |
| Stock Price                                  | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value | Net Debt   | Ent. Value  | 2014E      | 2015E             | 2014E | 2015E        | 2014E | 2015E | 2014E | 2015E     |       |
| Orthopedics                                  |                   |  |              |            |             |            |                   |       |              |       |       |       |           |       |
| Stryker Corp.                                | \$81.47           | 97%  | 1.29x        | \$30,812.0 | (\$1,216.0) | \$29,596.0 | 3.1x              | 2.9x  | 11.2x        | 10.5x | 16.9x | 15.5x | 1.90x     | 1.74x |
| Zimmer Holdings                              | \$94.58           | 96%  | 1.31x        | \$15,942.2 | (\$134.8)   | \$15,810.2 | 3.3x              | 3.2x  | 8.6x         | 8.3x  | 15.2x | 13.9x | 1.62x     | 1.48x |
| Smith & Nephew                               | \$15.15           | 94%  | 1.27x        | \$13,548.9 | \$254.0     | \$13,804.5 | 3.0x              | 2.8x  | 10.2x        | 9.3x  | 17.9x | 16.3x | 1.96x     | 1.78x |
| Globus Medical                               | \$26.59           | 98%  | 1.93x        | \$2,491.8  | (\$238.9)   | \$2,252.9  | 4.6x              | 4.1x  | 14.0x        | 12.2x | 28.7x | 25.3x | 1.98x     | 1.75x |
| NuVasive                                     | \$38.41           | 96%  | 1.95x        | \$1,787.0  | \$100.0     | \$1,896.1  | 2.6x              | 2.5x  | 15.9x        | 12.9x | 36.2x | 27.7x | 2.95x     | 2.26x |
| Cyberonics                                   | \$65.26           | 89%  | 1.54x        | \$1,751.1  | (\$116.6)   | \$1,634.5  | 5.3x              | 4.9x  | 14.8x        | 14.0x | 28.7x | 24.6x | 1.57x     | 1.35x |
| ArthroCare                                   | \$48.19           | 96%  | 1.53x        | \$1,657.8  | (\$214.9)   | \$1,527.5  | 3.9x              | 3.7x  | 16.1x        | 15.3x | 31.8x | 29.7x | 2.98x     | 2.79x |
| Wright Medical Group                         | \$31.07           | 92%  | 1.39x        | \$1,534.6  | \$100.0     | \$1,634.6  | 5.3x              | 4.6x  | NM           | NM    | NM    | NM    | NM        | NM    |
| Integra LifeSciences Holdings <sup>(1)</sup> | \$45.99           | 92%  | 1.49x        | \$1,490.7  | \$273.9     | \$1,764.6  | 1.9x              | 1.8x  | 9.0x         | 8.1x  | 14.9x | 13.3x | 1.50x     | 1.34x |
| Hanger                                       | \$33.68           | 83%  | 1.19x        | \$1,194.9  | \$458.4     | \$1,658.7  | 1.5x              | 1.4x  | 9.0x         | 8.0x  | 15.6x | 13.7x | 1.56x     | 1.37x |
| CONMED                                       | \$43.45           | 88%  | 1.45x        | \$1,182.1  | \$161.1     | \$1,343.2  | 1.7x              | 1.7x  | 9.8x         | 9.4x  | 22.3x | 20.2x | 2.11x     | 1.92x |
| Tornier N.V.                                 | \$21.22           | 97%  | 1.40x        | \$1,029.6  | \$12.3      | \$1,041.9  | 3.3x              | 3.1x  | NM           | 28.2x | NM    | NM    | NM        | NM    |
| Average                                      |                   |  |              |            |             |            | 3.3x              | 3.1x  | 11.9x        | 12.4x | 22.8x | 20.0x | 2.01x     | 1.78x |
| Median                                       |                   |  |              |            |             |            | 3.2x              | 3.0x  | 10.7x        | 10.5x | 20.1x | 18.3x | 1.93x     | 1.75x |

### Orthopedics – Operating Metrics

(\$Millions, except per share values)

| ( \$Millions, except per share values)       |                   |  |              |            |             |            | Operating Metrics |       |                  |       |          |       |         |         |         |
|--|-------------------|--|--------------|------------|-------------|------------|-------------------|-------|------------------|-------|----------|-------|---------|---------|---------|
|  |                   |  |              |            |             |            | CY Rev. Growth    |       | CY EBITDA Margin |       | 5-Yr NI  | GM    | S&M Mgn | R&D Mgn | G&A Mgn |
|  |                   |  |              |            |             |            | 2014E             | 2015E | 2014E            | 2015E | Growth % | LTM   | LTM     | LTM     | LTM     |
| Stock Price                                  | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value | Net Debt   | Ent. Value  |            |                   |       |                  |       |          |       |         |         |         |
| Orthopedics                                  |                   |  |              |            |             |            |                   |       |                  |       |          |       |         |         |         |
| Stryker Corp.                                | \$81.47           | 97%  | 1.29x        | \$30,812.0 | (\$1,216.0) | \$29,596.0 | 6.3%              | 5.5%  | 27.7%            | 27.9% | 8.9%     | 67.4% | NA      | 5.9%    | NA      |
| Zimmer Holdings                              | \$94.58           | 96%  | 1.31x        | \$15,942.2 | (\$134.8)   | \$15,810.2 | 3.7%              | 4.1%  | 38.2%            | 38.3% | 9.4%     | 72.4% | NA      | 4.4%    | NA      |
| Smith & Nephew                               | \$15.15           | 94%  | 1.27x        | \$13,548.9 | \$254.0     | \$13,804.5 | 5.6%              | 5.4%  | 29.4%            | 30.5% | 9.1%     | 75.1% | 2.1%    | 5.3%    | NA      |
| Globus Medical                               | \$26.59           | 98%  | 1.93x        | \$2,491.8  | (\$238.9)   | \$2,252.9  | 11.5%             | 13.0% | 33.2%            | 33.8% | 14.5%    | 77.2% | NA      | 6.2%    | NA      |
| NuVasive                                     | \$38.41           | 96%  | 1.95x        | \$1,787.0  | \$100.0     | \$1,896.1  | 6.2%              | 6.2%  | 16.4%            | 19.0% | 12.3%    | 74.8% | NA      | 4.7%    | NA      |
| Cyberonics                                   | \$65.26           | 89%  | 1.54x        | \$1,751.1  | (\$116.6)   | \$1,634.5  | 11.8%             | 8.6%  | 35.7%            | 34.9% | 18.3%    | 90.5% | NA      | 16.8%   | NA      |
| ArthroCare                                   | \$48.19           | 96%  | 1.53x        | \$1,657.8  | (\$214.9)   | \$1,527.5  | 3.8%              | 4.9%  | 24.2%            | 24.3% | 10.7%    | 69.2% | 32.4%   | 9.0%    | 8.6%    |
| Wright Medical Group                         | \$31.07           | 92%  | 1.39x        | \$1,534.6  | \$100.0     | \$1,634.6  | 28.6%             | 14.5% | (6.4%)           | 0.6%  | 13.5%    | 77.1% | NA      | 8.5%    | NA      |
| Integra LifeSciences Holdings <sup>(1)</sup> | \$45.99           | 92%  | 1.49x        | \$1,490.7  | \$273.9     | \$1,764.6  | 3.2%              | 5.3%  | 21.1%            | 22.3% | 9.9%     | 62.5% | NA      | 5.6%    | NA      |
| Hanger                                       | \$33.68           | 83%  | 1.19x        | \$1,194.9  | \$458.4     | \$1,658.7  | 7.0%              | 5.1%  | 16.4%            | 17.6% | 10.0%    | 34.2% | 0.4%    | NA      | NA      |
| CONMED                                       | \$43.45           | 88%  | 1.45x        | \$1,182.1  | \$161.1     | \$1,343.2  | 3.1%              | 2.9%  | 17.6%            | 17.8% | 10.6%    | 54.9% | NA      | 3.4%    | NA      |
| Tornier N.V.                                 | \$21.22           | 97%  | 1.40x        | \$1,029.6  | \$12.3      | \$1,041.9  | 0.3%              | 7.9%  | 7.8%             | 11.0% | 21.7%    | 74.2% | NA      | 7.2%    | NA      |
| Average                                      |                   |  |              |            |             |            | 7.6%              | 7.0%  | 21.8%            | 23.2% | 12.4%    | 69.1% | 11.7%   | 7.0%    | 8.6%    |
| Median                                       |                   |  |              |            |             |            | 5.9%              | 5.5%  | 22.6%            | 23.3% | 10.6%    | 73.3% | 2.1%    | 5.9%    | 8.6%    |

Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q1 2014 Quarter End.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price/Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).

(1) CY Revenue Growth and EV/CY Revenue Multiple Adjusted for Acquisitions.



## Appendix – Comparable Public Company Analysis (Cont.)

### Supplies – Valuation Metrics

(\$Millions, except per share values)

| (\$Millions, except per share values) |                   |  |              |            |            |            | Valuation Metrics |       |              |       |       |       |           |       |       |
|---------------------------------------|-------------------|--|--------------|------------|------------|------------|-------------------|-------|--------------|-------|-------|-------|-----------|-------|-------|
|                                       |                   |  |              |            |            |            | EV/CY Revenue     |       | EV/CY EBITDA |       | P/E   |       | PEG Ratio |       |       |
|                                       |                   |  |              |            |            |            | 2014E             | 2015E | 2014E        | 2015E | 2014E | 2015E | 2014E     | 2015E |       |
| Stock Price                           | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value | Net Debt   | Ent. Value |            |                   |       |              |       |       |       |           |       |       |
| Supplies                              |                   |  |              |            |            |            |                   |       |              |       |       |       |           |       |       |
| Baxter International                  | \$73.58           | 97%  | 1.17x        | \$39,802.1 | \$6,433.0  | \$46,258.1 | 2.8x              | 2.7x  | 10.3x        | 9.7x  | 14.5x | 13.8x | 1.74x     | 1.65x |       |
| Covidien                              | \$73.66           | 100%   | 1.30x        | \$33,170.4 | \$3,441.0  | \$36,611.4 | 3.4x              | 3.2x  | 12.2x        | 11.2x | 17.8x | 16.0x | 1.75x     | 1.57x |       |
| Becton, Dickinson and Co.             | \$117.08          | 100%   | 1.26x        | \$22,598.9 | \$1,456.0  | \$24,054.9 | 2.8x              | 2.7x  | 10.3x        | 9.7x  | 18.3x | 16.9x | 1.93x     | 1.78x |       |
| CR Bard                               | \$147.98          | 100%   | 1.52x        | \$11,460.5 | \$338.8    | \$11,799.3 | 3.6x              | 3.4x  | 12.6x        | 11.6x | 20.0x | 17.3x | 1.60x     | 1.38x |       |
| CareFusion Corp. <sup>(1)</sup>       | \$40.22           | 96%  | 1.24x        | \$8,381.2  | \$146.0    | \$8,527.2  | 2.2x              | 2.1x  | 8.8x         | 8.1x  | 15.6x | 14.2x | 1.35x     | 1.23x |       |
| Teleflex Incorporated                 | \$107.24          | 100%   | 1.45x        | \$4,425.0  | \$854.3    | \$5,281.8  | 2.9x              | 2.8x  | 12.5x        | 11.6x | 19.5x | 17.0x | 1.69x     | 1.47x |       |
| Haemonetics Corp.                     | \$32.59           | 71%  | 1.02x        | \$1,691.1  | \$268.2    | \$1,959.3  | 2.1x              | 2.0x  | 8.4x         | 7.7x  | 14.6x | 13.0x | 1.20x     | 1.07x |       |
| Volcano Corp.                         | \$19.71           | 80%  | 1.20x        | \$1,023.5  | \$63.3     | \$1,086.7  | 2.6x              | 2.4x  | NM           | 23.3x | NM    | NM    | NM        | NM    |       |
|                                       |                   |  |              |            |            |            | Average           | 2.8x  | 2.7x         | 10.7x | 11.6x | 17.2x | 15.5x     | 1.61x | 1.45x |
|                                       |                   |  |              |            |            |            | Median            | 2.8x  | 2.7x         | 10.3x | 10.4x | 17.8x | 16.0x     | 1.69x | 1.47x |

### Supplies – Operating Metrics

(\$Millions, except per share values)

| (\$Millions, except per share values) |                   |  |              |            |            |            | Operating Metrics |       |                  |       |          |       |         |         |         |
|---------------------------------------|-------------------|--|--------------|------------|------------|------------|-------------------|-------|------------------|-------|----------|-------|---------|---------|---------|
|                                       |                   |  |              |            |            |            | CY Rev. Growth    |       | CY EBITDA Margin |       | 5-Yr NI  | GM    | S&M Mgn | R&D Mgn | G&A Mgn |
|                                       |                   |  |              |            |            |            | 2014E             | 2015E | 2014E            | 2015E | Growth % | LTM   | LTM     | LTM     | LTM     |
| Stock Price                           | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value | Net Debt   | Ent. Value |            |                   |       |                  |       |          |       |         |         |         |
| Supplies                              |                   |  |              |            |            |            |                   |       |                  |       |          |       |         |         |         |
| Baxter International                  | \$73.58           | 97%  | 1.17x        | \$39,802.1 | \$6,433.0  | \$46,258.1 | 8.7%              | 2.8%  | 27.2%            | 27.9% | 8.3%     | 51.1% | 0.7%    | 7.0%    | NA      |
| Covidien                              | \$73.66           | 100%   | 1.30x        | \$33,170.4 | \$3,441.0  | \$36,611.4 | 5.2%              | 4.4%  | 27.8%            | 29.1% | 10.2%    | 59.6% | 0.6%    | 5.1%    | NA      |
| Becton, Dickinson and Co.             | \$117.08          | 100%   | 1.26x        | \$22,598.9 | \$1,456.0  | \$24,054.9 | 5.0%              | 5.0%  | 27.3%            | 27.8% | 9.5%     | 51.7% | NA      | 6.2%    | NA      |
| CR Bard                               | \$147.98          | 100%   | 1.52x        | \$11,460.5 | \$338.8    | \$11,799.3 | 7.9%              | 5.1%  | 28.8%            | 29.7% | 12.6%    | 61.5% | 0.1%    | 9.7%    | NA      |
| CareFusion Corp. <sup>(1)</sup>       | \$40.22           | 96%  | 1.24x        | \$8,381.2  | \$146.0    | \$8,527.2  | 4.5%              | 3.4%  | 24.6%            | 25.7% | 11.6%    | 51.5% | NA      | 5.1%    | NA      |
| Teleflex Incorporated                 | \$107.24          | 100%   | 1.45x        | \$4,425.0  | \$854.3    | \$5,281.8  | 7.6%              | 3.9%  | 23.3%            | 24.1% | 11.6%    | 49.8% | NA      | 3.9%    | NA      |
| Haemonetics Corp.                     | \$32.59           | 71%  | 1.02x        | \$1,691.1  | \$268.2    | \$1,959.3  | (1.4%)            | 3.8%  | 25.0%            | 26.2% | 12.2%    | 51.5% | 0.5%    | 5.7%    | NA      |
| Volcano Corp.                         | \$19.71           | 80%  | 1.20x        | \$1,023.5  | \$63.3     | \$1,086.7  | 6.1%              | 7.6%  | 5.8%             | 10.4% | 21.7%    | 64.1% | NA      | 17.7%   | NA      |
| Average                               |                   |  |              |            |            |            | 5.5%              | 4.5%  | 23.7%            | 25.1% | 12.2%    | 55.1% | 0.5%    | 7.5%    | NA      |
| Median                                |                   |  |              |            |            |            | 5.7%              | 4.2%  | 26.1%            | 27.0% | 11.6%    | 51.6% | 0.5%    | 5.9%    | NA      |

Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q1 2014 Quarter End.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price/Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).

(1) CY Revenue Growth and EV/CY Revenue Multiple Adjusted for Acquisitions



## Appendix – Comparable Public Company Analysis (Cont.)

### Equipment – Valuation Metrics

(\$Millions, except per share values)

| (\$Millions, except per share values) |                   |  |              |            |             |            | Valuation Metrics |       |              |       |       |       |           |       |
|---------------------------------------|-------------------|--|--------------|------------|-------------|------------|-------------------|-------|--------------|-------|-------|-------|-----------|-------|
|                                       |                   |  |              |            |             |            | EV/CY Revenue     |       | EV/CY EBITDA |       | P/E   |       | PEG Ratio |       |
|                                       |                   |  |              |            |             |            |                   |       |              |       |       |       |           |       |
| Stock Price                           | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value | Net Debt   | Ent. Value  | 2014E      | 2015E             | 2014E | 2015E        | 2014E | 2015E | 2014E | 2015E     |       |
| Equipment                             |                   |  |              |            |             |            |                   |       |              |       |       |       |           |       |
| Intuitive Surgical                    | \$437.99          | 85%  | 1.25x        | \$16,790.3 | (\$1,403.5) | \$15,386.8 | 6.8x              | 6.2x  | 19.0x        | 17.1x | 29.3x | 25.2x | NM        | 2.70x |
| Varian Medical Systems                | \$83.99           | 98%  | 1.33x        | \$8,697.4  | (\$563.9)   | \$8,133.5  | 2.6x              | 2.4x  | 11.3x        | 10.5x | 18.9x | 17.1x | 1.73x     | 1.57x |
| ResMed                                | \$44.69           | 78%  | 1.08x        | \$6,330.8  | (\$536.9)   | \$5,793.9  | 3.5x              | 3.1x  | 10.7x        | 9.1x  | 17.2x | 15.5x | 1.34x     | 1.20x |
| Hologic                               | \$21.50           | 93%  | 1.16x        | \$5,899.4  | \$3,859.3   | \$9,758.6  | 3.9x              | 3.8x  | 11.4x        | 10.7x | 15.6x | 13.8x | 2.05x     | 1.81x |
| DexCom                                | \$41.36           | 83%  | 2.75x        | \$3,011.4  | (\$47.8)    | \$2,963.6  | 13.3x             | 9.9x  | NM           | NM    | NM    | NM    | NM        | NM    |
| Steris Corp.                          | \$47.75           | 96%  | 1.23x        | \$2,813.9  | \$317.4     | \$3,133.3  | 1.9x              | 1.8x  | 9.1x         | NM    | 17.2x | 15.9x | 1.47x     | 1.36x |
| Insulet Corp.                         | \$47.42           | 92%  | 2.02x        | \$2,611.0  | (\$28.0)    | \$2,583.0  | 8.4x              | 6.9x  | NM           | NM    | NM    | NM    | NM        | NM    |
| Hill-Rom Holdings                     | \$38.54           | 86%  | 1.20x        | \$2,214.4  | \$194.4     | \$2,408.8  | 1.4x              | 1.4x  | 7.9x         | 7.8x  | 16.0x | 14.9x | 1.92x     | 1.79x |
| Accuray Incorporated                  | \$9.60            | 88%  | 2.55x        | \$733.0    | \$41.4      | \$774.4    | 2.2x              | 1.9x  | NM           | 22.0x | NM    | NM    | NM        | NM    |
| Average                               |                   |  |              |            |             |            | 4.9x              | 4.2x  | 11.6x        | 12.9x | 19.0x | 17.1x | 1.70x     | 1.74x |
| Median                                |                   |  |              |            |             |            | 3.5x              | 3.1x  | 11.0x        | 10.6x | 17.2x | 15.7x | 1.73x     | 1.68x |

### Equipment – Operating Metrics

(\$Millions, except per share values)

| (\$Millions, except per share values) |             |                   |  |              |             |            | Operating Metrics |       |                  |       |          |       |         |         |         |
|---------------------------------------|-------------|-------------------|--|--------------|-------------|------------|-------------------|-------|------------------|-------|----------|-------|---------|---------|---------|
|                                       |             |                   |  |              |             |            | CY Rev. Growth    |       | CY EBITDA Margin |       | 5-Yr NI  | GM    | S&M Mgn | R&D Mgn | G&A Mgn |
|                                       |             |                   |  |              |             |            | 2014E             | 2015E | 2014E            | 2015E | Growth % | LTM   | LTM     | LTM     | LTM     |
|                                       | Stock Price | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value | Net Debt    | Ent. Value |                   |       |                  |       |          |       |         |         |         |
| <b>Equipment</b>                      |             |                   |  |              |             |            |                   |       |                  |       |          |       |         |         |         |
| Intuitive Surgical                    | \$437.99    | 85%               | 1.25x  | \$16,790.3   | (\$1,403.5) | \$15,386.8 | (0.1%)            | 8.9%  | 35.8%            | 36.5% | 9.3%     | 70.4% | NA      | 7.4%    | NA      |
| Varian Medical Systems                | \$83.99     | 98%               | 1.33x  | \$8,697.4    | (\$563.9)   | \$8,133.5  | 6.8%              | 6.2%  | 22.6%            | 23.0% | 10.9%    | 42.6% | NA      | 7.4%    | NA      |
| ResMed                                | \$44.69     | 78%               | 1.08x  | \$6,330.8    | (\$536.9)   | \$5,793.9  | 6.8%              | 13.5% | 32.9%            | 33.9% | 12.9%    | 63.4% | NA      | 7.8%    | NA      |
| Hologic                               | \$21.50     | 93%               | 1.16x  | \$5,899.4    | \$3,859.3   | \$9,758.6  | 0.8%              | 4.0%  | 34.6%            | 35.2% | 7.6%     | 62.6% | 13.5%   | 7.9%    | 10.2%   |
| DexCom                                | \$41.36     | 83%               | 2.75x  | \$3,011.4    | (\$47.8)    | \$2,963.6  | 39.4%             | 34.2% | 1.1%             | 14.1% | 31.7%    | 62.6% | NA      | 26.4%   | NA      |
| Steris Corp.                          | \$47.75     | 96%               | 1.23x  | \$2,813.9    | \$317.4     | \$3,133.3  | 5.4%              | 3.9%  | 20.6%            | NA    | 11.7%    | 40.6% | 0.4%    | 3.1%    | NA      |
| Insulet Corp.                         | \$47.42     | 92%               | 2.02x  | \$2,611.0    | (\$28.0)    | \$2,583.0  | 23.9%             | 23.1% | 10.1%            | 14.5% | 26.5%    | 45.5% | 22.5%   | 8.8%    | 20.2%   |
| Hill-Rom Holdings                     | \$38.54     | 86%               | 1.20x  | \$2,214.4    | \$194.4     | \$2,408.8  | 1.2%              | 1.8%  | 17.8%            | 17.8% | 8.3%     | 45.4% | NA      | 4.1%    | NA      |
| Accuray Incorporated                  | \$9.60      | 88%               | 2.55x  | \$733.0      | \$41.4      | \$774.4    | 10.3%             | 11.0% | 3.3%             | 8.8%  | NM       | 34.4% | 16.7%   | 17.4%   | 14.2%   |
|                                       |             |                   |  |              |             | Average    | 10.5%             | 11.8% | 19.9%            | 23.0% | 14.9%    | 51.9% | 13.3%   | 10.0%   | 14.9%   |
|                                       |             |                   |  |              |             | Median     | 6.8%              | 8.9%  | 20.6%            | 20.4% | 11.3%    | 45.5% | 15.1%   | 7.8%    | 14.2%   |

### Dental – Valuation Metrics

(\$Millions, except per share values)

| (\$Millions, except per share values) |                   |  |              |           |            |               | Valuation Metrics |              |       |       |       |           |       |       |
|---------------------------------------|-------------------|--|--------------|-----------|------------|---------------|-------------------|--------------|-------|-------|-------|-----------|-------|-------|
| Stock Price                           | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value | Net Debt  | Ent. Value | EV/CY Revenue |                   | EV/CY EBITDA |       | P/E   |       | PEG Ratio |       |       |
|                                       |                   |  |              |           |            | 2014E         | 2015E             | 2014E        | 2015E | 2014E | 2015E | 2014E     | 2015E |       |
| Dental                                |                   |  |              |           |            |               |                   |              |       |       |       |           |       |       |
| DENTSPLY International                | \$46.04           | 90%  | 1.15x        | \$6,529.1 | \$1,460.6  | \$8,032.7     | 2.6x              | 2.5x         | 12.9x | 11.9x | 18.3x | 16.7x     | 1.74x | 1.58x |
| Align Technology                      | \$51.79           | 80%  | 1.75x        | \$4,219.9 | (\$370.0)  | \$3,849.9     | 5.1x              | 4.5x         | 19.0x | 16.2x | 29.8x | 25.9x     | 1.50x | 1.30x |
|                                       |                   |  |              |           |            | Average       | 3.9x              | 3.5x         | 15.9x | 14.1x | 24.1x | 21.3x     | 1.62x | 1.44x |
|                                       |                   |  |              |           |            | Median        | 3.9x              | 3.5x         | 15.9x | 14.1x | 24.1x | 21.3x     | 1.62x | 1.44x |

### Dental – Operating Metrics

(\$Millions, except per share values)

| (\$Millions, except per share values) |                   |  |              |           |            |           | Operating Metrics |       |                  |       |          |       |         |         |         |
|---------------------------------------|-------------------|--|--------------|-----------|------------|-----------|-------------------|-------|------------------|-------|----------|-------|---------|---------|---------|
|                                       |                   |  |              |           |            |           | CY Rev. Growth    |       | CY EBITDA Margin |       | 5-Yr NI  | GM    | S&M Mgn | R&D Mgn | G&A Mgn |
|                                       |                   |  |              |           |            |           | 2014E             | 2015E | 2014E            | 2015E | Growth % | LTM   | LTM     | LTM     | LTM     |
| Stock Price                           | % of 52-Week High | Current Stock Price as a Multiple of 52-Wk low | Equity Value | Net Debt  | Ent. Value |           |                   |       |                  |       |          |       |         |         |         |
| Dental                                |                   |  |              |           |            |           |                   |       |                  |       |          |       |         |         |         |
| DENTSPLY International                | \$46.04           | 90%  | 1.15x        | \$6,529.1 | \$1,460.6  | \$8,032.7 | 3.6%              | 3.9%  | 20.4%            | 21.2% | 10.6%    | 53.5% | NA      | 2.9%    | NA      |
| Align Technology                      | \$51.79           | 80%  | 1.75x        | \$4,219.9 | (\$370.0)  | \$3,849.9 | 15.7%             | 12.2% | 26.9%            | 28.0% | 19.9%    | 76.3% | 27.6%   | 6.7%    | 17.3%   |
| Average                               |                   |  |              |           |            |           | 9.6%              | 8.1%  | 23.6%            | 24.6% | 15.2%    | 64.9% | 27.6%   | 4.8%    | 17.3%   |
| Median                                |                   |  |              |           |            |           | 9.6%              | 8.1%  | 23.6%            | 24.6% | 15.2%    | 64.9% | 27.6%   | 4.8%    | 17.3%   |

Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q1 2014 Quarter End.

Note: Multiples Excludes Outlier for EV/CY Rev. > 15x, EV/CY EBITDA > 35x, P/E > 50x and PEG > 3x.

Note: LTM = Last Twelve Months, CY = Calendar Year, PE = Price/Earnings Ratio, PEG = Price-to-Earnings Growth Ratio.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).



## Appendix – Q1 Selected MedTech M&A Transactions

### Selected Global MedTech M&A Comparables (Transaction Value > \$ 10 million or Disclosed Multiples)

|                |   |  |                         |                        | Valuation Metrics |               |
|----------------|---|--|-------------------------|------------------------|-------------------|---------------|
| Date           | Target  | Acquirer   | Transaction Value (\$M) | Enterprise Value (\$M) | EV/LTM Revenue    | EV/LTM EBITDA |
| MedTech Sector |   |  |                         |                        |                   |               |
| 03/31/2014     | Osstell   | Layline Partners; Fouriertransform                               | \$5                     | \$5                    | 0.92x             | NA            |
| 03/25/2014     | AQTIS Medical   | Sinclair IS Pharma   | \$64                    | \$64                   | 9.32x             | NA            |
| 03/20/2014     | Selah Genomics  | EKF Diagnostics  | \$73                    | \$73                   | NM                | NA            |
| 03/20/2014     | DiaSpect Medical  | EKF Diagnostics  | \$34                    | \$34                   | 6.70x             | 27.6x         |
| 03/13/2014     | Medegen Medical Products & Certain Assets of Patient Care Business Unit | Medira   | \$75                    | \$75                   | NA                | NA            |
| 03/12/2014     | Separation Technology   | EKF Diagnostics  | \$4                     | \$4                    | 1.00x             | 8.0x          |
| 03/07/2014     | Changsha Zhengyang Medicinal Capsule                                    | Hunan Er-Kang Pharmaceutical                                     | \$11                    | \$11                   | NA                | NA            |
| 03/04/2014     | Health Care Compliance Strategies                                       | Healthstream   | \$16                    | \$16                   | 2.35x             | NA            |
| 02/24/2014     | Shanghai Zhicheng Biological Technology                                 | Zhongyuan Union Stem Cell Bio-engineering                        | \$139                   | \$139                  | NA                | NA            |
| 02/20/2014     | New Star Lasers   | Syneron  | \$15                    | \$15                   | 1.69x             | NA            |
| 02/20/2014     | Oscor (Lead Business)   | Sorin  | \$20                    | \$20                   | NA                | NA            |
| 02/18/2014     | Berchtold   | Stryker  | \$172                   | \$172                  | 1.38x             | NA            |
| 02/03/2014     | ArthroCare  | Smith & Nephew   | \$1,730                 | \$1,515                | 4.01x             | 17.8x         |
| 02/03/2014     | Mednet Healthcare Technologies  | CardioNet  | \$16                    | \$16                   | NA                | NA            |
| 02/03/2014     | Lake Region Medical   | Accellent  | \$315                   | NA                     | NA                | NA            |
| 01/30/2014     | Solana Surgical   | Wright Medical   | \$85                    | \$85                   | NA                | NA            |
| 01/30/2014     | OrthoPro  | Wright Medical   | \$36                    | \$36                   | NA                | NA            |
| 01/30/2014     | Hitachi Medical   | Hitachi  | \$38                    | \$700                  | 0.44x             | 9.1x          |
| 01/22/2014     | Luna Innovations (Medical Shape Sensing Business)                       | Intuitive Surgical International & Intuitive Surgical Operations | \$30                    | \$30                   | NA                | NA            |
| 01/16/2014     | Ortho-Clinical Diagnostics  | The Carlyle Group  | \$4,150                 | \$4,150                | 2.20x             | NA            |
| 01/07/2014     | Aaren Scientific  | Carl Zeiss Meditec   | \$70                    | \$70                   | NA                | NA            |
| 01/07/2014     | Alverix   | Becton, Dickinson and Co.  | \$40                    | \$40                   | NA                | NA            |
| 01/06/2014     | TYRX  | Medtronic  | \$160                   | \$160                  | NA                | NA            |
|                |   |  |                         | Average <sup>(1)</sup> | 3.00x             | 15.6x         |
|                |   |  |                         | Median <sup>(1)</sup>  | 1.95x             | 13.4x         |

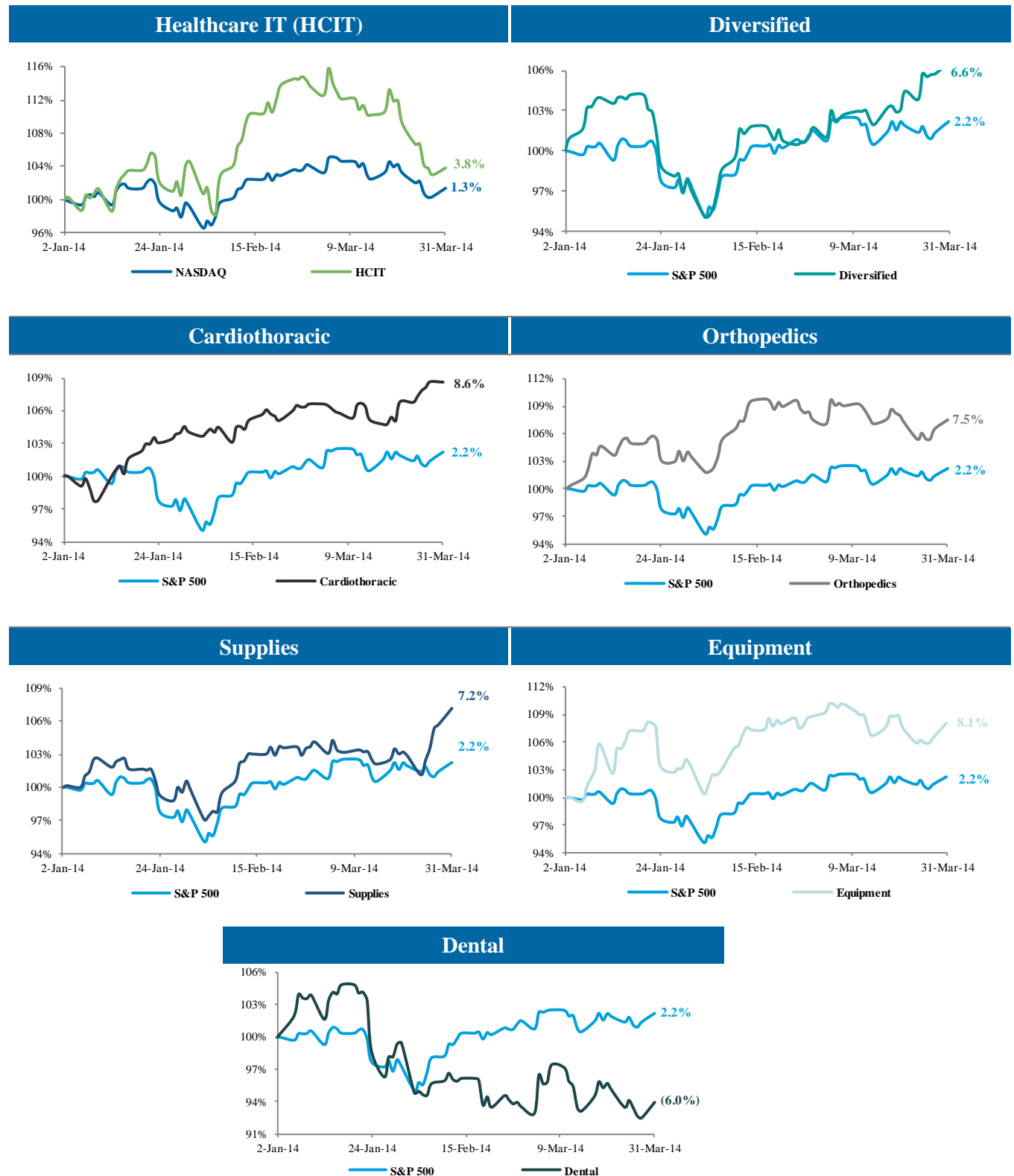
Source: CapitalIQ.

Note: EV = Enterprise Value (Equity Value + Debt + Minority Interest – Cash and Cash Equivalents).

(1) EV/LTM Revenue multiples > 10.0x and EV/LTM EBITDA multiples > 30.0x excluded.



## Appendix – Medical Technology Public Equity Market Performance



Source: CapitalIQ.



## Appendix – MedTech Public Company Groups

| HCIT                        |        |
|-----------------------------|--------|
| Company Name                | Ticker |
| Cerner                      | CERN   |
| Athenahealth                | ATHN   |
| Allscripts Healthcare       | MDRX   |
| Medidata Solutions          | MDSO   |
| HMS Holdings                | HMSY   |
| The Advisory Board          | ABCO   |
| Quality Systems             | QSII   |
| MedAssets                   | MDAS   |
| Accretive Health            | AH     |
| Omniceil                    | OMCL   |
| Healthstream                | HSTM   |
| Computer Programs & Systems | CPSI   |
| Vocera Communications       | VCRA   |
| Merge Healthcare            | MRGE   |

| Diversified         |        |
|---------------------|--------|
| Company Name        | Ticker |
| Johnson & Johnson   | JNJ    |
| Abbott Laboratories | ABT    |

| Cardiothoracic          |        |
|-------------------------|--------|
| Company Name            | Ticker |
| Medtronic               | MDT    |
| St. Jude Medical        | STJ    |
| Boston Scientific       | BSX    |
| Edwards Lifesciences    | EW     |
| Thoratec                | THOR   |
| Heartware International | HTWR   |
| ABIOMED                 | ABMD   |
| Hansen Medical          | HTWR   |

| Orthopedics          |        |
|----------------------|--------|
| Company Name         | Ticker |
| Stryker              | SYK    |
| Zimmer Holdings      | ZMH    |
| Smith & Nephew       | SN.    |
| Globus Medical       | GMED   |
| Cyberonics           | CYBX   |
| Hanger               | HGR    |
| NuVasive             | NUVA   |
| Integra LifeSciences | IART   |
| Wright Medical Group | WMGI   |
| ArthroCare           | ARTC   |
| CONMED               | CNMD   |
| Tornier              | TRNX   |

| Supplies                  |        |
|---------------------------|--------|
| Company Name              | Ticker |
| Baxter International      | BAX    |
| Covidien                  | COV    |
| Becton, Dickinson and Co. | BDX    |
| C.R. Bard                 | BCR    |
| CareFusion                | CFN    |
| Teleflex                  | TFX    |
| Haemonetics               | HAE    |
| Volcano                   | VOLC   |

| Equipment              |        |
|------------------------|--------|
| Company Name           | Ticker |
| Intuitive Surgical     | ISRG   |
| Varian Medical Systems | VAR    |
| ResMed                 | RMD    |
| Hologic                | HOLX   |
| Steris                 | STE    |
| Hill-Rom Holdings      | HRC    |
| Insulet                | PODD   |
| DexCom                 | DXCM   |
| Accuray                | ARAY   |

| Dental                 |        |
|------------------------|--------|
| Company Name           | Ticker |
| DENTSPLY International | XRAY   |
| Align Technology       | ALGN   |





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