



Quarterly Review of the Medical Technology Sector (MedTech)

Q4 2013



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 Differentiation	
 Has been acquired by NTT DATA Sellside Advisor	<ul style="list-style-type: none"> ■ <i>“Navidar’s global technology relationships, understanding of our business, cross-border deal experience and commitment to providing senior banker attention throughout the process were critical differentiators for us.”</i> <p>Gurvendra Suri, Founder and CEO of Optimal Solutions Integration</p>
 Has been acquired by TENEX CAPITAL MANAGEMENT Sellside Advisor	<ul style="list-style-type: none"> ■ <i>“Navidar consistently provided sound, unbiased advice and we felt that they always put Techniks’ interests ahead of their own.”</i> <p>John Stagge, Co-President of Techniks</p>
 Has been acquired by ExactTarget Sellside Advisor	<ul style="list-style-type: none"> ■ <i>“Navidar’s global reach, understanding of current technology trends and ability to navigate complex deal issues really sets them apart from the competition.”</i> <p>Eric Tobias, CEO of iGoDigital</p>
 Has been acquired by AeroScout Sellside Advisor	<ul style="list-style-type: none"> ■ <i>“Senior banker attention led to a creative deal structure which resulted in a better outcome for our shareholders.”</i> <p>Joel Haspel, Founder and CEO of Sentient Health</p>
 Has been acquired by HARMAN Sellside Advisor	<ul style="list-style-type: none"> ■ <i>“Navidar’s ability to quickly understand our business and its drivers, deal-savvy banking team and global reach set them apart.”</i> <p>Chris Welsh, General Manager of MWM Acoustics</p>

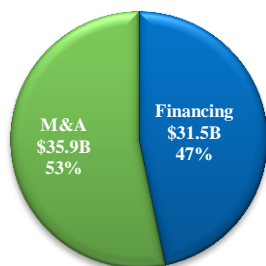
Note: Transactions above only represent a sample of past transactions executed by Navidar.



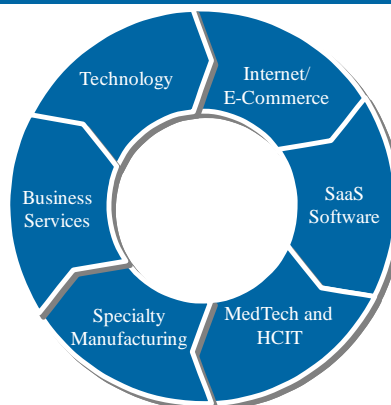
Navidar at a Glance

Experienced Strategic Advisors

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

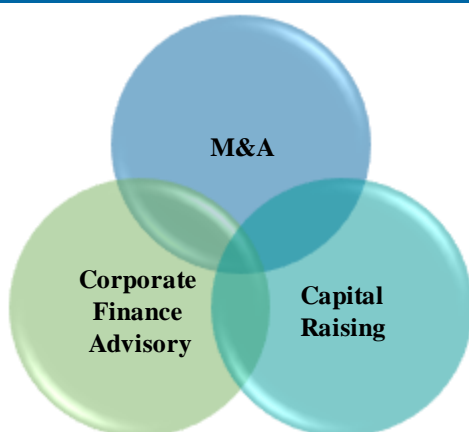


Advising Dynamic Companies



Creative Insights & Customized Solutions

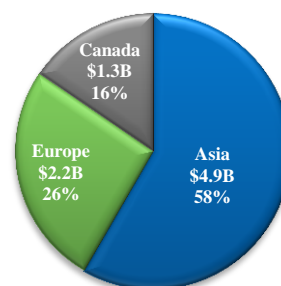
Private Companies



Public Companies

International Expertise

\$8.4B of Transaction Volume



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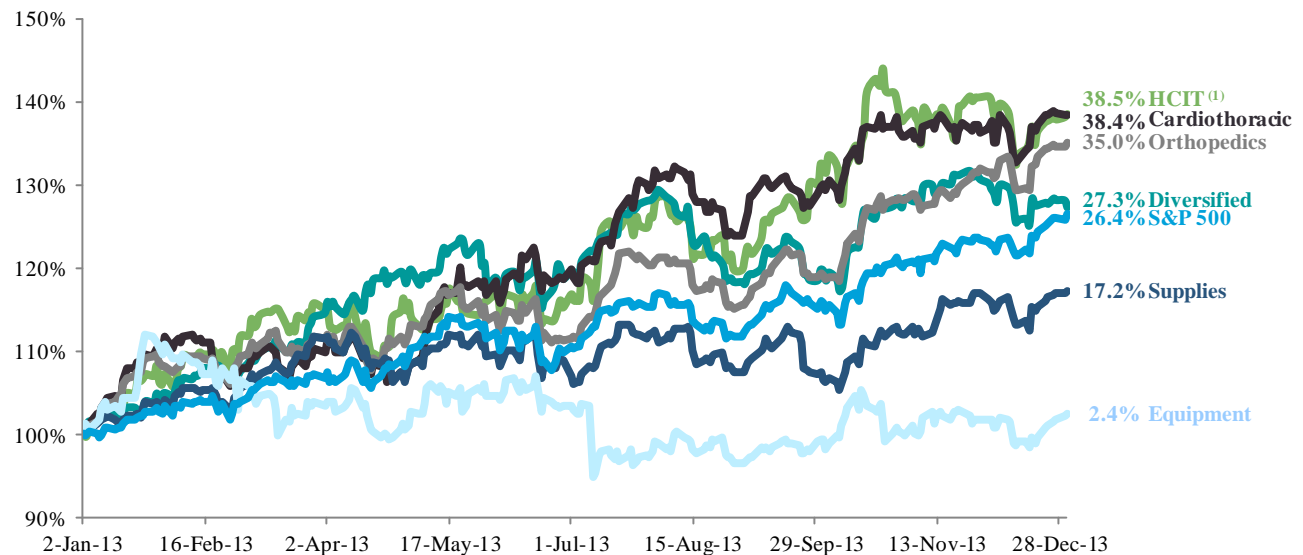
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Steve Schmidt
Managing Director



Q4 2013 Medical Technology Sector Review

Relative Share Price Performance — YTD



MedTech Sector Share Price Performance

Sub-Sector	Q4 Return	YTD Return
Orthopedics	13.1%	35.0%
Supplies	9.1%	17.2%
S&P 500	9.0%	26.4%
Cardiothoracic	6.4%	38.4%
Diversified	6.2%	27.3%
HCIT ⁽¹⁾	4.5%	38.5%
Equipment	3.0%	2.4%

Top 5 Global M&A Deals in Q4 By Value

Date	Buyer	Target	Deal Value (\$M)
11/11/2013	GRIFOLS	NOVARTIS Blood Transfusion Diagnostics Unit	1,675
12/08/2013	COVIDIEN	GIYEN IMAGING	965
11/06/2013	Experian	PASSPORT	850
11/25/2013	Ansell	BARRIER SAFE SOLUTIONS INTERNATIONAL	615
11/19/2013	Domtar	INDAS	575

Key Takeaways From the Quarter:

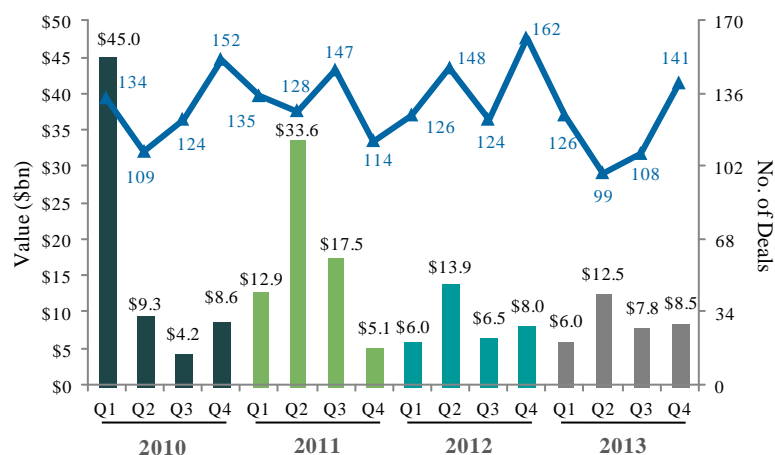
- HCIT, Cardiothoracic and Orthopedics sub-sectors greatly outperformed the overall market in 2013, posting 38.5%, 38.4% and 35.0% returns, respectively. These sectors were led by Medidata Solutions' 209% increase, Boston Scientific's 110% increase and NuVasive's 109% increase
- M&A deal volume in Q4'13 was above the historical levels experienced during the last four years. MedTech deal volume in Q4'13 experienced an uptick from the previous quarter, with the number of deals increasing from 108 to 141 and deal value increasing by nearly \$1 billion to \$8.5 billion
- Strategic acquisitions in Q4'13 accounted for nearly 90% of total deal volume (124 out of 141 transactions)
- The largest MedTech deal of Q4'13 was the \$1.7 billion acquisition of Novartis' Blood Transfusion Diagnostics Unit by Grifols. The transaction increases Grifols' geographic footprint and strengthens its offerings in blood testing and analysis tools
- There were six large deals (EV > \$500M) in Q4'13, double the amount in the previous three quarters of 2013
- 3P Capital, Beecken Petty O'Keefe, Cortec Group, Francisco Partners, Genstar Capital and WestView Capital Partners were the most active financial buyers in the MedTech sector in Q4'13

Source: CapitalIQ, Industry Research, Online Publications and Navidar Research.

(1) HCIT = Healthcare Information Technology.

Medical Technology Sector M&A Review

Global MedTech M&A Deals — Since 2010

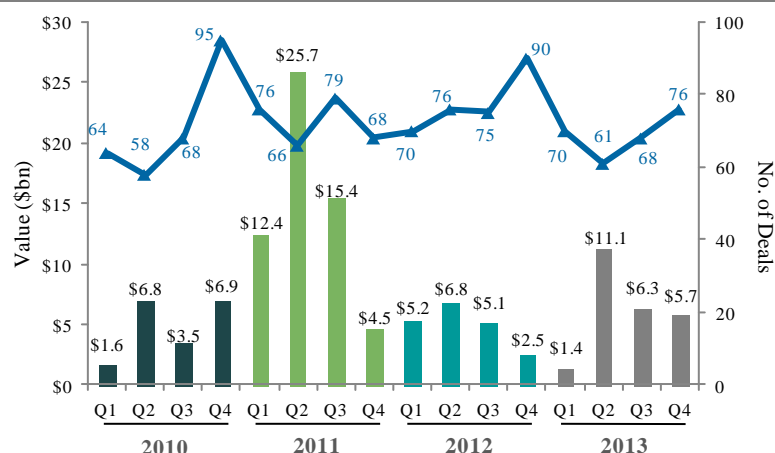


Commentary

After the initial decline in Global MedTech M&A transaction volume in 1H'13, 2H'13 has experienced a robust upturn. Deal volume in Q4'13 was above the average historical levels over the past four years.

- Global M&A transaction volume increased 31% quarter-over-quarter, however, total transaction volume decreased 13% year-over-year. In addition, total deal value increased by 9%, from \$7.8 billion to \$8.5 billion, with an increase of 6% year-over-year

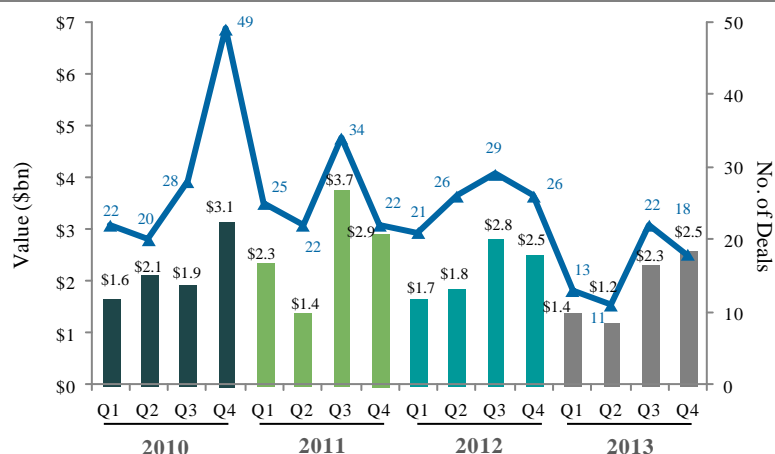
U.S. MedTech M&A Deals — Since 2010



Nearly 70% of total Global M&A deal value was from the acquisition of U.S.-based companies.

- U.S. transaction volume in Q4'13 decreased 16% from the previous quarter, from 90 to 76 acquisitions. However, deal value grew by more than 125% quarter-over-quarter, from \$2.5 billion to \$5.7 billion. The surge in U.S. deal value was largely attributable to:
 - Grifols' acquisition of Novartis Vaccines & Diagnostics (Blood Transfusion Diagnostics Unit) for \$1.7 billion EV
 - Experian's acquisition of Passport Health Communications for \$850 million EV

U.S. MedTech Middle Market M&A Deals — Since 2010⁽¹⁾



U.S. Middle Market transaction value in Q4'13 reached its highest level in 2013.

- Transaction volume decreased 31% in Q4'13, compared to Q4'12, from 26 to 18 acquisitions. However, deal value in Q4'13 stayed constant year-over-year at \$2.5 billion

Source: CapitalIQ, Navidar Research and Industry Research.

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



Medical Technology Sector M&A Review (Cont.)

Top 10 Global MedTech M&A Transactions in Q4 2013

Announced Date	Buyer	Target	Trn. Value (\$USDmm)	LTM EV/Rev. (x)	LTM EV/EBITDA (x)
12/16/2013	Valeant Pharmaceuticals (Canada)	Solta Medical (U.S.)	279.2	1.8x	110.6x
12/08/2013	Covidien (Ireland)	Given Imaging (Israel)	965.0	4.5x	34.0x
12/01/2013	Heartware International (U.S.)	CircuLite (U.S.)	401.8	NA	NA
11/25/2013	Ansell (Australia)	BarrierSafe Solutions International (U.S.)	615.0	2.2x	9.6x
11/19/2013	Domtar (Canada)	Laboratorios Indas (Spain)	574.9	NA	NA
11/18/2013	CareFusion (U.S.)	Vital Signs (U.S.)	500.0	2.0x	NA
11/12/2013	Oxford Instruments (U.K.)	Andor Technology (U.K.)	276.6	2.7x	20.4x
11/11/2013	Grifols (Spain)	Novartis Vaccines & Diagnostics.- Blood Transfusion Diagnostics Unit (U.S.)	1,675.0	3.0x	NA
11/06/2013	Experian (Ireland)	Passport Health Communications (U.S.)	850.0	NA	NA
10/29/2013	Teleflex (U.S.)	Vidacare (U.S.)	262.5	NA	NA

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

\$ in millions except #	Q4'2012		Q4'2013		Q3'2013	
	Number of Deals	Total Deal Value	Number of Deals	Total Deal Value	Number of Deals	Total Deal Value
< \$50M	12	149	5	27	13	220
\$50M to \$100M	5	318	4	253	3	166
\$100M to \$250M	5	753	4	565	1	200
\$250M to \$500M	4	1,275	4	1,205	5	1,705
\$500M to \$1000M	NA	NA	3	1,965	1	644
>1B	NA	NA	1	1,675	2	3,403
Undisclosed	64	NA	55	NA	43	NA
Total	90	2,496	76	5,689	68	6,337

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 Q4

Experian acquired Passport Health Communications for \$850M EV.

- Acquisition significantly expands Experian's market reach, rounds-out Experian's portfolio of payment products, adds new sources of data and brings scale to Experian's Healthcare business
- The addition of Passport Health's physician orders, scheduling, patient access and engagement, population health and claims management will enable Experian to offer clients a single source to increase revenues, decrease risk and drive improved operational efficiencies

Headquartered in Franklin, TN, Passport Health provides software and services to healthcare providers across all 50 U.S. states, helping manage the administrative tasks associated with obtaining payment for healthcare services. Passport Health sells to over 2,500 hospitals in the U.S. and more than 9,000 other healthcare providers. Its products are used by healthcare providers to manage payments between patients, commercial payers and government entities. The Company's services include verifying patient identity and ability to pay, estimating a patient's bill and establishing a patient's eligibility for financial and charitable aid. Passport Health provides its services through a modular suite which allows its customers to access all its products on one common user interface, integrated and unified into the healthcare provider's own systems.

Perceptive Software acquired PACSGEAR for \$54M EV.

- Acquisition enables Perceptive to offer a vendor-neutral, standards-based clinical content platform for sharing patient imaging information within and between healthcare facilities

Based in Pleasanton, CA, PACSGEAR provides image connectivity solutions for medical image management (PACS) and electronic health record (EHR) systems to hospitals, healthcare networks and imaging facilities worldwide. It offers Open Image Exchange, a Cloud-based solution designed to upload and share medical images and results between facilities, PACS/EHR connectivity to integrate with electronic health records and PACSSCAN, a software/hardware solution that allows scanning documents and digitizing films. PACSGEAR technology is deployed in more than 50 countries and approximately half of all U.S.-based hospitals. Notable customers include the Henry Ford Health System, Hospital Corporation of America, Mount Sinai Hospital, Stanford Hospital & Clinics, and The University of Chicago Medical Center.

WebMD Health acquired Avado. Valuation was not disclosed but is estimated to be between \$20-\$30M EV.

- Acquisition of Avado accelerates WebMD's patient-physician connectivity efforts and is in line with WebMD's strategic initiative to shift from offering content to being a full-service patient engagement platform

Based in Bellevue, WA, Avado provides a Cloud-based patient relationship management system for healthcare providers and patients. It offers a patient-centric portal for healthcare providers to communicate with their patients regarding upcoming appointments and lab results. It also offers a marketing website for sharing of medical best practices and electronic charts for capturing snapshots of patient health. Additionally, it offers online scheduling to manage appointments and enable patient scheduling and broadcasts healthcare information, news and updates to various groups of patients.

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

Ansell acquired BarrierSafe Solutions for \$615M EV, which implied 2.2x LTM Revenue and 9.6x LTM EBITDA.

- Acquisition enhances Ansell's position as the global leader in hand protection solutions with a strategic position in the core North American single-use glove market
- Ansell gains market share in the automotive after-market and life sciences industries, complementing Ansell's existing presence in the mechanical and chemical markets

BarrierSafe Solutions International, based in Reno, NV, develops and markets disposable gloves, disposable barrier protection, infection control and related products for end-use markets. It offers disposable hand protection gloves for food service, dental, laboratory, emergency medical services, non-acute healthcare, automotive and general industrial segments. The Company also manufactures laboratory sundries, including cases, covers, funnels and cups and wholesales medical and hospital equipment.

Domtar acquired Laboratorios Indas for \$575M EV.

- Acquisition advances Domtar's diversification efforts away from its Office Paper business to becoming Europe's leading manufacturer of personal care and adult incontinence products
- Acquisition is a critical step by Domtar to building a multinational, pan-European business

Based in Spain, Laboratorios Indas manufactures incontinence, sanitary, hygienic and skin care products for men, women and children. It offers padding for incontinence, bed protectors, protective creams and oils, wet towels, mitts, ankle and elbow protectors, healing gels, infant diapers, and baby and intimate wipes. Laboratorios Indas had 2012 revenue of \$223 million and had been formerly backed by an investor consortium including Banco Santander and Intermediate Capital Group.

Integra LifeSciences acquires Confluent Surgical for \$261M EV, which implied 4.0x LTM Revenue.

- Acquisition complements Integra's global neurosurgery growth strategy aimed at providing a broader set of solutions for cranial surgical procedures
- Addition of Confluent's DuraSeal product line will enable Integra to provide customers with a best-in-class dural sealant as they seek to support surgeons' efforts to minimize cerebrospinal fluid leakage in surgery

Based in Waltham, MA, Confluent Surgical provides dural sealant systems for cranial surgeries in the United States, Europe and Canada. The Company provides DuraSeal, an adjunct to sutured dural repair during cranial surgeries to provide water-tight closure. Confluent Surgical's products DuraSeal, DuraSeal Exact, VascuSeal and SprayShield generated approximately \$65 million in revenue during 2012. It offers its products through partners in Austria, Belgium, Denmark, Finland, France, Germany, Italy and the Netherlands.

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

Grifols acquired Novartis' Blood Transfusion Diagnostics Business for \$1.68B EV, which implied 3.0x LTM Revenue.

- Acquisition accelerates Grifols' Diagnostics business to 20% of total revenue, up from 4%, providing integrated diagnostic and analysis solutions for blood and plasma donor centers
- Acquisition offers Grifols a platform for international expansion, a key area of growth

Novartis Blood Transfusion Diagnostics Business, located in Emeryville, CA, provides diagnostic products for transfusion medicine and immunology, Nucleic Acid Amplification, instrumentation and equipment for blood screening, specific software and reagents. Novartis Diagnostic's products, including instruments and assays, are used to test millions of blood donations around the world each year for pathogens such as HIV, Hepatitis B, Hepatitis C and West Nile Virus. More than 80 percent of the U.S. blood supply is tested on Novartis Diagnostic systems to ensure safety for transfusion procedures.

Covidien acquired Given Imaging for \$965M EV, which implied 4.5x LTM Revenue and 34.0x LTM EBITDA.

- Acquisition provides Covidien with Given Imaging's broad suite of minimally invasive, gastrointestinal diagnostic solutions focused on serving the entire patient care lifecycle
- Provides scale for Covidien to expand its presence in the \$3 billion gastrointestinal market

Headquartered in Israel, Given Imaging offers healthcare providers a range of innovative options for visualizing, diagnosing and monitoring the digestive system. The Company offers a broad product portfolio including PillCam, a capsule endoscope for the small bowel, esophagus and colon. The Company also offers industry-leading functional diagnostic solutions including ManoScan high resolution manometry, Bravo capsule-based pH monitoring, Digitrapper pH-Z monitoring and SmartPill motility monitoring systems.

CareFusion acquired Vital Signs for \$500M EV, which implied 2.0x LTM Revenue.

- Acquisition will significantly expand CareFusion's Specialty Disposables business by adding global scale and new products for anesthesiology
- Establishes the CareFusion as a leader in the ~\$3 billion market for respiratory and anesthetic consumables

Headquartered in Totowa, NJ, Vital Signs provides medical products and services. Its anesthetic products include disposable cranial positioning devices, adult anesthesia breathing circuits, bacterial and viral filters for ventilation applications, hygroscopic condenser humidifiers, general anesthesia systems, specialty circuits, insulating drapes and temperature management devices. Vital Signs' respiratory products include Acorn II, a leak-free screw-top and clear reservoir with volume markings, Whisper Jet nebulization for shorter treatment times and arterial blood gas samplers.

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

Heartware International acquired CircuLite, for \$402M EV.

- Acquisition expands Heartware's technology platform to support patients through the SYNERGY Circulatory Support System, designed to treat ambulatory, chronic heart-failure patients who are not yet inotrope-dependent

Headquartered in Saddle Brook, NJ, CircuLite focuses on technology that works in conjunction with the heart to enhance clinical outcomes and improve quality of life. CircuLite's SYNERGY features the smallest surgically-implanted blood pump for long-term use in ambulatory, chronic heart-failure patients not responding to optimal medical treatment. The Company is also developing a portfolio of minimally-invasive systems based on its proprietary Micro-Pump platform, including an interventional cardiology system, a right-heart system and a pediatric system awaiting impending FDA approval.

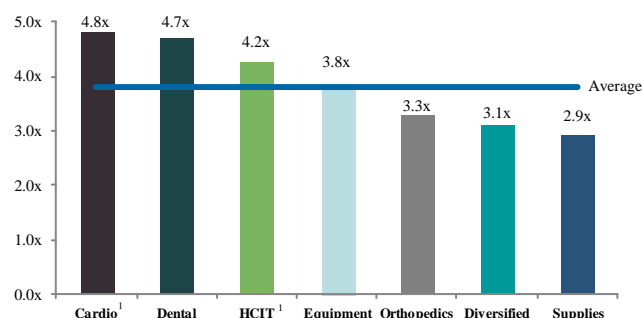
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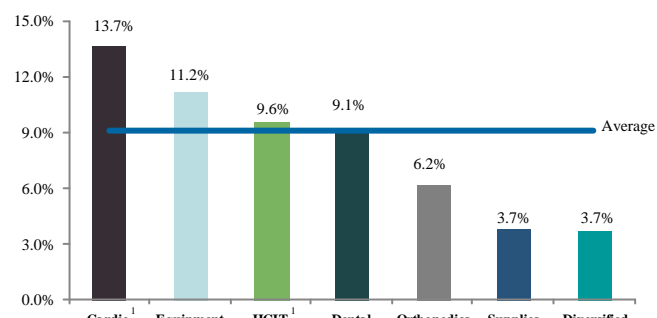


Comparable Public Company Valuation Metrics – MedTech Sector

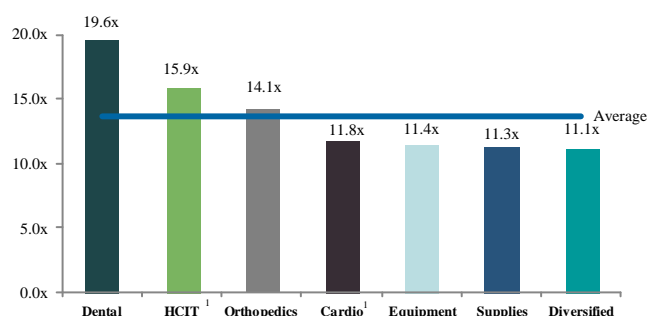
Enterprise Value/CY 2013E Rev.



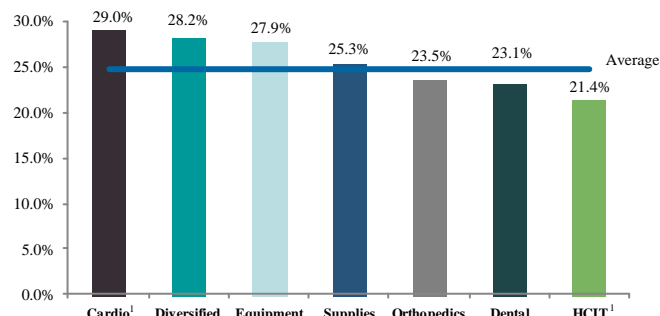
CY 2013E Rev. Growth%



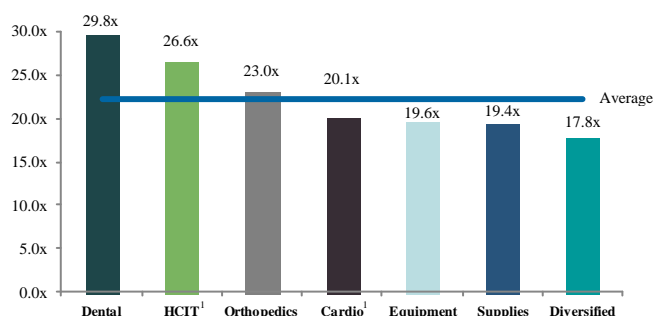
Enterprise Value/CY 2013E EBITDA



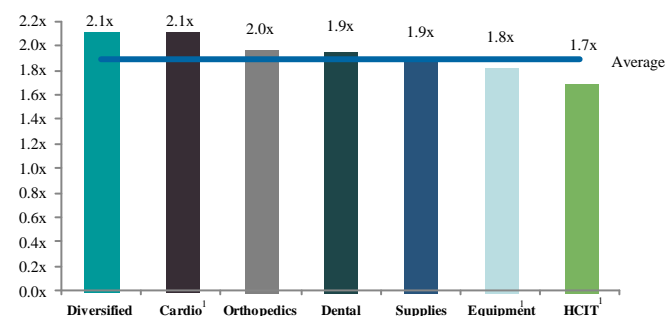
CY 2013E EBITDA Margin %



Price/Earnings 2013E



Price-to-Earnings Growth Ratio 2013E



Source: CapitalIQ.

Note: Market Data as of Q4 2013 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.

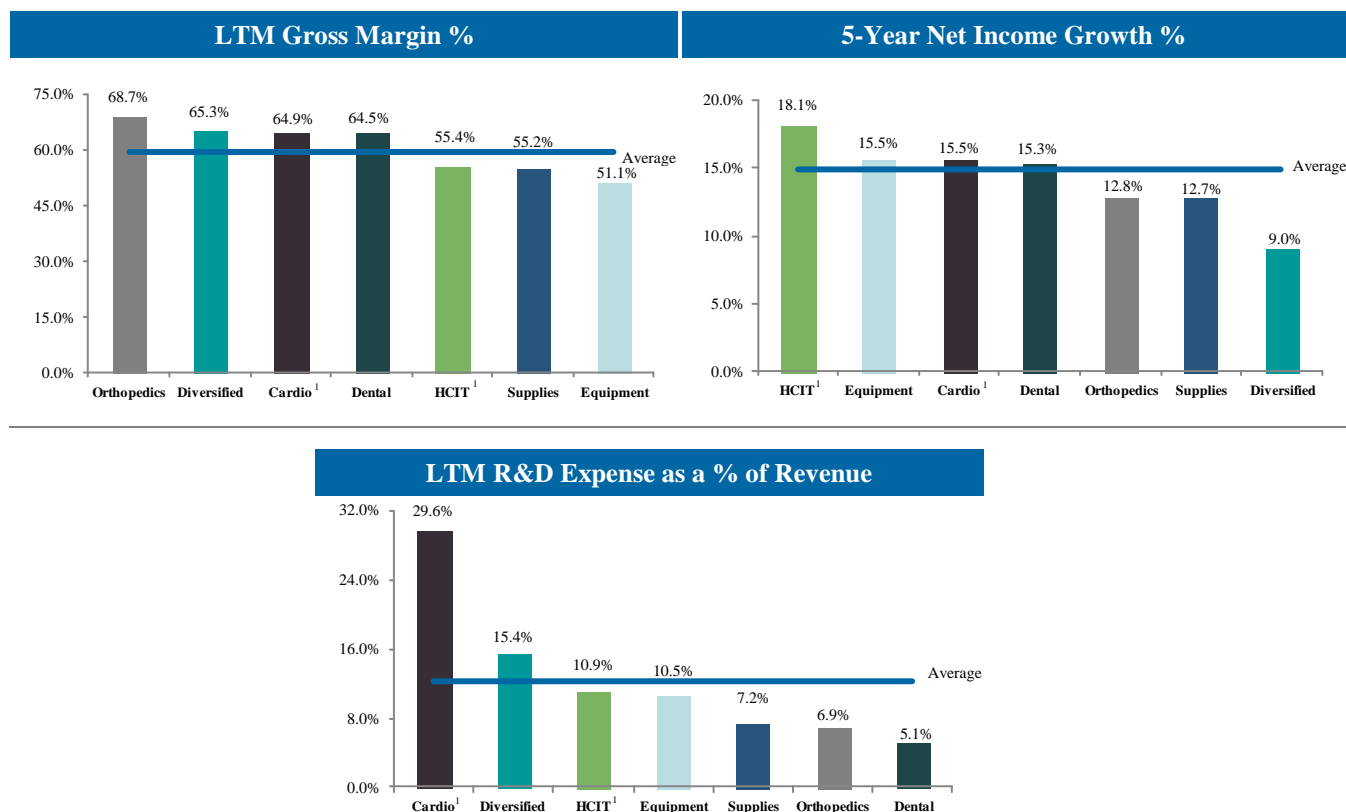
Note: CY=Calendar Year, LTM=Last Twelve Months and NTM = Next Twelve Months.

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 Q4 2013 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.

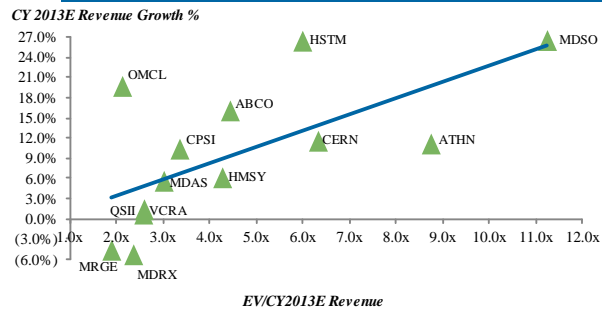
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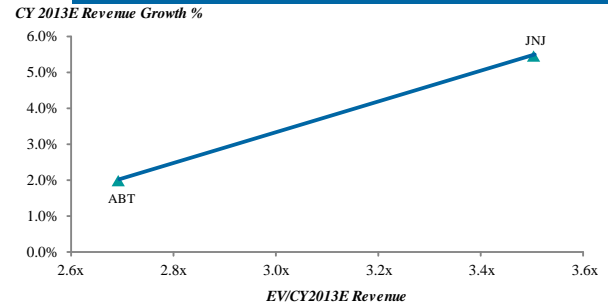


Valuation & Revenue Growth Correlation – Public MedTech Companies

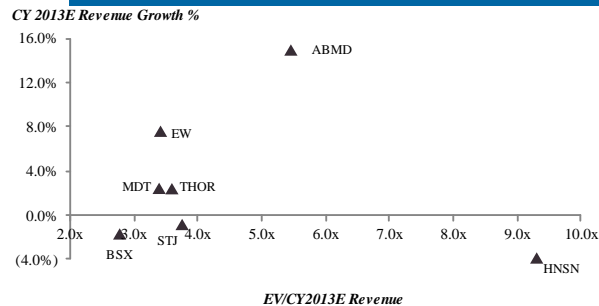
HCIT



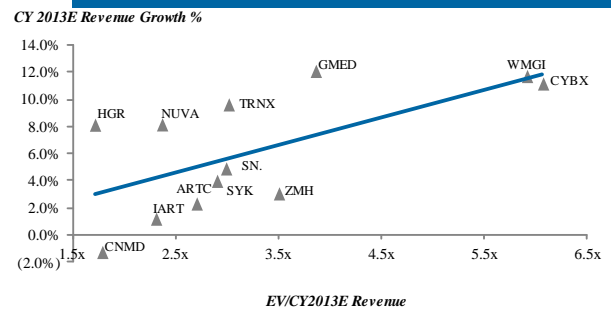
Diversified



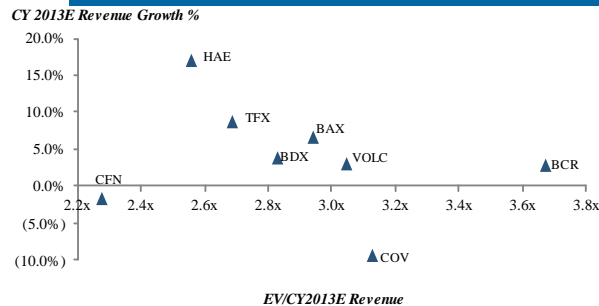
Cardiothoracic



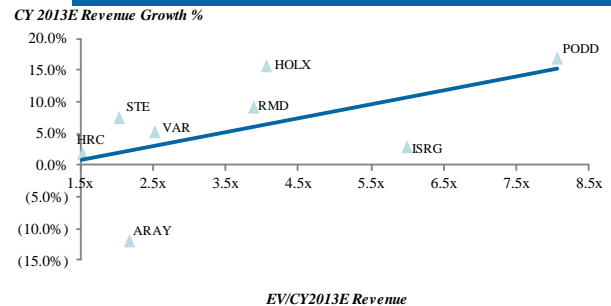
Orthopedics



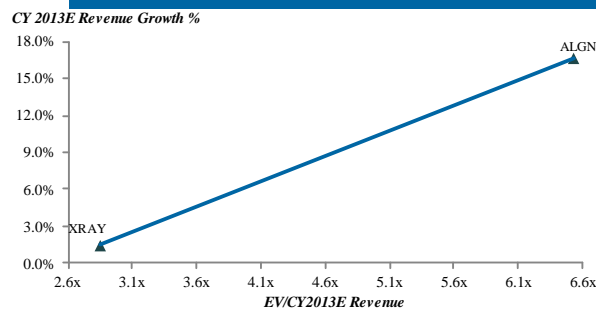
Supplies



Equipment



Dental



Source: CapitalIQ. Estimates Based on Consensus of Equity Research Analyst Estimates.
 Note: Market Data as of Q4 2013 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	
Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk Low	Equity Value	Net Debt	Ent. Value	2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E	
HCIT														
Cerner	\$55.74	94%	1.42x	\$19,133.5	(\$738.9)	\$18,394.6	6.32x	5.5x	18.8x	16.1x	39.5x	33.8x	2.20x	1.88x
Athenahealth ⁽¹⁾	\$134.50	93%	1.81x	\$5,001.9	\$180.6	\$5,182.5	8.75x	7.0x	NM	NM	NM	NM	NM	NM
Medidata Solutions	\$60.50	95%	3.03x	\$3,237.7	(\$131.5)	\$3,106.2	11.25x	9.2x	NM	NM	NM	NM	NM	NM
Allscripts Healthcare	\$15.46	94%	1.67x	\$2,729.3	\$484.1	\$3,213.3	2.35x	2.2x	18.2x	13.2x	NM	33.6x	NM	2.37x
The Advisory Board	\$63.67	90%	1.44x	\$2,294.9	(\$77.9)	\$2,217.0	4.43x	3.8x	25.1x	21.3x	NM	46.6x	NM	2.69x
HMS Holdings	\$22.70	71%	1.31x	\$2,003.8	\$137.0	\$2,140.8	4.26x	4.1x	13.9x	12.8x	28.0x	26.4x	1.52x	1.43x
Quality Systems	\$21.06	87%	1.24x	\$1,266.2	(\$94.0)	\$1,181.9	2.56x	2.4x	10.6x	9.5x	22.2x	20.4x	1.87x	1.72x
MedAssets	\$19.83	75%	1.22x	\$1,226.9	\$802.5	\$2,029.3	3.00x	2.9x	9.2x	8.6x	15.3x	14.1x	1.17x	1.09x
Omnicell	\$25.53	99%	1.74x	\$909.3	(\$116.2)	\$793.1	2.11x	1.9x	12.1x	10.0x	23.9x	21.7x	1.54x	1.40x
Accretive Health	\$9.16	68%	1.15x	\$891.0	(\$196.4)	\$694.6	0.66x	0.6x	10.1x	10.0x	20.0x	15.2x	0.75x	0.57x
Healthstream	\$32.63	82%	1.67x	\$889.3	(\$104.7)	\$784.6	5.98x	4.9x	32.8x	25.6x	NM	NM	NM	NM
Computer Programs & Systems	\$61.81	98%	1.34x	\$689.7	(\$13.6)	\$676.1	3.34x	3.2x	13.0x	12.7x	21.4x	20.4x	1.65x	1.57x
Vocera Communications	\$15.61	53%	1.30x	\$388.6	(\$124.7)	\$263.8	2.58x	2.3x	NM	NM	NM	NM	NM	NM
Merge Healthcare	\$2.32	49%	1.09x	\$218.3	\$226.4	\$445.1	1.88x	1.8x	11.5x	8.7x	42.2x	10.5x	2.81x	0.70x
Average						4.2x	3.7x	15.9x	13.5x	26.6x	24.3x	1.69x	1.54x	
Median						3.2x	3.0x	13.0x	12.7x	23.0x	21.1x	1.59x	1.50x	

Healthcare Technology (HCIT) – Operating Metrics

(\$Millions, except per share values)

(\$Millions, 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	
						2013E	2014E	2013E	2014E	Growth %	LTM	LTM	LTM	LTM	
HCIT															
Cerner	\$55.74	94%	1.42x	\$19,133.5	(\$738.9)	\$18,394.6	11.5%	14.4%	33.6%	34.3%	18.0%	83.3%	40.9%	11.8%	7.1%
Athenahealth ⁽¹⁾	\$134.50	93%	1.81x	\$5,001.9	\$180.6	\$5,182.5	11.1%	25.4%	NA	NA	26.9%	59.0%	26.0%	9.5%	16.1%
Medidata Solutions	\$60.50	95%	3.03x	\$3,237.7	(\$131.5)	\$3,106.2	26.5%	22.8%	NA	NA	22.8%	74.1%	22.7%	18.2%	19.5%
Allscripts Healthcare	\$15.46	94%	1.67x	\$2,729.3	\$484.1	\$3,213.3	(5.4%)	5.1%	12.9%	16.9%	14.2%	39.9%	NM	14.5%	NM
The Advisory Board	\$63.67	90%	1.44x	\$2,294.9	(\$77.9)	\$2,217.0	16.0%	16.0%	17.6%	17.9%	17.3%	46.8%	18.3%	NM	14.1%
HMS Holdings	\$22.70	71%	1.31x	\$2,003.8	\$137.0	\$2,140.8	6.0%	4.5%	30.7%	31.9%	18.4%	37.8%	NM	NM	NM
Quality Systems	\$21.06	87%	1.24x	\$1,266.2	(\$94.0)	\$1,181.9	0.6%	6.7%	24.3%	25.3%	11.9%	51.2%	1.5%	7.9%	NM
MedAssets	\$19.83	75%	1.22x	\$1,226.9	\$802.5	\$2,029.3	5.5%	5.0%	32.6%	33.4%	13.0%	78.0%	9.0%	4.7%	33.6%
Omnicell	\$25.53	99%	1.74x	\$909.3	(\$116.2)	\$793.1	19.7%	10.8%	17.5%	19.1%	15.5%	53.8%	0.1%	7.1%	NM
Accretive Health	\$9.16	68%	1.15x	\$891.0	(\$196.4)	\$694.6	NA	11.2%	6.5%	5.9%	26.7%	20.7%	NM	NM	9.9%
Healthstream	\$32.63	82%	1.67x	\$889.3	(\$104.7)	\$784.6	26.4%	21.3%	18.3%	19.3%	20.3%	58.9%	17.7%	8.8%	11.9%
Computer Programs & Systems	\$61.81	98%	1.34x	\$689.7	(\$13.6)	\$676.1	10.3%	4.6%	25.7%	25.2%	13.0%	45.3%	7.4%	NM	14.3%
Vocera Communications	\$15.61	53%	1.30x	\$388.6	(\$124.7)	\$263.8	1.3%	14.6%	NA	NA	20.5%	62.9%	41.7%	14.1%	14.8%
Merge Healthcare	\$2.32	49%	1.09x	\$218.3	\$226.4	\$445.1	(4.8%)	3.2%	16.3%	20.8%	15.0%	57.8%	16.7%	13.7%	18.8%
Average							9.6%	11.8%	21.4%	22.7%	18.1%	55.0%	18.4%	11.0%	16.0%
Median							10.3%	11.0%	18.3%	20.8%	17.7%	55.8%	17.7%	10.6%	14.6%

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

Note: Market Data as of Q4 2013 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	2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E	
Diversified														
Johnson & Johnson	\$91.59	95%	1.30x	\$258,415.5	(\$10,121.0)	\$248,294.5	3.5x	3.4x	10.6x	10.0x	16.7x	15.7x	2.56x	2.41x
Abbott Laboratories ⁽¹⁾	\$38.33	99%	1.21x	\$59,265.3	(\$342.5)	\$59,014.5	2.7x	2.6x	11.5x	10.5x	19.0x	17.3x	1.64x	1.49x
Average							3.1x	3.0x	11.1x	10.2x	17.8x	16.5x	2.10x	1.95x
Median							3.1x	3.0x	11.1x	10.2x	17.8x	16.5x	2.10x	1.95x

Diversified – 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
							2013E	2014E	2013E	2014E	Growth %	LTM	LTM	LTM	LTM
Diversified															
Johnson & Johnson	\$91.59	95%	1.30x	\$258,415.5	(\$10,121.0)	\$248,294.5	5.5%	4.1%	33.0%	33.7%	6.5%	68.7%	NM	11.5%	NM
Abbott Laboratories ⁽¹⁾	\$38.33	99%	1.21x	\$59,265.3	(\$342.5)	\$59,014.5	2.0%	4.7%	23.4%	24.5%	11.6%	54.0%	NM	6.7%	NM
Average							3.7%	4.4%	28.2%	29.1%	9.0%	61.4%	NA	9.1%	NA
Median							3.7%	4.4%	28.2%	29.1%	9.0%	61.4%	NA	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	
											2013E	2014E	2013E	2014E
	Stock Price	% of 52-Week High	Current Stock Price as a Multiple of 52-Wk Low	Equity Value	Net Debt	Ent. Value								
Cardiothoracic														
Medtronic	\$57.39	98%	1.39x	\$57,295.3	(\$296.0)	\$56,999.3	3.4x	3.3x	9.6x	9.1x	15.4x	14.2x	2.19x	2.01x
St. Jude Medical	\$61.95	98%	1.72x	\$18,077.8	\$2,207.0	\$20,453.8	3.7x	3.6x	12.0x	11.4x	16.6x	15.6x	1.77x	1.66x
Boston Scientific	\$12.02	96%	2.09x	\$16,049.4	\$3,678.0	\$19,727.4	2.8x	2.7x	12.0x	11.2x	26.7x	23.6x	2.73x	2.40x
Edwards Lifesciences	\$65.76	69%	1.08x	\$7,194.6	(\$225.5)	\$6,969.1	3.4x	3.2x	13.3x	14.1x	21.6x	21.8x	1.67x	1.69x
Thoratec	\$36.60	84%	1.22x	\$2,085.1	(\$278.8)	\$1,806.3	3.6x	3.4x	11.9x	11.1x	20.0x	19.5x	2.14x	2.08x
Heartware International	\$93.90	94%	1.35x	\$1,567.4	(\$118.4)	\$1,449.0	7.0x	5.7x	NM	NM	NM	NM	NM	NM
ABIOMED	\$26.74	91%	2.24x	\$1,022.9	(\$71.1)	\$951.9	5.5x	4.6x	NM	28.6x	NM	37.7x	NM	1.93x
Hansen Medical	\$1.73	63%	1.52x	\$166.8	(\$8.9)	\$157.9	9.3x	6.4x	NM	NM	NM	NM	NM	NM
						Average	4.8x	4.1x	11.8x	14.2x	20.1x	22.0x	2.10x	1.96x
						Median	3.7x	3.5x	12.0x	11.3x	20.0x	20.7x	2.14x	1.97x

Cardiothoracic – 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
							2013E	2014E	2013E	2014E	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	\$57.39	98%	1.39x	\$57,295.3	(\$296.0)	\$56,999.3	2.5%	4.0%	35.1%	35.8%	7.1%	74.7%	NM	9.0%	NM
St. Jude Medical	\$61.95	98%	1.72x	\$18,077.8	\$2,207.0	\$20,453.8	(0.8%)	3.4%	31.1%	31.7%	9.4%	72.2%	NM	12.6%	NM
Boston Scientific	\$12.02	96%	2.09x	\$16,049.4	\$3,678.0	\$19,727.4	(1.6%)	3.5%	23.0%	23.8%	9.8%	67.1%	NM	12.4%	NM
Edwards Lifesciences	\$65.76	69%	1.08x	\$7,194.6	(\$225.5)	\$6,969.1	7.7%	5.1%	25.5%	23.0%	12.9%	75.1%	NM	15.8%	NM
Thoratec	\$36.60	84%	1.22x	\$2,085.1	(\$278.8)	\$1,806.3	2.5%	7.0%	30.2%	30.3%	9.3%	69.0%	1.2%	19.4%	NM
Heartware International	\$93.90	94%	1.35x	\$1,567.4	(\$118.4)	\$1,449.0	87.8%	22.9%	NA	NA	40.5%	60.7%	NM	50.3%	NM
ABIOMED	\$26.74	91%	2.24x	\$1,022.9	(\$71.1)	\$951.9	15.0%	18.3%	NA	16.1%	19.5%	79.5%	NM	16.6%	NM
Hansen Medical	\$1.73	63%	1.52x	\$166.8	(\$8.9)	\$157.9	(3.8%)	45.0%	NA	NA	NM	20.7%	NM	101.3%	NM
						Average	13.7%	13.7%	29.0%	26.8%	15.5%	64.9%	1.2%	29.7%	NA
						Median	2.5%	6.0%	30.2%	27.1%	9.8%	70.6%	1.2%	16.2%	NA

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

Note: Market Data as of Q4 2013 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.)

Orthopedics – 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	
							2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E
Orthopedics														
Stryker	\$75.14	99%	1.36x	\$28,434.4	(\$1,241.0)	\$26,070.4	2.9x	2.8x	10.7x	9.9x	17.8x	16.3x	1.98x	1.82x
Zimmer Holdings	\$93.19	99%	1.38x	\$15,933.7	\$181.9	\$16,118.9	3.5x	3.4x	9.3x	8.8x	16.3x	15.0x	1.63x	1.50x
Smith & Nephew	\$14.26	98%	1.27x	\$12,722.9	\$222.0	\$12,950.8	3.0x	2.9x	10.4x	9.7x	18.8x	17.1x	2.17x	1.98x
Globus Medical	\$20.18	100%	1.91x	\$1,881.7	(\$213.1)	\$1,668.5	3.9x	3.4x	11.6x	10.1x	23.7x	21.4x	1.67x	1.50x
Cyberonics	\$65.42	91%	1.55x	\$1,765.1	(\$122.7)	\$1,642.4	6.1x	5.4x	17.3x	15.8x	35.2x	29.1x	1.93x	1.59x
Integra LifeSciences	\$47.71	99%	1.55x	\$1,507.7	\$429.1	\$1,936.8	2.3x	2.1x	13.6x	10.4x	18.9x	15.2x	2.14x	1.73x
NuVasive	\$32.33	95%	2.06x	\$1,442.5	\$132.7	\$1,584.5	2.4x	2.2x	16.0x	14.3x	28.4x	26.1x	2.34x	2.15x
Wright Medical Group ⁽¹⁾	\$30.71	99%	1.48x	\$1,432.1	(\$14.2)	\$1,417.9	5.9x	5.0x	NM	NM	NM	NM	NM	NM
Hanger	\$39.34	99%	1.44x	\$1,359.0	\$463.8	\$1,822.8	1.7x	1.6x	10.0x	9.3x	18.7x	16.1x	1.39x	1.19x
CONMED	\$42.50	93%	1.53x	\$1,173.6	\$175.3	\$1,348.9	1.8x	1.7x	10.7x	10.1x	24.1x	22.3x	2.28x	2.11x
ArthroCare	\$40.24	99%	1.28x	\$1,141.9	(\$208.4)	\$1,017.0	2.7x	2.6x	12.1x	10.4x	28.2x	26.6x	2.09x	1.97x
Tornier	\$18.79	86%	1.24x	\$910.9	\$4.7	\$915.7	3.0x	2.9x	33.9x	32.0x	NM	NM	NM	NM
						Average	3.3x	3.0x	14.1x	12.8x	23.0x	20.5x	1.96x	1.75x
						Median	2.9x	2.8x	11.6x	10.1x	21.3x	19.2x	2.04x	1.77x

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
							2013E	2014E	2013E	2014E	Growth %	LTM	LTM	LTM	LTM
Orthopedics															
Stryker	\$75.14	99%	1.36x	\$28,434.4	(\$1,241.0)	\$26,070.4	3.9%	4.9%	27.0%	27.8%	9.0%	67.0%	NM	5.9%	NM
Zimmer Holdings	\$93.19	99%	1.38x	\$15,933.7	\$181.9	\$16,118.9	3.0%	4.1%	37.7%	38.1%	10.0%	74.0%	NM	4.7%	NM
Smith & Nephew	\$14.26	98%	1.27x	\$12,722.9	\$222.0	\$12,950.8	4.8%	4.6%	28.7%	29.6%	8.7%	74.3%	1.7%	5.1%	NM
Globus Medical	\$20.18	100%	1.91x	\$1,881.7	(\$213.1)	\$1,668.5	12.0%	13.2%	33.3%	33.9%	14.3%	78.1%	NM	6.6%	NM
Cyberonics	\$65.42	91%	1.55x	\$1,765.1	(\$122.7)	\$1,642.4	11.1%	13.1%	35.1%	34.0%	18.3%	90.7%	NM	16.8%	NM
Integra LifeSciences	\$47.71	99%	1.55x	\$1,507.7	\$429.1	\$1,936.8	1.1%	10.8%	17.0%	20.0%	8.8%	62.5%	NM	6.1%	NM
NuVasive	\$32.33	95%	2.06x	\$1,442.5	\$132.7	\$1,584.5	8.1%	6.1%	14.7%	15.6%	12.1%	74.9%	NM	5.0%	NM
Wright Medical Group ⁽¹⁾	\$30.71	99%	1.48x	\$1,432.1	(\$14.2)	\$1,417.9	11.6%	17.3%	NA	NA	13.5%	68.9%	NM	6.3%	NM
Hanger	\$39.34	99%	1.44x	\$1,359.0	\$463.8	\$1,822.8	8.0%	4.6%	17.1%	17.7%	13.5%	35.7%	NM	NM	NM
CONMED	\$42.50	93%	1.53x	\$1,173.6	\$175.3	\$1,348.9	(1.4%)	2.3%	16.7%	17.3%	10.6%	54.6%	NM	3.5%	NM
ArthroCare	\$40.24	99%	1.28x	\$1,141.9	(\$208.4)	\$1,017.0	2.2%	4.1%	22.4%	24.9%	13.5%	69.5%	32.1%	9.1%	8.7%
Tornier	\$18.79	86%	1.24x	\$910.9	\$4.7	\$915.7	9.5%	3.4%	8.9%	9.1%	21.7%	73.4%	NM	7.4%	NM
Average							6.2%	7.4%	23.5%	24.4%	12.8%	68.6%	16.9%	6.9%	8.7%
Median							6.4%	4.8%	22.4%	24.9%	12.8%	71.5%	16.9%	6.1%	8.7%

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

Note: Market Data as of Q4 2013 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	
							2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E
	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	\$69.55	93%	1.11x	\$37,744.6	\$6,690.0	\$44,431.6	2.9x	2.7x	10.6x	9.8x	14.9x	13.8x	1.75x	1.62x
Covidien	\$68.10	99%	1.20x	\$30,808.6	\$3,161.0	\$33,969.6	3.1x	3.2x	11.8x	11.4x	17.8x	16.5x	1.69x	1.58x
Becton, Dickinson and Co.	\$110.49	100%	1.40x	\$21,432.5	\$1,362.0	\$22,794.5	2.8x	2.7x	10.8x	9.9x	19.8x	17.2x	2.27x	1.98x
CR Bard	\$133.94	95%	1.38x	\$10,432.6	\$722.3	\$11,154.9	3.7x	3.4x	13.4x	11.3x	23.3x	17.5x	2.22x	1.67x
CareFusion	\$39.82	99%	1.39x	\$8,415.5	(\$322.0)	\$8,093.5	2.3x	2.2x	9.6x	8.1x	19.8x	15.6x	1.68x	1.33x
Teleflex	\$93.86	95%	1.31x	\$3,862.0	\$659.0	\$4,523.1	2.7x	2.5x	11.7x	10.5x	19.1x	17.2x	1.77x	1.59x
Haemonetics	\$42.13	92%	1.12x	\$2,170.9	\$304.2	\$2,475.1	2.6x	2.5x	11.0x	9.6x	21.0x	17.3x	1.68x	1.38x
Volcano	\$21.85	83%	1.33x	\$1,199.3	(\$2.7)	\$1,196.5	3.0x	2.8x	NM	25.2x	NM	NM	NM	NM
						Average	2.9x	2.7x	11.3x	11.9x	19.4x	16.5x	1.87x	1.59x
						Median	2.9x	2.7x	11.0x	10.2x	19.8x	17.2x	1.75x	1.59x

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
							2013E	2014E	2013E	2014E	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	\$69.55	93%	1.11x	\$37,744.6	\$6,690.0	\$44,431.6	6.5%	10.5%	27.6%	27.2%	8.5%	49.8%	NM	8.2%	NM
Covidien	\$68.10	99%	1.20x	\$30,808.6	\$3,161.0	\$33,969.6	(9.5%)	(1.6%)	26.5%	27.9%	10.5%	59.6%	0.6%	5.1%	NM
Becton, Dickinson and Co.	\$110.49	100%	1.40x	\$21,432.5	\$1,362.0	\$22,794.5	3.7%	5.4%	26.1%	27.2%	8.7%	52.0%	NM	6.2%	NM
CR Bard	\$133.94	95%	1.38x	\$10,432.6	\$722.3	\$11,154.9	2.7%	7.5%	27.3%	30.3%	10.5%	61.7%	0.1%	9.1%	NM
CareFusion	\$39.82	99%	1.39x	\$8,415.5	(\$322.0)	\$8,093.5	(1.8%)	5.6%	23.7%	26.7%	11.8%	51.8%	NM	5.4%	NM
Teleflex	\$93.86	95%	1.31x	\$3,862.0	\$659.0	\$4,523.1	8.6%	7.1%	22.9%	23.9%	10.8%	49.1%	NM	3.8%	NM
Haemonetics	\$42.13	92%	1.12x	\$2,170.9	\$304.2	\$2,475.1	16.9%	0.5%	23.3%	26.6%	12.5%	49.5%	0.5%	5.3%	NM
Volcano	\$21.85	83%	1.33x	\$1,199.3	(\$2.7)	\$1,196.5	2.9%	8.9%	NA	11.1%	28.6%	65.5%	NM	16.7%	NM
						Average	3.7%	5.5%	25.3%	25.1%	12.7%	54.9%	0.4%	7.5%	NA
						Median	3.3%	6.3%	26.1%	27.0%	10.6%	51.9%	0.5%	5.8%	NA

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

Note: Market Data as of Q4 2013 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.)

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	2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E	
Equipment														
Intuitive Surgical	\$384.08	66%	1.09x	\$14,619.6	(\$2,753.9)	\$13,406.7	6.0x	5.8x	14.9x	14.3x	24.6x	22.4x	2.18x	1.99x
Varian Medical Systems	\$77.69	96%	1.23x	\$8,230.4	(\$563.9)	\$7,556.1	2.5x	2.4x	11.2x	10.6x	19.2x	17.5x	1.65x	1.51x
ResMed	\$47.08	82%	1.12x	\$6,689.2	(\$536.9)	\$6,073.4	3.9x	3.6x	12.4x	11.2x	19.6x	17.8x	1.61x	1.46x
Hologic	\$22.35	93%	1.21x	\$6,104.4	\$4,016.9	\$10,121.3	4.1x	4.1x	11.6x	11.8x	16.1x	16.1x	1.98x	1.98x
Steris	\$48.05	99%	1.38x	\$2,828.8	\$344.7	\$3,175.5	2.0x	1.9x	9.9x	9.0x	19.7x	17.1x	1.55x	1.35x
Hill-Rom Holdings	\$41.34	97%	1.43x	\$2,412.9	\$194.4	\$2,592.5	1.5x	1.5x	8.4x	8.4x	19.6x	16.0x	1.96x	1.60x
Insulet	\$37.10	92%	1.78x	\$2,023.4	(\$34.1)	\$1,989.3	8.1x	6.6x	NM	NM	NM	NM	NM	NM
DexCom	\$35.41	98%	2.59x	\$2,541.9	(\$40.6)	\$2,501.3	NM	11.9x	NM	NM	NM	NM	NM	NM
Accuray	\$8.70	98%	2.31x	\$651.4	\$38.3	\$689.7	2.2x	1.9x	NM	NM	NM	NM	NM	NM
Average							3.8x	4.4x	11.4x	10.9x	19.8x	17.8x	1.82x	1.65x
Median							3.2x	3.6x	11.4x	10.9x	19.6x	17.3x	1.81x	1.55x

Equipment– Operating Metrics

(\$Millions, except per share values)

Equipment 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
							2013E	2014E	2013E	2014E	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										
Equipment															
Intuitive Surgical	\$384.08	66%	1.09x	\$14,619.6	(\$2,753.9)	\$13,406.7	2.7%	4.1%	40.2%	40.4%	11.3%	70.4%	NM	7.4%	NM
Varian Medical Systems	\$77.69	96%	1.23x	\$8,230.4	(\$563.9)	\$7,556.1	5.1%	6.2%	22.4%	22.3%	11.6%	42.6%	NM	7.4%	NM
ResMed	\$47.08	82%	1.12x	\$6,689.2	(\$536.9)	\$6,073.4	9.0%	6.4%	31.1%	32.4%	12.2%	63.4%	NM	7.8%	NM
Hologic	\$22.35	93%	1.21x	\$6,104.4	\$4,016.9	\$10,121.3	15.5%	(0.8%)	35.1%	34.5%	8.1%	62.3%	13.8%	8.0%	9.6%
Steris	\$48.05	99%	1.38x	\$2,828.8	\$344.7	\$3,175.5	7.3%	6.1%	20.4%	21.2%	12.7%	40.5%	0.4%	3.0%	NM
Hill-Rom Holdings	\$41.34	97%	1.43x	\$2,412.9	\$194.4	\$2,592.5	1.7%	2.3%	18.0%	17.7%	10.0%	45.5%	NM	4.1%	NM
Insulet	\$37.10	92%	1.78x	\$2,023.4	(\$34.1)	\$1,989.3	16.8%	21.9%	NA	NA	26.5%	44.3%	23.5%	9.0%	26.1%
DexCom	\$35.41	98%	2.59x	\$2,541.9	(\$40.6)	\$2,501.3	54.4%	36.0%	NA	NA	31.7%	59.0%	NM	28.5%	NM
Accuray	\$8.70	98%	2.31x	\$651.4	\$38.3	\$689.7	(12.1%)	15.4%	NA	NA	NM	32.4%	18.1%	19.5%	15.2%
Average							11.2%	10.8%	27.9%	28.1%	15.5%	51.2%	14.0%	10.5%	16.9%
Median							7.3%	6.2%	26.8%	27.4%	11.9%	45.5%	15.9%	7.8%	15.2%

Dental – 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	2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E		
Dental															
DENTSPLY International	\$48.48	95%	1.23x	\$6,915.8	\$1,496.8	\$8,453.2	2.8x	2.7x	14.1x	13.2x	20.6x	18.7x	1.94x	1.76x	
Align Technology	\$57.14	95%	2.23x	\$4,589.4	(\$323.6)	\$4,265.8	6.5x	5.8x	25.0x	21.4x	38.9x	33.0x	1.96x	1.66x	
							Average	4.7x	4.2x	19.6x	17.3x	29.8x	25.9x	1.95x	1.71x
							Median	4.7x	4.2x	19.6x	17.3x	29.8x	25.9x	1.95x	1.71x

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	
							2013E	2014E	2013E	2014E	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	\$48.48	95%	1.23x	\$6,915.8	\$1,496.8	\$8,453.2	1.5%	4.4%	20.1%	20.6%	10.6%	53.3%	NM	2.9%	NM	
Align Technology	\$57.14	95%	2.23x	\$4,589.4	(\$323.6)	\$4,265.8	16.7%	13.4%	26.1%	26.9%	19.9%	75.7%	27.9%	7.2%	17.7%	
							Average	9.1%	8.9%	23.1%	23.8%	15.3%	64.5%	27.9%	5.1%	17.7%
							Median	9.1%	8.9%	23.1%	23.8%	15.3%	64.5%	27.9%	5.1%	17.7%

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

Note: Market Data as of Q4 2013 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 – Q4 Selected MedTech M&A Transactions

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

					Valuation Metrics	
Date	Target	Acquirer	Transaction Value (\$USDmm)	Enterprise Value (\$USDmm)	EV/LTM Revenues	EV/LTM EBITDA
MedTech Sector						
12/31/2013	Patient Safety Technologies	Stryker	\$86	\$81	4.06x	26.6x
12/19/2013	Endoscopic Technologies	AtriCure	\$61	\$61	NA	NA
12/16/2013	Solta Medical	Valeant Pharmaceuticals International	\$279	\$272	1.80x	NM
12/08/2013	Given Imaging	Covidien	\$965	\$845	4.48x	NM
12/04/2013	PULSION Medical Systems	Getinge	\$192	\$190	3.87x	12.0x
12/01/2013	CircuLite	Heartware International	\$402	\$402	NA	NA
11/28/2013	Medi-Stim	Intertrade Shipping	\$14	\$63	2.02x	10.4x
11/25/2013	BarrierSafe Solutions International	Ansell	\$615	\$615	2.16x	9.6x
11/22/2013	Biosensors International Group	CITIC Private Equity Funds Management	\$312	\$1,200	3.64x	11.1x
11/19/2013	Laboratorios Indas	Domtar	\$575	\$575	NA	NA
11/18/2013	Mediwatch	Laborie Medical Technologies Europe	\$16	\$16	1.00x	23.2x
11/18/2013	Vital Signs	CareFusion	\$500	\$500	2.00x	NA
11/18/2013	Qinhuangdao Aidite High-technical Ceramics	Q & M Dental Group	\$13	\$25	5.00x	NA
11/14/2013	VeriTeQ	Alpha Capital AG & 3 Others	\$11	\$11	NA	NA
11/13/2013	Hitachi Medical	Hitachi	\$217	\$682	0.44x	10.1x
11/12/2013	Andor Technology	Oxford Instruments	\$277	\$238	2.66x	20.4x
11/12/2013	JEOL RESONANCE	Jeol	\$15	\$59	1.03x	NA
11/11/2013	Novartis Vaccines & Diagnostics (Blood Transfusion Diagnostics Unit)	Grifols	\$1,675	\$1,675	2.96x	NA
11/06/2013	Passport Health Communications	Experian	\$850	\$850	NA	NA
11/01/2013	Prima Tech USA	Neogen	\$13	\$13	NA	NA
10/29/2013	Allergan (Obesity Intervention Business)	Apollo Endosurgery	\$110	\$110	NA	NA
10/29/2013	Vidacare	Teleflex Incorporated	\$263	\$263	NA	NA
10/28/2013	Confluent Surgical	Integra LifeSciences	\$261	\$261	4.02x	NA
10/25/2013	Vieworks	E*TRADE Korea	\$2	\$226	4.13x	NA
10/22/2013	ActiViews	Stryker	\$20	\$20	NA	NA
10/17/2013	Lab21 (Blood Bank Screening Business)	Trinity Biotech	\$8	\$8	1.88x	NA
10/16/2013	Aesynt	Francisco Partners Management	\$52	\$52	NA	NA
10/16/2013	Biotech International	Wright Medical Group	\$80	\$80	5.34x	NA
10/14/2013	Nanostim	St. Jude Medical	\$189	NA	NA	NA
10/11/2013	Medi-Flex	Top Glove	\$23	\$108	1.71x	12.5x
10/07/2013	Lanx	EBI Holdings	\$147	\$147	NA	NA
10/07/2013	Medentika	Instramed	\$43	\$85	5.70x	NA
10/03/2013	PACSGEAR	Perceptive Software USA	\$54	\$54	NA	NA
10/02/2013	Pipeline Biomedical	MAKO Surgical	\$119	\$119	NA	NA
10/01/2013	Avatar EEG Solutions	Electrical Geodesics	\$0	\$0	3.25x	NA
10/01/2013	eChannelling	Senior Marketing System Asia	\$2	\$16	NM	20.3x
				Average ⁽¹⁾	3.01x	15.6x
				Median ⁽¹⁾	2.96x	12.2x

Source: CapitalIQ.

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

(1) Excludes Outlier Multiples for Transactions with EV/Rev. > 10x, and EV/EBITDA > 30x.



Appendix – Medical Technology Public Equity Market Performance





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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