



Quarterly Review of the Medical Technology Sector (MedTech)

Q4 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 and Customized Solutions
- Focused on the Middle Corridor of the United States

Past Transactions Executed by Navidar			
<p>October 2014</p>  <p>Has acquired Leadtec Buyside Advisor</p>	<p>September 2014</p>  <p>Has been acquired by ConVerge-One Sellside Advisor</p>	<p>June 2014</p>  <p>Has been acquired by stamps.com Sellside Advisor</p>	<p>April 2014</p>  <p>Has been acquired by bazaarvoice Sellside Advisor</p>
<p>March 2014</p>  <p>Private Equity Placement</p>	<p>December 2013</p>  <p>Has been acquired by NTT DATA Sellside Advisor</p>	<p>October 2013</p>  <p>Has acquired avenate Buyside Advisor</p>	<p>December 2012</p>  <p>Has been acquired by TENEX CAPITAL MANAGEMENT Sellside Advisor</p>
<p>October 2012</p>  <p>Has been acquired by ExactTarget Sellside Advisor</p>	<p>August 2012</p>  <p>Has been acquired by Alta Equity Partners Sellside Advisor</p>	<p>February 2012</p>  <p>Capital Structure Review</p>	<p>February 2012</p>  <p>NOL Shareholder Rights Plan</p>
<p>October 2011</p>  <p>Has been acquired by AeroScout Sellside Advisor</p>	<p>July 2011</p>  <p>Has been acquired by HARMAN Sellside Advisor</p>	<p>January 2011</p>  <p>Private Equity Placement</p>	<p>January 2011</p>  <p>Debt Placement</p>
<p>November 2010</p>  <p>Private Equity Placement</p>	<p>July 2010</p>  <p>Has acquired World Golf Systems Group PLC Buyside Advisor</p>	<p>July 2009</p>  <p>Recapitalization</p>	<p>January 2009</p>  <p>Private Equity Placement</p>

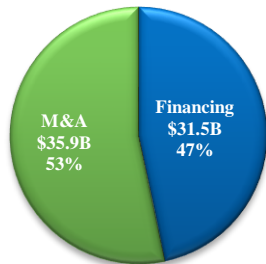
Note: Transactions above only represent a sample of past transactions executed by Navidar.



Navidar at a Glance

Experienced Strategic Advisors

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



Advising Dynamic Companies

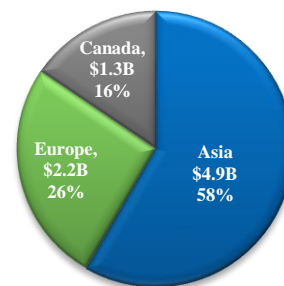


Creative Insights & Customized Solutions



International Expertise

\$8.4B of Transaction Volume



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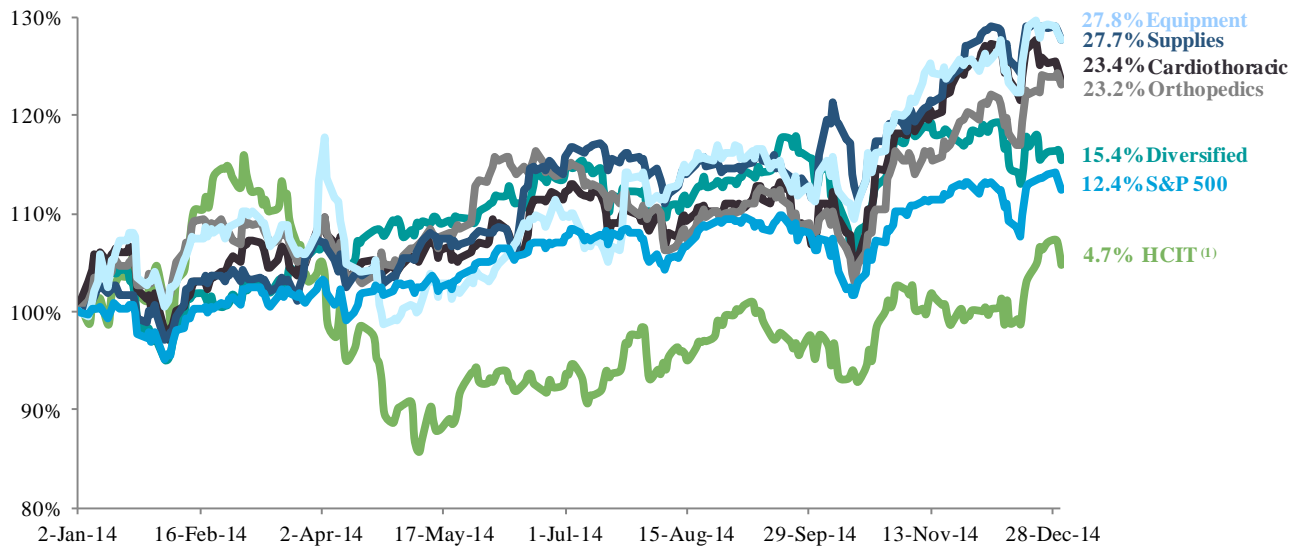
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Q4 2014 Medical Technology Sector Review

Relative Share Price Performance — YTD



MedTech Sector Share Price Performance

Sub-Sector		Q4 Return	YTD Return
Equipment		15.0%	27.8%
Cardiothoracic		14.8%	23.4%
Orthopedics		14.0%	23.2%
Supplies		13.7%	27.7%
HCIT ⁽¹⁾		10.1%	4.7%
S&P 500		5.8%	12.4%
Diversified		1.8%	15.4%

Top 5 Global M&A Deals in Q4 By Value

Date	Acquirer	Target	Deal Value (\$M)
10/05/2014	BD	CareFusion	\$13,794
11/06/2014	EQT & Santo Holding AG	SIEMENS	2,670
10/27/2014	TORNIER	WRIGHT	1,541
12/17/2014	PHILIPS Philips Holdings USA Inc.	VOLCANO	1,364
11/25/2014	Vista Equity Partners	Advanced	1,140

Key Takeaways From the Quarter:

- Medical Technology sub-sectors exhibited a strong performance in Q4'14, with five sub-sectors (Equipment, Supplies, Cardiothoracic, Orthopedics and Diversified) outperforming the S&P 500 index.
- After experiencing a decline in Q3'14, Global MedTech M&A deal volume in Q4'14 experienced a slight increase on a quarter-over-quarter basis, with the number of deals increasing from 140 to 146.
- Global MedTech M&A deal value in Q4'14 increased significantly to reach \$23.4 billion as compared to \$8.1 billion in the previous quarter, primarily driven by the acquisition of CareFusion by Becton, Dickson & Company for \$13.8 billion.
- U.S. MedTech M&A deal volume experienced an uptick in Q4'14 to reach 81 deals as compared to 75 deals in Q3'14. Deal value increased significantly over the same period (\$4.2 billion to \$18.5 billion), an increase of more than 300% on a quarter-over-quarter basis.
- Strategic acquisitions in Q4'14 accounted for more than 85% of total deal volume (125 out of 146 transactions).
- About 67% of announced transactions in Q4'14 with disclosed deal values were below \$100.0 million.

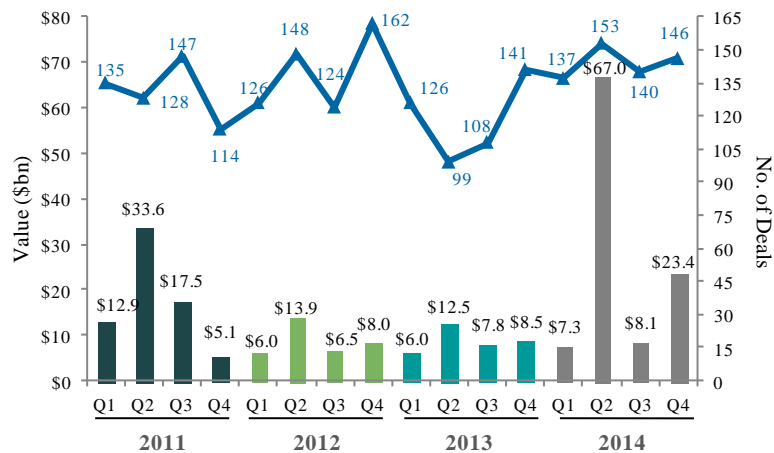
Source: S&P Capital IQ, Industry Research, Online Publications and Navidar Research

(1) HCIT = Healthcare Information Technology.



Medical Technology Sector M&A Review

Global MedTech M&A Deals — Since 2011

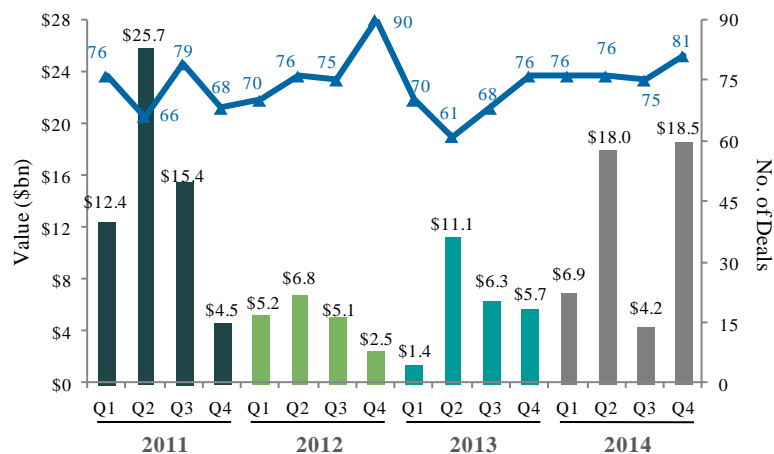


Commentary

Global MedTech sector M&A transaction volume experienced an uptick in Q4'14 and reached 146 deals from 140 in Q3'14. The M&A deal value in Q4'14 was at \$23.4 billion as compared to \$8.1 billion in Q3'14 and multi-year high of \$67.0 billion in Q2'14.

- Global M&A transaction volume increased 4% quarter-over-quarter (140 to 146) and also increased by the nearly same percentage year-over-year (141 to 146)
- Deal value increased 189% quarter-over-quarter from \$8.1 billion to \$23.4 billion and 175% year-over-year from \$8.5 billion to \$23.4 billion

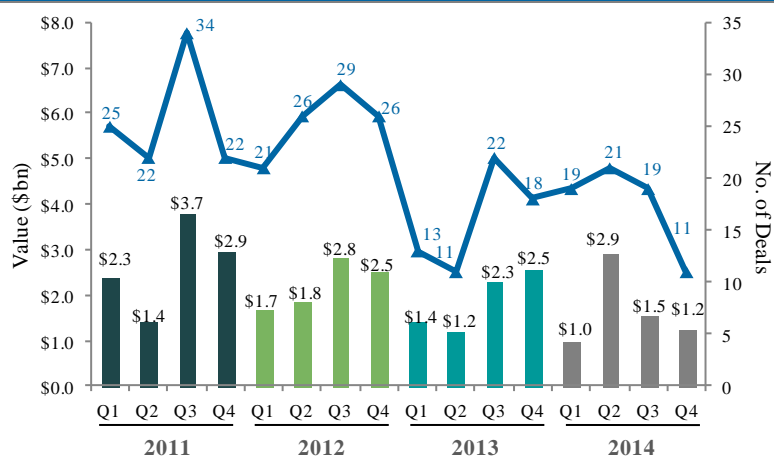
U.S. MedTech M&A Deals — Since 2011



U.S. MedTech M&A deal volume was the second highest in Q4'14 as compared to the preceding 15 quarters.

- U.S. transaction volume in Q4'14 increased 7% compared to Q4'13, from 76 to 81 acquisitions. Deal value increased by over 200% during the same period, from \$5.7 billion to \$18.5 billion.

U.S. MedTech Middle Market M&A Deals — Since 2011⁽¹⁾



U.S. Middle Market deal volume continued to experience a downtrend in Q4'14, reaching last seen in Q2'13.

- Transaction volume decreased 39% in Q4'14 as compared to Q4'13, from 18 to 11 acquisitions. Deal value in Q4'14 decreased 52% over the same period

Source: S&P Capital IQ, 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 2014

Announced Date	Acquirer	Target	Ent. Value (\$USDmm)	EV / LTM Rev. (x)	EV / LTM EBITDA (x)
12/17/2014	Philips Holding (U.S.)	Volcano Corporation (U.S.)	\$1,363.5	3.0x	75.7x
12/04/2014	BTG International (U.S.)	PneumRx (U.S.)	475.0	29.7x	NA
11/25/2014	Vista Equity Partners (U.S.)	Advanced Computer Software Group (U.K.)	1,140.0	3.3x	23.6x
11/19/2014	Emdeon (U.S.)	Change Healthcare Corp (U.S.)	185.0	NA	NA
11/06/2014	EQT Partners (Sweden) and Santo Holding (Switzerland)	Siemens Medical Instruments (Singapore)	2,669.7	3.1x	14.8x
10/29/2014	Abbott Laboratories (U.S.)	Topera, (U.S.)	250.0	NA	NA
10/27/2014	Tornier N.V. (Netherlands)	Wright Medical Group (U.S.)	1,540.6	4.5x	NA
10/21/2014	Bertelsmann SE & Co. (Germany)	Relias Learning (U.S.)	540.0	NA	NA
10/05/2014	Becton, Dickinson and Company (U.S.)	CareFusion Corp. (U.S.)	13,793.7	3.1x	13.6x
10/01/2014	Carlisle Interconnect Technologies (U.S.)	LHi Technology (Singapore)	195.0	2.0x	NA

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

\$ in millions except #	Q3'2014		Q4'2014		Q4'2013	
	Number of Deals	Total Deal Value	Number of Deals	Total Deal Value	Number of Deals	Total Deal Value
< \$50M	11	171	7	158	5	27
\$50M to \$100M	2	159	-	-	4	253
\$100M to \$250M	5	759	2	355	4	565
\$250M to \$500M	1	457	2	725	4	1,205
\$500M to \$1000M	-	-	1	540	3	1,965
>\$1B	1	2,700	3	16,698	1	1,675
Undisclosed	55	-	66	-	55	-
Total	75	4,246	81	18,475	76	5,689

Source: S&P Capital IQ 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

Bertelsmann & Co. acquired Relias Learning for \$540M EV.

- **Acquisition fits with Bertelsmann's education strategy and makes education the third business focus for Bertelsmann alongside media and services.**

Headquartered in Boca Raton, FL, Relias Learning provides eLearning in the healthcare and compliance sectors. It has over 4,000 institutional clients and offers some 2,500 different online courses. The Company also offers online training programs to senior care, health and human services, corrections and law enforcement, and intellectual and developmental disabilities organizations primarily in the U.S.

Emdeon acquired Change Healthcare for \$185M EV.

- **Acquisition expands Emdeon's reach into healthcare consumer engagement and enables it to combine cost and quality information with consumer behavioral insights.**

Headquartered in Brentwood, TN, Change Healthcare provides healthcare cost transparency and consumer engagement solutions for health plans, employers, and strategic partners. It enables consumers to better understand and utilize their healthcare benefits and manage higher out-of-pocket costs and realize savings. It helps to control healthcare costs, optimize existing wellness programs and deliver more cost-effective plans to consumers.

MedImmune (subsidiary of AstraZeneca) acquired Definiens for \$150M EV.

- **Acquisition strengthens MedImmune's focus on the discovery of predictive biomarkers in immuno-oncology, to potentially shorten clinical timelines and increase response rates.**
- **Definiens' technology complements MedImmune's immuno-oncology approach and accelerates clinical programs through highly precise predictive and prognostic biomarker testing.**

Based in Munich, Germany, Definiens provides image analysis and data mining solutions for tissue diagnostics and clinical digital pathology. Definiens' technology provides detailed cell-by-cell read-outs from target structures on tissue slides and allows the correlation of this information with data derived from other sources, generating new knowledge and supporting better decisions in research, diagnostics and therapy.

Source: S&P Capital IQ, 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 LTM = Last Twelve Months.



Medical Technology Sector M&A Review (Cont.)

Healthcare Equipment

Becton, Dickinson & Co. (BD) acquired CareFusion for \$13.8B EV, which implied 3.06x LTM Revenue and 13.6x LTM EBITDA.

- **Combination of the two companies' complementary product portfolios will allow offering of integrated medication management solutions and smart devices, and improve quality of care and reduce healthcare costs.**

Headquartered in San Diego, CA, CareFusion operates as a medical technology company that provides various healthcare products and services. The Company's major offerings include Alaris infusion pumps and IV sets, MaxPlus and MaxZero IV connectors and sets, Pyxis automated dispensing and patient identification systems, AVEA, LTV series and AirLife ventilation and respiratory products, ChloraPrep products, MedMined services for data mining surveillance, V. Mueller surgical instruments, and an extensive line of products that support interventional medicine. CareFusion employs more than 16,000 people across its global operations.

Tornier merged with Wright Medical Group. The deal was valued at \$1.5B EV, which implied 4.52x LTM Revenue.

- **The combination creates a premier extremities-biologics company with a broad global reach, and builds one of the most comprehensive upper and lower extremity product portfolios available in the market today.**

Based in the Netherlands, Tornier is a global medical device company focused on providing solutions to surgeons who treat musculoskeletal injuries and disorders of the shoulder, elbow, wrist, hand, ankle and foot. Tornier's broad offering of over 95 product lines includes joint replacement, trauma, sports medicine, and biologic products to treat the extremities, as well as joint replacement products for the hip and knee in certain international markets.

Based in Memphis, TN, Wright Medical Group is a specialty orthopedic company that provides extremity and biologic solutions that enable clinicians to alleviate pain and restore patient lifestyles. The Company specializes in surgical solutions for the foot and ankle market and markets its products in over 60 countries worldwide.

BTG Intl. acquired PneumRx for \$475M EV, which implied 29.69x LTM Revenue.

- **Acquisition complements BTG's interventional medicine platform, expanding into interventional pulmonology, a developing medical discipline.**
- **Enhances BTG's European commercial platform and provides a significant U.S. opportunity.**
- **Acquisition adds RePneu Coil, a product of PneumRx, that is used for the treatment for advanced emphysema. The product has the potential to achieve revenues of over \$250 million by 2020, assuming less than 1% penetration of Gold Stages III and IV patients.**

Headquartered in Mountain View, CA, PneumRx is engaged in the development and commercialization of products to treat emphysema using minimally invasive techniques. It offers the RePneu Lung Volume Reduction Coil, an implantable device to improve lung function in patients with emphysema. PneumRx has 80 employees worldwide.

Source: S&P Capital IQ, 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 LTM = Last Twelve Months.



Medical Technology Sector M&A Review (Cont.)

Healthcare Equipment (Cont.)

Abbott Laboratories acquired Topera for \$250M EV.

- Acquisition enables Abbott to enter the catheter-based electrophysiology market with technologies to improve treatment of people with atrial fibrillation.

Headquartered in San Diego, CA, Topera develops three-dimensional electrophysiological mapping systems for the treatment of atrial fibrillation. The Company offers a rotor identification system, using a catheter ablation approach, for treatment according to each patient's specific and unique physiology. It also offers RhythmView, a system to identify the electrical source of cardiac arrhythmias, including atrial flutter, atrial tachycardia, ventricular tachycardia, and atrial fibrillation.

Uroplasty merged with Vision-Sciences. Valuation was not disclosed.

- The combination creates a new Company with expanded product offerings in urology and represents an addressable market opportunity of over \$1.3 billion.

Headquartered in Orangeburg, NY, Vision-Sciences designs, develops, manufactures and markets endoscopy products. The Company operates through its Medical and Industrial segments. The Medical Segment manufactures and sells endoscopy-based products, including flexible fiber and video endoscopes, while the Industrial Segment manufactures and sells borescope products such as modulars, slim levers, knobs, and portable video processors. Headquartered in Minnetonka, MN, Uroplasty provides proprietary products for the treatment of voiding dysfunctions. It also provides treatment of overactive bladder and offers Macroplastique, an injectable urethral bulking agent for the treatment of urinary incontinence primarily due to intrinsic sphincter deficiency.

Source: S&P Capital IQ, 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 LTM = Last Twelve Months.



Medical Technology Sector M&A Review (Cont.)

Healthcare Supplies

Carlisle Interconnect Technologies acquired LHi Technology for \$195M EV, which implied 1.95x LTM Revenue.

- Acquisition bolsters Carlisle's medical interconnect products portfolio of devices which are used for patient monitoring, electrosurgery, diagnostic imaging and surgical instrumentation.
- Acquisition strengthens Carlisle's launch of medical cable and cable assembly product line by adding new products, new customers and complementary technologies.

Headquartered in Singapore, LHi Technology supplies medical device manufacturers with interconnected components. The Company designs, manufactures and sells customized, high-reliability wire, cable and components for transmission of data and power to and from medical devices used for medical applications and other communications systems. It also offers design and prototyping, process technology, testing and validation, tooling and cable extrusion, material inspection, and quality assurance services. It has a manufacturing facility in Shenzhen, China with 2,000 employees and operations in the U.S. and Germany.

Sigma-Aldrich acquired Cell Marque for \$170M EV.

- Acquisition broadens Sigma-Aldrich's diagnostic health reach driven by Cell Marque's strength in vitro diagnostic (IVD) antibody product lines and relationship with pathologists and companies that provide automated staining instrumentation.

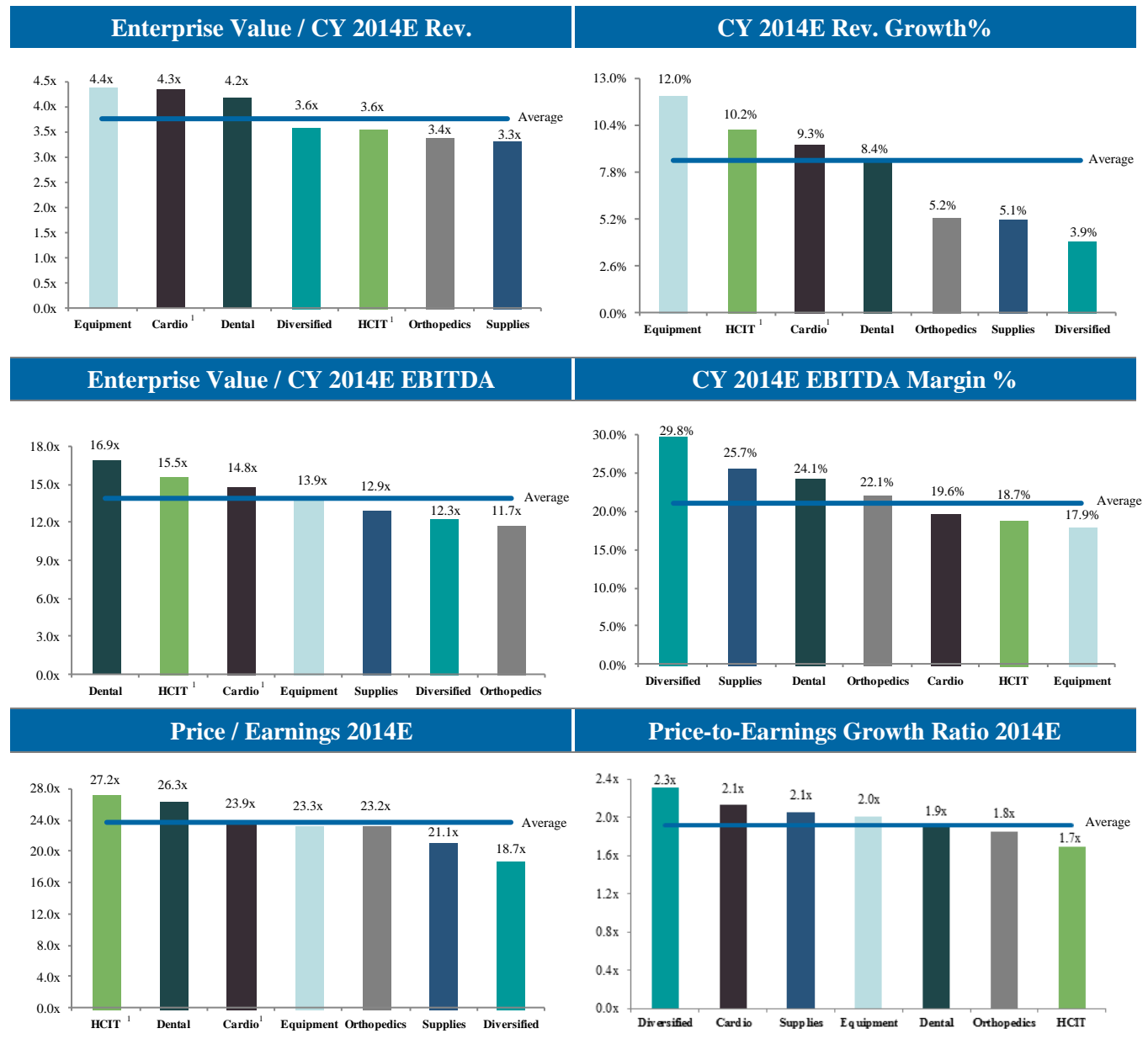
Headquartered in Rocklin, CA, Cell Marque develops and manufactures antibody reagents and kits for diagnostic immunohistochemistry (IHC) which focus on providing antibodies for IVD use. It also provides ancillary reagents, which include antibody diluents, peroxide and avidin / biotin blocks, PeroxFree and background blocks, mouse and rabbit negative control serums, universal negative control serum, permanent aqueous mounting media and hematoxylin.

Source: S&P Capital IQ, 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 LTM = Last Twelve Months.



Comparable Public Company Valuation Metrics – MedTech Sector



Source: S&P Capital IQ.

Note: Market Data as of Q4 2014 Quarter End.

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

Note: Multiples Excludes Outlier for EV / CY Rev. > 10x, EV / CY EBITDA > 35x, P / E > 50x, and PEG > 3x.

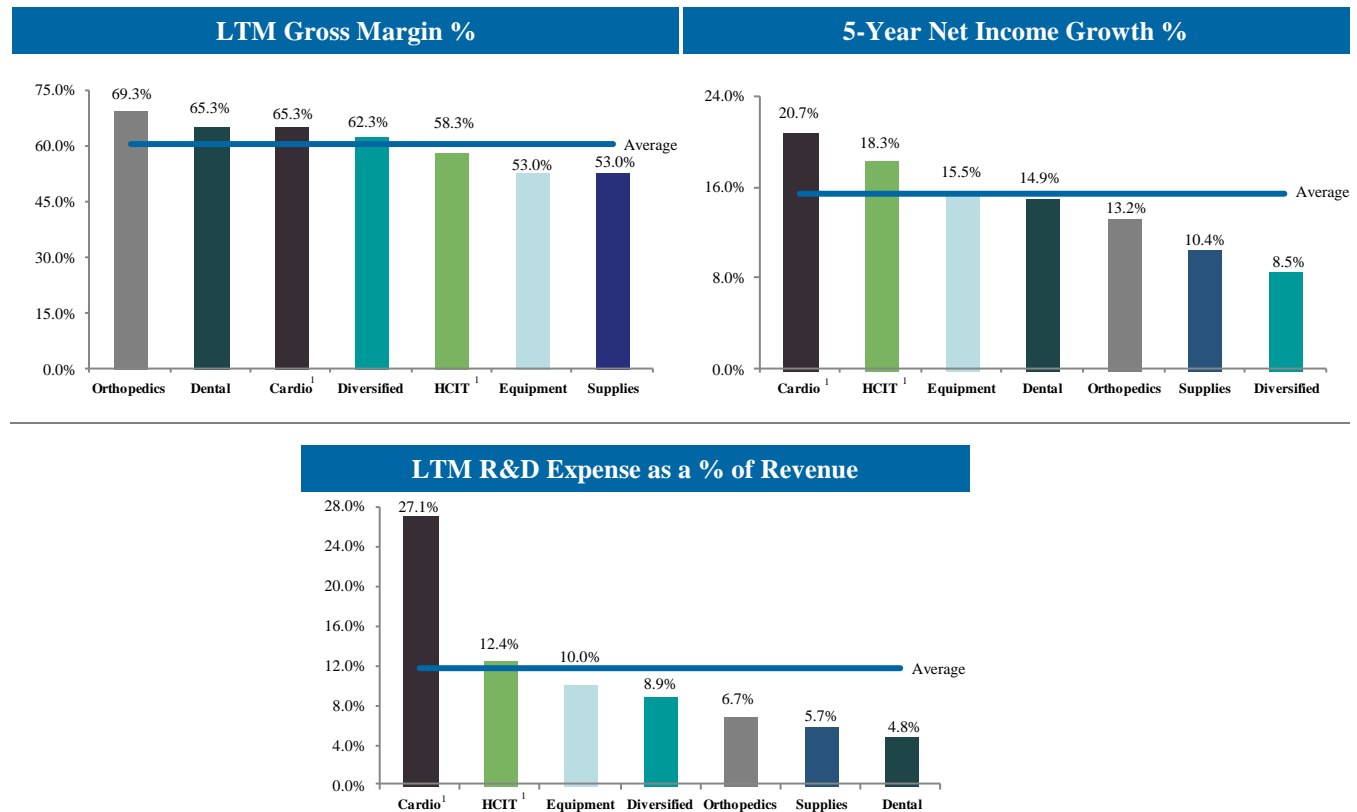
Note: CY=Calendar Year, LTM=Last Twelve Months and NTM = Next Twelve Months.

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: S&P Capital IQ.

Note: Market Data as of Q4 2014 Quarter End.

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

Note: Multiples Excludes Outlier for EV / CY Rev. > 10x, EV / CY EBITDA > 35x, P / E > 50x and PEG > 3x.

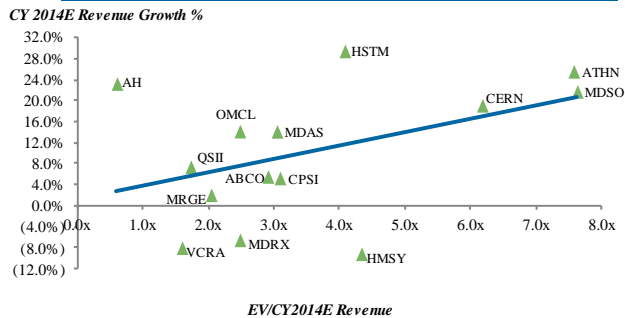
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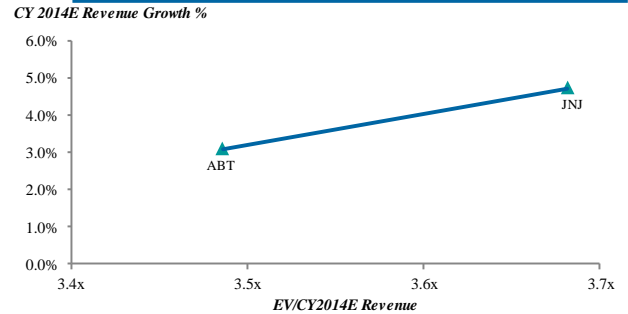


Valuation & Revenue Growth Correlation – Public MedTech Companies

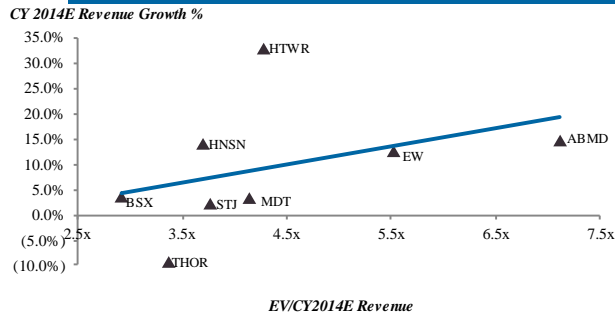
HCIT



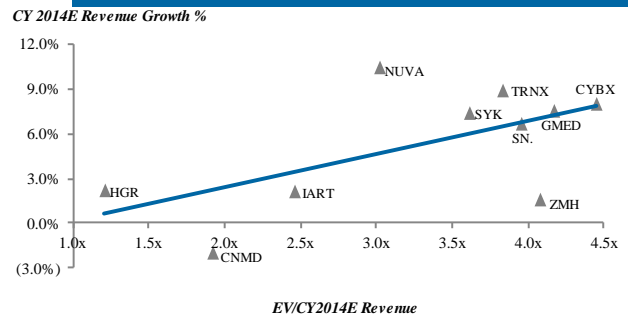
Diversified



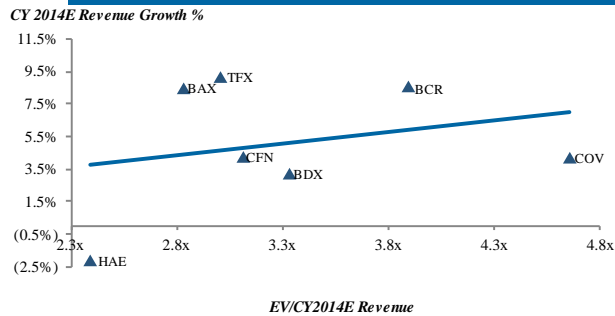
Cardiothoracic



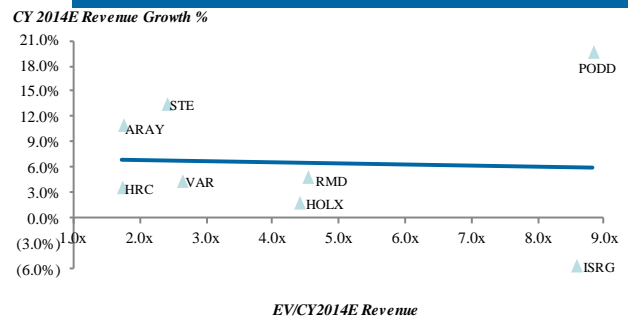
Orthopedics



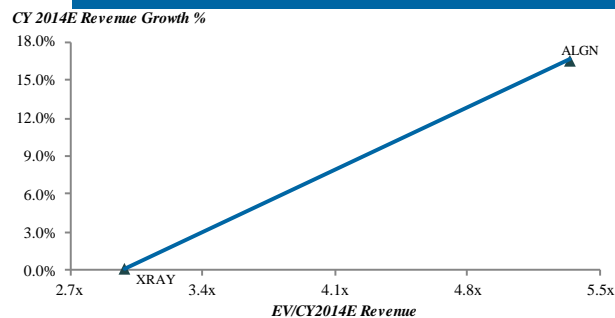
Supplies



Equipment



Dental



Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q4 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
	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
HCIT														
Cerner	\$64.66	97%	1.34x	\$22,079.6	(\$1,185.0)	\$20,894.6	6.2x	5.3x	18.3x	15.4x	39.2x	32.7x	2.16x	1.80x
Athenahealth	\$145.70	70%	1.50x	\$5,550.3	\$93.5	\$5,657.8	7.6x	6.2x	NM	34.2x	NM	NM	NM	NM
Medidata Solutions	\$47.75	70%	1.49x	\$2,590.5	(\$31.9)	\$2,570.4	7.6x	6.3x	34.1x	25.8x	NM	NM	NM	NM
Allscripts Healthcare Solutions	\$12.77	65%	1.16x	\$2,301.9	\$549.9	\$2,851.9	2.0x	1.9x	14.2x	11.9x	41.2x	27.5x	1.86x	1.24x
HMS Holdings Corp.	\$21.14	79%	1.40x	\$1,855.8	\$77.6	\$1,933.4	4.3x	3.9x	16.7x	13.3x	38.4x	26.9x	2.05x	1.43x
The Advisory Board Co.	\$48.98	70%	1.31x	\$1,765.9	(\$87.7)	\$1,743.4	3.0x	2.7x	17.6x	14.9x	37.1x	34.9x	2.24x	2.10x
MedAssets	\$19.76	76%	1.09x	\$1,189.7	\$877.7	\$2,084.5	2.9x	2.7x	8.8x	8.1x	14.5x	13.2x	1.27x	1.15x
Omnicell	\$33.12	97%	1.33x	\$1,179.2	(\$125.9)	\$1,075.0	2.5x	2.2x	13.1x	11.3x	27.1x	23.5x	1.54x	1.33x
Quality Systems	\$15.59	74%	1.20x	\$939.6	(\$124.8)	\$816.1	1.7x	1.6x	11.0x	9.9x	26.6x	24.4x	2.02x	1.85x
Accretive Health	\$6.86	70%	1.07x	\$901.7	(\$196.4)	\$705.3	0.6x	0.5x	5.8x	6.4x	10.2x	8.2x	0.38x	0.31x
Healthstream	\$29.48	85%	1.42x	\$814.7	(\$121.0)	\$698.2	4.1x	3.4x	24.6x	20.2x	NM	NM	NM	NM
Computer Programs & Systems	\$60.75	85%	1.07x	\$680.9	(\$34.5)	\$652.3	3.1x	3.0x	11.0x	10.5x	18.7x	17.9x	1.70x	1.63x
Merge Healthcare Incorporated	\$3.56	97%	1.81x	\$341.5	\$193.9	\$535.9	2.5x	2.4x	11.2x	10.4x	18.7x	17.8x	1.25x	1.19x
Vocera Communications	\$10.42	54%	1.37x	\$266.2	(\$116.3)	\$150.0	1.6x	1.5x	NM	NM	NM	NM	NM	NM
Average							3.6x	3.1x	15.5x	14.8x	27.2x	22.7x	1.65x	1.40x
Median							3.0x	2.7x	13.7x	11.9x	26.9x	23.9x	1.78x	1.38x

Healthcare Technology (HCIT) – 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									
HCIT															
Cerner	\$64.66	97%	1.34x	\$22,079.6	(\$1,185.0)	\$20,894.6	19.0%	15.7%	33.8%	34.8%	18.1%	84.8%	42.1%	11.9%	10.3%
Athenahealth	\$145.70	70%	1.50x	\$5,550.3	\$93.5	\$5,657.8	25.5%	23.0%	18.7%	18.0%	22.7%	59.8%	25.2%	9.2%	16.6%
Medidata Solutions	\$47.75	70%	1.49x	\$2,590.5	(\$31.9)	\$2,570.4	21.6%	21.5%	22.4%	24.3%	25.9%	74.7%	24.9%	21.4%	20.6%
Allscripts Healthcare Solutions	\$12.77	65%	1.16x	\$2,301.9	\$549.9	\$2,851.9	1.9%	5.8%	14.4%	16.2%	22.1%	45.5%	NA	14.5%	NA
HMS Holdings Corp.	\$21.14	79%	1.40x	\$1,855.8	\$77.6	\$1,933.4	(9.3%)	11.1%	25.9%	29.3%	18.8%	33.9%	NA	NA	NA
The Advisory Board Co.	\$48.98	70%	1.31x	\$1,765.9	(\$87.7)	\$1,743.4	14.0%	14.6%	17.3%	17.8%	16.6%	47.4%	18.7%	NA	15.7%
MedAssets	\$19.76	76%	1.09x	\$1,189.7	\$877.7	\$2,084.5	5.4%	5.8%	33.1%	33.9%	11.4%	76.1%	9.4%	4.3%	33.0%
Omnicell	\$33.12	97%	1.33x	\$1,179.2	(\$125.9)	\$1,075.0	14.1%	11.0%	18.8%	19.7%	17.7%	53.0%	NA	6.3%	NA
Quality Systems	\$15.59	74%	1.20x	\$939.6	(\$124.8)	\$816.1	7.3%	7.2%	15.7%	16.2%	13.2%	53.7%	1.2%	14.0%	NA
Accretive Health	\$6.86	70%	1.07x	\$901.7	(\$196.4)	\$705.3	23.1%	15.5%	10.3%	8.1%	26.7%	63.0%	NA	NA	NA
Healthstream	\$29.48	85%	1.42x	\$814.7	(\$121.0)	\$698.2	29.3%	18.9%	16.6%	17.0%	18.7%	56.6%	17.5%	9.6%	13.4%
Computer Programs & Systems	\$60.75	85%	1.07x	\$680.9	(\$34.5)	\$652.3	5.1%	2.1%	28.0%	28.7%	11.0%	45.9%	7.0%	NA	14.7%
Merge Healthcare Incorporated	\$3.56	97%	1.81x	\$341.5	\$193.9	\$535.9	(6.6%)	4.5%	22.0%	22.8%	15.0%	60.7%	14.8%	13.6%	13.7%
Vocera Communications	\$10.42	54%	1.37x	\$266.2	(\$116.3)	\$150.0	(8.1%)	5.7%	(14.7%)	(7.4%)	18.7%	61.1%	52.0%	18.9%	17.3%
						Average	10.2%	11.6%	18.7%	20.0%	18.3%	58.3%	21.3%	12.4%	17.3%
						Median	10.6%	11.1%	18.8%	18.9%	18.4%	58.2%	18.1%	12.7%	15.7%

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q4 2014 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 10x, 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.)

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	\$104.57	96%	1.21x	\$292,703.0	(\$17,734.0)	\$274,969.0	3.7x	3.6x	10.7x	10.7x	17.5x	16.9x	2.77x	2.66x
Abbott Laboratories ⁽¹⁾	\$45.02	97%	1.26x	\$67,790.7	\$3,424.0	\$71,319.7	3.5x	3.2x	13.9x	13.3x	19.9x	19.6x	1.86x	1.83x
Average							3.6x	3.4x	12.3x	12.0x	18.7x	18.2x	2.31x	2.24x
Median							3.6x	3.4x	12.3x	12.0x	18.7x	18.2x	2.31x	2.24x

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
							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	\$104.57	96%	1.21x	\$292,703.0	(\$17,734.0)	\$274,969.0	4.7%	1.0%	34.5%	34.2%	6.3%	69.4%	NA	11.4%	NA
Abbott Laboratories ⁽¹⁾	\$45.02	97%	1.26x	\$67,790.7	\$3,424.0	\$71,319.7	3.1%	8.2%	25.0%	24.3%	10.7%	55.3%	NA	6.3%	NA
Average							3.9%	4.6%	29.8%	29.2%	8.5%	62.3%	NA	8.9%	NA
Median							3.9%	4.6%	29.8%	29.2%	8.5%	62.3%	NA	8.9%	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	\$72.20	95%	1.35x	\$73,016.3	(\$776.0)	\$72,240.3	4.1x	4.0x	11.8x	11.3x	NM	NM	NM	NM
St. Jude Medical	\$65.03	90%	1.19x	\$18,592.9	\$2,541.0	\$21,183.9	3.8x	3.6x	12.1x	11.5x	16.3x	15.5x	1.60x	1.51x
Boston Scientific	\$13.25	94%	1.19x	\$17,576.0	\$3,675.0	\$21,575.0	2.9x	2.8x	12.2x	11.4x	16.0x	14.6x	1.63x	1.49x
Edwards Lifesciences	\$127.38	95%	2.02x	\$13,626.3	(\$840.7)	\$12,722.3	5.5x	5.2x	23.6x	19.8x	37.7x	31.7x	2.51x	2.11x
Thoratec Corp.	\$32.46	84%	1.44x	\$1,785.3	(\$248.6)	\$1,536.7	3.4x	3.4x	14.3x	16.0x	25.8x	29.0x	2.78x	NM
ABIOMED	\$38.06	98%	1.88x	\$1,540.0	(\$113.4)	\$1,444.6	7.1x	6.1x	NM	NM	NM	NM	NM	NM
Heartware International	\$73.43	69%	1.06x	\$1,249.6	(\$67.5)	\$1,182.2	4.3x	3.9x	NM	NM	NM	NM	NM	NM
Hansen Medical	\$0.56	19%	1.07x	\$73.7	(\$2.0)	\$71.6	3.7x	2.8x	NM	NM	NM	NM	NM	NM
Average							4.3x	4.0x	14.8x	14.0x	23.9x	22.7x	2.13x	1.70x
Median							4.0x	3.8x	12.2x	11.5x	21.1x	22.2x	2.07x	1.51x

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	
							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	\$72.20	95%	1.35x	\$73,016.3	(\$776.0)	\$72,240.3	3.4%	3.3%	35.1%	35.3%	NM	74.8%	NA	8.6%	NA	
St. Jude Medical	\$65.03	90%	1.19x	\$18,592.9	\$2,541.0	\$21,183.9	2.3%	3.5%	31.2%	31.6%	10.2%	71.8%	NA	12.5%	NA	
Boston Scientific	\$13.25	94%	1.19x	\$17,576.0	\$3,675.0	\$21,575.0	3.7%	3.7%	23.8%	24.7%	9.8%	69.2%	NA	11.1%	NA	
Edwards Lifesciences	\$127.38	95%	2.02x	\$13,626.3	(\$840.7)	\$12,722.3	12.7%	5.6%	23.4%	26.4%	15.0%	73.2%	NA	14.9%	NA	
Thoratec Corp.	\$32.46	84%	1.44x	\$1,785.3	(\$248.6)	\$1,536.7	(9.2%)	(0.4%)	23.6%	21.1%	9.3%	65.8%	1.2%	20.7%	NA	
ABIOMED	\$38.06	98%	1.88x	\$1,540.0	(\$113.4)	\$1,444.6	14.8%	16.8%	3.8%	8.4%	39.3%	81.6%	NA	15.8%	NA	
Heartware International	\$73.43	69%	1.06x	\$1,249.6	(\$67.5)	\$1,182.2	33.0%	10.4%	(3.6%)	(1.8%)	40.5%	65.9%	NA	44.3%	NA	
Hansen Medical	\$0.56	19%	1.07x	\$73.7	(\$2.0)	\$71.6	14.1%	30.1%	NM	NM	NM	20.5%	NA	88.9%	NA	
							Average	9.3%	9.1%	19.6%	20.8%	20.7%	65.3%	1.2%	27.1%	NA
							Median	8.2%	4.6%	23.6%	24.7%	12.6%	70.5%	1.2%	15.4%	NA

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q4 2014 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 10x, 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							
							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.	\$94.33	96%	1.27x	\$35,687.0	(\$1,027.0)	\$34,972.0	3.6x	3.4x	13.4x	12.8x	19.9x	18.1x	2.49x	2.28x
Zimmer Holdings	\$113.42	98%	1.25x	\$19,208.1	(\$211.0)	\$19,139.3	4.1x	4.0x	10.5x	10.1x	18.7x	17.7x	2.13x	2.01x
Smith & Nephew	\$18.51	98%	1.39x	\$16,539.8	\$1,612.0	\$18,342.1	4.0x	3.7x	13.8x	12.4x	22.5x	20.2x	2.28x	2.05x
Globus Medical	\$23.77	88%	1.36x	\$2,245.7	(\$228.7)	\$1,947.0	4.2x	3.8x	11.7x	10.9x	25.0x	23.3x	1.91x	1.78x
NuVasive	\$47.16	97%	1.51x	\$2,218.5	(\$2.0)	\$2,283.4	3.0x	2.8x	13.2x	12.2x	42.1x	30.4x	NM	2.63x
Integra LifeSciences ⁽¹⁾	\$54.23	98%	1.28x	\$1,778.1	\$558.9	\$2,262.1	2.5x	2.3x	12.2x	10.6x	18.7x	16.6x	1.56x	1.39x
Cyberonics	\$55.68	76%	1.16x	\$1,465.1	(\$141.9)	\$1,323.2	4.4x	4.2x	12.0x	12.4x	24.8x	21.6x	1.50x	1.31x
Wright Medical Group ⁽²⁾	\$26.87	79%	1.03x	\$1,327.1	\$51.4	\$1,333.9	4.5x	3.8x	NM	NM	NM	NM	NM	NM
Tornier N.V.	\$25.50	89%	1.53x	\$1,247.0	\$47.6	\$1,296.6	3.8x	3.6x	NM	NM	NM	NM	NM	NM
CONMED	\$44.96	89%	1.25x	\$1,237.6	\$175.1	\$1,421.0	1.9x	1.9x	10.9x	10.3x	23.4x	22.4x	1.80x	1.72x
Hanger	\$21.90	54%	1.20x	\$753.2	\$535.0	\$1,288.1	1.2x	1.2x	7.9x	7.3x	13.5x	11.8x	1.10x	0.97x
Average							3.4x	3.2x	11.7x	11.0x	23.2x	20.3x	1.90x	1.80x
Median							3.8x	3.6x	12.0x	10.9x	22.5x	20.2x	1.91x	1.78x

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.	\$94.33	96%	1.27x	\$35,687.0	(\$1,027.0)	\$34,972.0	7.3%	5.1%	27.0%	26.8%	8.0%	66.3%	NA	6.3%	NA
Zimmer Holdings	\$113.42	98%	1.25x	\$19,208.1	(\$211.0)	\$19,139.3	1.5%	2.3%	38.7%	39.3%	8.8%	73.3%	NA	4.0%	NA
Smith & Nephew	\$18.51	98%	1.39x	\$16,539.8	\$1,612.0	\$18,342.1	6.6%	6.6%	28.7%	30.0%	9.9%	75.6%	NA	5.1%	NA
Globus Medical	\$23.77	88%	1.36x	\$2,245.7	(\$228.7)	\$1,947.0	7.5%	10.0%	35.6%	34.7%	13.1%	76.9%	NA	6.4%	NA
NuVasive	\$47.16	97%	1.51x	\$2,218.5	(\$2.0)	\$2,283.4	10.4%	7.1%	22.8%	23.0%	11.6%	75.3%	NA	4.8%	NA
Integra LifeSciences ⁽¹⁾	\$54.23	98%	1.28x	\$1,778.1	\$558.9	\$2,262.1	2.1%	6.5%	20.2%	21.8%	12.0%	63.6%	NA	5.8%	NA
Cyberonics	\$55.68	76%	1.16x	\$1,465.1	(\$141.9)	\$1,323.2	8.0%	5.4%	37.0%	34.1%	16.5%	90.6%	NA	15.3%	NA
Wright Medical Group ⁽²⁾	\$26.87	79%	1.03x	\$1,327.1	\$51.4	\$1,333.9	NM	16.5%	(7.8%)	2.0%	15.0%	76.2%	NA	8.6%	NA
Tornier N.V.	\$25.50	89%	1.53x	\$1,247.0	\$47.6	\$1,296.6	8.9%	7.5%	8.3%	9.3%	25.0%	75.6%	NA	7.1%	NA
CONMED	\$44.96	89%	1.25x	\$1,237.6	\$175.1	\$1,421.0	(2.1%)	1.2%	17.5%	18.3%	13.0%	55.0%	NA	3.8%	NA
Hanger	\$21.90	54%	1.20x	\$753.2	\$535.0	\$1,288.1	2.1%	3.0%	15.2%	16.0%	12.3%	33.4%	0.4%	NA	NA
Average							5.2%	6.5%	22.1%	23.2%	13.2%	69.3%	0.4%	6.7%	NA
Median							7.0%	6.5%	22.8%	23.0%	12.3%	75.3%	0.4%	6.1%	NA

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q4 2014 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 10x, 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.

(2) CY 2014 Revenue Growth considered as "NM" due to Non-adjustments for Acquisitions / Divestiture.



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	
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	
Supplies														
Covidien	\$102.28	98%	1.55x	\$46,310.7	\$3,243.0	\$49,847.7	4.7x	4.5x	16.9x	15.8x	25.4x	23.2x	2.81x	2.57x
Baxter International	\$73.29	95%	1.10x	\$39,721.6	\$7,197.0	\$46,940.6	2.8x	2.8x	10.8x	10.8x	15.0x	15.6x	2.09x	2.16x
Becton, Dickinson and Co.	\$139.16	98%	1.32x	\$26,911.0	\$1,348.0	\$28,134.0	3.3x	3.2x	12.4x	11.8x	22.1x	20.2x	2.19x	1.99x
CR Bard	\$166.62	96%	1.33x	\$12,479.7	\$519.8	\$12,910.8	3.9x	3.8x	13.2x	12.5x	22.4x	20.2x	1.76x	1.59x
CareFusion Corp. ⁽¹⁾	\$59.34	100%	1.57x	\$12,117.2	\$146.0	\$12,372.2	3.1x	3.0x	13.0x	12.0x	22.7x	21.0x	2.06x	1.91x
Teleflex Incorporated	\$114.82	96%	1.27x	\$4,755.2	\$765.2	\$5,536.3	3.0x	2.9x	13.0x	11.6x	20.1x	17.9x	1.59x	1.42x
Haemonetics Corp.	\$37.42	86%	1.25x	\$1,921.0	\$302.7	\$2,219.9	2.4x	2.3x	10.8x	9.3x	19.9x	17.4x	1.91x	1.67x
Average							3.3x	3.2x	12.9x	12.0x	21.1x	19.4x	2.06x	1.90x
Median							3.1x	3.0x	13.0x	11.8x	22.1x	20.2x	2.06x	1.91x

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															
Covidien	\$102.28	98%	1.55x	\$46,310.7	\$3,243.0	\$49,847.7	4.2%	4.3%	27.6%	28.3%	9.0%	60.4%	0.6%	5.2%	NA
Baxter International	\$73.29	95%	1.10x	\$39,721.6	\$7,197.0	\$46,940.6	8.5%	0.7%	26.3%	26.0%	7.2%	49.3%	NA	7.0%	NA
Becton, Dickinson and Co.	\$139.16	98%	1.32x	\$26,911.0	\$1,348.0	\$28,134.0	3.2%	3.3%	26.8%	27.3%	10.1%	51.0%	NA	6.2%	NA
CR Bard	\$166.62	96%	1.33x	\$12,479.7	\$519.8	\$12,910.8	8.6%	3.9%	29.6%	30.0%	12.7%	62.1%	0.1%	8.1%	NA
CareFusion Corp. ⁽¹⁾	\$59.34	100%	1.57x	\$12,117.2	\$146.0	\$12,372.2	4.3%	4.2%	23.9%	25.0%	11.0%	49.3%	NA	4.7%	NA
Teleflex Incorporated	\$114.82	96%	1.27x	\$4,755.2	\$765.2	\$5,536.3	9.2%	3.5%	23.2%	25.2%	12.7%	51.5%	NA	3.3%	NA
Haemonetics Corp.	\$37.42	86%	1.25x	\$1,921.0	\$302.7	\$2,219.9	(2.1%)	3.0%	22.2%	25.0%	10.4%	47.7%	0.4%	5.5%	NA
Average							5.1%	3.3%	25.7%	26.7%	10.4%	53.0%	0.4%	5.7%	NA
Median							4.3%	3.5%	26.3%	26.0%	10.4%	51.0%	0.4%	5.5%	NA

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q4 2014 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 10x, 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	\$528.94	98%	1.53x	\$19,175.1	(\$1,232.5)	\$18,160.8	8.6x	7.8x	20.9x	19.1x	34.0x	29.3x	NM	2.67x	
Varian Medical Systems	\$86.51	96%	1.13x	\$8,667.0	(\$447.9)	\$8,189.1	2.6x	2.5x	12.0x	11.7x	20.6x	19.4x	1.96x	1.85x	
ResMed	\$56.06	97%	1.35x	\$7,817.3	(\$431.0)	\$7,311.3	4.5x	4.3x	14.6x	13.4x	22.6x	20.9x	1.76x	1.64x	
Hologic	\$26.74	98%	1.34x	\$7,451.5	\$3,410.8	\$11,017.2	4.4x	4.2x	12.7x	11.9x	19.1x	17.3x	2.28x	2.06x	
DexCom	\$55.05	94%	1.96x	\$4,214.7	(\$69.7)	\$4,145.0	NM	NM	NM	NM	NM	NM	NM	NM	
Steris Corp.	\$64.85	95%	1.63x	\$3,853.5	\$466.2	\$4,328.0	2.4x	2.2x	12.8x	11.2x	23.4x	NM	2.01x	NM	
Hill-Rom Holdings	\$45.62	96%	1.31x	\$2,624.0	\$468.6	\$3,016.5	1.7x	1.6x	10.6x	10.0x	20.0x	18.0x	2.06x	1.86x	
Insulet Corp.	\$46.06	90%	1.53x	\$2,583.1	\$28.1	\$2,611.2	8.8x	7.3x	NM	NM	NM	NM	NM	NM	
Accuray Incorporated	\$7.55	70%	1.26x	\$587.8	\$48.4	\$632.4	1.8x	1.6x	NM	27.4x	NM	NM	NM	NM	
							Average	4.4x	3.9x	13.9x	15.0x	23.3x	21.0x	2.01x	2.01x
							Median	3.5x	3.4x	12.7x	11.9x	21.6x	19.4x	2.01x	1.86x

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									
Equipment															
Intuitive Surgical	\$528.94	98%	1.53x	\$19,175.1	(\$1,232.5)	\$18,160.8	(5.7%)	10.0%	41.0%	40.9%	11.0%	66.8%	NA	8.4%	NA
Varian Medical Systems	\$86.51	96%	1.13x	\$8,667.0	(\$447.9)	\$8,189.1	4.3%	4.7%	21.9%	21.6%	10.5%	42.7%	NA	7.7%	NA
ResMed	\$56.06	97%	1.35x	\$7,817.3	(\$431.0)	\$7,311.3	4.7%	5.8%	31.0%	31.9%	12.8%	62.7%	NA	7.5%	NA
Hologic	\$26.74	98%	1.34x	\$7,451.5	\$3,410.8	\$11,017.2	1.7%	3.9%	34.7%	35.7%	8.4%	63.4%	13.1%	8.1%	9.9%
DexCom	\$55.05	94%	1.96x	\$4,214.7	(\$69.7)	\$4,145.0	55.9%	38.4%	(7.0%)	5.9%	32.5%	66.6%	NA	26.7%	NA
Steris Corp.	\$64.85	95%	1.63x	\$3,853.5	\$466.2	\$4,328.0	13.4%	10.0%	18.8%	19.5%	11.7%	41.7%	0.5%	2.9%	NA
Hill-Rom Holdings	\$45.62	96%	1.31x	\$2,624.0	\$468.6	\$3,016.5	3.5%	9.6%	16.3%	15.9%	9.7%	46.3%	NA	4.4%	NA
Insulet Corp.	\$46.06	90%	1.53x	\$2,583.1	\$28.1	\$2,611.2	19.5%	21.9%	1.9%	8.7%	27.5%	49.0%	19.7%	9.5%	16.7%
Accuray Incorporated	\$7.55	70%	1.26x	\$587.8	\$48.4	\$632.4	10.9%	7.4%	2.1%	5.9%	NM	38.0%	17.6%	14.6%	12.1%
						Average	12.0%	12.4%	17.9%	20.7%	15.5%	53.0%	12.7%	10.0%	12.9%
						Median	4.7%	9.6%	18.8%	19.5%	11.3%	49.0%	15.4%	8.1%	12.1%

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		
							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										
Dental															
DENTSPLY International	\$53.27	95%	1.24x	\$7,539.3	\$1,040.9	\$8,821.4	3.0x	3.0x	14.6x	13.6x	21.2x	19.7x	2.39x	2.22x	
Align Technology	\$55.91	86%	1.29x	\$4,489.0	(\$454.7)	\$4,063.5	5.3x	4.7x	19.2x	16.9x	31.4x	26.5x	1.50x	1.26x	
							Average	4.2x	3.8x	16.9x	15.2x	26.3x	23.1x	1.94x	1.74x
							Median	4.2x	3.8x	16.9x	15.2x	26.3x	23.1x	1.94x	1.74x

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	\$53.27	95%	1.24x	\$7,539.3	\$1,040.9	\$8,821.4	0.2%	1.1%	20.5%	21.8%	8.9%	54.7%	NA	2.8%	NA
Align Technology	\$55.91	86%	1.29x	\$4,489.0	(\$454.7)	\$4,063.5	16.6%	13.2%	27.8%	28.0%	21.0%	75.9%	28.5%	6.9%	15.1%
						Average	8.4%	7.1%	24.1%	24.9%	14.9%	65.3%	28.5%	4.8%	15.1%
						Median	8.4%	7.1%	24.1%	24.9%	14.9%	65.3%	28.5%	4.8%	15.1%

Source: S&P Capital IQ. Estimates Based on Consensus of Equity Research Analyst Estimates.

Note: Market Data as of Q4 2014 Quarter End.

Note: Multiples Excludes Outlier for EV / CY Rev. > 10x, 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)

Date	Target	Acquirer	Enterprise Value (\$US\$mm)	Valuation Metrics	
				EV/LTM Revenues	EV/LTM EBITDA
12/30/2014	Bio Focus	NanoEnTek	\$13	2.7x	NA
12/29/2014	Guangdong Sunnico Medical Technologies	Shanghai Pharmaceuticals	\$72	NA	NA
12/23/2014	Shanghai Sanlian Group	Shanghai Bailian	\$235	NA	NA
12/22/2014	Chengdu LaoKen Technology	Chengdu Tianxing Instrument and Meter	\$108	NA	NA
12/22/2014	Avantas	AMN Healthcare Services	\$25	NA	NA
12/22/2014	Tianjin JingMing New Technological Development	Grand Pharmaceutical China	\$23	10.8x	NA
12/17/2014	Volcano	Philips Holding USA	\$1,191	3.0x	NM
12/17/2014	MeVis Medical Solutions	VMS Deutschland	\$18	0.9x	3.0x
12/11/2014	Shenyang Neusoft Medical Systems	Goldman Sachs Group; Canada Pension Plan	NA	NA	NA
12/11/2014	AdminiSource Communications	Endeon	\$35	NA	NA
12/04/2014	PneumRx	BTG International	\$475	29.7x	NA
11/28/2014	Essen Technology Beijing	Shanghai Kinetic Medical	\$102	6.6x	NA
11/25/2014	Advanced Computer Software Group	Vista Equity Partners	\$1,114	3.3x	23.6x
11/20/2014	Vieworks	Nonghyup CA Asset Management	\$271	4.2x	16.6x
11/19/2014	Change Healthcare	Endeon	\$185	NA	NA
11/06/2014	Siemens Medical Instruments	EQT Partners; Santo Holding	\$2,670	3.1x	14.8x
11/05/2014	Unisense FertilTech	Vitrolife	\$79	6.2x	NA
11/04/2014	Definiens	MedImmune	\$150	NA	NA
11/02/2014	Covidien (Stellarex DCB platform)	The Spectranetics	\$30	NA	NA
10/30/2014	Lepu Medical Technology Beijing	CITIC Securities; Beijing Zhongguancun Guosh	\$2,866	11.1x	32.7x
10/29/2014	Topera	Abbott Laboratories	\$250	NA	NA
10/27/2014	Wright Medical Group	Tornier	\$1,264	4.5x	NA
10/24/2014	Ing. Burgatti	Elettronica Bio Medica	\$7	1.4x	NA
10/22/2014	SARL ADVENCIS	bioMérieux	\$13	NA	NA
10/21/2014	Relias Learning	Bertelsmann & Co.	\$540	NA	NA
10/21/2014	Meridian Technique	Materialise	\$14	2.6x	NA
10/17/2014	DiaSys Diagnostic Systems Shanghai	Beijing Leadman Biochemistry	\$115	3.3x	NA
10/08/2014	Endosee	CooperSurgical	\$44	NA	NA
10/05/2014	CareFusion	Becton, Dickinson & Co.	\$12,058	3.1x	13.6x
10/03/2014	Cell Marque	Sigma-Aldrich	\$170	NA	NA
10/01/2014	LHi Technology	Carlisle Interconnect Technologies	\$195	2.0x	NA
Average ⁽¹⁾				5.8x	17.4x
Median ⁽¹⁾				3.3x	15.7x

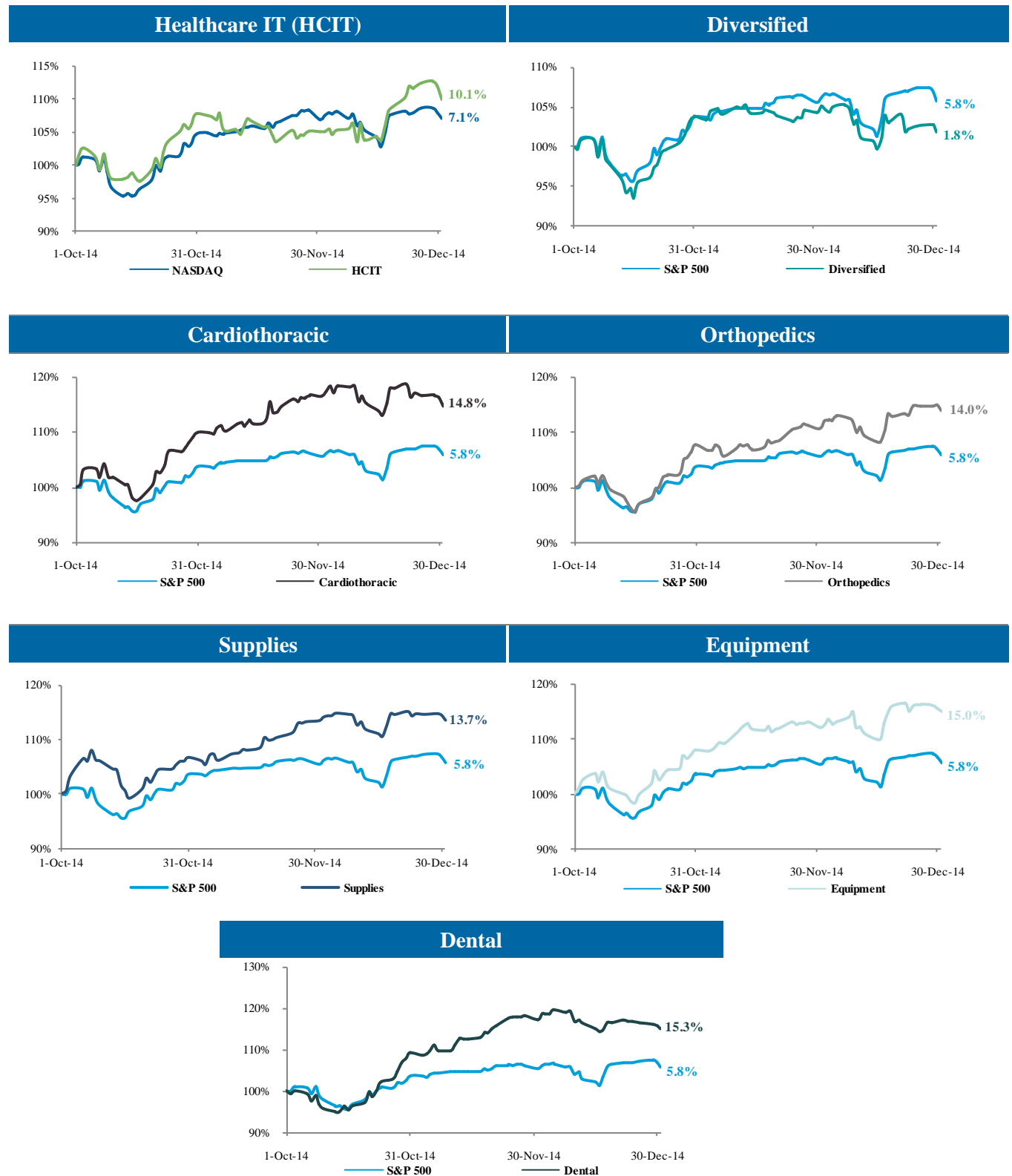
Source: S&P Capital IQ.

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

(1) Excludes Outlier Multiples for Transactions with EV / EBITDA > 35x



Appendix – Medical Technology Public Equity Market Performance



Source: S&P Capital IQ.



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
CONMED	CNMD
Tornier	TRNX

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

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	ARRAY

Dental	
Company Name	Ticker
DENTSPLY International	XRAY
Align Technology	ALGN



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