

# Healthcare Information Technology and Healthcare Information Services

## Quarterly Industry Review

### 2011 Year in Review



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## EXECUTIVE SUMMARY

As the new year starts, there are signs of life in the US economy and glimmers of hope that Europe is slowly moving to contain the credit crunch. But gone are the hopes that European officials will provide a quick fix for the debt crisis and US politicians will rapidly reach consensus to provide any fiscal and regulatory certainty necessary to spark a true recovery. Stocks soared, sank, or spiked almost daily during the year, but for all of that volatility, there were few results to show, with broader US markets flat in 2011. Reflecting the volatile landscape, the S&P 500 closed up or down 2 percent on 35 days in 2011, up from 22 days in 2010, and in sharp contrast to zero days in 2005 and only two days in 2006. Part of the reason for the volatility is the tension between fundamental stock market strength and macroeconomic worries. The coming presidential election all but ensures another year of partisan squabbling in the US, while Europe's debt crisis will likely stay at the fore. At the same time, expectations for corporate profit growth remain generally intact. Most private economists forecast a modest 2 percent growth rate for the US in 2012, with the pace subdued by housing woes, a lackluster job market, and government budget cuts. Economists expect high unemployment to persist through the election year, with 8.5 percent unemployment projected by the end of 2012, just a tick below November's 8.6 percent. Employers have been adding to their payrolls for 14 straight months, but not enough to bring down employment by a margin significant enough to spark a recovery. To be sure, the recovery has shown some acceleration in the final months of 2011, prompting many economists to raise their fourth quarter growth estimates to 3.5 percent or more. But for the most part, the outlook for 2012 is being shaped by persistent global weakness concentrated around Europe, a tepid US housing market, minimal job creation, and fiscal uncertainty.

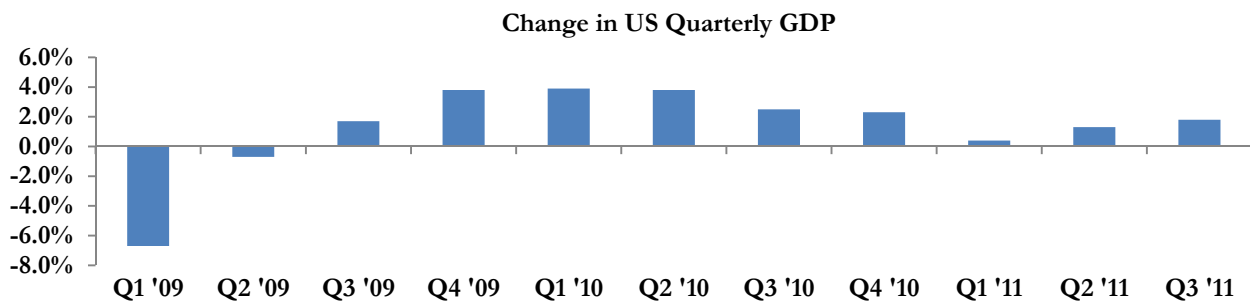
Despite the lackluster recovery in the general economy, the market for healthcare information technology and services remains vibrant, boosted from both The Health Information Technology for Economic and Clinical Health (HITECH) Act and The Patient Protection and Affordable Care Act (ACA). Fundamentally, collecting and managing patient data remains at the core of reforming and modernizing the healthcare delivery system, with the ultimate goal being the utilization of clinical and financial information to create actionable improvements that drive both quality outcomes and operating efficiencies. Stakeholders across healthcare and software are recognizing the power of healthcare information technology in solving structural flaws in the existing system, and investment and acquisition activity over recent years is a reflection of this interest. The healthcare IT bubble may not in fact be a bubble at all, with many market participants expecting an extended period of robust growth lasting well beyond the HITECH incentive period. Broad based adoption of information, communications, mobility, and analytics technologies are all required in order to realize a sustainable healthcare delivery model. However, the pace of change is likely to be slow and arduous and will require navigation of complex political, regulatory, and fiscal challenges.

Healthcare IT and services M&A deal volume posted a record-setting year, and activity is still well above normal historical patterns. M&A trends include the following:

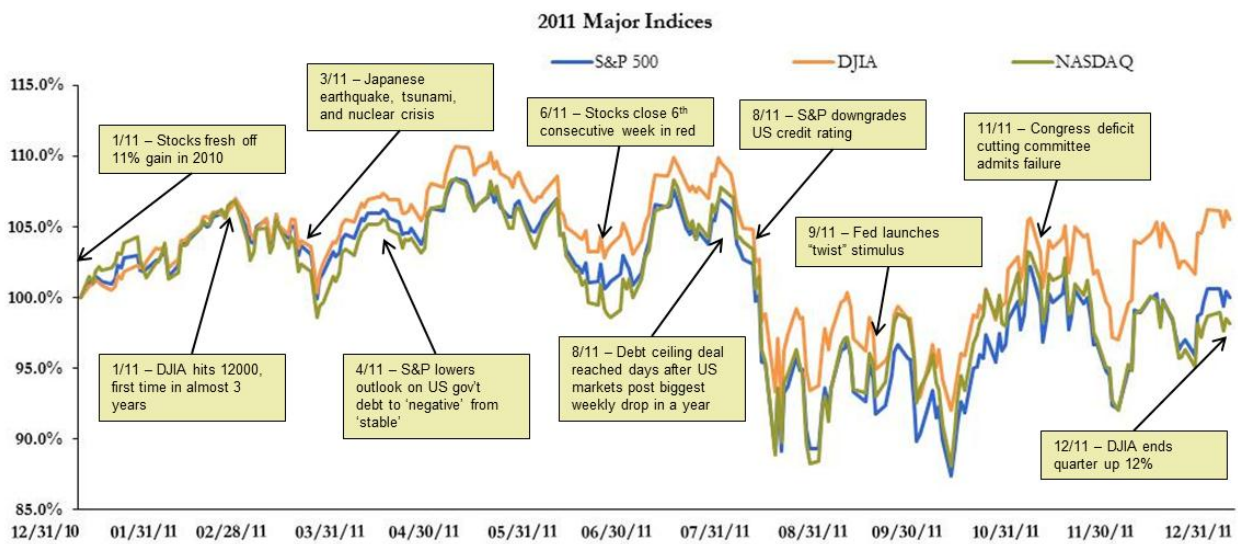
- Healthcare reform is prompting non-traditional healthcare IT vendors to enter the market, causing a wave of high profile transactions;
- The movement toward accountable care organizations and other integrated payment models is spurring investment in data, analytics, and care management platforms;
- Specialty ambulatory EMR vendors are thriving, while hospital best-of-breed solutions are struggling to compete with the enterprise sale;
- As a signal of optimism, many vendors are pursuing growth equity financing rather than a sale;
- Despite the robust market activity, valuations are bi-modal, with a strong distinction between the haves and have-nots; and
- Private equity investors are looking to capitalize on the favorable market tailwinds in the sector.

## MACROECONOMICS

While near term fears of a double dip recession have abated, the US economy is poised for another year of a tepid recovery in 2012. Investors have accepted the tough reality that the economic rebound may not be as sharp as those experienced after prior recessions, but much frustration stems from the inability of government to provide the regulatory and fiscal certainty that fosters sustainable investment. Domestic lackluster job growth is compounded by persistent global weakness, particularly the European debt crisis and softening emerging markets. Even so, some optimism returned to the market in the final months of 2011, with unemployment dipping to 8.6 percent, well off its nadir of 10.1 percent. US Treasury yields fell broadly in 2011 as investors sought a safe harbor and downgraded expectations for economic growth. The US Treasury 10-year yield finished the year at 1.9 percent, down a dramatic 1.4 percent. The price of gold soared to a record high of \$1,888 per ounce in August before a late-year selloff took it to \$1,566 for a 10 percent gain on the year. Quarterly GDP growth continued to accelerate during the third quarter (the most recent data), with quarterly growth expanding to 1.8 percent from 1.3 percent the prior quarter. Key themes to monitor in 2012 include the unemployment rate, emerging market weakness and European debt woes, US housing, and fiscal budget cuts. Economists are projecting GDP to expand 2 percent in 2012 while unemployment rates are projected to remain nearly unchanged at 8.5 percent by the end of 2012.

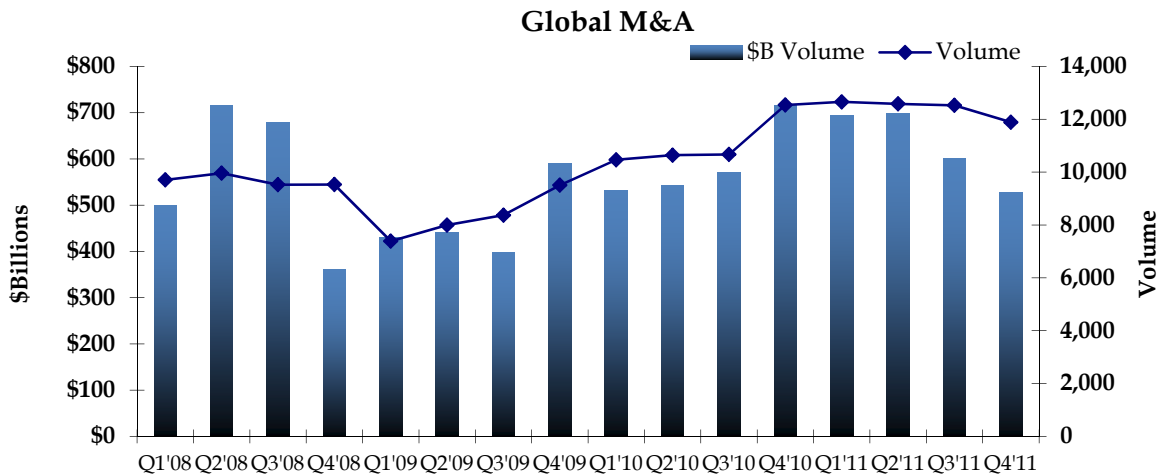


During the year, the DJIA gained 5.5 percent (12.0 percent in Q4), the S&P 500 was flat (11.2 percent gain in Q4) and NASDAQ fell 1.8 percent (7.9 percent gain in Q4).

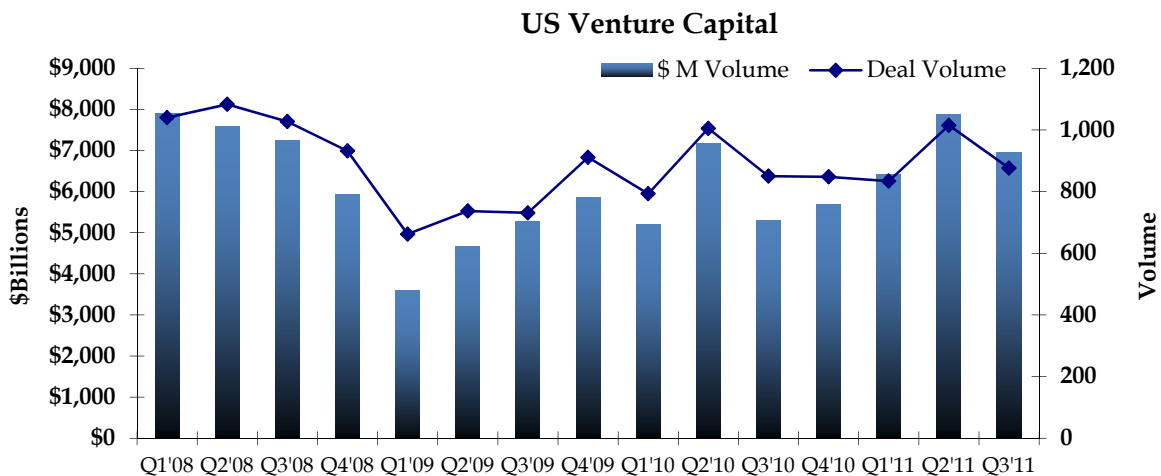


## US MERGER & ACQUISITION AND PRIVATE EQUITY MARKETS

The same issues weighing on the economy led to a pullback in M&A during the year. Global M&A values hit \$2.81 trillion during the year, up 3 percent from a year ago. Despite the loss of steam around the world, the mergers-and-acquisitions market in the U.S. was quite robust in 2011. The combined dollar value of 2011 takeovers of U.S. companies rose 15 percent from 2010, according to Dealogic. The total dollar value, \$1.03 trillion, was the largest takeover haul since 2008. However, optimism about corporate M&A for 2012 is limited. Spinoffs and breakups – one of the hot trends in 2011 – are expected to continue as companies look for creative ways to boost the bottom line. Of note, the second largest deal of the year was the planned \$29 billion combination of Express Scripts and Medco Health Solutions.



Private equity firms struck fewer deals, hamstrung partly by a lack of cheap credit. Global buyouts dropped 9 percent to \$189.4 billion and investment exits by private equity firms, either through a public offering or sale, fell by 6 percent to \$214.0 billion. Based on the HGP database of healthcare IT and IT-services transactions, non-buyout private equity deal volume and investment activity in the sector was consistently a record setting 30 to 40 percent higher than historical norms during the year, a reflection of the high interest from venture and private equity investors in the sector.



## HEALTHCARE CAPITAL MARKETS

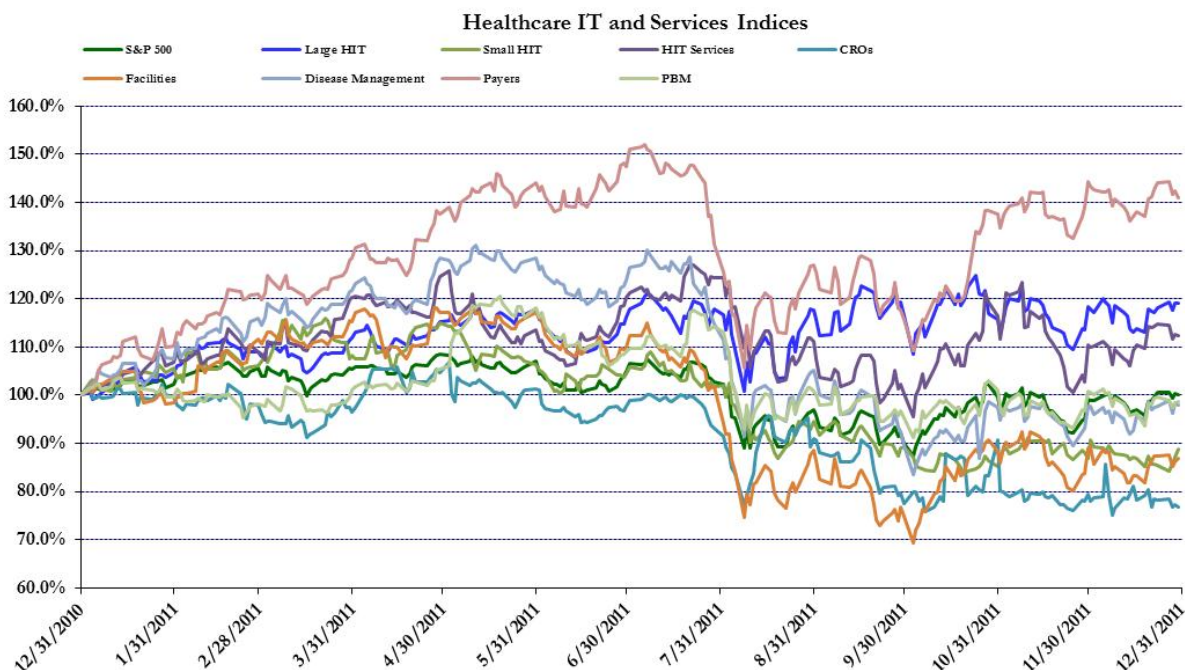
The healthcare IT and services indices monitored by Healthcare Growth Partners posted a wide range of results in 2012. Despite being demonized by politicians and the media, the HGP Payer Index posted the strongest results for the year with gains of 41.0 percent, on top of gains of 16.3 percent in 2010. Not surprisingly, Large HIT was the next best performing sector with gains of 19.0 percent. The biggest declines were posted by the CRO index, which lost over 23 percent during the year.

HGP tracks a basket of stock indices within HIT and closely-related sectors. It is important to consider sectors outside of pure “HIT” because the universe of HIT and related services encompasses many companies that share similar characteristics to other healthcare sectors. What classifies a company in the universe of HIT and related services, and ideally creates a valuation premium, is a strong information technology and data component that creates scalability and competitive strength. This is particularly relevant to services organizations that use technology and data analytics to streamline their operations.

With this in mind, HGP considered eight sectors when evaluating the performance of publicly-traded companies – details of the components of these sectors can be found on Page 8 of this report:

Considered Sectors	
Large HIT (>\$100mm)	CROs
Small HIT (<\$100mm)	Providers
HIT-services	Payers
PBMs	Disease Management

The top performing HGP indices during 2011 were Payers (41.0%), Large HIT (16.3%), and HIT Services (12.5%). The chart below and the table on the following page summarize the performance of the HGP healthcare IT and services indices during 2011. On the whole, the HGP HIT Indices have been resilient in a difficult market, while many other healthcare verticals lost considerable ground during the year.



Index	Index Performance		
	2010	2011	Q4 2011
<b>S&amp;P 500</b>	12.8%	0.0%	11.2%
<b>Large HIT</b>	13.8%	19.0%	2.2%
<b>Small HIT</b>	28.3%	-11.3%	-0.6%
<b>HIT Services</b>	-5.7%	12.5%	12.0%
<b>CRO</b>	13.3%	-23.3%	-0.9%
<b>Facilities</b>	9.2%	-13.2%	15.8%
<b>Payers</b>	16.3%	41.0%	21.9%
<b>PBM</b>	4.2%	-1.3%	3.6%
<b>Disease Management</b>	8.2%	-2.1%	9.3%

Valuation multiples across the healthcare sector have been on the upswing in 2011, with many stocks hitting 52-week or all-time highs. Large HIT continues to be the beneficiary of the most significant valuation premiums over the rest of the market.

Sector	Revenue Multiple				EBITDA Multiple			
	12/31/10	12/31/2011	2011E	2012E	12/31/10	12/31/11	2011E	2012E
<b>Large HIT</b>	3.5x	3.1x	3.1x	2.7x	15.2x	14.5x	11.6x	10.4x
<b>Small HIT</b>	1.2x	1.0x	1.0x	0.6x	7.3x	10.9x	8.8x	6.9x
<b>HIT Services</b>	1.3x	1.3x	1.6x	1.5x	6.8x	7.8x	7.5x	7.0x
<b>CRO</b>	1.2x	0.9x	1.0x	1.0x	10.3x	8.7x	7.7x	7.2x
<b>Facilities</b>	1.0x	1.0x	0.9x	0.9x	7.0x	6.4x	6.0x	5.7x
<b>Payers</b>	0.4x	0.5x	0.5x	0.5x	4.4x	7.4x	7.1x	6.1x
<b>PBM</b>	0.6x	0.5x	0.5x	0.5x	12.7x	9.5x	8.5x	7.9x
<b>Disease Management</b>	0.6x	0.5x	0.5x	0.5x	6.1x	7.4x	7.1x	6.1x

The multiple disparity between Large and Small HIT is notable and is not simply due to size alone. While the median enterprise value for Large HIT is \$1.4 billion versus \$36 million for Small HIT, the differences in valuation are also related to the distinct operating profiles of the companies in each index. Simply put, Large HIT companies tend to be large for a reason – they are well run, high growth, highly profitable enterprises. The median 3-year growth rate for Large HIT is 22 percent versus 10 percent for Small HIT, and the median 3-year EBITDA margin for Large HIT is 20 percent versus 9 percent for Small HIT. One other notable point is that the universe of Small HIT public companies is contracting while Large HIT is expanding. One year ago, there were 10 companies in the Small HIT Index compared to 4 today, with the contraction due to acquisitions or private equity buyouts of these entities. Another factor driving up the valuations of large HIT companies is the fact that there is a limited universe of pure-play HIT companies but a high demand among institutional investors to have a position in the segment.

The Patient Protection and Affordable Care Act was signed into law on March 23, 2010. Along with the Health Care and Education Reconciliation Act of 2010, signed into law on March 30, 2010, the combined Acts are the product of the healthcare reform agenda of the Obama administration.

At the core of the ACA is the requirement that Americans carry health insurance or pay a penalty. Since the ACA was signed into law, the constitutionality of this mandate has been tested in a number of federal

appeals courts. Ultimately, the fate of this mandate, and in effect the ACA as a whole, will rest with the US Supreme Court, with oral arguments in January and an opinion expected by this June.

There are three basic scenarios for how the court could rule, and each will affect provisions of the law, including at least seven provisions with a strong focus on health information technology. The scenarios for a ruling are:

- The individual mandate is constitutional so the law stands as is;
- The individual mandate is unconstitutional but everything else in the law is constitutional; or
- The individual mandate is unconstitutional and as a result, that renders the entire law unconstitutional.

As discussed previously, HGP tracks eight indices across the Healthcare IT and Services sectors. The components of each of each index are listed below. Each index is based on an equal-weighted portfolio.

Sector Components	
<p style="text-align: center;"><b>Large HIT</b></p> <p>Advisory Board Company (NASDAQ:ABCO)  Allscripts-Eclipsys (Nasdaq:MDRX)  Athenahealth(Nasdaq:ATHN)  Cerner (Nasdaq:CERN)  Computer Programs &amp; Systems (Nasdaq:CPSI)  Healthstream (Nasdaq:HSTM)  HMS Holdings (Nasdaq:HMSY)  McKesson (NYSE:MCK)  MedAssets (Nasdaq:MDAS)  Medidata Solutions (Nasdaq:MDSO)  Merge (NYSE: MRGE)  Quality Systems (Nasdaq:QSII)  WebMD (NASDAQ:WBMD)</p> <p style="text-align: center;"><b>Small HIT</b></p> <p>BioClinica (Nasdaq:BIOC)  Epocrates (NASDAQ: EPOC)  Mediware Information Systems (Nasdaq:MEDW)  Streamline Health Solutions (Nasdaq:STRM)</p>	<p style="text-align: center;"><b>Facilities</b></p> <p>AmSurg (Nasdaq:AMSG)  Community Health Systems (NYSE:CYH)  Health Management Associates (NYSE:HMA)  HEALTHSOUTH (NYSE:HLS)  Lifepoint Hospitals (NasdaS:LPNT)  Select Medical Holdings (NYSE:SEM)  Tenet Healthcare (NYSE:THC)  Universal Health Services (NYSE:UHS)</p> <p style="text-align: center;"><b>Payers</b></p> <p>Aetna (NYSE:AET)  AMERIGROUP (NYSE:AGP)  CIGNA (NYSE:CI)  Coventry Health Care (NYSE:CVH)  Health Net (NYSE:HNT)  HealthSpring (NYSE:HS)  Humana (NYSE:HUM)  Unitedhealth Group (NYSE:UNH)  WellCare Health Plans (NYSE:WCG)  WellPoint (NYSE:WLP)</p>
<p style="text-align: center;"><b>HIT-services</b></p> <p>Accretive (NYSE:AH)  Computer Sciences (NYSE:CSC)  DST Systems (NYSE:DST)  Huron Consulting Group (Nasdaq:HURN)  Navigant Consulting (NYSE:NCI)</p> <p style="text-align: center;"><b>PBMs</b></p> <p>BioScrip (NasdaqGM:BIOS)  Catalyst Health Solutions (Nasdaq:CHSI)  CVS Caremark (NYSE:CVS)  Express Scripts (Nasdaq:ESRX)  MedcoHealth Solutions (NYSE:MHS)  SXC Health Solutions (Nasdaq:SXCI)  Walgreen (NYSE:WAG)</p>	<p style="text-align: center;"><b>CROs</b></p> <p>Bioanalytical Systems(Nasdaq:BASI)  Charles River Laboratories International (NYSE:CRL)  Covance (NYSE:CVD)  Encorium Group (Nasdaq:ENCO)  Parexel International (Nasdaq:PRXL)  SeraCare Life Sciences (Nasdaq:SRLS)</p> <p style="text-align: center;"><b>Disease Management</b></p> <p>Alere (NYSE:ALR)  Centene (NYSE:CNC)  Healthways (Nasdaq:HWAY)  McKesson (NYSE:MCK)</p>

## HIT AND RELATED SERVICES M&A

Healthcare IT and services M&A continued at a record pace during the year, exceeding the record setting activity level of the year prior. A combined 283 transactions were announced during the year, up from the prior record of 254 deals announced in 2010. The quarterly average of 71 transactions was well above the 64 transaction quarterly average in 2010 and 46 deal quarterly average in 2009. Activity was very healthy throughout the year and reflected a mix of very large, high profile transactions, strategic tuck-ins, and private equity buyouts. Current transaction themes include the following:

*Managed Care HIT Acquisitions:* Payors are looking for ways to manage limitations on the medical loss ratio while positioning themselves strategically for new reimbursement initiatives, and they view HIT as critical to that mission. During the year Humana acquired The Vitality Group, Aenta acquired Prodigy Health Group, PayFlex Systems, and Healthagen, OptumHealth (United) acquired Connexions, Wellpoint acquired Bloom Health, and Humana acquired Anvita Health.

*Investment in Data and Analytics:* This interest is driven both by the rapid adoption of EMRs that are required to populate the data, and expected reimbursement reforms that will require data and outcomes-driven reimbursement incentives, such as accountable care organizations. Outcomes-based reimbursement models are driving a migration toward the integration of financial and clinical data, as well as tools that facilitate real-time decision support.

*High Interest in Tools that Connect Healthcare Stakeholders:* Connectivity tools, such as those that engage patients, facilitate physician referrals, or enable the exchange of information across information silos, continue to be sought after with the winners being those that can demonstrate sustainable business models.

*Non-HIT Companies Aggressively Pursuing HIT:* Non-healthcare information technology vendors continue to make acquisitions in the sector. Much like Managed Care HIT acquisitions, these tend to be platform investments that are typically consummated at above market valuations. Notable deals during the year include Harris Corporation's acquisition of Carefx, ADP's acquisitions of Advanced MD and Asparity Decision Solutions, CSC's acquisition of iSOFT Group, USA Mobility's acquisition of Amcom, Experian's acquisition of Medical Present Value, Endo Pharmaceutical's acquisitions of Intuitive Medical and Meridian, and Lexmark's acquisition of Pallas Athena.

*Increasing Focus on Mobility Solutions:* While still early in its lifecycle, mobility solutions are emerging as sought after investment and acquisition targets. Hospitals and investors recognize that communication tools enhance both physician and patient satisfaction and can manage healthcare costs when utilized in the context of home care.

*Increased Private Equity Activity:* Private equity investors continue to show a strong interest in healthcare information technology, however interest is higher than investment activity reflects due to the fact that private equity investors are challenged by lofty healthcare information technology valuations. Deal highlights are addressed in the following sections of this report.

A key M&A metric that HGP follows is the median deal size. The median disclosed deal size was \$36 million during, short of the \$59 million in 2010 and up considerably from \$9 million in 2009. In sum, healthcare IT and services M&A is very strong relative to historical patterns of activity. HGP is observing the following trends in the healthcare IT and services M&A markets:

- Although the industry is consolidating, the universe of acquirors is expanding due to increasing acquisition interest from non-HIT companies – and particularly those new entrants with an eye on healthcare reform, data, and analytics;
- Access to capital remains high, and a combination of strong balance sheets and rich equity currency is helping accommodate a variety of transaction structures;
- Acute care vendors are pursuing tuck-in acquisitions to expand their enterprise offerings while ambulatory EMR vendors are pursuing specialty and vertical acquisitions to broaden their product portfolios;
- Solutions that bridge the communications gap between physicians, hospitals, and patients are emerging as highly sought after capabilities, particularly when mobility is involved;
- Many vendors are foregoing a sale to raise growth capital, a reflection of the optimism around the growth opportunity in the market;
- While many high profile sales are taking place at aggressive valuations, there is no shortage of distressed transactions available to opportunistic and patient acquirors;
- Private equity is aggressively pursuing investment opportunities in the space and the lending environment is improving;
- Healthcare reform is driving investment in care management and analytics platforms that are critical in an accountable care environment; and
- Healthcare reform is also ramping up financial pressure on providers and putting stress on the system, creating new investment opportunities.

Notable headlines from 2011 are outlined below on a quarterly basis. While headlines were typical of any given year in healthcare, what stands out is the number of policy-related headlines in 2011, which is atypical for what is often considered an unregulated sector.

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### Q1 Headlines

*Health Spending Growth Rate Slows:* Healthcare spending in 2009 grew at the slowest rate in five decades, rising 4% to \$2.5 trillion, while still outpacing overall growth in the gross domestic product, according to an annual report from the CMS.

*GOP Bill Puts Meaningful Use, HITECH Act in Peril:* Legislation passed in the House seeks to repeal the Medicare/Medicaid electronic health record meaningful use incentive payment programs. Obviously, this legislation was never signed into law.

*CMS issues first EHR payments:* Just days after the CMS opened registration for the Medicare and Medicaid electronic health-record incentive programs, the first provider payments have been issued.

*Value of EHRs Questioned:* A pair of researchers at Stanford University, Palo Alto, Calif., has released results of a three-year study that indicates EHRs did little to improve the quality of care.

*CMS Sets the I.T. Bar Very High for Medicare ACOs:* The information technology capabilities that accountable care organizations need under the proposed Medicare Shared Savings Program could go far beyond what's necessary to prove Stage 1 electronic health records meaningful use.

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### Q2 Headlines

*CMS Announced Value-Based Purchasing:* As described previously in this report, value-based purchasing initiatives are designed to reward healthcare providers for providing higher quality care and increased patient satisfaction.

*CMS Announced Predictive-Modeling Project:* In other government news, CMS initiated a program that will analyze claims activity before claims are paid in an effort to flesh out fraudulent activity.

*Stage 2 Proposals Cause Dissent:* Final recommendations for Stage 2 meaningful use criteria were accepted by The Health IT Policy Committee, but the growing consensus is that a January 1, 2013 start date will not give professionals, hospitals and vendors adequate time to prepare.

*First Medicare Incentive Payments Issued:* CMS issued its first Medicare incentive payments for eligible professionals, hospitals, and critical-access facilities who began attesting in April. Medicaid payments began in January.

*Projected Surge in EHR Purchases:* According to CapSite, in a survey of 1,300 physician group practices, half expect to purchase an electronic health records system during the next 24-months.

*Individual Mandate Upheld:* A federal appellate court upheld a lower court finding that Congress has the power to require that individuals purchase healthcare insurance.

*Five Percent of Patients Account for Half of Medical Spending:* A study confirmed what most people already speculated – the National Institute for Health Care Management Foundation reports that just five percent of patients were responsible for half of all US medical expenses in 2009.

*Google Exits PHR Business:* Publicizing the news only through a blog posting, Google announced the decision to drop its personal health record platform. While Google+ can attract millions of users in a matter of weeks, Google PHR failed to attract a fraction of users over several years.

### **Q3 Headlines**

*Appeals Courts Mixed on Individual Mandate:* Three federal appeals courts had mixed rulings on the constitutionality of the individual mandate of the ACA, resulting in the decision likely elevating to the Supreme Court.

*Cost of Employer Insurance Plans Surge:* Employers' spending on health coverage spiked in 2011, rising 9 percent, or triple the growth in 2010.

*Medicare Gives Guidance on Claims During ICD-10 Changeover:* Medicare walked through various requirements and scenarios for coding treatment during the transition period to ICD-10, set to occur on October 1, 2013.

*Percentage of Uninsured Held Steady in 2010:* The percentage of Americans without health insurance in 2010 remained at 16.3 percent, unchanged from 2009, the U.S. Census reports.

*Medicare to Cut Skilled-Nursing Facility Pay:* Medicare will cut skilled-nursing facility pay by 11.1 percent, or \$3.87 billion, in fiscal 2012.

*Express Scripts Will Buy Rival Medco for \$29.1 Billion:* Express Scripts and Medco Health Solutions, the largest U.S. pharmacy benefits management companies, announce they will combine in a deal worth \$29.1 billion in cash and stock, the largest global M&A transaction of the quarter.

### **Q4 Headlines**

*Supreme Court to Review Healthcare Reform Law:* The Supreme Court announces it will review the healthcare reform law in March of 2012.

*AMA Opposes ICD-10:* The American Medical Association's House of Delegates votes to work to stop implementation of ICD-10.

*Supercommittee Fails to Reach Deal:* The deficit supercommittee announces failure to reach agreement.

*ACO Final Rules Ease Requirements, Reduce Risk:* Final rules for the governing of accountable care organizations were released, with major concessions to the original plan that had soured many healthcare leaders and physicians against participating.

*HHS Extends Meaningful Use Deadline by One Year:* HHS has announced its intent to delay the start of Stage 2 of the Meaningful Use requirements of EHR from 2013 to 2014.

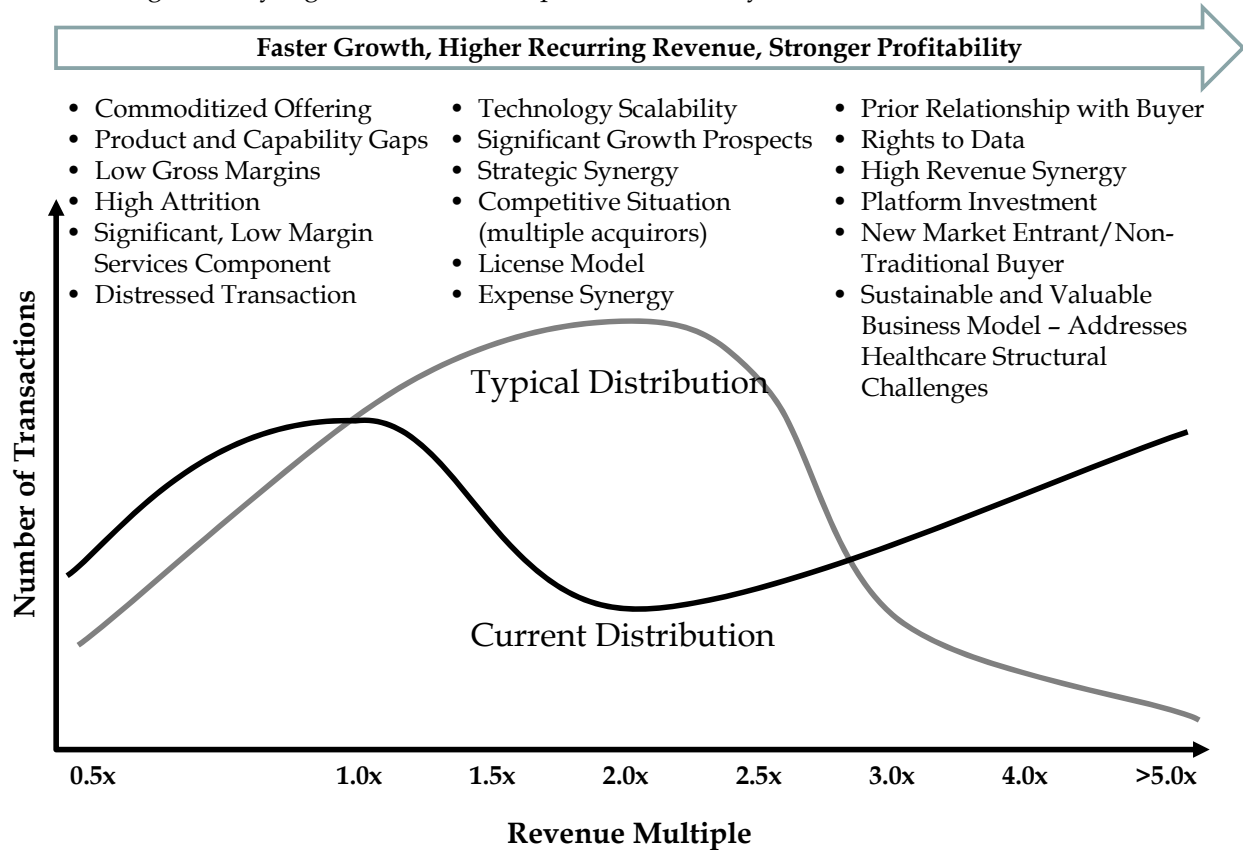
*GE, Microsoft to Launch Joint Venture Aimed at Global Healthcare System Transformation:* Microsoft contributes its healthcare assets to the JV, which aims to help healthcare organizations and professionals use real-time, systemwide intelligence to improve healthcare quality and the patient experience.

*HHS Names Pioneer ACOs:* HHS announced the 32 organizations selected from among 80 applicants to participate in the Pioneer accountable care organization model, which will test the effects of several payment arrangements to support these groups in providing better care and outcomes at a lower cost.

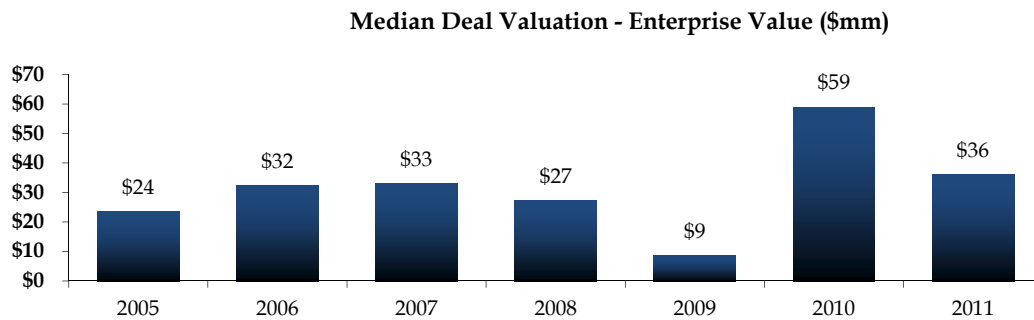
*Health Insurance Costs Double Since 2001:* Health insurance costs have doubled since 2001 while wages have gone up only 34 percent.

HGP has observed a number of tangible and intangible company and transaction characteristics that typically define where a deal falls on the valuation bell curve, with growth, profitability, and recurring revenue serving as the basis for valuation multiples. Recently, deal activity has deviated away from the typical normal distribution toward a more bi-modal distribution, meaning there has been a mix of

transaction activity concentrated at opposite ends of the spectrum. In other words, not all HIT companies are garnering premium valuations just because they operate in HIT. However, those companies that offer a combination of growth, address an unmet need, and fit into the vision of healthcare reform are seeing valuations significantly higher than historical patterns of activity.

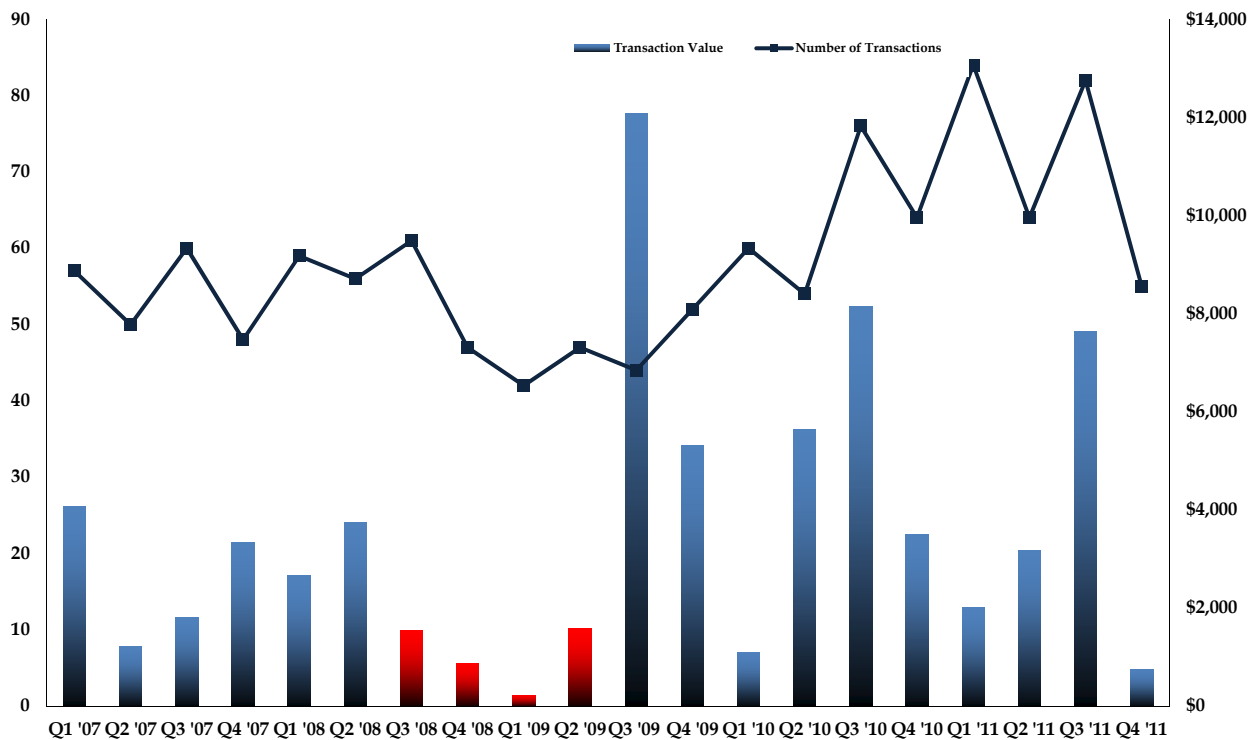


As mentioned previously, median disclosed deal values rebounded sharply over historical rates. HGP looks to this metric as an indicator of the overall health of the M&A market and looks at the median deal value because it eliminates the noise created by a few large transactions that can skew data. The median deal value in 2007 was \$33 million, \$27 million in 2008, and \$9 million in 2009. The 2010 median deal size was a healthy \$59 million and declined to \$36 million in 2011, a reflection of the bi-modal activity mentioned above.



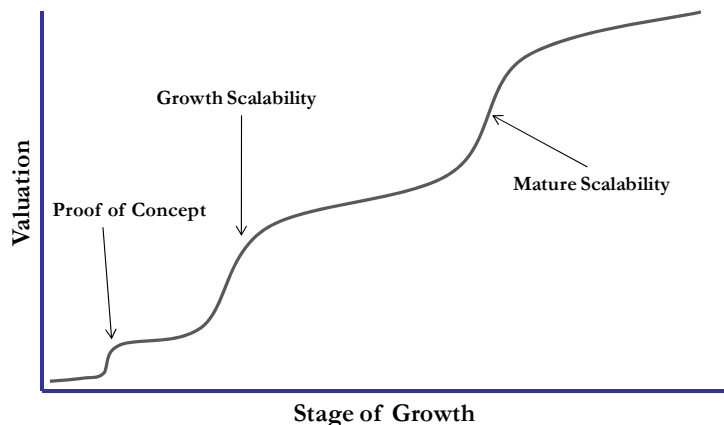
The following chart summarizes quarterly M&A activity since 2007, according to the Healthcare Growth Partners database. The red columns indicate quarters in which there was a GDP decline.

### HCIT M&A Activity



Based on the information in the chart above, M&A activity bottomed out in Q1 2009 and has been showing an upward trajectory since that time. Total transaction value tends to be much more volatile than deal volume since it only takes one or two very large deals to skew the data, thus HGP looks toward transaction volume as a better indicator of deal activity. Transaction activity was approximately \$13.6 billion in the year, down from \$18.4 billion in 2010.

Generally, sub \$100 million companies have three valuation inflection points: proof-of-concept, initial scalability, and expansion scalability. Proof-of-concept is value created when a company shows that its product can be successfully sold and deployed in a commercial setting. This inflection point is generally of more value to venture investors than it is to acquirors, as companies at this stage tend to be too early to realize significant value through a sale. Initial scalability occurs when an earlier stage company begins to show strong profitability at high levels of growth, although the organization is still small and lean. Expansion scalability takes place after a company has matured to a level where it takes on real infrastructure, and the company begins to show strong profitability after building out a mature corporate organization.



Although the size of a company at each inflection point can vary significantly based on a company's product or services and sector, the general rule of thumb in HIT is that proof of concept occurs at revenue of less than \$1 million, expansion scalability in the \$5 to \$10 million revenue range, and

mature scalability in the \$20 million revenue range.

Healthcare Growth Partners narrowed its transaction database to include 94 highly relevant transactions with disclosed multiples since 2005. When analyzing valuation multiples based on certain criteria, findings show the key valuation drivers for HIT transactions. EBITDA multiples showed less variability than revenue multiples, in part due to the limited data set for EBITDA multiples. Therefore, the revenue multiples in the following table serve as a better guide to demonstrate the variability in valuations based in certain criteria. It is important to highlight that the multiples below are based on trailing-twelve-month financials and the transaction value assumes 100 percent achievement of any contingent consideration (ie, earnouts).

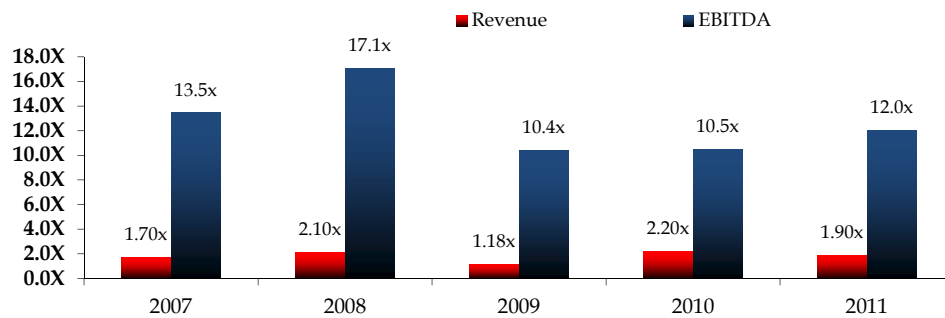
Transaction Profile	Number of Transactions	Median Enterprise Value	Median Revenue Multiple	Median EBITDA Margin
All Transactions	94	\$95.0	2.28X	17%
EV > \$100mm	45	\$350.0	2.70X	18%
EV < \$100mm	49	\$25.8	1.65X	7%
Profitable, all values	76	\$153.1	2.54X	18%
Loss, all values	7	\$33.0	0.99X	-15%
Recurring Revenue	36	\$275.6	3.20X	22%
Non-Recurring Revenue	44	\$75.0	1.90X	15%
Recurring, EV<\$100mm	15	\$34.4	2.40X	15%

Further focusing on the implication of transaction size and value, HGP analyzed 259 transactions since 2005 based on transaction size in the following table. As a general rule of thumb, transaction multiples expand as valuation increases. Higher valuations can also be attributed to the fact that larger companies are large because they have been successful – meriting valuations because of success, not exclusively size.

Transaction Profile	Number of Transactions	Median Enterprise Value (\$mms)	Mean Enterprise Value (\$mm)	Median Revenue Multiple	Mean Revenue Multiple	Median EBITDA Multiple	Mean EBITDA Multiple
All Transactions	259	\$51.3	\$267.9	1.96x	2.29x	12.6x	12.5x
Less than \$30mm	103	\$9.0	\$11.2	1.60x	1.82x	9.0x	9.2x
Between \$30mm and \$100mm	52	\$51.2	\$54.7	2.25x	2.55x	13.3x	13.5x
Greater than \$100mm	104	\$280.8	\$628.7	2.24x	2.63x	13.5x	13.6x

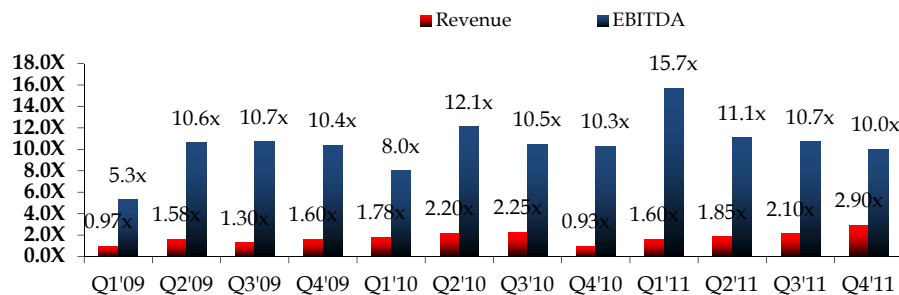
In Q4 2011, Healthcare Growth Partners monitored 55 healthcare IT and related services transactions, compared to 64 transactions in the quarter a year ago and 82 transaction in the prior quarter. In terms of transaction value, \$760 million in transactions was announced in Q4 2011, down from \$7.6 billion in Q3 2011 and \$3.5 billion in Q4 2010. During the year, the median revenue multiple was 1.90x (39 disclosed transactions) compared to 2.20x in 2010 (42 disclosed transactions). The median EBITDA multiple was 12.0x in 2011 (21 disclosed transactions), up from 10.5x in 2010 (26 disclosed transactions).

### Median M&A Valuation Multiples



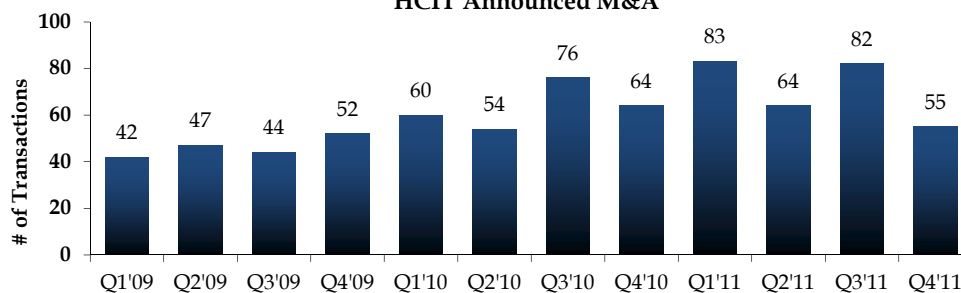
Detailed quarterly trends can be found in the following chart. It should be noted that quarterly multiple trends can be very volatile given the limited availability of data.

### Median M&A Valuation Multiples



It is also important to note that transaction multiples are based on trailing-twelve-month financial information, assume the achievement of all contingent consideration, such as earn-outs, and most EBITDA multiples do not include any adjustments for unusual items. As a result, the reported multiples tend to be higher than those actually achieved.

### HCIT Announced M&A



Transaction highlights in the year include the following strategic acquisitions:

Strategic M&A Highlights			
Quarter	Acquiror	Seller	Deal Size (\$mm)
Q1	Precision Dynamics	St. John Co's	na
Q1	Intermec Technologies	Vocollect	\$190
Q1	Meditech	LSS Data	na
Q1	Kronos	API	na

Strategic M&A Highlights (cont'd)			
Quarter	Quarter	Quarter	Quarter
Q1	Craneware	ClaimTrust	\$20
Q1	Trizetto Group	Gateway EDI	na
Q1	Harris Corp	Carefx	\$155
Q1	Humana	Vitality Group	\$15 (25%)
Q1	NCI Info Systems	AdvancedMed	\$62
Q1	MDx Medical	UCompareHealthCare	na
Q1	ADP	Advanced MD	na
Q1	McKesson	System C	\$133
Q1	USA Mobility	Amcom	\$163
Q1	ACS (Xerox)	Credence Health	na
Q1	PerkinElmer	CambridgeSoft	\$220
Q1	Walgreen	Drugstore.com	\$417
Q1	Mediware	CareCentric	na
Q1	CSC	iSOFT Group	\$188
Q2	Evolution Benefits	Lighthouse1	na
Q2	AwarePoint	PCTS	na
Q2	Infor Global Solutions	Lawson	\$1.8B
Q2	Wolters Kluwer	Lexi-Comp	na
Q2	Toshiba Medical	Vital Images	\$135
Q2	Verisk Analytics	Bloodhound Tech	\$82
Q2	Aetna	Prodigy Health Group	\$600
Q2	Emdeon	EquiClaim (MultiPlan)	\$41
Q2	Cerner	Resource Systems	na
Q2	Merge	OIS	\$34
Q2	IMS Health	Med-Vantage	na
Q2	Verisk Analytics	Health Risk Partners	na
Q2	KPMG	Plexus	na
Q2	McKesson	Portico Systems	\$90
Q2	Experian	Medical Present Value	\$185
Q3	MedQuist	M*modal	\$130
Q3	Nuance	Webmedx	na
Q3	Aetna	Payflex	\$202
Q3	MedCo	Arrowhead	na
Q3	SAIC	Vitalize	na
Q3	Athena	Proxsys	\$36
Q3	Transcend	Salar	\$11
Q3	Quality Systems	CQI	na
Q3	Advisory Board	PivotHealth	na
Q3	General Dynamics	Vangent	\$960
Q3	CAE	Medical Ed Tech	\$130
Q3	GNC	LuckyVitamin.com	na
Q3	Prognosis	Creative Healthcare	na
Q3	CSC	Maricom	na
Q3	AmeriSourceBergen	IntrisiQ	\$35
Q3	ADP	Asparity	na

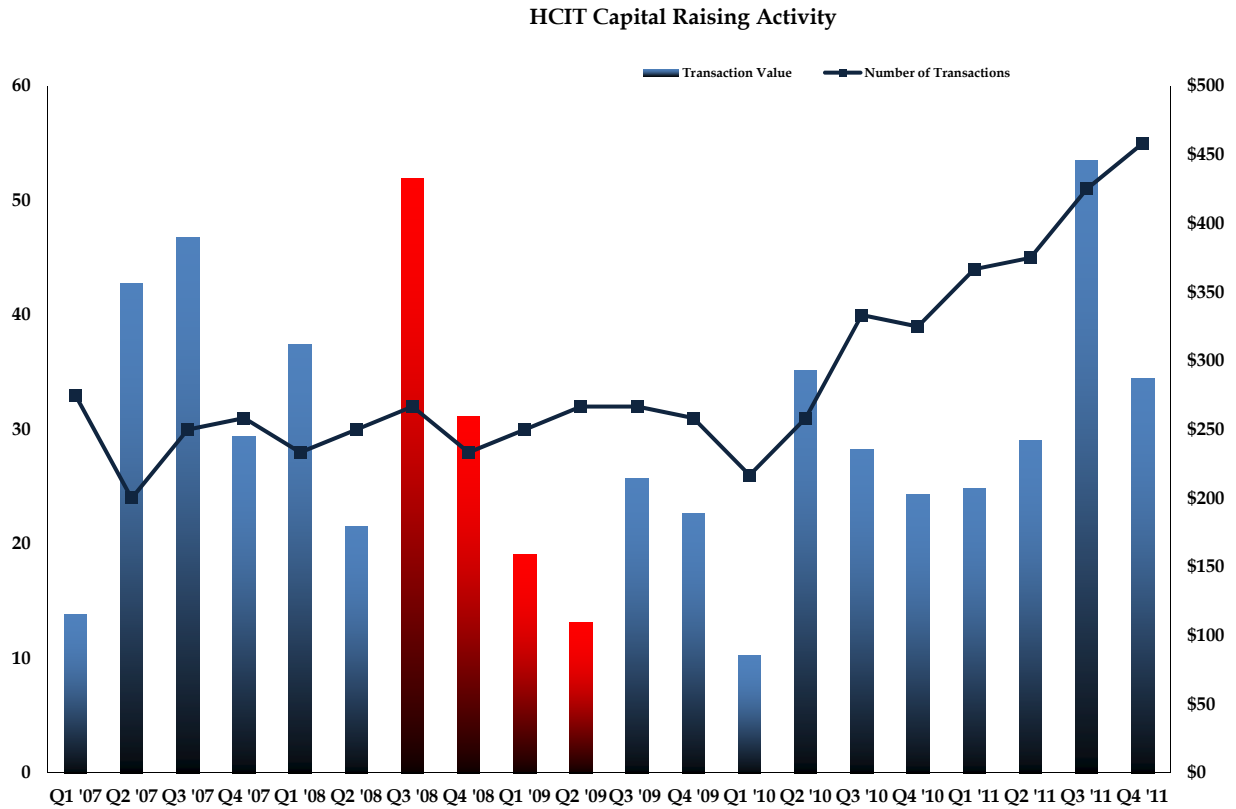
Strategic M&A Highlights (cont'd)			
Quarter	Quarter	Quarter	Quarter
Q3	Intermedix	Collaborative Fusion	na
Q3	AmeriSourceBergen	TheraCom	\$250
Q3	Greenway	CySolutions	na
Q4	Sunquest	PowerPath (Elekta)	\$33
Q4	Cerner	Clairvia	\$36
Q4	Orion Health	Microsoft HIS	na
Q4	TransUnion	FHS	na
Q4	Aetna	Healthagen	na
Q4	BCBS	Mddatacor	na
Q4	Endo Pharma	meridianEMR	na
Q4	Health Grades	CPM	na
Q4	Siemens Healthcare	MobileMD	na
Q4	HMS Holdings	HealthDataInsights	\$400
Q4	Quality Systems	ViaTrack	na
Q4	Humana	Anvita	na
Q4	MedData	MedDirect	na

Transaction highlights in the year include the following financial sponsor acquisitions (venture capital and non-buyout private equity will be discussed in the following section):

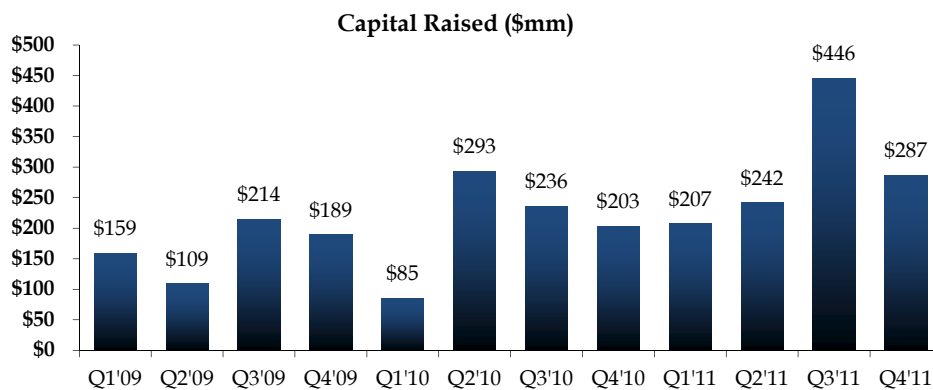
Buyout Highlights			
Quarter	Acquiror	Seller	Deal Size (\$mm)
Q1	Norwest Venture Partners	Surgical Information Systems	na
Q1	Serent Capital	Cardon Healthcare	na
Q2	Susquehanna Equity	MediMedia IT	na
Q2	Symphony Technology Partners	ImpactRx	na
Q2	Waud Capital Partners	Revenue Cycle Solutions	na
Q3	Blackstone	Emdeon	\$3B
Q3	Riverside	Avatar	na
Q3	Vista	Sage	\$320
Q4	CI Capital	Interactive Health	na
Q4	Argenta Partners	HKS Medical IS	na
Q4	Trident, Spectrum	HealthMEDx	na

## HIT AND RELATED SERVICES PRIVATE CAPITAL RAISING (NON-BUYOUT)

The chart below summarizes quarterly private-equity and venture capital activity in HIT and related services since 2007, according to the Healthcare Growth Partners database. The red columns indicate quarters in which there was a GDP decline. The data below and in this section do not include buyout private equity activity.



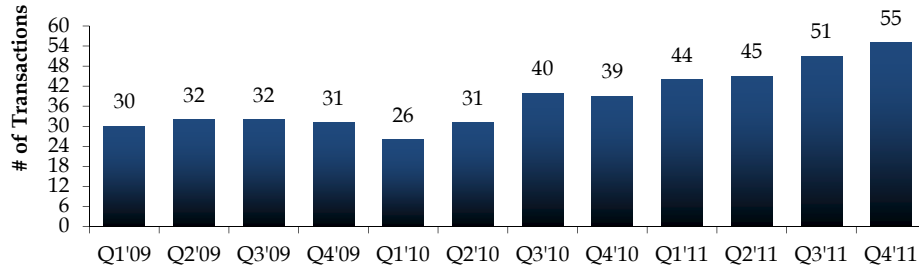
In 2011, Healthcare Growth Partners monitored 194 capital raise transactions, which is the highest number of annual transactions since HGP's monitoring began in 2005 (surpassing 136 transactions in the prior year). Capital raised was also a record setting \$1.2 billion for the year.



In 2010, 136 transactions were announced, a nine percent increase over 2009. Most of the activity occurred in the third and fourth quarters, where transaction activity was approximately 20 percent higher than historical averages. That trend continued to accelerate in 2011 with the 194 deals during the year. The

median capital raise in 2011 was \$5 million, on par with historical medians of \$5 million in 2010, \$4 million in 2009 and \$5 million in 2008.

#### Announced Private Placements



Part of the momentum in capital raising activity can be attributed to the fact that there are a number of companies in the healthcare IT market that have elected to pursue growth equity to capitalize on the favorable market activity rather than grow organically or elect to sell. HGP views the number of companies pursuing accelerated growth plans instead of considering a sale transaction as a bullish signal of the overall health of the healthcare IT and services market.

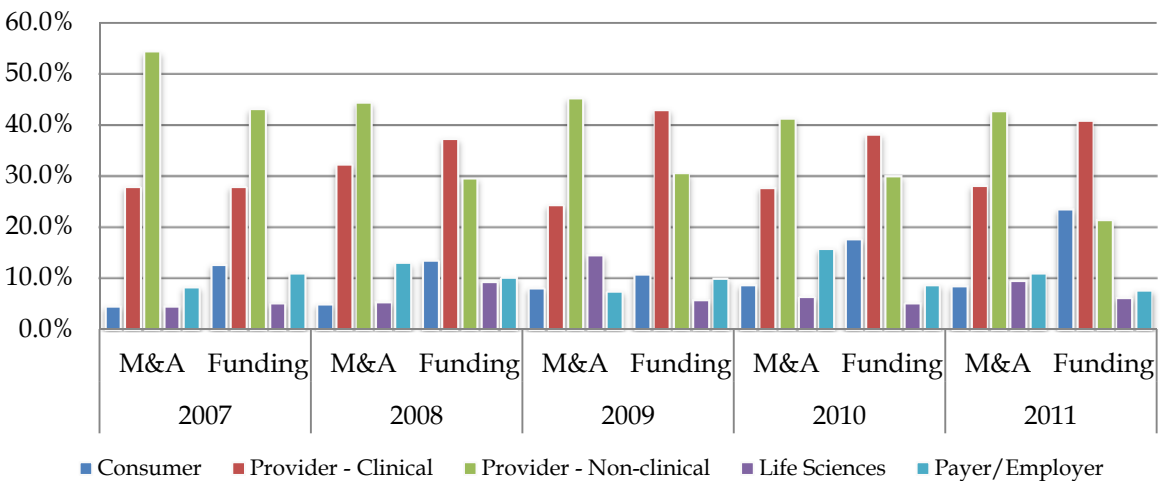
A boon to certain healthcare information technology and services companies looking for investment capital is that there are a significant amount of investors looking to make investments in companies that meet their narrow investment criteria. If a company meets that criteria, a competitive process is likely to ensue which provides the investment target with significantly more negotiating leverage and deal structure options. As a generalization, the following criteria are of high importance to institutional investors:

- Financial Metrics:
  - Strong recurring revenue model,
  - Focus on companies that are beyond proof-of-concept – the universe of early stage investors has been contracting,
  - On the later-stage private equity side, the universe of HIT companies that meets the private equity profile is relatively small, and those companies are highly sought after,
  - Revenue near or in excess of \$5 million and profitability or visibility to profitability opens up the market to a much broader set of growth capital investors, and
  - Preference for large market opportunity (well in excess of \$100 million).
  
- Business Metrics:
  - An existing relationship – it is important to cultivate investor relationships even while not actively seeking financing,
  - The business provides a strong ROI case for its customers,
  - If software-intensive, preference for a SaaS or web-based delivery model,
  - Scalable business model with competitive differentiation,
  - The business addresses a clear and growing pain point within healthcare,
  - Business capitalizes on a post-healthcare reform environment,
  - An acquiror universe that includes more than a short-list of potential acquirors, and
  - Proven management team.

Healthcare Growth Partners has tracked investment trends over the past five years, and one of the data points that HGP evaluates is how sector M&A activity compares with sector investment activity. The table on the following page summarizes HIT investment sector activity to HIT M&A sector activity from 2007 through Q3 2011. It is unlikely that investment activity will precisely mirror M&A activity because investment activity theoretically should be a leading indicator of M&A activity. However, if investment trends get too out of sync with M&A trends, then investors should reevaluate where they are placing their capital. The categories are defined as follows:

Product Focus	Customers	Examples
<b>Consumer</b>	Patients and individuals	Websites, portals
<b>Life Sciences</b>	Pharma, biotech, med device, CRO	EDC, ePRO, analytics
<b>Payer/Employer</b>	Health plans, MCOs, Gov't Payors, Employers	Analytics, benefit mgmt, wellness, care mgmt
<b>Provider - Clinical</b>	Physicians, hospitals, healthcare facilities	EMR, PACS
<b>Provider - Non-clinical</b>	Physicians, hospitals, healthcare facilities	RCM, financial, ERP

### Sector M&A vs Funding Activity



General themes of HIT investment patterns compared to M&A activity over recent years include:

- Provider - Non-clinical HIT is acquired with greater frequency than invested
- Provider - Clinical HIT is invested with greater frequency than acquired
- Life Sciences is acquired at almost twice the rate than invested
- Consumer HIT is invested at more than twice the rate than acquired
- Payer/Employer HIT is acquired with greater frequency than invested

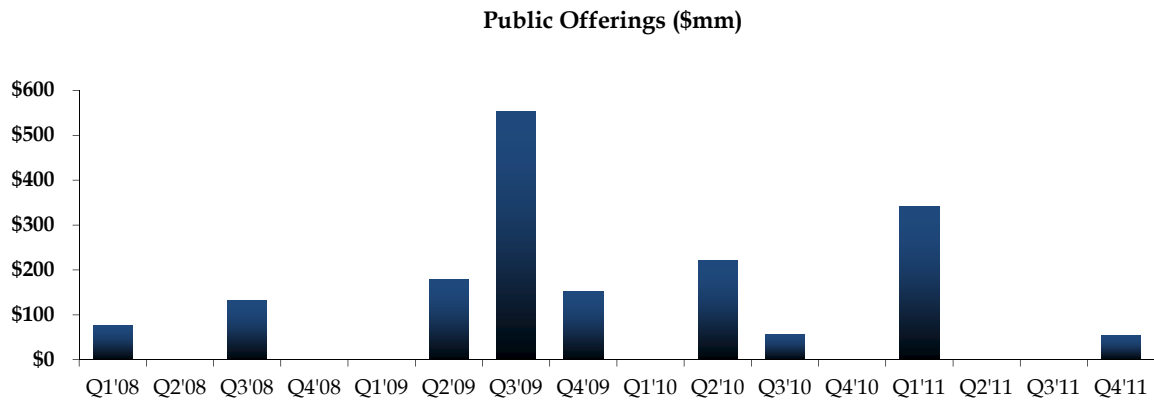
Transaction highlights in the year include the following capital raises (excluding buyouts):

Private Equity Highlights (non-buyout)			
Quarter	Investor	Target	Raise (\$mm)
Q1	Cardinal & Galen	LifeIMAGE	\$12
Q1	MPM Capital	23andme	\$9
Q1	VC Consortium	CardioInsight	\$10
Q1	Cardinal & HLM	Teladoc	\$4
Q1	Elsevier	Tolven	\$4
Q1	VC Consortium	Massive Health	\$2
Q1	Enhanced Equity	WhiteGlove House Call	\$12
Q1	Riverside	Pilgrim Software	na
Q1	JMI Equity	PointClickCare	na
Q1	Psilos Group	Click4Care	\$12
Q1	Emergence & Interwest	Doximity	\$11
Q2	VC Consortium	Practice Fusion	\$23
Q2	Arboretum & Chrysalis	My Health Direct	\$4
Q2	Pentland & Others	Modernizing Medicine	\$7
Q2	Nippon Life Insurance	Best Doctors	na
Q2	Allscripts	Humedica	na
Q2	VC Consortium	Explorys	\$11
Q2	Sequoia	Airstrip	na
Q2	Abingworth	MD On-Line	\$12
Q2	Lemhi & Bain	ABILITY	\$27
Q2	Mayfield Fund	Brighter.com	\$5
Q2	VC Consortium	Health Guru Media	\$5
Q2	VC Consortium	Alliance Health	\$11
Q2	California Capital Equity	Net.Orange	na
Q2	VC Consortium	Medico	na
Q2	New Evolution Ventures	ShareCare	\$9
Q2	Best Buy Capital	Valencell	\$5
Q2	VC Consortium	Kyruus	\$5
Q2	VC Consortium	Digital Assent	\$7
Q2	MBF Healthcare	eMindful	na
Q3	Maverick, Psilos	SeeChange	\$20
Q3	Camden, KPC&B	Essence Group	\$61
Q3	DST	ZocDoc	\$50
Q3	Polaris, Solstice	CodeRyte	\$3
Q3	LLR	Vector Learning	\$24
Q3	NEA, Wicks	SCI Solutions	na
Q3	Halyard	Practice Insight	na
Q3	Benchmark, Mayfield	Brighter.com	\$8
Q3	OpenView	NextDocs	\$10
Q3	VC Consortium	Cleveland Heart Lab	\$18
Q3	KPC&B	Awarepoint	\$27
Q3	VC Consortium	One Medical	\$20
Q3	Kennett Partners	WorldOne	\$25

Private Equity Highlights (non-buyout) (cont'd)			
Quarter	Investor	Target	Raise (\$mm)
Q3	KPC&B	TelaDoc	\$19
Q3	Council, Clayton	NuScriptRx	\$8
Q3	VC Consortium	Aventura HQ	\$13
Q3	Wellpoint	Bloom Health	na
Q3	Accel-KKR	Infinisource	na
Q3	VC Consortium	Practice Fusion	\$6
Q3	Summit	CareCentrix	na
Q3	Housatonic	HealthWyse	na
Q3	Goldman Sachs	ZocDoc	\$25
Q3	Intel, Norwest	CareCloud	\$20
Q3	PE Consortium	Clinipace	\$15
Q4	JMI Equity	Studer Group	na
Q4	Greenspring, OpenView	Kareo	\$10
Q4	NEA, Matrix, Trinity	Care.com	\$25
Q4	Walter Huff	Solohealth	\$8
Q4	Accel-KKR	YourEncore	na
Q4	BCBS Ventures	Essence Group	\$9
Q4	VC Consortium	MedVentive	\$12
Q4	Westview Capital	eSolutions	na
Q4	Great Point Partners	Aris Teleradiology	na
Q4	InterSouth Partners	SimplifyMD	\$4
Q4	VC Consortium	Medley Health	\$20
Q4	Bluff Point	Connexin	na
Q4	Safeguard Scientifics	Medivo	\$7
Q4	Sequoia	Healthcare Quality Catalyst	na
Q4	Health Enterprise Partners	eVariant	\$5
Q4	Trident Capital	Advanced ICU Care	na
Q4	Greylock, Angels	100plus	na
Q4	VC Consortium	HealthTap	\$11
Q4	Intel	Pixeon	na
Q4	Flybridge, NEA, Whitney	PatientKeeper	\$6
Q4	New Leaf, Angels	Audax Health	\$16

## HIT PUBLIC STOCK OFFERINGS

During the year, two IPOs and four follow-on offerings were consummated, and three vendors announced new issues that remain in the queue - Greenway Medical Technologies (\$100mm), an ambulatory EMR vendor, Vocera Communications (\$80mm), a vendor of wireless communications systems with a healthcare focus, and Wage Works (\$75mm), an operator of tax-advantage employee health and benefit plans. WhiteGlove House Call (\$32mm) pulled its IPO during the quarter.



Notable public offerings during the year include the following:

HIT Public Offerings			
Quarter	Issue	Company	Raise (\$mm)
Q1	IPO	Epocrates	\$86
Q1	IPO (Re-listing)	CBay Systems	\$36
Q1	Follow-on	Accretive Health	\$152
Q1	Follow-on	SciQuest	\$67
Q4	Follow-on	HealthStream	\$53
Q4	Follow-on	Streamline Health	\$0.4
Pending	IPO	Wage Works	\$75
Pending	IPO	Greenway Medical Technologies	\$100
Pending	IPO	Vocera Communications	\$80
Withdrawn	IPO	WhiteGlove House Call	\$32

## ABOUT HEALTHCARE GROWTH PARTNERS

Healthcare Growth Partners provides investment banking and strategic advisory services to small and mid-size, high-growth companies with an exclusive focus on healthcare technology and healthcare services. Financial advisory services include merger and acquisition advisory, capital formation, and valuation. Strategic advisory services include growth strategy, M&A strategy, partnership strategy, and strategic alternatives. With this focus, the firm leverages its experienced management team, strong execution capabilities, and deep network of contacts within the industry to provide efficient and high value engagements for clients.

### **Growing Companies**

Buy-side Advisory, Growth Capital, Strategic Advisory, and Partnership Development

### **Realizing Value**

Sell-side Advisory, Recapitalizations, Strategic Advisory, and Valuation

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### Sources of Information:

Healthcare Growth Partners database, Company press releases, Company SEC filings, Capital IQ, The Wall Street Journal, Bureau of Economic Analysis, Bureau of Labor Statistics, Thomson-Reuters, Dealogic, National Venture Capital Association, HFMA, CMS, Computer Sciences Corporation, Associated Press, IMF, HlStalk, Health Data Management, healthcare.gov.

*These statistics are presented for informational purposes only. While the information presented has been obtained from sources deemed to be reliable, no representation or warranty, express or implied, is made as to the accuracy or completeness of such information.*

## Representative Transactions

<p>Not Disclosed</p>  <p>OptiLink Division has been acquired by Kronos</p> <p>2012</p>	<p>Not Disclosed</p>  <p>Has been acquired by MedData</p> <p>2011</p>	<p>Not Disclosed</p>  <p>Has been acquired by Forerun Systems</p> <p>2011</p>	<p>Not Disclosed</p>  <p>Has acquired ViaTrack</p> <p>2011</p>		
<p>Not Disclosed</p>  <p>Has acquired Creative Healthcare Systems</p> <p>2011</p>	<p>Not Disclosed</p>  <p>Has been acquired by Endo Pharmaceuticals</p> <p>2011</p>	<p>\$36 million</p>  <p>Has been acquired by Merge Healthcare</p> <p>2011</p>	<p>Not Disclosed</p>  <p>Has acquired CQI Solutions</p> <p>2011</p>		
<p>Not Disclosed</p>  <p>Has acquired Dialog Medical</p> <p>2011</p>	<p>Not Disclosed</p>  <p>Has been acquired by Quality Systems</p> <p>2011</p>	<p>\$4 million</p>  <p>Received funding from Chrysalis and Arboretum</p> <p>2011</p>	<p>Not Disclosed</p>  <p>Has been recapitalized by Serent Capital</p> <p>2011</p>	<p>Not Disclosed</p>  <p>Has acquired AssuranceRx, LLC</p> <p>2010</p>	<p>\$105 million</p>  <p>Has acquired MedfusionRx</p> <p>2010</p>
<p>Not Disclosed</p>  <p>Strategic advisor in recapitalization by TA Associates</p> <p>2010</p>	<p>Not Disclosed</p>  <p>Has been acquired by Merge Healthcare</p> <p>2010</p>	<p>Partnership</p>  <p>Has partnered with Quality Systems</p> <p>2010</p>	<p>Convertible Preferred Stock</p>  <p>Has been funded by OpenView Venture Partners</p> <p>2010</p>	<p>Fairness Opinion</p>  <p>Has acquired Olivia Greets</p> <p>2010</p>	<p>Not Disclosed</p>  <p>Has acquired Stryker – Imaging Division</p> <p>2010</p>
<p>Not Disclosed</p>  <p>Has been acquired by Merge Healthcare</p> <p>2010</p>	<p>Not Disclosed</p>  <p>Has been acquired by Hyland Software</p> <p>2010</p>	<p>\$26 million</p>  <p>Has been acquired by Quality Systems</p> <p>2010</p>	<p>Not Disclosed</p>  <p>Has been acquired by Health Management Systems</p> <p>2010</p>	<p>\$4 million</p>  <p>Strategic Advisor for funding from Chrysalis Ventures</p> <p>2009</p>	<p>Not Disclosed</p>  <p>Has acquired certain assets from Aionex</p> <p>2009</p>
<p>Not Disclosed</p>  <p>Has been acquired by Secure EDI</p> <p>2009</p>	<p>Not Disclosed</p>  <p>Has been acquired by Varian Medical</p> <p>2009</p>	<p>Not Disclosed</p>  <p>Has acquired Jascorp</p> <p>2009</p>	<p>Not Disclosed</p>  <p>Has acquired the Navicare. Product Line of Hill-Rom</p> <p>2009</p>	<p>Not Disclosed</p>  <p>Has been acquired by Merge Healthcare</p> <p>2009</p>	<p>Not Disclosed</p>  <p>Has acquired Zynchros</p> <p>2008</p>
<p>Not Disclosed</p>  <p>Has been acquired by Undisclosed</p> <p>2008</p>	<p>Not Disclosed</p>  <p>Has been acquired by Management</p> <p>2008</p>	<p>Not Disclosed</p>  <p>Has been acquired by DocuSys</p> <p>2008</p>	<p>Not Disclosed</p>  <p>Has been acquired by McKesson</p> <p>2008</p>	<p>\$41 million</p>  <p>Financial Advisor for its sale to Bottomline Technologies</p> <p>2008</p>	<p>\$142 million</p>  <p>Has acquired National Medical Health Card</p> <p>2008</p>
<p>Not Disclosed</p>  <p>Has been acquired by Compuware/Covisint</p> <p>2008</p>	<p>Not Disclosed</p>  <p>Has been acquired by Ophthalmic Imaging Systems</p> <p>2008</p>	<p>\$8.5 million</p>  <p>Has been acquired by Parametric Technology</p> <p>2007</p>	<p>\$12 million</p>  <p>Cardiology Division has been acquired by Shimadzu Corp.</p> <p>2007</p>	<p>Fairness Opinion</p>  <p>Has been acquired by Nightingale Informatics</p> <p>2007</p>	<p>Not Disclosed</p>  <p>Has been acquired by VFA, Inc.</p> <p>2006</p>