

PHARMA AND HEALTHCARE INFORMATION AND TECHNOLOGY MARKET

2008 Key Highlights

- Transaction volume in 2008 increased by 16 percent over 2007 from 134 in 2007 to 156 in 2008
- Transaction values in 2008 decreased by 9 percent over 2007, from \$9.75 billion in 2007 to \$8.89 billion in 2008
- Private equity activity increased in both volume and value over 2007 levels; however, we did observe a notable decrease in PE activity during the 2nd half of the year

2009 Key Trends

- Healthcare M&A will remain active
- Healthcare IT will continue to lead the way with strong deal volume
- Private equity will continue to close deals even in the current credit environment but will need to be more creative
- Strategic acquirers will continue to acquire selectively

M&A MARKET OVERVIEW

Despite a weakening economy, 2008 was a solid year for M&A in the pharma and healthcare information and technology industry. The total volume of M&A transactions in the pharma and healthcare information and technology market for 2008 increased to 156 transactions, an increase of 16% over the previous year; however, the total value decreased to just below \$9 billion, a decrease of 9%.

The most active segment for 2008 by volume was Healthcare IT, with a total of 75 transactions, or 48% of the total volume. Healthcare IT has been the most active segment for the past several years and we do not expect this to change in the upcoming year.

We observed a decrease in financial acquisitions during the second half of 2008, even though overall activity in the market as a whole remained solid throughout the year. The industry ended the year on a strong note - Q4 2008 was more active in terms of deal volume than it had been for the previous 5 years.

A notable trend for 2008 is that while the aggregate value of the industry's top 10 deals (**figure 7**) and the ratio of transaction value/volume (**figure 1**) decreased from previous years, we observed an increase in 2008 median enterprise value (**figure 2**). This suggests an overall increase in buyer selectivity as well as increasing activity and interest in the middle market.

LOOKING AHEAD

We expect to see continued deal activity in the pharma and healthcare information and technology markets. These markets are less impacted by the economic downturn and may benefit from increased interest in healthcare.

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M&A Market Dynamics

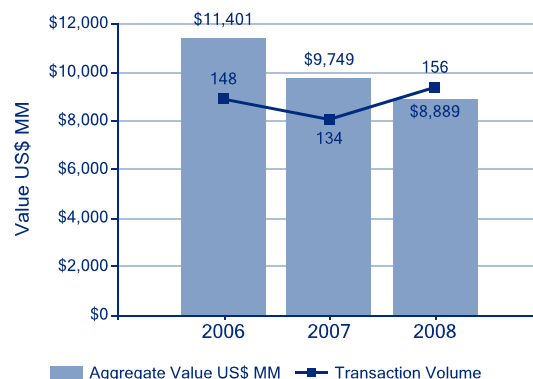


Figure 1. 2006, 2007, 2008 value and volume comparison

Median Enterprise Values

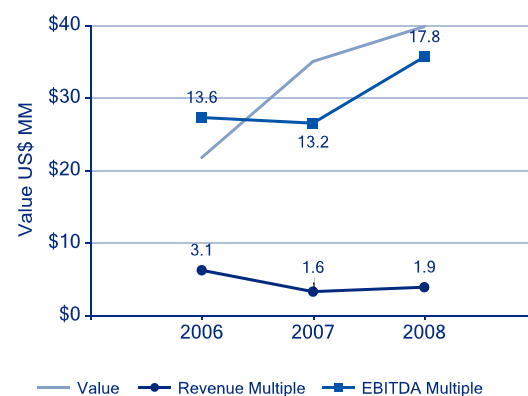


Figure 2. 2006, 2007, 2008 median: Value, Revenue multiple, EBITDA multiple comparison.

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TRANSACTION ANALYSIS | Actual and projected January 1, 2006 through December 31, 2008

Bell Curve - Histogram

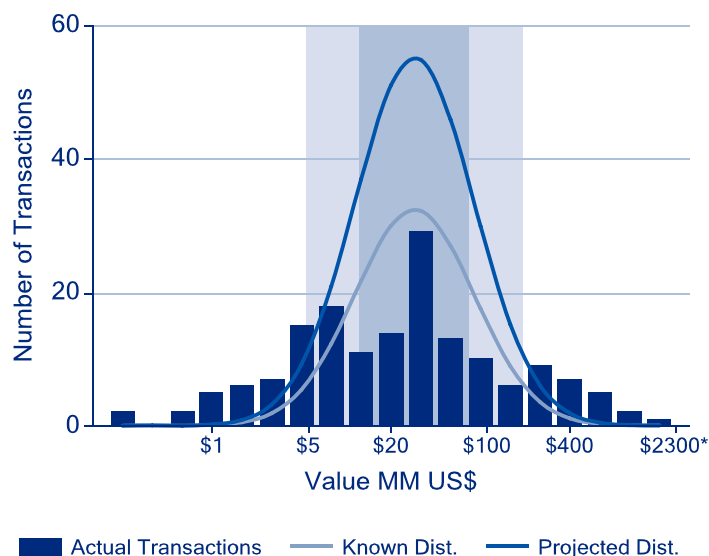


Figure 3. Shows the distribution of acquisition values for pharma and healthcare information and technology deals during 2006-2008 based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of transactions in this space had values of \$7.4 million to \$20.1 million. Based on this data, we estimate the total values of transactions in the market at \$29.9 billion for 2006-2008.

* Indicates largest transaction in the industry for 2006-2008

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	2	0	2	1 %	1 %
\$0.4	0	0	0	0 %	1 %
\$0.6	2	0	2	1 %	2 %
\$1.0	5	0	5	3 %	6 %
\$1.6	6	1	6	4 %	9 %
\$2.7	7	3	10	4 %	14 %
\$4.5	15	9	24	9 %	23 %
\$7.4	18	21	38	11 %	34 %
\$12.2	11	37	47	7 %	41 %
\$20.1	14	51	64	9 %	49 %
\$33.1	29	55	83	18 %	67 %
\$54.6	13	46	58	8 %	75 %
\$90.0	10	30	39	6 %	81 %
\$148.4	6	15	21	4 %	85 %
\$244.7	9	6	14	6 %	91 %
\$403.4	7	2	8	4 %	95 %
\$665.1	5	0	5	3 %	98 %
\$1,096.6	2	0	2	1 %	99 %
\$1,808.0	1	0	1	1 %	100 %

Total #	162	276	438
Total \$ Value	\$21,726	\$8,219	\$29,944

■ Middle 3rd of Industry ■ Middle 2/3rds of Industry

Figure 4. Represents data in the bell curve-histogram, including both actual and projected acquisition values.

TRANSACTION VOLUME COMPARISON | January 1, 2006 through December 31, 2008

Transaction Type

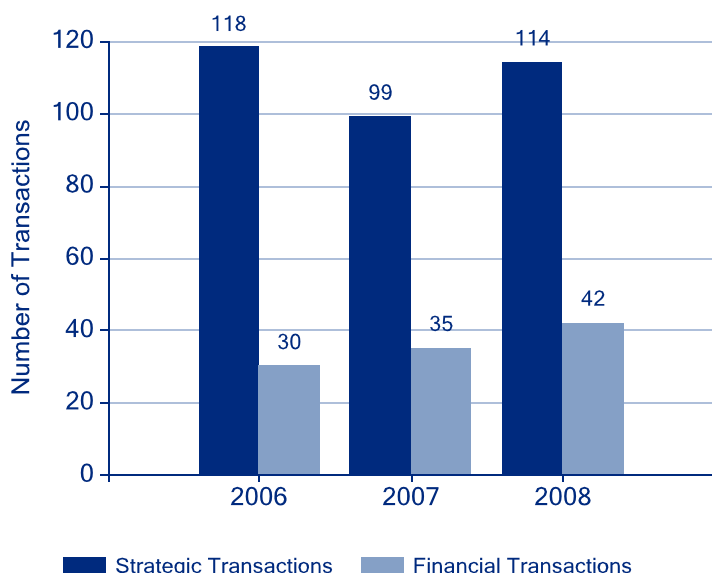


Figure 5. For 2008, we recorded a total of 156 transactions within the pharma and healthcare information and technology market, which represented an increase of 16% from the 134 transactions recorded for 2007.

Of the 156 total transactions recorded in 2008, 42 (27%) were made by financial acquirers. It is important to note that the majority of these occurred in the first half of 2008. We observed a decrease in financial transactions in the second half of 2008.

M&A Dynamics By Transaction Type

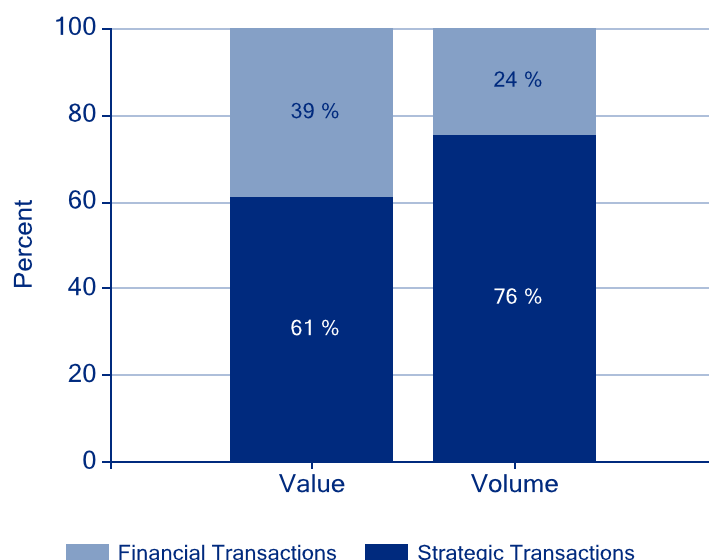


Figure 6. We recorded a total of 438 transactions for the pharma and healthcare information and technology market between 2006-2008. Financial buyers represented 24% of the volume and 39% of the value for this 3-year period.

Top Ten Notable Transactions 2008

Deal Date	Target Name	Buyer	Value MM US\$
04/11/08	TriZetto Group, Inc.	Apax Partners	\$1,259
04/08/08	eScription, Inc.	Nuance Communications, Inc.	\$362
04/29/08	Accuro Healthcare Solutions, Inc.	MedAssets Inc.	\$353
02/25/08	National Medical Health Card Systems, Inc.	SXC Health Solutions Inc.	\$213
06/13/08	ClinPhone plc	PAREXEL International Corporation	\$192
02/22/08	Doctissimo	Lagardère Active	\$182
06/18/08	MEDecision, Inc.	Health Care Service Corporation	\$114
03/18/08	Allscripts Healthcare Solutions	Misys Healthcare Systems	N/A
01/31/08	Press Ganey Associates, Inc.	Vestar Capital Partners	N/A
09/04/08	UpToDate	Wolters Kluwer Health	N/A
2008 Aggregate Transaction Value			\$8,889
Top 7 Aggregate Transaction Value			\$2,675
Top 7 Aggregate Value as a Percentage of All Transactions			30 %

Figure 7. Full Year 2008

Transactions listed as N/A have a value within the range of the other listed transactions but their values have not been publicly disclosed. Their rank on the list does not indicate relative transaction size. Transactions marked N/A are automatically listed in alphabetical order by target after transactions with publicly disclosed values.

N/A: If the price is listed as N/A, Berkery Noyes did not calculate that value into the aggregate.

Median EV/Revenue Multiples By Size

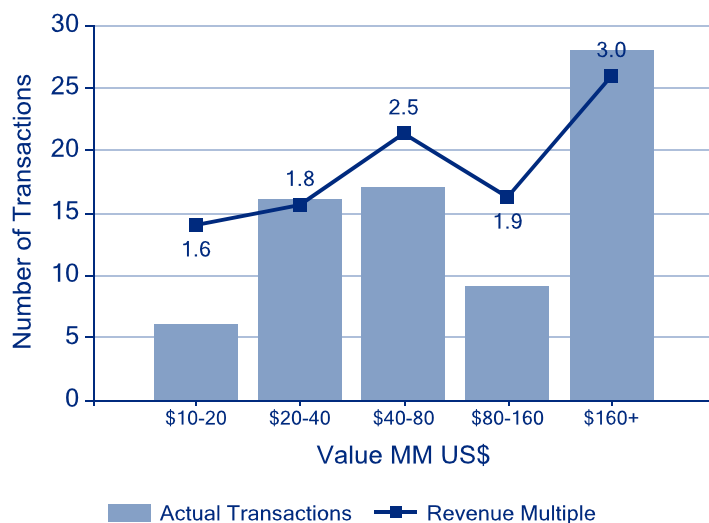


Figure 8. Presents the median enterprise value/revenue multiples paid for pharma and healthcare information and technology companies during 2006-2008 based on publicly available sales price and revenue data. The vertical axis shows the number of transactions. The horizontal axis shows enterprise value ranges. The line graph represents the median enterprise value/revenue multiple in each size range of announced transactions.

This chart is an amalgam of all the market segments that we track. Individual market segments vary and may have higher or lower median multiples.

NUMBER OF TRANSACTIONS BY SEGMENT | January 1, 2006 through December 31, 2008

Transactions By Market Segment

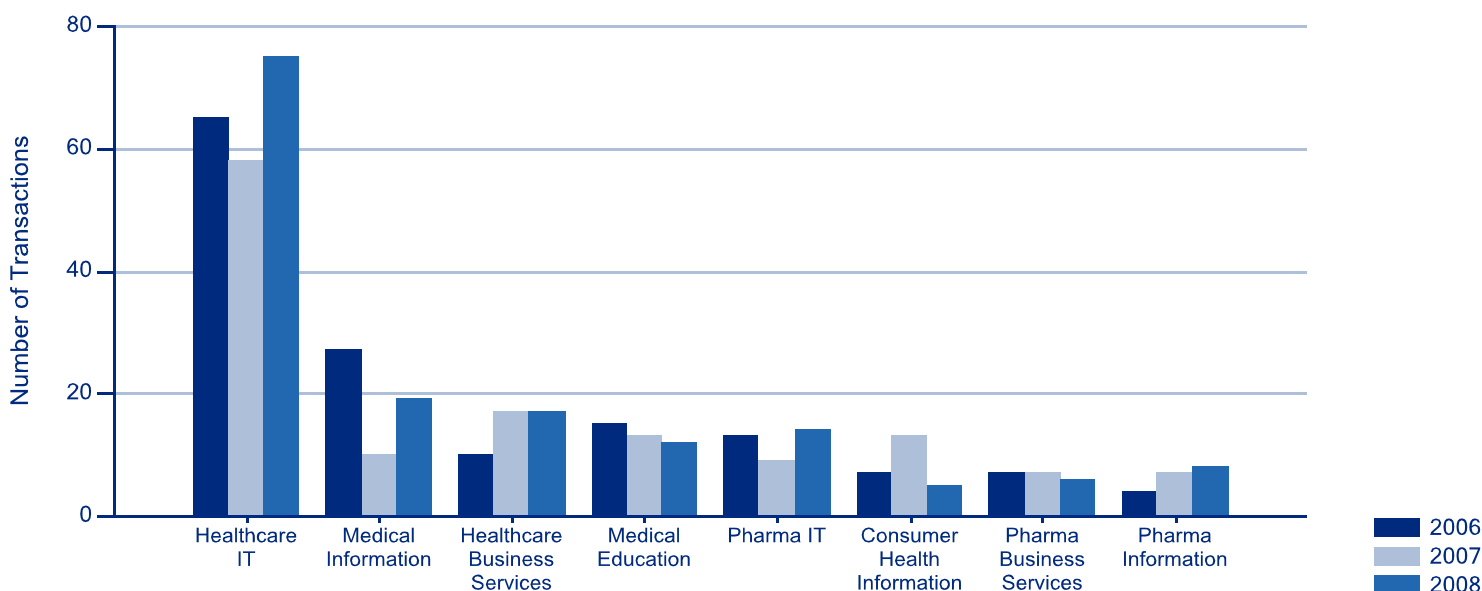


Figure 9. Presents the transaction volume by market segment for 2006, 2007 & 2008.

About Berkery Noyes

Founded in 1980, Berkery Noyes is the leading independent investment bank specializing in the information content and technology industries.

The firm has initiated, managed and closed more than 450 merger and acquisition transactions for privately held and publicly traded companies in the business, technology, education, health, financial and legal information segments. Berkery Noyes is unique among investment banking firms in that we combine truly independent strategic research and industry intelligence with senior information banking expertise. With no equity fund or brokerage business to manage, our partners and investment banking professionals are one hundred percent focused on M&A advisory services. Berkery Noyes employs over 40 individuals with deep industry knowledge and experience who strive to exceed our clients' expectations by maximizing the full value of their information technology and content assets.

All charts in this report are based on data gathered by Berkery, Noyes. For current information ask for our Weekly Deal Report. You'll find a link to it at www.berkerynoyes.com. Click on the "Weekly Deal Reports" tab to sign up.

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THOMAS P. O'CONNOR | *Managing Director*

Tom is a Managing Director at Berkery, Noyes & Co., LLC with 20 years experience in investment banking and Finance/ Public Accounting. Tom focuses principally on mid-market healthcare M&A transactions. He joined BNC in 2000 from prior positions including 2 years at a media buyout fund and 7 years in Public Accounting. Some of his recent notable transactions include the sales of: Princeton Media Associates to HMP Communications & NACCME; HCPRO Holdings, Inc to Halyard Capital; CenterWatch/NEIRB, a division of Thomson Healthcare, to Jobson Medical; HMP Communications to Alta Communications; Complete Healthcare Communication to MediMedia/Vestar Capital Partners; American Health Consultants (A Thomson Corporation unit) to The Thompson Group, Current Medicine Group sold to Springer Science+Business (Cinven); and Physicians' Education Resource and Cancer Information Group sold to Providence Equity.

JEFFREY SMITH | *Managing Director*

Jeff is a Managing Director at Berkery Noyes. He specializes in advising providers of information, data, science, technology, analytics, workflow optimization, e-learning, and decision-support solutions for healthcare, the physician and patient communities, the pharmaceutical and biotechnology industries, and life sciences research. His recent transactions include the sale of Conceptis Technologies to WebMD Health, the sale of Arlington Medical Resources (AMR) to Decision Resources/Providence Equity, and the sale of Complete Healthcare Communications to MediMedia USA. Jeff is the former President and CEO of Lippincott Williams and Wilkins, the international medical and pharmaceutical publisher. Prior to Lippincott, Jeff was President of Kluwer Academic Publishers, the science publisher headquartered in the Netherlands.

JOHN GUZZO | *Director*

John has 14 years of merger and acquisition taxation and investment banking experience. He previously held managerial roles at both Ernst and Young and Giuliani Capital Advisors. Notable transactions include: the sale of Princeton Media Associates to HMP Communications & NACCME; the sale of HCPRO Holdings, Inc. to Halyard Capital; the sale of The Gordian Group to The Wicks Group; the sale of CenterWatch/NEIRB, a division of Thomson Healthcare, to Jobson Medical; the sale of HMP Communications to Alta Communications; and the sale of Endeavor Information Systems Inc., a division of Reed Elsevier, to Francisco Partners.

MAI-ANH TRAN | *Director*

Mai-Anh joined Berkery Noyes as a Vice President in 2004. She was previously with Veronis Suhler Stevenson, where she provided mergers, acquisitions and financing advisory to clients in the media industries. She has over eight years of experience in corporate finance and mergers and acquisitions, including her previous position at Credit Suisse First Boston. Mai-Anh focuses primarily on the healthcare and pharma information and technology sectors with significant transactions that include the sale of Arlington Medical Resources to Decision Resources, a portfolio company of Providence Equity; the sale of Lawrence Erlbaum & Associates to Informa; the sale of Conceptis Technologies to WebMD; and the sale of Boucher Communications to Wolters Kluwer.

JAMES KIM | *Business Development & Research*

JOSEPH BERKERY | *Chief Executive Officer*

JOHN SHEA | *Chief Operating Officer*

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