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PHARMA AND HEALTHCARE INFORMATION AND TECHNOLOGY MARKET

1st Half 2010 Key Highlights

- The largest transaction by value was the announced acquisition of Allscripts-Misys Healthcare Solutions, Inc. by Eclipsys Corporation for \$1.27 billion.
- The largest segment by transaction volume was Healthcare IT, with 50 transactions.
- Of the top ten transactions by value, three were financially sponsored transactions: Thomas H. Lee Partners, L.P.'s pending acquisition of inVentiv Health, Inc., for \$909 million, Providence Equity Partners' pending acquisition of Virtual Radiologic Corporation for \$282 million, and OMERS Private Equity's pending acquisition of Logibec Groupe Informatique Ltd. for \$225 million.

1st Half 2010 Key Trends

- Total transaction volume in 1st Half 2010 increased by 6 percent over 2nd Half 2009 from 108 in 2009 to 115 in 2010.
- Total transaction value in 1st Half 2010 increased by 32 percent over 2nd Half 2009, from \$5.34 billion in 2009 to \$7.07 billion in 2010.
- Revenue multiples in the industry experienced a 29% half-to-half increase from 1.4 in 2nd Half 2009 to 1.8 in 1st Half 2010. This is a 64% increase from the low of 1.1 in 1st Half 2009.

M&A Market Overview

Berkery Noyes tracked 521 transactions between 2008 and 1st Half 2010, of which 179 disclosed financial terms, and calculated the aggregate transaction value to be \$17.43 billion. Based on known transaction values, we project the value of the 342 undisclosed transactions to be \$4.75 billion for a combined total transaction value of \$22.18 billion within the industry over the past 30 months.

The largest transaction by volume between 2008 and 1st Half 2010 was TPG Capital and CCP Investment Board's acquisition of IMS Health Inc. for \$4.01 billion.

The most active buyer the past 30 months was Welsh, Carson, Anderson & Stowe with 8 transactions in the Healthcare Industry.

M&A Market Dynamics By Half Year

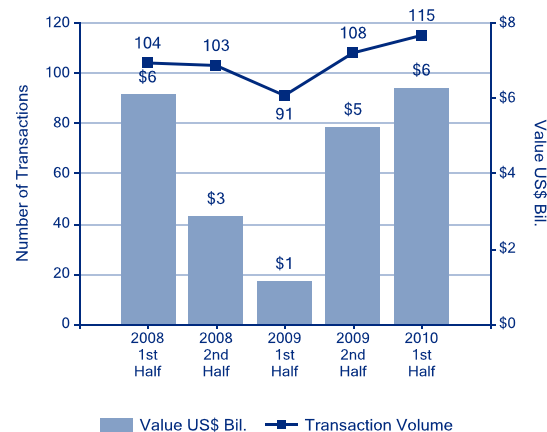


Figure 1. 2008 - 2010 value and volume comparison by half.

Median Enterprise Value Multiples By Half Year

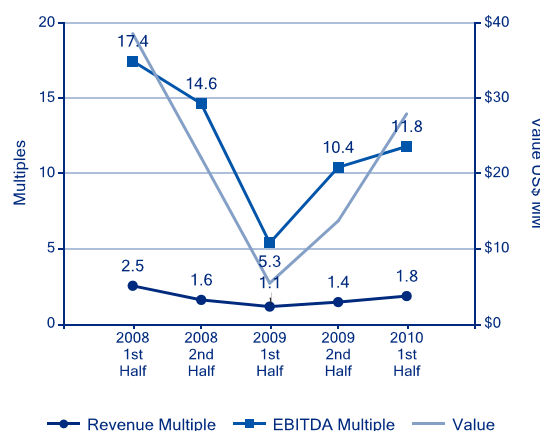


Figure 2. 2008 - 2010 median: Value, Revenue, EBITDA comparison by half.

Bell Curve - Histogram - 1st Half

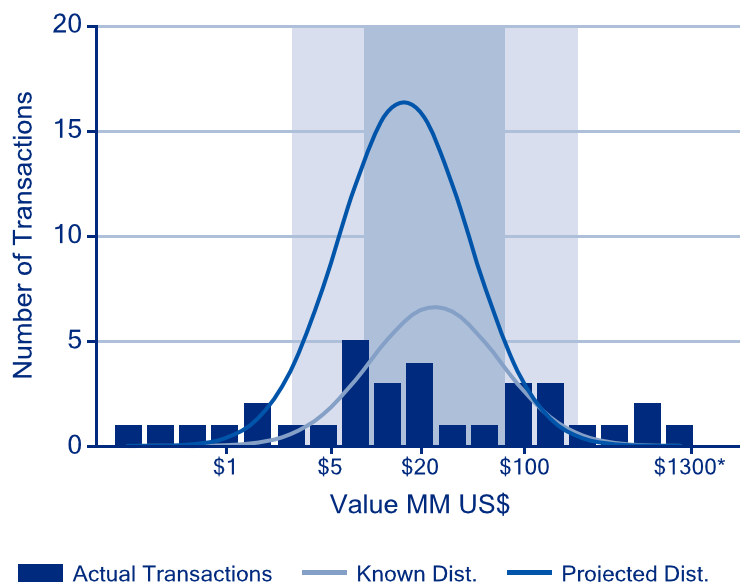


Figure 3. Shows distribution among healthcare industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had enterprise values of \$1.0 million to \$244.7 million. Based on this data, we estimate the total transaction value of deals done in the 1st Half of 2010 at 6.3 billion.

* Indicates largest transaction in the industry from Jan. 1 through June 30, 2010.

Distribution Table - 1st Half

| Value in MM US\$ | Known Number | Projected Number | Total Number | % | Cumulative % |
|---|--------------|------------------|--------------|------|--------------|
| \$0.2 | 1 | 0 | 1 | 3 % | 3 % |
| \$0.4 | 1 | 0 | 1 | 3 % | 6 % |
| \$0.6 | 1 | 0 | 1 | 3 % | 9 % |
| \$1.0 | 1 | 0 | 1 | 3 % | 12 % |
| \$1.6 | 2 | 1 | 3 | 6 % | 18 % |
| \$2.7 | 1 | 4 | 4 | 3 % | 21 % |
| \$4.5 | 1 | 8 | 8 | 3 % | 24 % |
| \$7.4 | 5 | 12 | 17 | 15 % | 39 % |
| \$12.2 | 3 | 16 | 18 | 9 % | 48 % |
| \$20.1 | 4 | 16 | 19 | 12 % | 61 % |
| \$33.1 | 1 | 12 | 13 | 3 % | 64 % |
| \$54.6 | 1 | 7 | 8 | 3 % | 67 % |
| \$90.0 | 3 | 4 | 6 | 9 % | 76 % |
| \$148.4 | 3 | 1 | 4 | 9 % | 85 % |
| \$244.7 | 1 | 0 | 1 | 3 % | 88 % |
| \$403.4 | 1 | 0 | 1 | 3 % | 91 % |
| \$665.1 | 2 | 0 | 2 | 6 % | 97 % |
| \$1,096.6 | 1 | 0 | 1 | 3 % | 100 % |
| Total # | 33 | 82 | 115 | | |
| Total \$ Value | \$4,976 | \$1,284 | \$6,261 | | |
| <div> <div></div> Middle 3rd of Industry <div></div> Middle 2/3rds of Industry </div> | | | | | |

Figure 4. Presents the data depicted in the bell curve histogram.

note: The projected number column is rounded as result of the Gaussian projection and may produce insignificant errors in the total sum.

STRATEGIC VS FINANCIAL COMPARISON

M&A Dynamics By Transaction Type - 1st Half

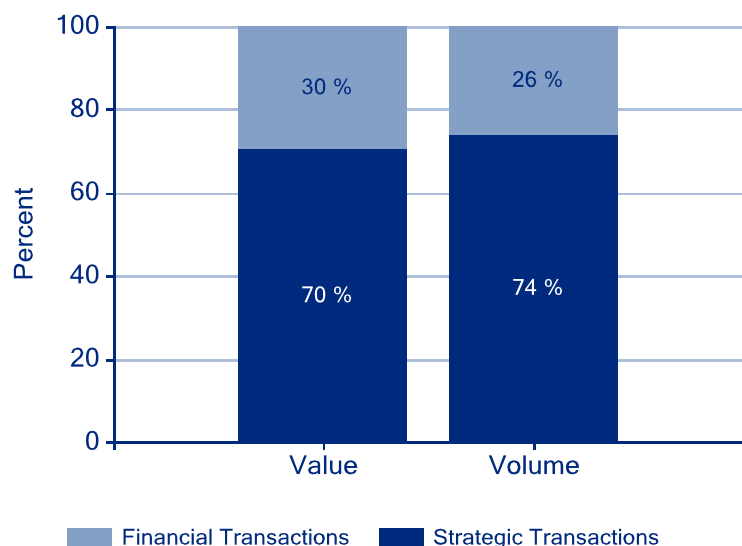


Figure 5. Out of the 115 transactions tracked by Berkery Noyes in the 1st Half of 2010, we found that financially sponsored transactions accounted for 26% of the volume or 30 transactions and 30% of the value or \$1.9 billion.

note: financially sponsored transactions include PE-backed strategic acquisitions.

Transaction Type By Half Year

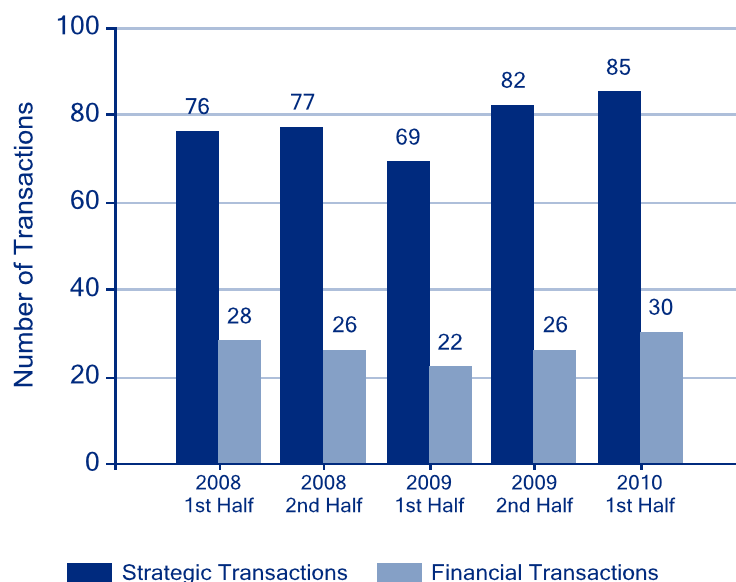


Figure 6. Of the 115 total transactions recorded in the 1st Half of 2010, 85 were made by strategic acquirers and 30 by financial acquirers.

PURCHASER ANALYSIS

Top Ten Notable Transactions - 1st Half 2010

| Deal Date | Target Name | Buyer | Value MM US\$ |
|--|--|---|---------------|
| 06/09/10 | Eclipsys Corporation | Allscripts-Misys Healthcare Solutions, Inc. | \$1,273 |
| 05/06/10 | inVentiv Health, Inc. | Thomas H. Lee Partners, L.P. | \$909 |
| 04/16/10 | Phase Forward | Oracle Corporation | \$699 |
| 06/09/10 | Healthcare Solutions Holding | Cardinal Health, Inc. | \$517 |
| 05/17/10 | Virtual Radiologic Corporation | Providence Equity Partners | \$282 |
| 05/27/10 | Logibec Groupe Informatique, Ltd. | OMERS Private Equity | \$225 |
| 03/05/10 | AMICAS, Inc. | Merge Healthcare Incorporated | \$222 |
| 01/07/10 | Healthvision Solutions, Inc. | Lawson Software | \$170 |
| 01/19/10 | Health Information Management Business from Unisys Corporation | Molina Healthcare, Inc. | \$135 |
| 02/03/10 | Spheris, Inc. | MedQuist Inc. | \$116 |
| 2010 Aggregate Transaction Value | | | \$6,261 |
| Top 10 Aggregate Transaction Value | | | \$4,548 |
| Top 10 Aggregate Value as a Percentage of All Transactions | | | 73 % |

Figure 7. Lists the top ten announced transactions in the 1st Half of 2010 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown on Figure 1 & 4.

note: Transactions data based on announcement date.

Median EV/Revenue Multiples By Size

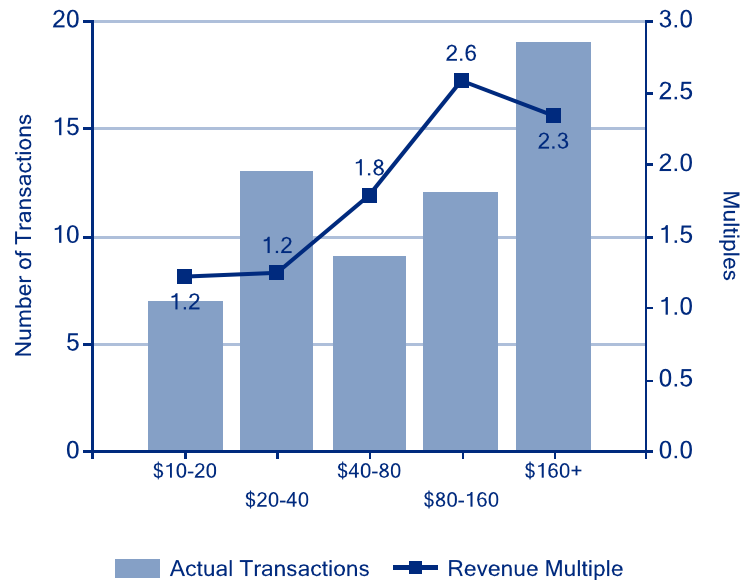


Figure 8. Presents the median enterprise value/revenue multiples of transactions in the healthcare industry based on publicly available data between January 2008 and June 2010.

TRANSACTION VOLUME BY SEGMENT | January 1, 2008 through June 30, 2010

Transactions By Market Segment By Half Year

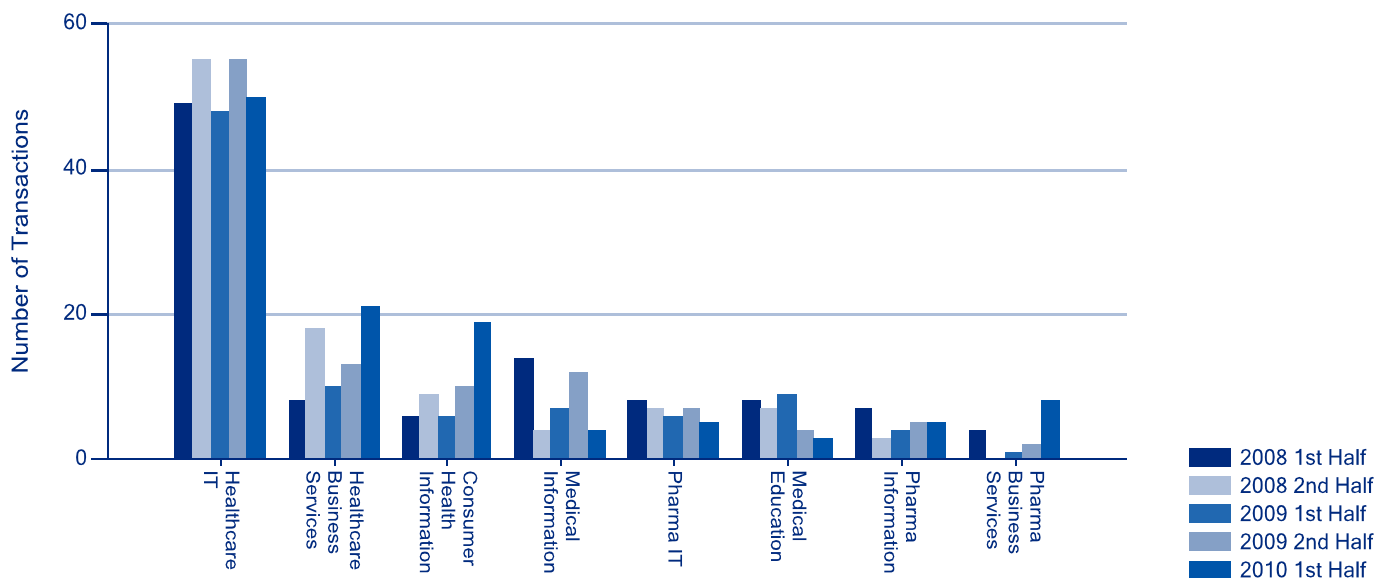


Figure 9. Presents the transaction volume by target segments within the healthcare industry for January 1, 2008 through June 30, 2010.

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 475 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 technology 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 research department. All time period statistics are based on the transaction announcement date.

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Contact us for a confidential discussion of your strategic options

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