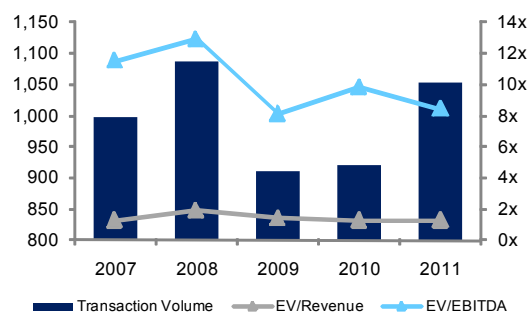


Overall M&A activity within the Healthcare Providers and Services sector increased by 14.5% over the last twelve months ending June 30, 2011 with 1053 deals reported compared to 920 deals completed during the same period last year. Median Enterprise Value ("EV") multiples were at 1.3X Revenue and 8.4X EBITDA.

**QUARTERLY TRANSACTION METRICS**

Aggregate Industry Metrics	Q3 '10	Q4 '10	Q1 '11	Q2 '11
M&A - United States Domestic	99	119	126	104
M&A - Cross Border Global	145	159	162	139
Median EV/EBITDA	6.1x	9.9x	9.0x	10.4x
Median EV/Revenue	0.8x	1.3x	1.5x	1.3x
Median Value (\$MM)	\$17.1	\$18.0	\$25.9	\$21.2
<b>Sub-Sector Transaction Totals</b>				
Healthcare Services	53	60	48	41
Healthcare Facilities	109	132	151	128
Healthcare Distributors	68	58	60	57
Managed Healthcare	14	28	29	17

**LTM TRANSACTION METRICS AS OF 06/30**



Based upon Mosaic Capital research. Includes all companies with operations in a particular subsector. Valuation multiples include public transactions and premiums for control, which can vary significantly between public and private companies. Private company transactions also typically include valuation discounts for limited liquidity due to a lack of a public market.

**About Mosaic Capital**

Since 1989 Mosaic Capital LLC has assisted owners and managers of private and public middle market companies with the institutional private placement of debt and equity, mergers and acquisitions, valuations and strategic advisory services. Mosaic Capital is the California representative office of IMAP, a global organization of leading merger and acquisition advisory firms located in 30 countries. IMAP firms have completed more than 2,000 transactions exceeding \$60 billion in transaction value since 2000, and are ranked 4th worldwide in the Thomson Reuters league tables for 2010. The private placement of debt and equity is provided through our affiliate Mosaic Capital Securities LLC (member FINRA/SIPC).

Mosaic Capital is active in the following sub-sectors within the Healthcare Providers and Services sector. We are available to discuss trends within these sub-sectors with owners and management teams, as well as their advisors.

**Healthcare Facilities:**

- Assisted Living Facilities and Services
- Hospitals and Healthcare Centers
- Veterinary Services and Animal Hospitals

**Managed Healthcare:**

- Medical Practice Organizations
- Primary Care Practitioner Services

**Healthcare Distributors:**

- Healthcare Equipment Distribution
- Pharmaceutical Product Distribution

**Healthcare Services:**

- Dental Services
- Healthcare Provider Support Persons
- Healthcare Provider Specialist Services
- Healthcare Referral Services
- Medical Doctor Specialist Services
- Medical Laboratory Services
- Mental Care Facilities
- Rehabilitation Services

**MERGERS & ACQUISITIONS - FINANCING - VALUATION**

For more information contact Gordon Gregory, Garry Michael Kann or Stan Deakin at 310.432.6777

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