

PHARMA AND HEALTHCARE INFORMATION AND TECHNOLOGY MARKET

IN THIS ISSUE

M&A Market Overview

Figure 1. M&A Market Dynamics

Figure 2. Median Enterprise Values

Transaction Analysis

Figure 3. Bell Curve Histogram

Figure 4. Distribution Table

Transaction Volume Comparison

Figure 5. Transaction Type

Figure 6. M&A Dynamics By Transaction Type

Purchaser Analysis

Figure 7. Top Ten Notable Transactions

Figure 8. Median Enterprise Value/Revenue Multiples By Size

Number of Transactions

Figure 9. Transactions By Market Segment

BERKERY NOYES

is the leading independent investment bank providing M&A transaction services, strategic research and industry intelligence to the technology and information industries.

To receive our White Paper reports, Trend Analyses, Weekly Deal Reports, or to arrange a confidential discussion with a senior investment

banker, contact us at:

212.668.3022 or

www.berkerynoyes.com

2009 Key Highlights

- The largest transaction for 2009 was TPG Capital and CPP Investment Board who will acquire IMS Health Incorporated for \$4.01 billion.
- The most active buyers in the Healthcare Information & Technology Industry by way of volume of transactions either purchased direct or through partner or affiliated business announced for 2009 each with 3 transactions to their credit were Veronis Suhler Stevenson, UnitedHealth Group, General Atlantic, LLC, Francisco Partners and Phase Forward.

2009 VS 2008 Key Trends

- Total transaction volume in 2009 decreased by 12 percent over 2008 from 209 in 2008 to 184 in 2009.
- Total transaction value in 2009 decreased by 16 percent over 2008, from \$9.43 billion in 2008 to \$7.89 billion in 2009.
- The segment with the largest decrease in volume in 2009 over 2008 was Medical Education with a 27 percent decrease from 15 transactions in 2008 to 11 transactions in 2009.
- Financially sponsored transactions represented 24 percent of the volume and 65 percent of the value for 2009 as opposed to 26 percent of the volume and 31 percent of the value for 2008. This is a decrease of 9 percent in market share volume and an increase of 107 percent in market share value from 2008 to 2009. Financially backed transactions are increasing in size, but there are fewer deals than last year.

M&A MARKET OVERVIEW

Out of 581 transactions tracked by Berkery Noyes between 2007 and 2009 we determined the aggregate transaction values paid for transactions, where the values of 210 were disclosed (known), to be \$21.10 billion. Based on known transaction values, using a histogram on a logarithmic scale, we project values of 371 undisclosed (unknown) transactions to be \$5.83 billion for a combined total of \$26.93 billion worth of transactions tracked over the past three years.

Berkery Noyes determined that nearly one-third of companies we observed have revenues of \$4 million to \$20 million.

Transactions receiving transaction values greater than \$160 million garnered the higher median enterprise value multiple of 2.83 times revenue which is 143 percent greater than companies who received transaction values of \$10 to \$20 million which captured a median transaction value of 1.16 times revenue.

M&A Market Dynamics

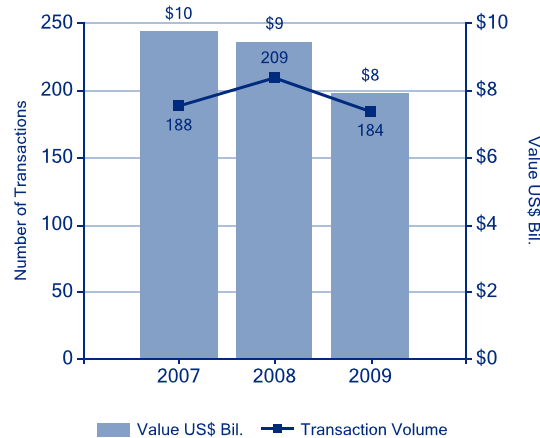


Figure 1. 2007-2009 value and volume comparison

Median Enterprise Value Multiples

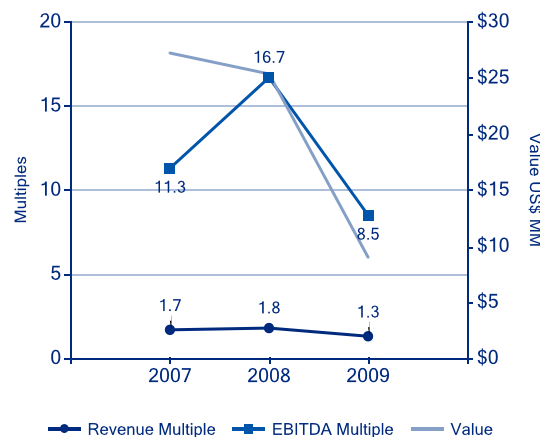


Figure 2. 2007-2009 median: Value, Revenue multiple, EBITDA multiple comparison.

TRANSACTION ANALYSIS | Actual and projected January 1, 2009 - December 31, 2009

Bell Curve - Histogram

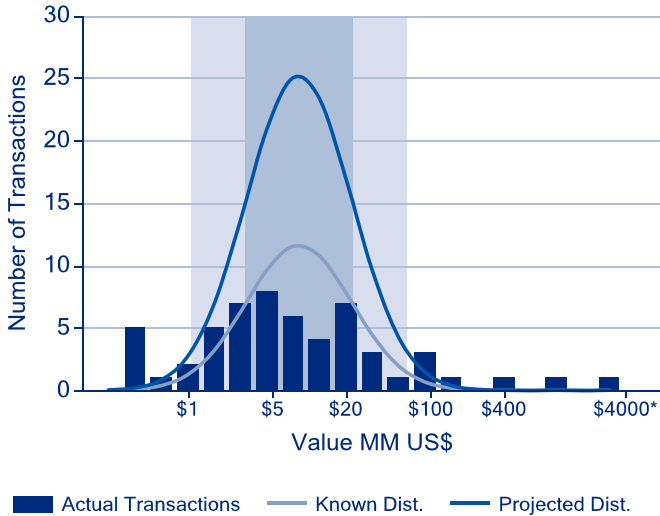


Figure 3. Shows distribution among software industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined the middle thirds of companies purchased had transaction values of \$1.6 million to \$12.2 million. Based on these data, we estimate the total transaction value of deals done from Jan. 1 to Dec. 31, 2009 at \$7,891 million.

* Indicates largest transaction in the industry for 2009

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	0	0	0	0 %	0 %
\$0.4	5	0	5	9 %	9 %
\$0.6	1	1	1	2 %	10 %
\$1.0	2	3	4	3 %	14 %
\$1.6	5	7	11	9 %	22 %
\$2.7	7	14	20	12 %	34 %
\$4.5	8	21	28	14 %	48 %
\$7.4	6	25	31	10 %	59 %
\$12.2	4	23	27	7 %	66 %
\$20.1	7	17	23	12 %	78 %
\$33.1	3	10	12	5 %	83 %
\$54.6	1	4	5	2 %	84 %
\$90.0	3	1	4	5 %	90 %
\$148.4	1	0	1	2 %	91 %
\$244.7	0	0	0	0 %	91 %
\$403.4	1	0	1	2 %	93 %
\$665.1	0	0	0	0 %	93 %
\$1,096.6	1	0	1	2 %	95 %
\$1,808.0	0	0	0	0 %	95 %
\$2,981.0	1	0	1	2 %	97 %
Total #	58	126	184		
Total \$ Value	\$6,848	\$1,043	\$7,891		

■ 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

M&A Dynamics By Transaction Type

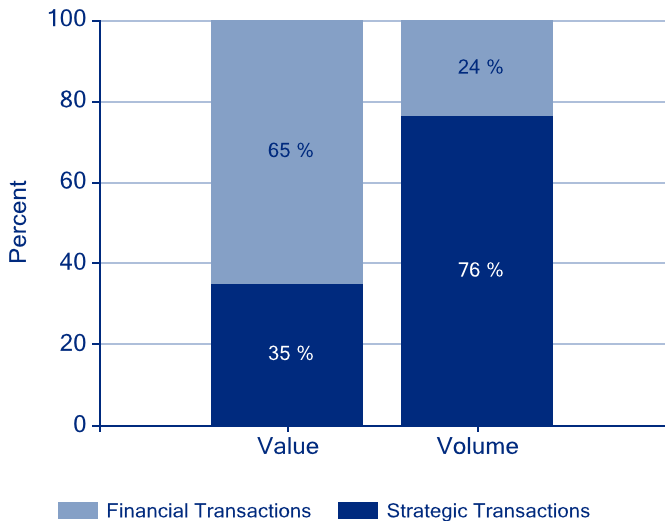


Figure 5. Out of 184 transactions tracked by Berkery Noyes in 2009 we found that financially sponsored transactions accounted for 24 percent of the volume or 44 transactions and greater than 65 percent of the value or \$5.46 billion.

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

Transaction Type

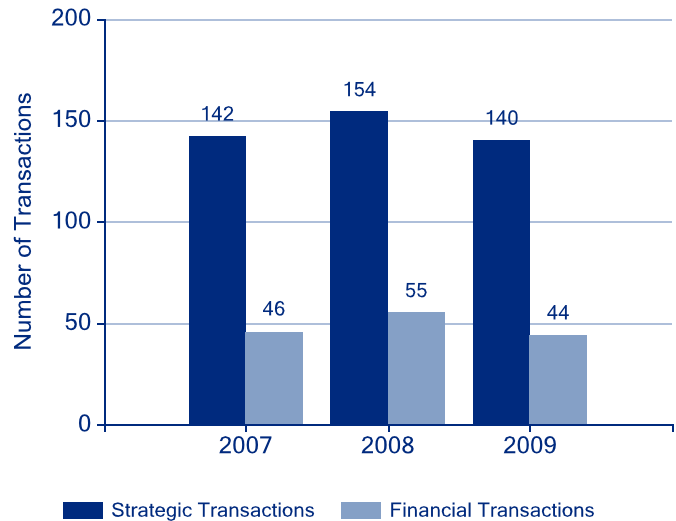


Figure 6. Financially sponsored transactions represented 24 percent of the volume and 65 percent of the value for 2009 as opposed to 26 percent of the volume and 31 percent of the value for 2008.

Top Ten Notable Transactions 2009

Deal Date	Target Name	Buyer	Value MM US\$
11/05/09	IMS Health Incorporated	TPG Capital, CPP Investment Board	\$4,014
06/01/09	AIM Healthcare Services, Inc.	Ingenix, Inc.	\$440
12/28/09	AMICAS, Inc.	Thoma Bravo, LLC	\$189
12/14/09	STARLIMS	Abbott Laboratories	\$118
07/02/09	Electronic Rx Network, LLC	Emdeon Business Services	\$100
12/08/09	QuadraMed Corporation	Francisco Partners	\$71
01/14/09	D2Hawkeye, Inc.	Verisk Health, Inc.	\$52
03/31/09	Argus Health Systems, Inc.	DST Systems, Inc.	\$48
06/18/09	HLTH Corporation	WebMD Corporation	N/A
03/23/09	Relsys International, Inc.	Oracle Corporation	N/A
2009 Aggregate Transaction Value			\$7,891
Top 8 Aggregate Transaction Value			\$5,031
Top 8 Aggregate Value as a Percentage of All Transactions			64 %

Figure 7. Lists the top ten transactions for 2009 and calculates their aggregate transaction value as a percentage of the 2009 total aggregate transaction value as shown on Figure 1 & 4.

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

note: Transactions data based on announced date.

Median EV/Revenue Multiples By Size

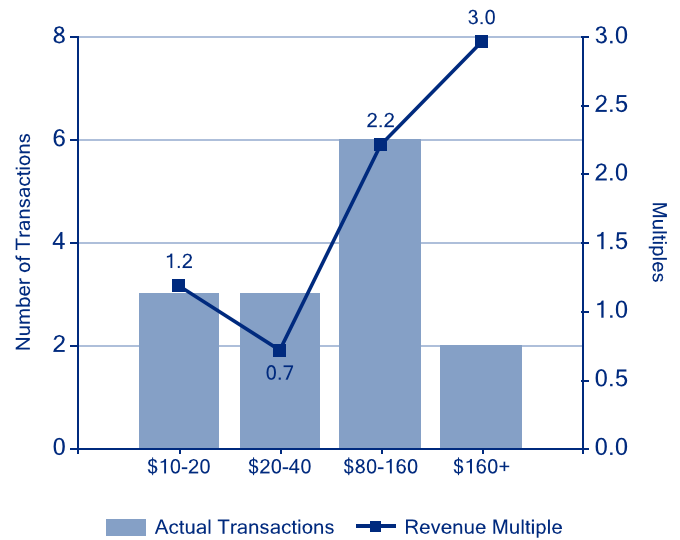


Figure 8. Presents the median enterprise value/revenue multiples paid for pharma and healthcare information and technology companies during 2007-2009 based on publicly available sales price and revenue data. The vertical axis shows the number of transactions. The horizontal axis shows enterprise value 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, 2007 through December 31, 2009

Transactions By Market Segment

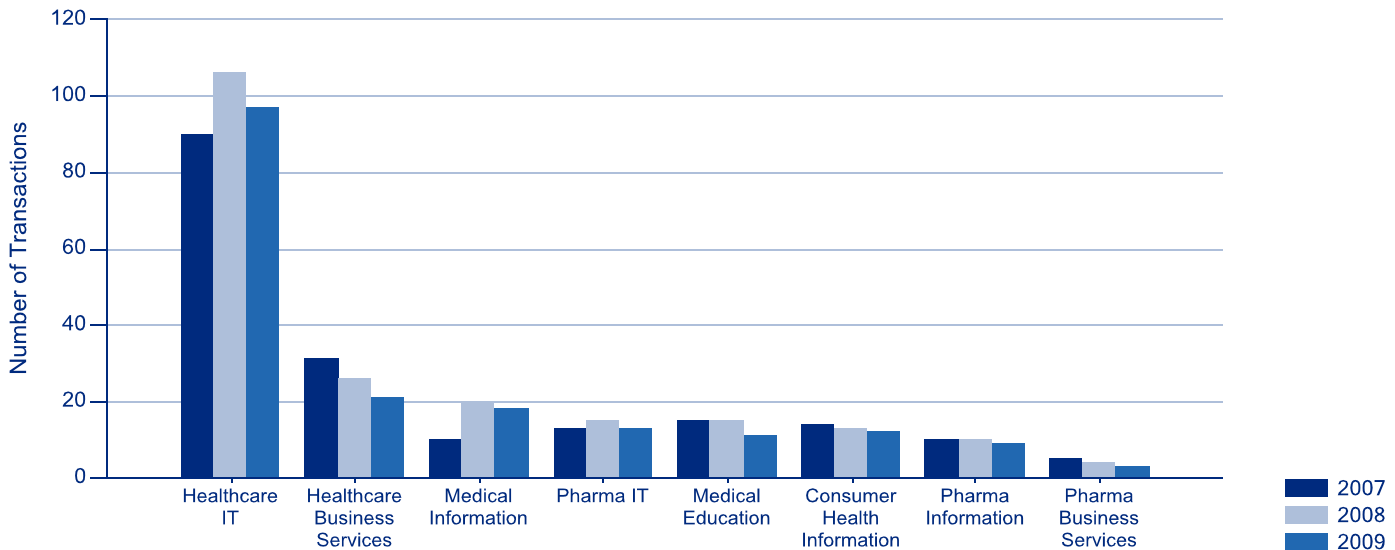


Figure 9. Presents the transaction volume by market segment for 2007-2009.

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 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 30 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. All transaction statistics are based on announcement date. 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.

Contact us today for a confidential discussion of your strategic options.

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.

JOSEPH BERKERY | *Chief Executive Officer*

JOHN SHEA | *Chief Operating Officer*

BERKERYNOYES

INVESTMENT BANKERS

berkerynoyes.com | One Liberty Plaza | New York, New York 10006 | [212.668.3022](tel:212.668.3022)