



HEALTHCARE/PHARMA INFORMATION AND TECHNOLOGY INDUSTRY

1ST HALF 2012 :: Mergers and Acquisitions Trend Report

1ST HALF 2012 KEY HIGHLIGHTS

- Veritas Capital Partners' acquisition of Thomson Reuters' Healthcare Business, a subsidiary of Thomson Reuters, was the largest transaction for 1st Half 2012, with an acquisition price of \$1.25 billion.
- The most active strategic acquirers were Medical Transcription Billing Corp., T-System Technologies, Ltd., and Sharecare, Inc. with three acquisitions each.
- The most active financial acquirers in the industry, including acquisitions made by their portfolio companies, were Apax Partners, Thomas H. Lee Partners, L.P., and TPG Capital with three acquisitions each.

1ST HALF 2012 KEY TRENDS

- Total transaction volume in 1st Half 2012 increased by 28 percent over 2nd Half 2011, from 153 to 196.
- Total transaction value in 1st Half 2012 decreased by 14 percent over 2nd Half 2011, from \$5.92 billion to \$5.07 billion.
- The median revenue multiple remained constant at 2.2x, rising from 1.5x in 1st Half 2011. The median EBITDA multiple fell from 13.7x in 2nd Half 2011 to 12.2x in 1st Half 2012. However, the median value rose significantly over the last six months.

M&A MARKET OVERVIEW

Berkery Noyes tracked 774 transactions between 2010 and 1st Half 2012, of which 228 disclosed financial terms, and calculated the aggregate transaction value to be \$23.34 billion. Based on known transaction values, we project values of 546 undisclosed transactions to be \$3.48 billion, totaling \$26.55 billion worth of transactions tracked over the past two and a half years.

Out of 774 transactions tracked by Berkery Noyes in this report, we found that 190 financially sponsored transactions accounted for 24 percent of the total transactions, yet they totaled \$11.20 billion, representing 42 percent of aggregate transaction value during this timeframe.

M&A Market Dynamics By Half Year

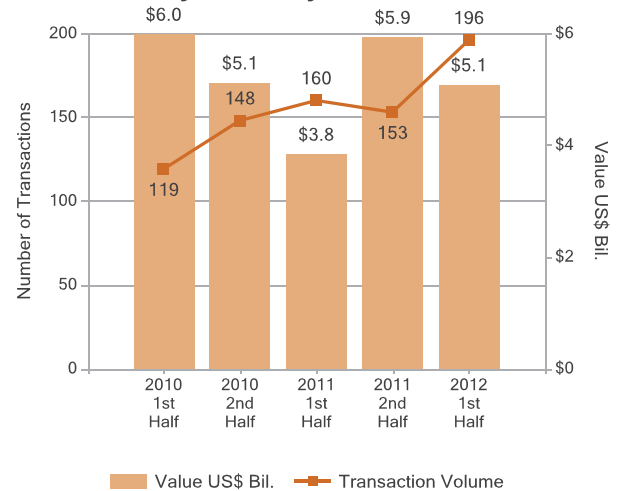


Figure 1. 2010 - 2012 value and volume comparison by half year.

Median Enterprise Value Multiples By Half Year

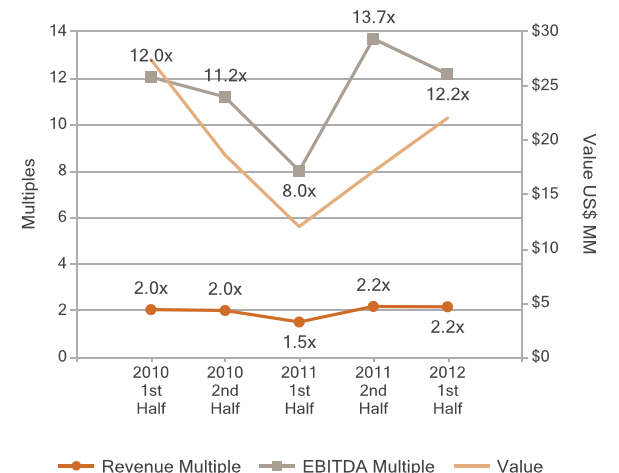


Figure 2. 2010 - 2012 median: value, revenue, EBITDA comparison by half year.

Transaction Analysis :: January 1, 2012 – June 30, 2012

Bell Curve - Histogram - 1st Half

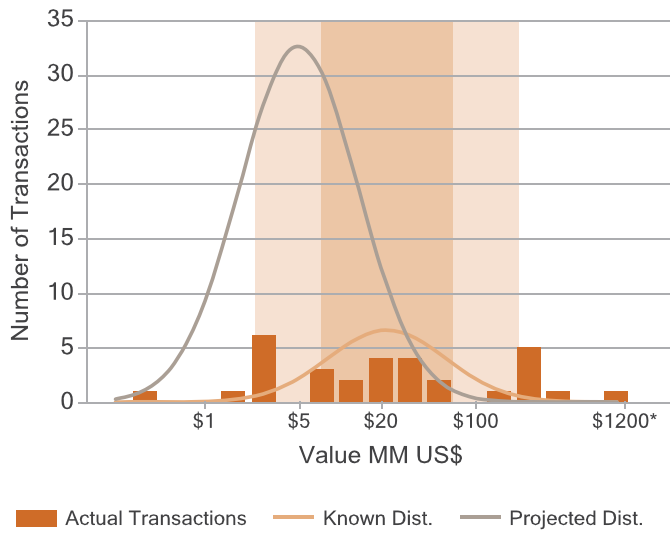


Figure 3. Shows distribution of Healthcare/Pharma Information and Technology Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$12.2 million or more. Based on this data, we estimate the total transaction value of deals done in 1st Half 2012 at \$5.1 billion.

* Indicates largest transaction in the industry from Jan. 1, 2012 to June 30, 2012.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	0	0	0	0 %	0 %
\$0.4	1	1	2	3 %	3 %
\$0.6	0	4	3	0 %	3 %
\$1.0	0	9	9	0 %	3 %
\$1.6	1	18	18	3 %	6 %
\$2.7	6	27	33	18 %	24 %
\$4.5	0	32	32	0 %	24 %
\$7.4	3	30	33	9 %	33 %
\$12.2	2	22	23	6 %	39 %
\$20.1	4	12	16	12 %	52 %
\$33.1	4	5	9	12 %	64 %
\$54.6	2	2	3	6 %	70 %
\$90.0	0	0	0	0 %	70 %
\$148.4	1	0	1	3 %	73 %
\$244.7	5	0	5	15 %	88 %
\$403.4	1	0	1	3 %	91 %
\$665.1	0	0	0	0 %	91 %
\$1,096.6	1	0	1	3 %	94 %
Total #	33	163	196		
Total \$ Value	\$4,255	\$812	\$5,067		
Middle 3rd of Industry		Middle 2/3rds of Industry			

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

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

Strategic vs. Financial Comparison

M&A Dynamics By Transaction Type - 1st Half

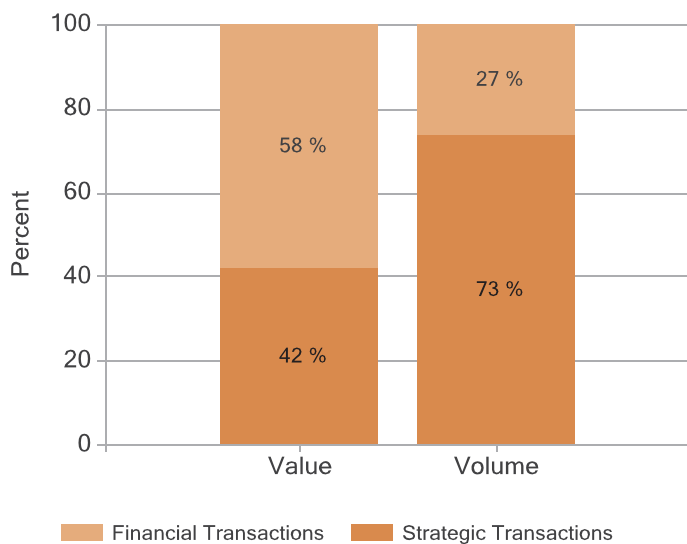


Figure 5. 1st Half 2012 value and volume comparison by acquirer type.

Note: Financially sponsored transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

Transaction Type By Half Year

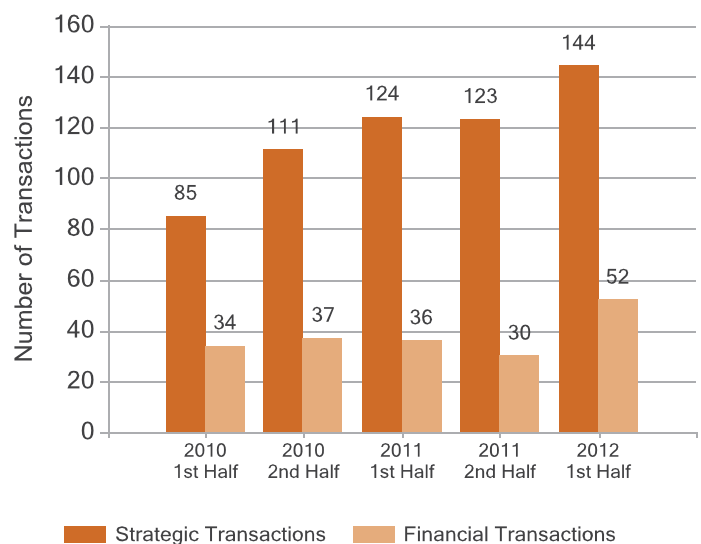


Figure 6. 2010 - 2012 acquirer type comparison by half year.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 2012

Deal Date	Target Name	Buyer	Value MM US\$
04/23/12	Thomson Reuters' Healthcare Business	Veritas Capital Partners	\$1,250
05/16/12	Decision Resources Group	Piramal Healthcare Limited	\$635
04/10/12	ERT	Genstar Capital LLC	\$370
06/25/12	FIS Healthcare Benefit Solutions Business from Fidelity National Information Services Inc.	Lightyear Capital LLC	\$335
03/23/12	MediConnect Global, Inc.	Verisk Analytics, Inc.	\$324
03/07/12	Transcend Services, Inc.	Nuance Communications, Inc.	\$302
02/28/12	eScreen, Inc	Alere Inc.	\$270
01/11/12	APS Healthcare, Inc.	Universal American Corp	\$231
05/21/12	BigHand Digital Dictation	Bridgepoint	\$79
06/11/12	iMDsoft	TPG Growth	N/A
2012 Aggregate Transaction Value			\$5,067
Top 9 Aggregate Transaction Value			\$3,795
Top 9 Aggregate Value as a Percentage of All Transactions			75 %

Figure 7. Lists the top ten transactions for 1st Half 2012 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figure 1 & 4.

Note: Transaction data based on announced date.

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

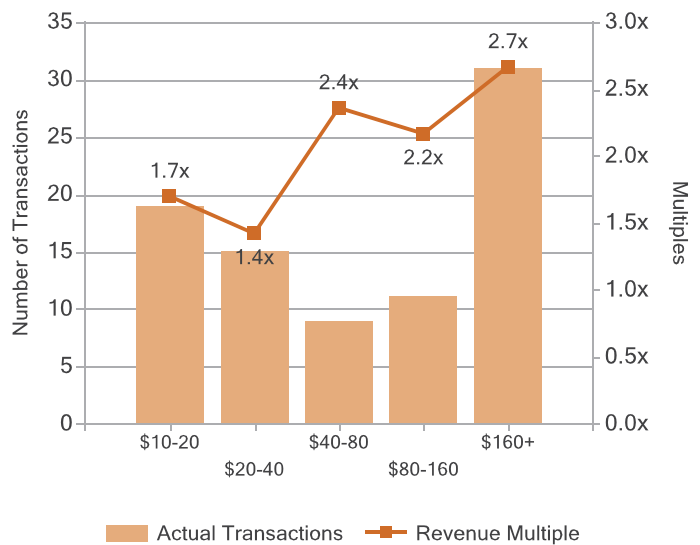


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Healthcare/Pharma Information and Technology Industry from Jan. 1, 2010 to June 30, 2012 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2010 – June 30, 2012

Transactions By Market Segment By Half Year

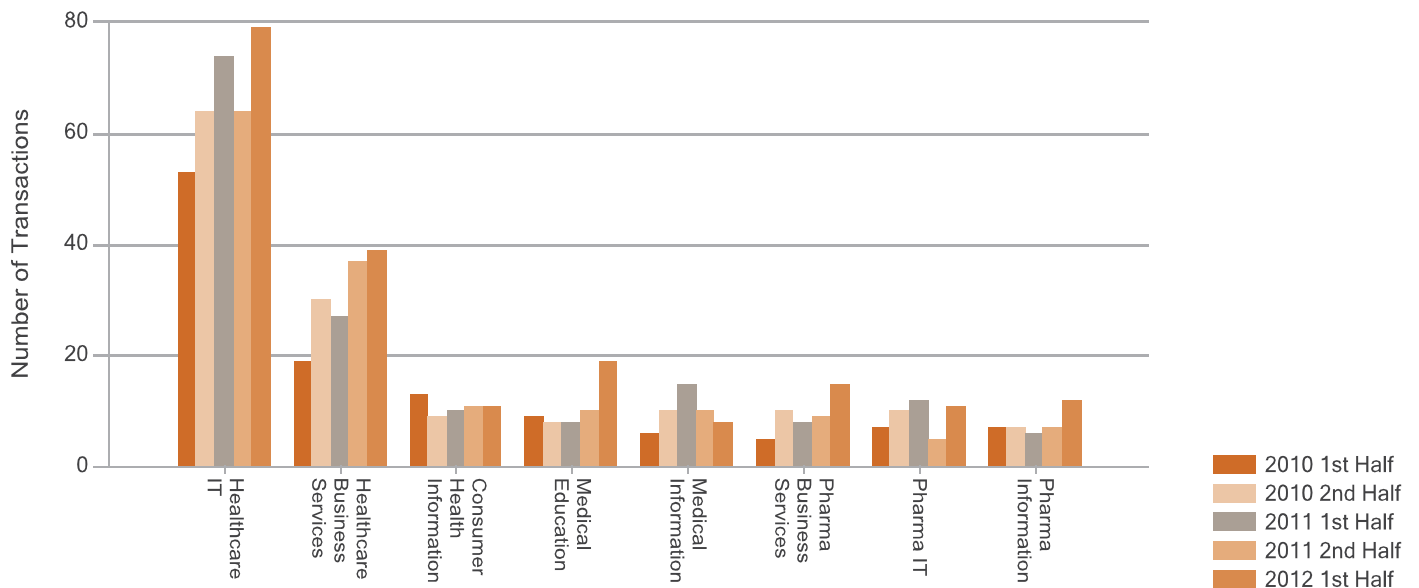


Figure 9. Presents the transaction volume by market segment within the Healthcare/Pharma Information and Technology Industry from January 1, 2010 through June 30, 2012.

BERKERY NOYES

INVESTMENT BANKERS

Founded in 1980, Berkery Noyes is a leading independent investment bank serving the information, software, marketing, 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 healthcare, financial services, education, and entertainment markets.

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The DNA of M&A

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.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at www.mandasoft.com

RECENT HEALTHCARE TRANSACTIONS

Healthx

A PORTFOLIO COMPANY OF

LIBERTY PARTNERS

HAS BEEN ACQUIRED
IN A MAJORITY
RECAPITALIZATION BY

FrontierCapital

V S S Veronis Suhler Stevenson

HAS ACQUIRED

**Strata Decision
Technology**



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