

Quarterly Industry Update

As of December 31, 2014

Industry: Blood Diagnostics

Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Blood Diagnostics industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since December 31, 2013, the median 52-week share price return of the Blood Diagnostics industry has increased by 7.1%. In the last quarter, the median price-to-earnings multiple increased from 17.8x to 20.1x.

Comparable Public Company Key Statistics

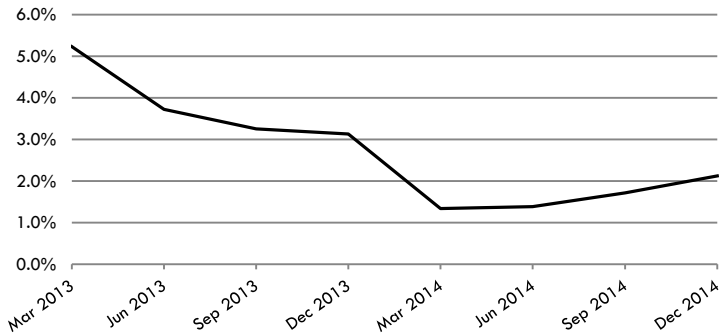
| | | | | | |
|---------------------------|-------|----------------------------|-------|--------------------------------|-------|
| Median 52-Week Return | 7.1% | Median EV/Revenue Multiple | 2.5x | Median Price/Earnings Multiple | 20.1x |
| Median 3-Year CAGR Return | 14.7% | Median EV/EBITDA Multiple | 11.9x | Median EV/Gross CF Multiple | 18.4x |

Comparable Public Company Market Price Returns (As of December 31, 2014)

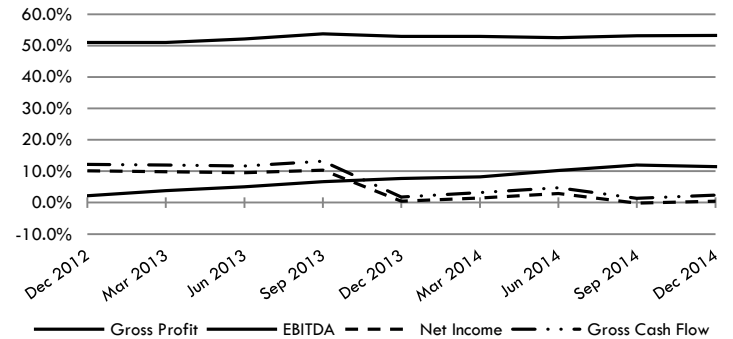
| | YTD | 3 Month | 1 Year | 2 Year | 3 Year | 5 Year | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|-------------|--------------|-------------|--------------|--------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Insulet Corporation | 24.2% | 25.0% | 24.2% | 47.3% | 34.7% | 26.4% | 24.2% | 74.8% | 12.7% | 21.5% | 8.5% |
| DexCom, Inc. | 55.5% | 37.7% | 55.5% | 101.3% | 80.8% | 46.8% | 55.5% | 160.6% | 46.0% | -31.8% | 69.1% |
| Masimo Corporation | -9.9% | 23.8% | -9.9% | 12.0% | 12.1% | -2.8% | -9.9% | 39.1% | 12.4% | -35.7% | -4.4% |
| Mindray Medical International Limited | -27.4% | -12.5% | -27.4% | -10.1% | 1.0% | -4.9% | -27.4% | 11.2% | 27.5% | -2.9% | -22.2% |
| Quest Diagnostics Inc. | 25.3% | 10.5% | 25.3% | 7.3% | 4.9% | 2.1% | 25.3% | -8.1% | 0.4% | 7.6% | -10.6% |
| Abaxis, Inc. | 42.0% | 12.1% | 42.0% | 23.8% | 27.1% | 17.3% | 42.0% | 7.8% | 34.1% | 3.1% | 5.1% |
| Escalon Medical Corp. | -18.3% | 6.6% | -18.3% | 30.2% | 17.2% | 0.5% | -18.3% | 107.3% | -5.0% | -33.3% | -4.5% |
| BG Medicine, Inc. | -55.7% | -15.3% | -55.7% | -55.3% | -53.9% | N/A | -55.7% | -55.0% | -51.1% | N/A | N/A |
| Median of Industry Public Companies | 7.1% | 11.3% | 7.1% | 17.9% | 14.7% | 2.1% | 7.1% | 25.2% | 12.6% | -2.9% | -4.4% |

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Blood Diagnostics Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Blood Diagnostics Industry

| Date: | 12/31/2012 | 3/31/2013 | 6/30/2013 | 9/30/2013 | 12/31/2013 | 3/31/2014 | 6/30/2014 | 9/30/2014 | 12/31/2014 |
|------------------------------|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|------------|
| EV/Revenues Multiple | 2.9x | 4.5x | 4.2x | 4.0x | 2.9x | 2.6x | 3.7x | 3.5x | 2.5x |
| EV/EBITDA Multiple | 12.5x | 13.6x | 13.1x | 14.2x | 14.4x | 13.6x | 12.7x | 11.6x | 11.9x |
| Price/Earnings Multiple | 19.3x | 17.7x | 19.2x | 22.6x | 23.7x | 21.3x | 19.7x | 17.8x | 20.1x |
| EV/Gross Cash Flows Multiple | 16.2x | 16.6x | 16.1x | 16.5x | 18.6x | 16.4x | 15.3x | 16.6x | 18.4x |

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report.

Quarterly Industry Update

As of December 31, 2014

Industry: Blood Diagnostics



Industry Initial Public Offerings (dollars in millions, except share prices)

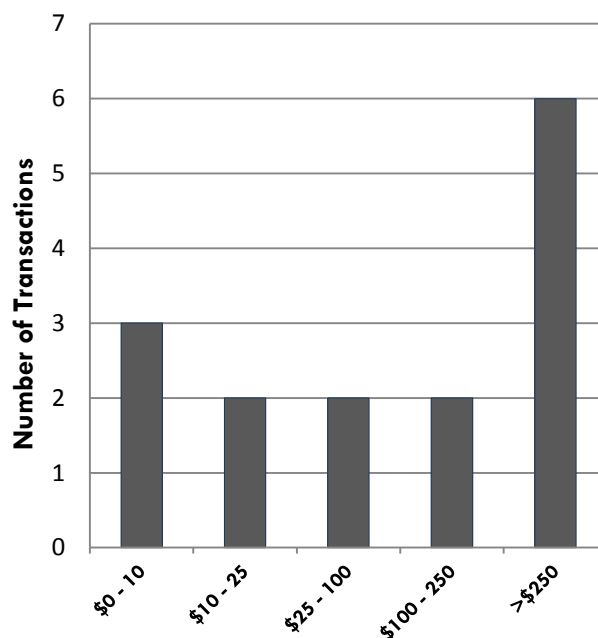
| Offer Date | Company Name | Offer Price | Shares Offered | Amount Raised | Total Assets | Debt | LTM Revenues | LTM EBITDA | LTM Net Income | LTM Cash Flows |
|---------------------------|-------------------------|-------------|----------------|---------------|---------------|--------------|---------------|--------------|----------------|----------------|
| 8/2/2012 | Globus Medical | \$12.00 | 8.3 | \$100.0 | \$367.3 | \$0.0 | \$363.0 | \$127.1 | \$67.0 | \$145.0 |
| 10/18/2011 | ZELTIQ Aesthetics | \$13.00 | 7.0 | \$91.0 | \$21.2 | \$0.6 | \$61.7 | (\$4.8) | (\$6.2) | (\$4.1) |
| 2/3/2011 | BG Medicine | \$7.00 | 5.0 | \$35.0 | \$7.0 | \$6.4 | \$0.8 | (\$14.1) | (\$17.2) | (\$13.6) |
| 2/2/2011 | Tornier N.V. | \$19.00 | 8.8 | \$166.3 | \$491.2 | \$138.1 | \$227.4 | \$12.4 | (\$39.5) | \$28.0 |
| 8/13/2010 | Electromed | \$4.00 | 1.7 | \$6.8 | \$14.1 | \$4.2 | \$14.3 | \$2.1 | \$0.9 | \$2.4 |
| 5/28/2010 | GenMark Diagnostics | \$6.00 | 4.6 | \$27.6 | \$16.1 | \$0.0 | \$1.2 | (\$17.8) | (\$20.4) | (\$16.3) |
| 4/22/2010 | Dehaier Medical Systems | \$8.00 | 1.5 | \$12.0 | \$18.1 | \$0.9 | \$12.5 | \$3.8 | \$2.9 | \$4.1 |
| 4/21/2010 | DynaVox | \$15.00 | 9.4 | \$140.6 | \$138.9 | \$90.0 | \$111.7 | \$30.2 | \$15.0 | N/A |
| 8/7/2007 | Masimo | \$17.00 | 11.9 | \$202.6 | \$174.1 | \$37.1 | \$241.9 | \$77.2 | \$42.9 | \$81.5 |
| 5/14/2007 | Insulet | \$15.00 | 7.7 | \$115.5 | \$47.7 | \$31.2 | \$5.4 | (\$35.8) | (\$40.6) | (\$33.0) |
| Median of All IPOs | | nm | nm | \$95.5 | \$34.4 | \$4.2 | \$38.0 | \$3.0 | (\$2.7) | \$2.4 |

nm: not meaningful

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

| Transaction Date | Target | Acquirer | Transaction Size | % Bought |
|--|-----------------------------|-----------------------------|------------------|-------------|
| 11/20/2014 | LipoScience, Inc. | Laboratory Corp. of America | \$101.0 | 100% |
| 9/10/2013 | Flowsense Medical | Baxter International | \$4.6 | 100% |
| 9/6/2013 | Gambro AB | Baxter International | \$4,013.8 | 100% |
| 2/6/2013 | Epocal | Inverness Medical | \$241.5 | 100% |
| 10/3/2012 | Drew Scientific | ERBA Diagnostics | \$6.5 | 100% |
| 8/1/2012 | Gen-Probe | Hologic | \$4,204.1 | 100% |
| 5/31/2012 | SunTech Medical Group | Halma | \$57.0 | 100% |
| 5/22/2012 | Navilyst Medical | AngioDynamics | \$374.5 | 100% |
| 4/2/2012 | Accutome | Halma | \$25.0 | 100% |
| 1/3/2012 | Verum Diagnostica | Roche Holding | \$13.3 | 100% |
| 11/23/2011 | Shanghai Yuanqi | SHMY Healthdigit Biochips | \$54.0 | 70% |
| 11/8/2011 | Axis-Shield | Alere | \$396.1 | 100% |
| 9/2/2011 | Life Enhancement Technology | VasoHealthcare | \$3.3 | 100% |
| 8/23/2011 | Phadia | Thermo Fisher Scientific | \$3,512.8 | 100% |
| 6/29/2011 | Beckman Coulter | Danaher | \$7,392.9 | 100% |
| Median of All Transaction Targets | | | \$101.0 | 100% |

Size of Merger and Acquisition Transactions (dollars in millions)



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