

Quarterly Industry Update

As of March 31, 2014

Industry: Cardiovascular Device



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Cardiovascular Device 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 March 31, 2013, the median 52-week share price return of the Cardiovascular Device industry has increased by 55.2%. In the last quarter, the median price-to-earnings multiple increased from 21.9x to 25.6x.

Comparable Public Company Key Statistics

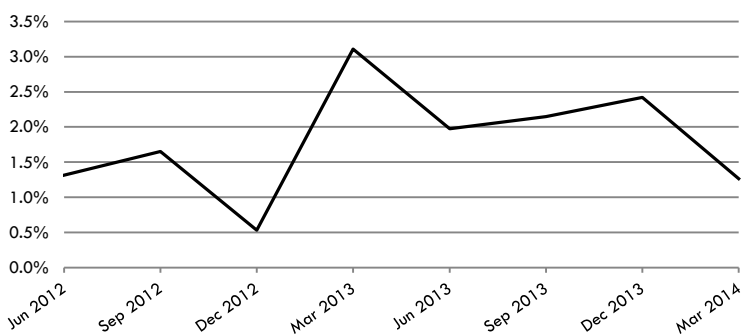
Median 52-Week Return	55.2%	Median EV/Revenue Multiple	3.7x	Median Price/Earnings Multiple	25.6x
Median 3-Year CAGR Return	21.5%	Median EV/EBITDA Multiple	14.0x	Median EV/Gross CF Multiple	21.5x

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

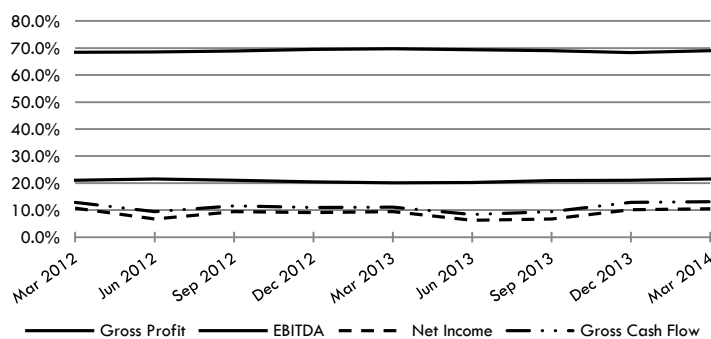
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Vascular Solutions Inc.	65.8%	13.1%	61.5%	55.8%	33.9%	33.7%	42.0%	-5.0%	39.7%	-7.0%	38.8%
BioTelemetry, Inc.	342.5%	27.1%	315.2%	81.0%	28.2%	-18.5%	-3.8%	-49.4%	-21.2%	-75.9%	N/A
ABIOMED, Inc.	93.8%	-2.6%	39.5%	8.3%	21.5%	39.7%	-27.2%	92.2%	10.1%	-46.8%	5.7%
Edwards Lifesciences Corp.	-17.7%	12.8%	-9.7%	1.0%	-5.2%	19.6%	27.5%	-12.5%	86.2%	58.1%	19.5%
Thoratec Corp.	-4.6%	-2.2%	-4.5%	3.1%	11.4%	6.9%	11.8%	18.5%	5.2%	-17.1%	78.6%
The Spectranetics Corporation	105.2%	21.2%	63.6%	70.7%	86.0%	64.3%	104.6%	39.9%	-25.9%	166.7%	-83.0%
CryoLife Inc.	59.9%	-10.2%	65.7%	37.5%	17.8%	14.0%	29.8%	-11.4%	-15.6%	-33.9%	22.1%
Boston Scientific Corporation	136.0%	12.5%	73.1%	50.4%	23.4%	11.2%	7.3%	-29.5%	-15.9%	16.3%	-33.4%
Medtronic plc	50.0%	7.2%	31.0%	25.3%	16.1%	15.9%	7.2%	3.1%	-15.7%	40.0%	-37.5%
CR Bard Inc.	51.4%	10.5%	46.8%	22.4%	14.2%	13.2%	14.3%	-6.8%	17.8%	-7.5%	-11.1%
St. Jude Medical Inc.	80.9%	5.6%	61.7%	21.5%	8.5%	12.5%	5.4%	-19.8%	16.2%	11.6%	-18.9%
Teleflex Incorporated	50.4%	14.3%	26.9%	32.4%	22.8%	22.4%	16.3%	13.9%	-0.1%	7.6%	-20.5%
Cardiovascular Systems Inc.	153.3%	-7.3%	55.2%	85.4%	43.2%	35.0%	27.4%	-15.5%	154.0%	N/A	N/A
Median of Industry Public Companies	65.8%	10.5%	55.2%	32.4%	21.5%	15.9%	14.3%	-6.8%	5.2%	0.3%	-11.1%

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

Median Quarterly Revenue Growth of All Cardiovascular Device Companies



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



Median Public Company Multiples of the Cardiovascular Device Industry

Date:	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014
EV/Revenues Multiple	2.5x	2.6x	2.7x	2.7x	2.9x	3.1x	3.2x	3.4x	3.7x
EV/EBITDA Multiple	9.1x	9.4x	9.7x	11.2x	10.3x	10.9x	11.8x	13.4x	14.0x
Price/Earnings Multiple	17.8x	18.8x	23.8x	23.8x	25.1x	23.4x	22.4x	21.9x	25.6x
EV/Gross Cash Flows Multiple	15.7x	15.8x	18.2x	20.5x	21.0x	21.9x	21.1x	21.6x	21.5x

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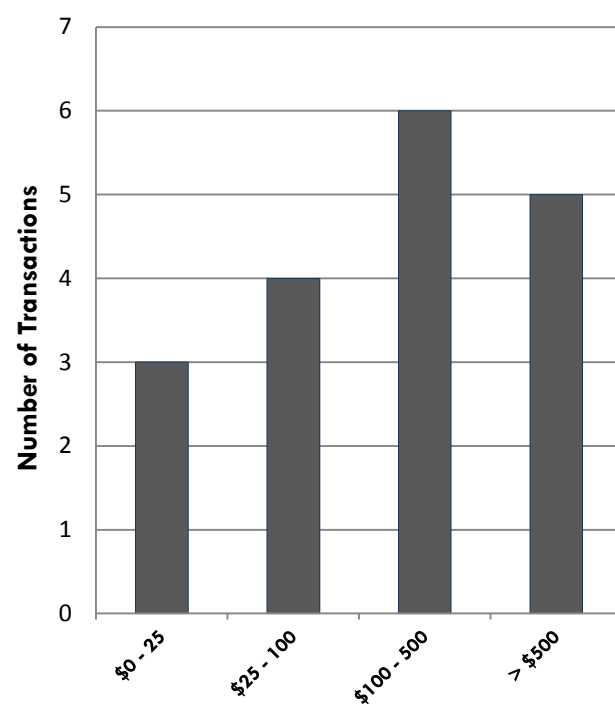
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
11/17/2011	Sphere Medical Holding PLC	\$1.46	15.1	\$22.1	\$19.4	\$0.0	\$0.0	(\$7.0)	(\$8.1)	(\$6.7)
4/18/2011	InspireMD, Inc.	\$1.50	7.0	\$10.4	\$12.7	\$1.5	\$4.5	(\$3.3)	(\$4.6)	(\$3.2)
3/18/2008	BioTelemetry, Inc.	\$18.00	3.4	\$81.0	\$103.0	\$2.8	\$64.9	\$4.8	(\$0.4)	\$8.5
6/14/2006	Volcano Corporation	\$8.00	6.8	\$54.4	\$62.0	\$31.1	\$95.3	(\$4.2)	(\$17.8)	\$0.6
12/12/2005	Lombard Medical Technologies Limited	\$2.82	14.4	\$47.0	\$11.8	\$7.4	\$0.1	(\$9.0)	(\$13.0)	(\$8.6)
8/5/2005	AtriCure, Inc.	\$12.00	4.0	\$48.0	\$12.5	\$0.0	\$25.5	(\$5.8)	(\$10.9)	(\$4.7)
8/11/2004	Stereotaxis Inc.	\$8.00	5.0	\$44.0	\$41.1	\$6.0	\$9.9	(\$29.8)	(\$30.5)	(\$29.2)
Median of All IPOs		nm	nm	\$47.0	\$19.4	\$2.8	\$9.9	(\$5.8)	(\$10.9)	(\$4.7)

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
2/20/2014	Oscor Inc., Lead Business	Sorin SpA	\$20.0	100%
12/1/2013	CircuLite, Inc.	Heartware International	\$401.8	100%
8/11/2013	Cardiacom	Medtronic	\$200.0	100%
7/3/2012	eResearchTechnology	Genstar Capital	\$423.5	100%
5/31/2012	SunTech Medical Group	Halma	\$57.0	100%
4/25/2012	ZOLL Medical	Asahi Kasei	\$2,216.2	100%
8/31/2011	Salient Surgical Technologies	Medtronic	\$452.0	91%
8/31/2011	PEAK Surgical	Medtronic	\$96.0	81%
12/21/2010	Clariant	GE Healthcare	\$597.9	100%
12/21/2010	Biotel	CardioNet	\$11.6	100%
12/3/2010	Cardiac Science	Opto Circuits	\$56.3	100%
11/30/2010	Beijing Star Medical Devices	Lepu Medical Technology	\$22.6	100%
11/17/2010	AGA Medical Holdings	St. Jude Medical	\$1,310.9	100%
11/4/2010	International Technidyne	Nexus Dx	\$55.0	100%
8/12/2010	ATS Medical	Medtronic	\$358.8	100%
4/21/2010	Invatec	Medtronic	\$500.0	100%
4/19/2010	Facet Biotech	Abbott Laboratories	\$747.4	100%
Median of All Transaction Targets			\$358.8	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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