

Quarterly Industry Update

As of September 30, 2013

Industry: Healthcare Equipment



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Healthcare Equipment 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 September 30, 2012, the median 52-week share price return of the Healthcare Equipment industry has increased by 8.2%. In the last quarter, the median price-to-earnings multiple increased from 21.3x to 25.6x.

Comparable Public Company Key Statistics

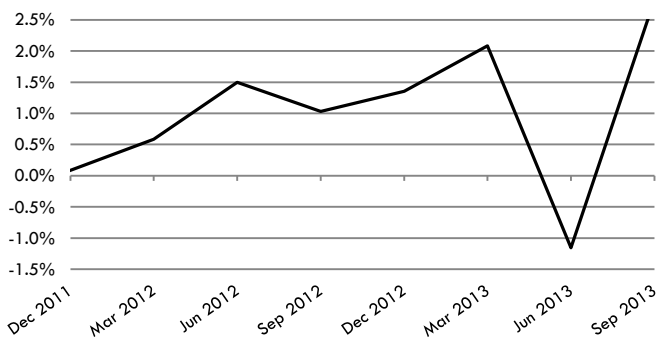
Median 52-Week Return	8.2%	Median EV/Revenue Multiple	2.7x	Median Price/Earnings Multiple	25.6x
Median 3-Year CAGR Return	8.9%	Median EV/EBITDA Multiple	11.6x	Median EV/Gross CF Multiple	45.2x

Comparable Public Company Market Price Returns (As of September 30, 2013)

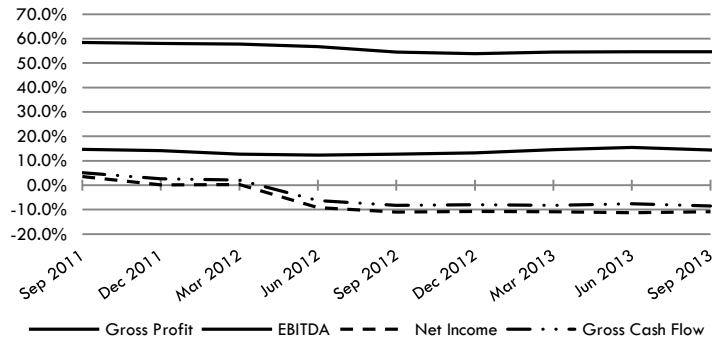
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
AngioDynamics Inc.	20.1%	17.0%	8.2%	0.2%	-4.7%	-3.5%	-25.8%	-3.6%	-4.2%	17.2%	-28.1%
AtriCure, Inc.	59.1%	15.6%	47.6%	6.2%	11.7%	2.1%	-37.8%	8.1%	70.0%	172.1%	-83.1%
Boston Scientific Corporation	104.9%	26.6%	104.5%	40.9%	24.2%	-0.9%	7.3%	-29.5%	-15.9%	16.3%	-33.4%
CONMED Corporation	21.5%	8.7%	19.2%	21.5%	14.9%	1.2%	8.9%	-2.9%	15.9%	-4.8%	3.6%
Covalon Technologies Ltd.	-6.5%	460.0%	-1.9%	-25.7%	-32.7%	-37.7%	-40.2%	-11.3%	-31.2%	-22.4%	-91.0%
Hologic Inc.	3.2%	7.0%	2.1%	16.5%	8.9%	1.3%	14.3%	-7.0%	29.8%	10.9%	-61.9%
IsoRay, Inc.	-14.7%	38.5%	-7.6%	-18.0%	-19.0%	2.1%	18.2%	-41.6%	27.0%	345.0%	-90.0%
Median of Industry Public Companies	20.1%	17.0%	8.2%	6.2%	8.9%	1.2%	7.3%	-7.0%	15.9%	16.3%	-61.9%

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

Median Quarterly Revenue Growth of All Healthcare Equipment Companies



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



Median Public Company Multiples of the Healthcare Equipment Industry

Date:	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013
EV/Revenues Multiple	2.3x	2.7x	1.8x	2.3x	1.7x	1.8x	1.9x	2.3x	2.7x
EV/EBITDA Multiple	7.2x	7.6x	8.3x	8.1x	11.3x	10.3x	10.3x	9.8x	11.6x
Price/Earnings Multiple	22.5x	27.6x	16.9x	nm	nm	19.6x	23.1x	21.3x	25.6x
EV/Gross Cash Flows Multiple	16.6x	23.3x	32.7x	37.9x	28.6x	15.8x	19.2x	36.6x	45.2x

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.

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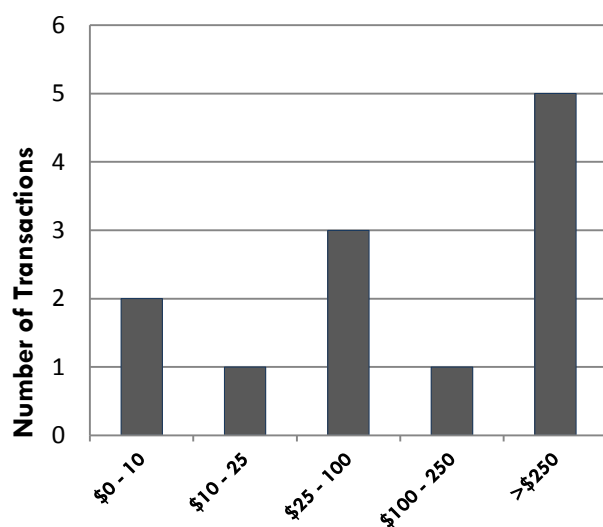
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
4/4/2013	Cancer Genetics, Inc.	\$10.00	0.6	\$6.0	\$7.4	\$15.7	\$4.7	(\$7.5)	(\$3.2)	(\$7.1)
4/22/2010	Dehaier Medical Systems Limited	\$8.00	1.5	\$12.0	\$18.1	\$0.9	\$12.5	\$3.8	\$2.9	\$4.1
9/25/2006	Mindray Medical International Limited	\$13.50	20.0	\$270.0	\$127.8	\$4.2	\$164.9	\$43.3	\$36.2	\$47.5
6/14/2006	Volcano Corporation	\$8.00	6.8	\$54.4	\$62.0	\$31.1	\$95.3	(\$4.2)	(\$17.8)	N/A
12/8/2004	Symmetry Medical, Inc.	\$15.00	8.0	\$120.0	\$287.3	\$138.2	\$190.3	\$43.5	\$13.2	N/A
11/20/2002	IMPAC Medical Systems, Inc.	\$15.00	2.2	\$32.8	\$51.7	\$0.2	\$39.8	\$4.8	\$2.3	N/A
12/13/2001	Fresenius Kabi Pharmaceuticals Holding, Inc.	\$16.00	9.0	\$144.0	\$141.7	\$33.9	\$179.2	\$25.5	(\$9.7)	N/A
6/13/2000	Intuitive Surgical, Inc.	\$9.00	5.0	\$45.0	\$65.1	\$4.3	\$13.1	(\$17.7)	(\$17.9)	(\$16.3)
8/18/1999	NovaMed Inc.	\$8.00	4.0	\$32.0	\$71.6	\$28.1	\$81.3	\$10.1	\$2.2	N/A
Median of All IPOs		nm	nm	\$45.0	\$65.1	\$15.7	\$81.3	\$4.8	\$2.2	(\$1.5)

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
2/1/2013	Microsulis Medical	AngioDynamics	\$29.2	100%
1/23/2013	Uteron Pharma	Watson Pharmaceuticals	\$280.2	100%
6/16/2012	CARE Fertility Group	Bowmark Capital; Bowmark	\$93.9	100%
12/22/2011	Aspen Medisys	Helicon Group	\$3.4	100%
6/1/2011	TCT International	Hologic	\$300.0	100%
1/6/2011	Interlace Medical	Hologic	\$351.8	100%
12/10/2010	Clinical Innovations	The Pritzker Group	\$150.0	100%
10/7/2010	PregLem	Gedeon Richter	\$459.9	100%
9/10/2010	BioSphere Medical	Merit Medical Systems	\$82.1	100%
7/9/2010	HealthTronics	Endo Pharmaceuticals Hldgs	\$309.2	100%
4/14/2010	Photonic Instruments and	Andor Technology	\$7.5	100%
2/16/2010	American Medical Systems	CooperSurgical	\$20.5	100%
Median of All Transaction Targets			\$122.0	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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