

Quarterly Industry Update

As of September 30, 2013

Industry: Healthcare Technology



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Healthcare Technology 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 Technology industry has decreased by -2.2%.

Comparable Public Company Key Statistics

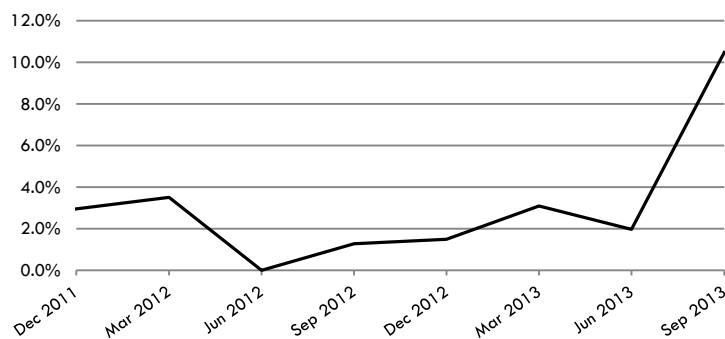
Median 52-Week Return	-2.2%	Median EV/Revenue Multiple	4.6x	Median Price/Earnings Multiple	N/A
Median 3-Year CAGR Return	-14.5%	Median EV/EBITDA Multiple	N/A	Median EV/Gross CF Multiple	#NUM!

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

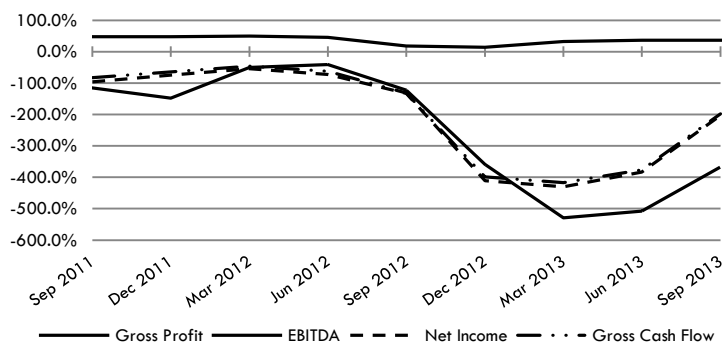
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
OncoGenex Pharmaceuticals, Inc.	-29.3%	-5.4%	-34.6%	-2.7%	-14.5%	21.2%	11.8%	-30.1%	-24.6%	642.7%	N/A
Array BioPharma, Inc.	67.2%	37.0%	6.4%	78.6%	24.4%	-4.1%	72.2%	-27.8%	6.4%	-30.6%	-51.9%
CTI BioPharma Corp.	24.7%	54.4%	-33.0%	-44.7%	-48.1%	-40.6%	-77.6%	-47.0%	-68.0%	714.3%	-99.3%
Celldex Therapeutics, Inc.	428.0%	127.0%	462.4%	293.8%	106.9%	25.0%	158.1%	-36.9%	-11.8%	-41.0%	N/A
Cleveland BioLabs, Inc.	18.0%	-0.6%	-41.4%	-21.2%	-32.7%	-18.3%	-53.5%	-60.4%	118.1%	55.4%	-75.8%
Fortress Biotech, Inc.	55.5%	-18.5%	34.8%	N/A	N/A	N/A	-30.6%	N/A	N/A	N/A	N/A
Cyclacel Pharmaceuticals, Inc.	-29.7%	44.4%	-8.6%	17.6%	-29.3%	-12.7%	46.7%	-59.9%	41.3%	147.6%	-92.3%
DARA BioSciences, Inc.	-36.3%	-22.2%	-53.3%	-49.6%	-41.0%	-52.8%	-37.9%	-62.4%	-53.2%	-11.8%	N/A
Dendreon Corp.	-44.6%	-28.9%	-39.1%	-42.9%	-58.6%	-12.5%	-30.4%	-78.2%	32.9%	473.8%	-26.4%
Endocyte, Inc.	48.4%	1.5%	33.7%	12.1%	N/A	N/A	138.8%	N/A	N/A	N/A	N/A
CASI Pharmaceuticals, Inc.	30.4%	-10.9%	-2.2%	8.8%	-22.1%	-15.1%	45.3%	-81.3%	-42.3%	393.8%	-86.5%
Exelixis, Inc.	27.4%	28.2%	20.6%	3.2%	14.1%	-0.9%	-3.5%	-42.3%	11.4%	46.8%	-41.8%
Genomic Health Inc.	12.3%	-3.6%	-11.8%	18.0%	31.8%	6.2%	7.3%	18.7%	9.4%	0.4%	-14.0%
Immunomedics Inc.	112.3%	14.0%	76.6%	39.2%	24.5%	28.3%	-12.3%	-7.0%	11.5%	88.8%	-26.7%
MEI Pharma, Inc.	60.7%	57.8%	306.7%	12.6%	17.0%	-38.6%	12.2%	7.2%	-86.1%	0.0%	-75.8%
Median of Industry Public Companies	27.4%	1.5%	-2.2%	10.5%	-14.5%	-12.5%	7.3%	-42.3%	6.4%	55.4%	-63.8%

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

Median Quarterly Revenue Growth of All Healthcare Technology Companies



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



Median Public Company Multiples of the Healthcare Technology 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	5.4x	5.5x	4.8x	4.1x	7.4x	5.0x	4.3x	4.9x	4.6x
EV/EBITDA Multiple	26.8x	20.2x	13.2x	8.9x	N/A	N/A	N/A	N/A	N/A
Price/Earnings Multiple	77.3x	24.1x	17.9x	13.4x	N/A	N/A	N/A	N/A	N/A
EV/Gross Cash Flows Multiple	38.3x	19.9x	19.4x	61.4x	N/A	N/A	N/A	N/A	N/A

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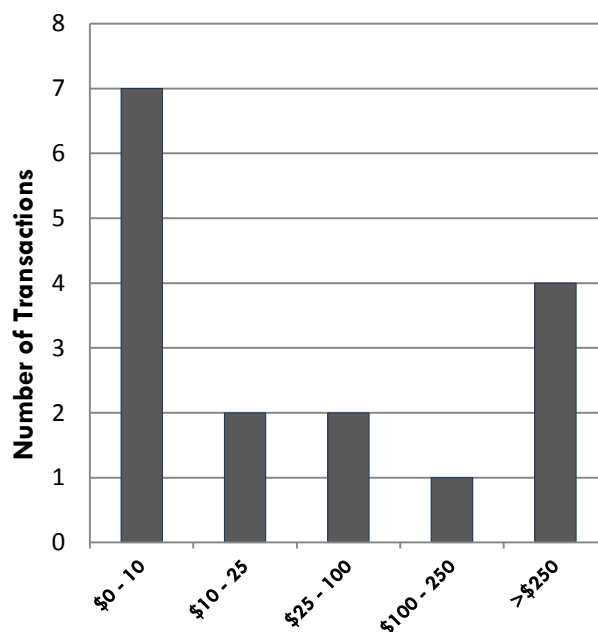
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
9/24/2013	Foundation Medicine, Inc.	\$18.00	5.9	\$106.0	\$52.3	\$2.3	\$19.3	(\$24.5)	(\$28.4)	(\$21.0)
7/23/2013	Heat Biologics	\$10.00	2.5	\$25.0	\$3.6	\$0.7	\$0.0	(\$3.6)	(\$3.7)	(\$3.6)
5/15/2013	Ambit Biosciences	\$8.00	8.1	\$65.0	\$12.4	\$3.1	\$19.0	(\$21.5)	(\$27.0)	N/A
4/4/2013	Cancer Genetics	\$10.00	0.6	\$6.0	\$7.4	\$15.7	\$4.7	(\$7.5)	(\$3.2)	(\$7.1)
11/7/2012	Atossa Genetics	\$5.00	0.8	\$4.0	\$5.7	\$0.3	\$0.4	(\$4.5)	(\$4.6)	(\$4.5)
3/28/2012	Merrimack Pharmaceuticals	\$7.00	14.3	\$100.1	\$85.3	\$0.0	\$34.2	(\$76.3)	(\$79.2)	(\$72.0)
11/10/2011	NewLink Genetics	\$7.00	6.2	\$43.4	\$14.0	\$7.2	\$2.5	(\$15.0)	(\$16.4)	(\$14.2)
2/4/2011	Endocyte	\$6.00	12.5	\$75.0	\$21.2	\$25.0	\$0.0	(\$20.3)	(\$20.1)	(\$20.1)
4/19/2007	Simcere Pharmaceutical	\$14.50	15.6	\$226.6	\$138.9	\$37.2	\$132.6	\$31.3	\$27.5	N/A
7/20/2006	Cleveland BioLabs	\$6.00	1.7	\$10.2	\$2.4	\$0.3	\$2.1	(\$4.1)	(\$4.1)	(\$4.1)
Median of All IPOs		nm	nm	\$54.2	\$13.2	\$1.5	\$1.3	(\$17.7)	(\$18.2)	(\$7.1)

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
8/12/2013	Pitney Pharmaceuticals	PharmAust	\$5.6	100%
1/1/2013	Ipsogen	QIAGEN	\$3.5	100%
10/31/2012	IRIS International	Beckman Coulter	\$368.0	100%
8/1/2012	Gen-Probe	Hologic	\$4,204.1	100%
7/12/2012	CollabRx	Tegal	\$1.4	100%
6/21/2012	Dako	Agilent Technologies	\$2,148.7	100%
5/4/2012	NorDiag ASA	Biotrin International	\$10.0	100%
12/19/2011	Correlogic Systems	Vermillion	\$0.4	100%
12/1/2011	Tower Hematology Oncology	Cedars-Sinai Medical	\$19.9	100%
11/23/2011	Shanghai Yuanqi	SHMY Healthdigit	\$54.0	70%
10/3/2011	Calypso Medical Technologies	Varian Medical Systems	\$10.0	100%
9/25/2011	ZetiQ Technologies	Micromedic Technologies	\$2.5	100%
8/31/2011	mtm laboratories	Ventana Medical Systems	\$269.4	100%
8/17/2011	Neoprobe	Devicor Medical Products	\$30.3	100%
7/31/2011	Amgen	Tesaro	\$138.5	100%
Median of All Transaction Targets			\$19.9	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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