

Quarterly Industry Update

As of July 31, 2013

Industry: Medical Recordkeeping



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Medical Recordkeeping 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 July 31, 2012, the median 52-week share price return of the Medical Recordkeeping industry has increased by 41.6%. In the last quarter, the median price-to-earnings multiple increased from 24.9x to 25.6x.

Comparable Public Company Key Statistics

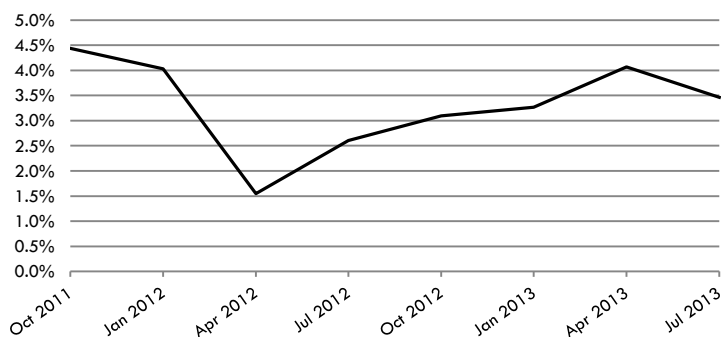
Median 52-Week Return	41.6%	Median EV/Revenue Multiple	2.9x	Median Price/Earnings Multiple	25.6x
Median 3-Year CAGR Return	5.9%	Median EV/EBITDA Multiple	12.8x	Median EV/Gross CF Multiple	20.9x

Comparable Public Company Market Price Returns (As of July 31, 2013)

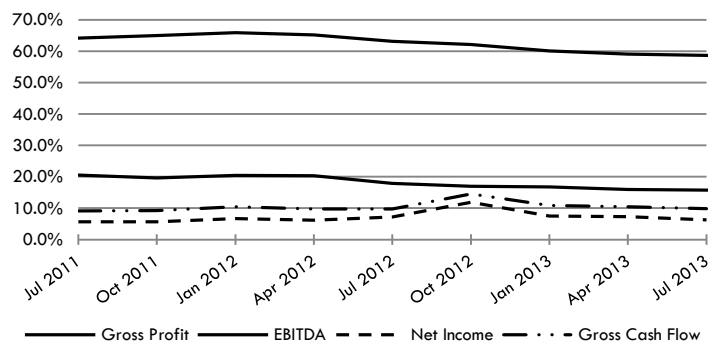
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Simulations Plus, Inc.	8.7%	19.3%	13.8%	19.7%	25.7%	25.0%	46.8%	11.2%	94.9%	50.0%	-75.9%
Streamline Health Solutions, Inc.	30.9%	19.0%	71.7%	93.5%	81.8%	29.8%	231.2%	4.8%	-29.6%	17.7%	8.8%
iCAD, Inc.	20.3%	15.9%	181.0%	23.1%	-15.9%	-18.1%	68.1%	-57.8%	-11.2%	34.5%	-44.1%
Ebix Inc.	-28.0%	-37.7%	-46.5%	-23.2%	-11.3%	0.8%	-27.1%	-6.6%	45.4%	104.3%	-2.0%
Merge Healthcare Incorporated	83.4%	45.2%	53.0%	-5.6%	11.8%	33.2%	-49.1%	30.0%	11.0%	162.5%	7.6%
Computer Programs & Systems Inc.	10.7%	6.3%	12.6%	-12.9%	7.4%	17.6%	-1.5%	9.1%	1.7%	71.8%	17.9%
Medidata Solutions, Inc.	136.2%	39.4%	161.3%	112.8%	83.1%	N/A	80.1%	-8.9%	52.9%	N/A	N/A
Quality Systems Inc.	31.7%	28.0%	41.5%	-29.2%	-5.9%	6.8%	-53.1%	6.0%	11.2%	44.0%	43.1%
Cerner Corporation	26.4%	1.3%	32.6%	21.4%	36.3%	34.4%	26.5%	29.3%	14.9%	114.4%	-31.8%
Nuance Communications, Inc.	-15.9%	-1.5%	-7.8%	-3.2%	4.4%	3.9%	-11.3%	38.4%	17.1%	49.9%	-44.5%
Hill-Rom Holdings, Inc.	30.1%	8.8%	41.8%	-0.3%	3.9%	5.7%	-15.4%	-14.4%	64.1%	45.7%	-70.5%
Allscripts Healthcare Solutions, Inc.	67.8%	14.2%	71.8%	-6.7%	-1.8%	N/A	-50.3%	-1.7%	-4.7%	103.9%	N/A
Omniceil, Inc.	41.9%	17.1%	61.7%	11.0%	19.6%	5.4%	-10.0%	14.3%	23.6%	-4.3%	-54.7%
Authentidate Holding Corp.	-5.9%	-29.8%	-41.0%	-33.8%	-17.9%	-7.7%	-30.9%	52.8%	-57.6%	304.0%	-56.0%
Median of Industry Public Companies	28.3%	15.1%	41.6%	-1.7%	5.9%	6.3%	-10.6%	7.5%	13.0%	50.0%	-37.9%

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

Median Quarterly Revenue Growth of All Medical Recordkeeping Companies



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



Median Public Company Multiples of the Medical Recordkeeping Industry

Date:	7/31/2011	10/31/2011	1/31/2012	4/30/2012	7/31/2012	10/31/2012	1/31/2013	4/30/2013	7/31/2013
EV/Revenues Multiple	3.2x	3.4x	3.3x	3.1x	2.9x	3.4x	3.2x	3.2x	2.9x
EV/EBITDA Multiple	18.7x	17.1x	14.2x	12.7x	12.4x	13.5x	17.2x	14.3x	12.8x
Price/Earnings Multiple	19.5x	19.7x	24.5x	24.5x	24.6x	29.6x	26.1x	24.9x	25.6x
EV/Gross Cash Flows Multiple	29.3x	21.5x	20.5x	17.1x	19.1x	19.7x	20.4x	19.9x	20.9x

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 more information or questions in connection with this research report.

Quarterly Industry Update

As of July 31, 2013

Industry: Medical Recordkeeping



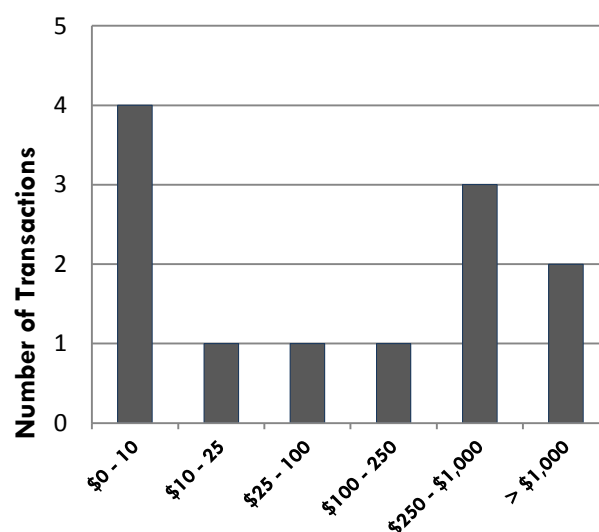
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
3/27/2012	Vocera Communications, Inc.	\$16.00	5.9	\$93.6	\$49.8	\$8.3	\$79.5	\$1.2	N/A	\$2.2
2/1/2012	Greenway Medical Technologies, Inc.	\$10.00	6.7	\$66.7	\$85.0	\$0.0	\$105.8	\$4.9	N/A	N/A
6/24/2009	Medidata Solutions, Inc.	\$14.00	6.3	\$88.2	\$77.4	\$20.8	\$118.3	\$3.9	N/A	\$11.7
5/21/2002	Computer Programs & Systems Inc.	\$16.50	3.0	\$49.5	\$17.6	\$0.7	\$63.1	\$10.6	\$16.0	\$11.6
8/7/2001	Omniceil, Inc.	\$7.00	6.0	\$42.0	\$47.5	\$11.4	\$76.3	(\$5.5)	(\$11.9)	(\$3.6)
1/29/1998	Merge Healthcare Incorporated	\$6.00	1.9	\$11.4	\$7.6	\$2.1	\$9.7	\$1.3	(\$5.5)	\$1.6
6/18/1997	Simulations Plus, Inc.	\$5.00	1.2	\$5.8	\$2.0	\$1.8	\$2.4	(\$0.6)	\$3.0	(\$0.5)
Median of All IPOs		nm	nm	\$49.5	\$47.5	\$2.1	\$76.3	\$1.3	(\$1.2)	\$1.9

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
3/12/2013	Epocrates, Inc.	athenahealth, Inc.	\$307.2	100%
12/17/2012	Plumtree Group Limited	Ideagen PLC	\$4.0	100%
11/9/2012	Mediware Information	Thoma Bravo	\$193.4	100%
11/1/2012	HealthCare Partners, LLC	DaVita Inc.	\$4,693.0	100%
10/19/2012	Sy.Med Development, Inc.	Healthstream Inc.	\$9.5	100%
9/12/2012	Strand Technology Limited	Advanced Computer	\$3.2	100%
8/22/2012	Sunquest Information	Roper Industries Inc.	\$1,390.0	100%
8/16/2012	Meta Health Technology	Streamline Health, Inc.	\$16.0	100%
7/3/2012	eResearchTechnology	Genstar Capital	\$423.5	100%
6/18/2012	GE Medical Systems	Ascom (US) Inc.	\$28.0	100%
1/20/2012	OptiLink Inc.	Kronos Incorporated	\$8.9	100%
11/10/2011	Sage Software Healthcare	Vista Equity	\$314.7	100%
Median of All Transaction Targets			\$110.7	100%

Size of Merger and Acquisition Transactions (dollars in millions)



Disclosures and Limitations: This research report is for informational and discussion purposes only. This report and any statements, figures, or opinions stated herein does not represent investment advice of any kind to any person and does not constitute a recommendation as to the purchase or sale of any interests or as to any other course of action. General, financial, and statistical information concerning the details of this report and related industry are from sources Cogent Valuation believes to be Reliable. Cogent Valuation has accurately reflected such information in this research report; however, Cogent Valuation makes no representation as to the sources' accuracy or completeness and has accepted this information without further verification. Neither all nor any part of the contents of this report may be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent of Cogent Valuation. Cogent Valuation's research is as of the date reported herein. Cogent Valuation has no affiliation with any of the companies comprising the composite used as a basis for research in this report, nor does Cogent Valuation hold any investments in the companies listed herein. The contents of this report are not to be used as a basis for any work that Cogent Valuation may perform for you in the future. THIS REPORT IS NOT TO BE USED OR CONSIDERED UNDER ANY CIRCUMSTANCE BY ANYONE AS INVESTMENT ADVICE. 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 more information or questions in connection with this research report. Copyright © 2013 Cogent Valuation. All Rights Reserved.