

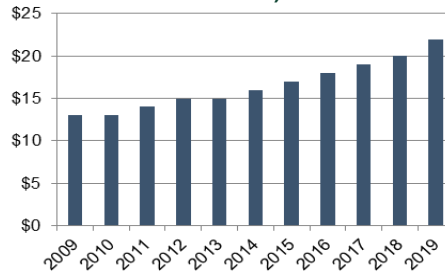


Q1-2011 HOSPICE SERVICES INDUSTRY UPDATE

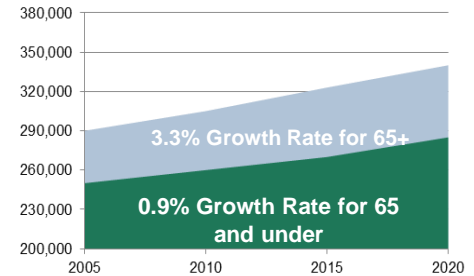
M&A UPDATE

With nearly 42% of all deaths in America last year occurring in a hospice setting, and half of all hospices being for-profit, the industry continues to thrive. Coupling those statistics with the charts to the right, Provident expects M&A activity to continue at a robust rate not only in Q2 but for all of 2011. The industry is ripe for consolidation and will continue to garner rich multiples. 2010 was highlighted by two landmark transactions of Gentiva/Odyssey and Harden/Voyager, and Provident expects 2011 to bring deals of that magnitude as well.

Hospice Medicare Reimbursement (\$ in billions)



US Population in Thousands



NOTEWORTHY TRANSACTIONS

| Month | Acquirer | Target Company | Details |
|---------------|------------------------------|---|--|
| February 2011 | Carolinas HealthCare System | Hospice of Union County | Carolinas HealthCare System, one of the Southeast's leading healthcare systems, has acquired Hospice of Union County. Hospice of Union County, headquartered in Monroe, North Carolina, can provide residential care to twenty patients within its three facilities. The hospice company was one of the first in the nation to provide residential hospice care, and also provides in-home care and care at nursing homes, among other institutions. The financial terms of the deal were not disclosed. |
| January 2011 | Celtic Healthcare Inc. | Hospice Community Care | Hospice Community Care and HCC Home Health has been acquired by Celtic Healthcare for a total of \$9 million. Hospice Community Care, a Kingston, Pennsylvania-based company, provides traditional hospice services in the home, hospice inpatient care and hospice services in nursing homes. Celtic is now able to expand its presence into central Pennsylvania, northeast Ohio and Montgomery and Baltimore counties in Maryland. |
| January 2011 | Harden Healthcare | Faith Home Health and Hospice, LLC | Faith Home Health and Hospice, LLC has been acquired by Harden Healthcare. Faith Home Health and Hospice is a home health and hospice company with offices in Wichita and Hutchinson, Kansas. Harden Healthcare, headquartered in Austin, Texas, operates five companies that provide services such as home healthcare, pharmacy and rehabilitation. This acquisition is the second home healthcare acquisition in the past year that Harden has acquired with Wichita connections. The financial terms of the deal were not disclosed. |
| January 2011 | Hospice of Wake County, Inc. | Hospice of Harnett County | Hospice of Wake County and Hospice of Harnett County have merged. The two non-profit organizations will continue to operate under their respective names, but all of Hospice of Harnett County employees are now employees of Hospice of Wake County. The companies will now provide services to Wake, Durham, Franklin, Harnett and Johnston counties. The companies have been informal partners for years, and the merger was driven by a desire to improve the community and a mutual goal to increase access for patients and families in surrounding counties. The financial terms of the deal were not disclosed. |
| January 2011 | LHC Group, Inc. | Hospice Complete, Inc. | LHC Group, Inc. has purchased assets from Hospice Complete, Inc., an Alabama-based hospice agency that covers twenty-two counties and generates an annual revenue of approximately \$4.8 million. This acquisition LHC Group's expansion into the state of Alabama. The financial details of the deal were not disclosed. |
| January 2011 | LHC Group, Inc. | Vital Hospice | LHC Group, Inc. has acquired Vital Hospice. Vital Hospice is based in Louisiana and services an area that includes eighteen parishes in the state and generates annual revenue of approximately \$1.5 million. Through this acquisition, LHC Group is looking to further expand its operations in Louisiana. The specific financial terms of the deal were not disclosed. |
| January 2011 | Oak Hill Capital Partners | AccentCare, Inc. Guardian Home Care Holdings, Inc. | Private Equity firm Oak Hill Capital Partners has acquired AccentCare, Inc. a leading provider of home healthcare services for an undisclosed amount of money. In conjunction with this transaction, AccentCare has acquired Guardian Home Care Holdings, Inc. a leading provider of comprehensive home care and hospice services, from Friedman Fleischer & Lowe. The combination of AccentCare and Guardian Home Care has created one of the largest operators in the industry, with an expanded geographical footprint and extremely diversified service offerings. The financial terms of the deal were not disclosed. |