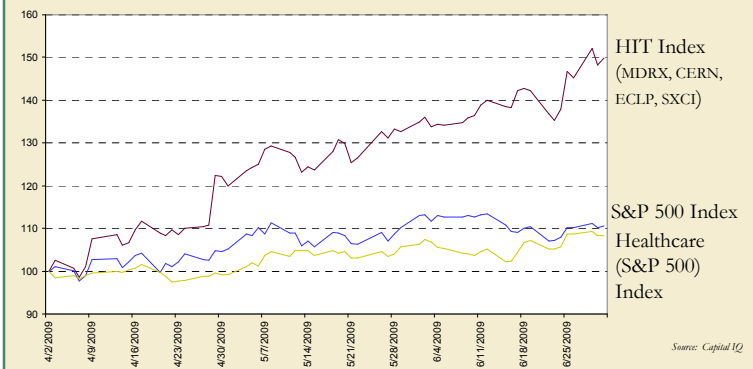




OVERVIEW

Once again, the healthcare IT sector remained active in terms of M&A volume despite many other industries continued deterioration in this struggling economy. Ingenix, Inc. highlighted this quarter's activity with its recent acquisition of AIM Healthcare Services, Inc. based out of Franklin, Tennessee. Given President Obama's recent backing of the sector with his signing of the HITECH Act, Provident expects buyers to continually seek out premium companies offering complimentary business lines, as well as platform opportunities. Additionally, according to the Psilos Group, the federal government is spending only \$1 for every \$1,000 of national health spending on health systems and technology research. This statistic coupled with the notion that healthcare is one of the only industries that experiences growth in a downturn, makes healthcare IT a tremendous opportunity for investment.

Q2 2009 Healthcare IT Public Performance



NOTEWORTHY TRANSACTIONS

| Month | Acquirer | Company Acquired | Details |
|------------|-------------------------------|-------------------------------------|--|
| June 2009 | Varian Medical Systems, Inc. | IKOE | Varian Medical Systems, Inc., has acquired the assets of Houston, TX-based IKOEmed and IKOEtech for approximately \$2.2 million plus an additional amount based on the achievement of specified management milestones. IKOE is a privately-owned suppliers of software used in the planning of radiotherapy and radiosurgery treatments. |
| June 2009 | Dice Holdings, Inc. | AllHealthcareJobs.com | Dice Holdings, Inc., a leading provider of specialized career websites for professional communities, has completed the purchase of substantially all of the assets of AllHealthcareJobs.com. Additional consideration is included to a maximum of \$1.0 million in cash, depending upon the achievement of certain operating and financial goals over the next 2 years. |
| June 2009 | Ingenix, Inc. | AIM Healthcare Services, Inc. | Ingenix has acquired AIM Healthcare Services, Inc, a Franklin, TN-based leading provider of claims management services for government and commercial payers of health care benefits and health care providers in the United States. Terms of the all cash transaction were not disclosed. The acquisition of AIM provides Ingenix with one of the nations leading cost containment and claims management technology companies serving the healthcare industry. |
| June 2009 | Document Storage Systems Inc. | Informatix Laboratories Corporation | Document Storage Systems Inc. (DSS) has acquired Informatix Laboratories Corporation (ILC). Financial terms of the transaction were not disclosed. ILC's Patient Account Management System (PAMS) is the leading revenue cycle solution for the Indian Health Service's (IHS) and Tribal Health Center's RPMS. The acquisition will provide DSS with many IT and technical tools to increase efficiencies throughout their business. |
| June 2009 | MD On-Line, Inc. | Medical Claim Corp. | MD On-Line, Inc. has acquired Medical Claim Corp. (MCC) of Bristol, CT. MCC is an EHNAC-accredited company that process healthcare transactions electronically and focus on accelerating provider revenue cycles. The acquisition gives MD On-Line direct access to more than 30,000 healthcare providers nationally. |
| June 2009 | Merge Healthcare | etrial's Worldwide, Inc. | Merge Healthcare Incorporated. (NasdaqGM: MRGE) has signed a definitive agreement to acquire etrial's Worldwide, Inc. (NasdaqGM: ETWC) for \$20.8 million in cash and stock. Headquartered near North Carolina's Research Triangle Park, etrial's Worldwide, Inc. (NASDAQ:ETWC), is a leading provider of eClinical software and services to pharmaceutical, biotechnology, and medical device companies, as well as contract research organizations. |
| May 2009 | Dispensing Solutions Inc. | DRx Pharmaceutical Consultants Inc. | Dispensing Solutions Inc., a Santa Ana, CA-based provider of pharma packaging and in-office medication dispensing solutions, has acquired Lake Forrest, IL-based DRx Pharmaceutical Consultants Inc. from Wellinx Inc., which is owned by Purkinje. Purkinje is a privately owned and offers an integrated suite of solutions in the areas of practice management, electronic health records, personal health records, and electronic prescribing. No financial terms were disclosed. Dispensing Solutions is a portfolio company of HealthEdge Investment Partners. |
| May 2009 | iVolution Medical Systems | Continental Collection Services | Universal Capital Management, Inc., through one of its holding companies, iVolution Medical Systems, has acquired Continental Collection Services located in New York City, NY. The financial terms of the transaction were not disclosed. This acquisition will allow iVolution to offer customers an electronic medical record, medical billing and medical collection solution. |
| April 2009 | Portico Systems | Kryptiq's Choreo Suite | Portico Systems has acquired Kryptiq's powerful Choreo Suite of provider contracting solutions for health plans. Terms of the transaction were not disclosed. This transaction expands Portico's customer base from 17 to 33 healthcare customers who serve 30 million members nationally. |
| April 2009 | Urgent Care America | The Lohman Group | Urgent Care America, a network providing outsourced services to urgent care centers, has announced a merger with The Lohman Group. Further terms of the deal were not disclosed. The Lohman Group is a healthcare management firm, specializing in urgent care. This marks the second deal for Urgent Care America in 60 days and brings the total affiliated centers to 41 facilities in 20 states. |