

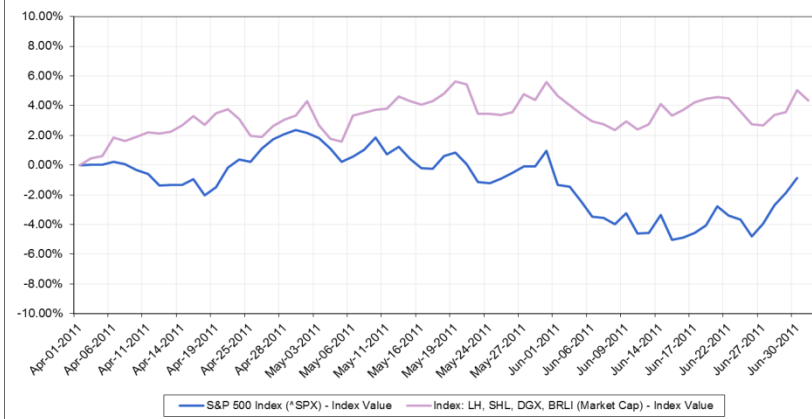


## Q2-2011 LABORATORY SERVICES INDUSTRY UPDATE

### MARKET OVERVIEW

Throughout the past quarter, the custom laboratory index (at right) has consistently outperformed the broader marketplace and remains at a high level moving into the third quarter. According to recent equity analyst reports, Laboratory Corporation of America Holdings (LH) has continued to report strong EPS growth as well as acquisition interest, warranting the Company strong ratings and performance expectations trending towards the end of the year. In addition, having recently come to a \$241 million settlement for allegations of overbilling California's Medi-Cal system, Quest Diagnostics (DGX), has both steadily improved topline growth as well as remained active from an acquisition standpoint, having completed its deal with personalized disease management services company, Celera Corporation. It is Provident's estimation that deal activity and organic industry growth will remain strong although at a decreased pace from quarters and years past, as management teams focus on cost control, operational efficiency and long-term strategic planning.

### Q2 Custom Index Performance



### RECENT TRANSACTIONS

Month	Acquirer	Company Acquired	Details
June 2011	Luminex Corporation	EraGen Biosciences	Luminex Corporation has acquired EraGen Biosciences for \$34 million in cash. Eragen is responsible for developing, manufacturing and marketing molecular reagent products. The Company's products are based on their proprietary and patented MultiCode® platform chemistry and include DNA and RNA based testing for early detection of infectious diseases and genetic conditions. The acquisition is estimated to add between \$5 to \$7 million to Luminex's 2011 consolidated revenue and is expected to be dilutive in 2011 and accretive in 2012 to Luminex's earnings.
June 2011	Water Street Healthcare Partners	Marketlab	Water Street Healthcare Partners has acquired MarketLab for approximately \$70 million. MarketLab is a direct mail catalog company which supplies obscure and hard-to-find lab related products to the U.S. healthcare industry. Water Street Healthcare Partners is a healthcare focused private equity firm. Considering that MarketLab operates in one of Water Street's area of expertise, the acquisition is a good fit and the experienced team will be able to provide strategic insight and long standing industry relationships to create significant value for MarketLab and its clients.
June 2011	Solstas Laboratory Partners	Select Diagnostics	Solstas Laboratory Partners has acquired Select Diagnostics, an assembly of clinical reference labs that delivers fast and accurate results to hospitals, physicians, and urgent care providers. The acquisition allows Solstas, who previously operated under the name Spectrum Laboratory Network, to expand their business with a company with similar values and service lines. Prior to the transaction Spectrum owned 10 full service labs in 9 states, and will significantly expand their testing volume with this acquisition.
May 2011	Quest Diagnostics	Celera Corporation	Quest Diagnostics, the world's leading provider of diagnostic testing and information services, has acquired Celera Corporation by means of a short-form merger with Celera surviving as a wholly owned subsidiary of Quest. Celera common stock was converted into the right to receive \$8 in cash without interest, less taxes and on May 10 the stock expired. The transaction was valued at \$334 million net of cash and short term investments.
May 2011	PerkinElmer, Inc.	Labtronics	PerkinElmer has acquired Labtronics for an undisclosed amount. PerkinElmer continues its buying spree with this purchase of the Canadian healthcare IT company, a leading developer of innovative solutions for laboratory instrument and system integration. Through this acquisition, PerkinElmer will be able to extend its ELN and data integration software offerings into laboratories that have stricter routine procedures and higher recording and reporting standards.
May 2011	Techne Corporation	Tocris Holdings	Techne Corporation has acquired Tocris Holdings for roughly \$124 million in cash. With the acquisition of Tocris, a UK-based supplier of reagents for use in non-clinical life science research, Techne can now increase its offerings as well as expand into supplying the non-clinical side of the market. The Company also anticipates further leveraging marketing, sales, and distribution channels to increase their presence in the industry and gain numerous competitive advantages.
May 2011	DLP Healthcare	MedCath Corporation (NASDAQ: MDTH)	MedCath Corporation has sold their MedCath Partners division, which provides services to improve the operational efficiency and performance of cardiac cath labs, to DLP Healthcare for \$25 million. MedCath plans to use the proceeds from the sale and available cash to repay outstanding loans and create a leaner, more efficient company. DLP Healthcare is a partnership between Duke University Health System and Lifepoint Hospitals that owns and operates community hospitals in North Carolina and surrounding areas. It is anticipated the partnership and addition of MedCath Partners will increase the value added services and efficiency that the hospitals will be able to offer the communities they serve.
April 2011	Sanofi-Aventis	Genzyme Corporation	Sanofi-Aventis, one of the world's largest developers of pharmaceutical products including prescription and generic medicines, has acquired Genzyme. The deal was completed at a valuation of \$74 per share in cash with one contingent value right (CVR) per share, which entitles Sanofi-Aventis to receive additional cash payments if specific milestones are reached related to Lemtrada (blood cancer treatment), Cerezyme, and Fabrazyme (for rare diseases). Cambridge-based Sanofi-Aventis will use Genzyme as a new platform to further the Company's presence as a leader of the industry.