



Q3-2009 HEALTHCARE IT INDUSTRY UPDATE

Data at Market Close Oct. 1, 2009 (in millions)			Operating Statistics		Valuation Statistics	
Company	Ticker	EV	LTM Rev.	LTM EBITDA	EV/ Rev.	EV/ EBITDA
Allscripts-Misys Healthcare Solutions Inc.	MDRX	2880.0	548.4	59.7	5.3x	48.2x
Cerner Co.	CERN	5830.0	1680.0	420.8	3.5x	13.8x
Eclipsys	ECLP	1008.0	519.25	41.53	2.0x	25.8x
Mckesson Corp.	MCK	1571.0	106000	2018.0	.15x	7.2x

XEROX, INC. ACQUIRES ADVANCED COMPUTER SYSTEMS (ACS)

On September 28, 2009, Xerox, Inc. signed a definitive agreement with Advanced Computer Systems (ACS) for approximately \$6.4 billion in a stock and cash transaction. The acquisition is expected to close in the first quarter of 2010.

With this acquisition, Xerox is now able to diversify its portfolio from the printing and copying business, which experienced a downturn during the recession. Xerox company officials expect the acquisition to triple its services revenues to an estimated \$10 billion a year. More importantly, the deal now gives Xerox a presence within the healthcare market.

This transaction does not come as a surprise as both Hewlett Packard and Dell acquired larger companies which gave them entry into the extremely sought after healthcare market. HP acquired Electronic Data Systems for \$13.9 billion and Dell acquired Perot Software for \$3.9 billion. All three are considered blockbuster transactions within the industry. Additionally, Provident expects this trend of non-traditional buyers seeking platform opportunities into the HIT sector to continue, especially given Washington's adamant backing.

RECENT TRANSACTIONS

Month	Acquirer	Company Acquired	Details
September 2009	Dell, Inc.	Perot Systems, Inc.	Dell, Inc. has signed a definitive agreement to acquire Perot Systems, headquartered in Plano, Texas, for \$3.9 billion in stock and cash. The transaction is expected to close in Q1 2010. With this acquisition, Dell will now be able to gain a foothold in to the highly sought after Electronic Health Record (EHR) market.
September 2009	BioClinica, Inc.	Tourtellotte Solutions, Inc.	BioClinica, Inc., (NASDAQ: BIOC), a global provider of clinical trial services, has acquired privately-held Tourtellotte Solutions, Inc., a leader in software and services for the biopharmaceutical industry. If certain predetermined milestones are achieved, an additional \$3.2 million in cash and 350,000 shares of BioClinica common stock can be earned. Tourtellotte generated approximately \$3.9 million in revenue in 2008.
September 2009	MedAssurant, Inc.	Catalyst Technologies, Inc.	MedAssurant, Inc. has completed its acquisition of Catalyst Technologies, Inc. which provides healthcare analysis services and installed solutions to a wide array of managed care organizations. Although the purchase price was not disclosed, the transaction was completed through a combination of MedAssurant cash and common stock.
August 2009	Liquidware Labs	Entrigue Systems	Liquidware Labs, a provider of virtual desktop and application assessment and diagnostics has acquired Atlanta, Georgia based Entrigue Systems. The financial terms of the transaction were not disclosed. This acquisition will allow the two companies to combine their desktop management solutions.
August 2009	iMedX, Inc.	Worldtech, Inc.	iMedX has acquired Worldtech, Inc., a leader in healthcare services software, for an undisclosed purchase price. The acquisition includes the companies headquarters in San Antonio, Texas, as well as its operations in India. Worldtech's industry experience will augment iMedX's efforts to market its Internet-based electronic medical record products to smaller clinics and physician's offices. This was the second acquisition of the quarter that iMedX completed.
August 2009	Healthland	American Healthnet, Inc.	Healthland, America's market leader of healthcare information solutions for small community and critical access hospitals, completed its acquisition of American Healthnet (AHN), based in Omaha, Nebraska. No financial terms of the transaction were disclosed.
August 2009	Intermedix	HRA Medical Management, Inc.	Intermedix, a Florida-based provider of technology-based business services to emergency providers, has acquired the assets of HRA Medical Management, Inc. The financial terms of the transaction were not disclosed.
July 2009	Phase Forward	Maaguzi, LLC	Phase Forward acquired privately-held Maaguzi, LLC, an innovative provider of electronic patient reported outcomes and late phase solutions, for \$11 million in cash. This acquisition builds upon Phase Forward's integrated clinical research suite and provides the company entry into the increasingly important ePRO and observational studies markets.
July 2009	Medfusion, Inc.	Medem, Inc.'s suite of services	Medfusion, Inc. has acquired the iHealth suite of services for physicians and the iHealth personal health record (PHR) solution from Medem, Inc. The financial terms of the transaction were not disclosed.
July 2009	iMedX, Inc.	Medware Inc.	iMedX Inc., a leading healthcare software and services company, has acquired Medware Inc. The financial terms of the transaction were not disclosed.
July 2009	Emdeon Inc.	eRx Network LLC	Emdeon, a leading provider of revenue and payment cycle management solutions, has acquired eRx Network LLC, a premier provider of electronic pharmacy healthcare solutions. The financial terms of the acquisition were not disclosed.