



Q3-2011 HEALTHCARE IT INDUSTRY UPDATE

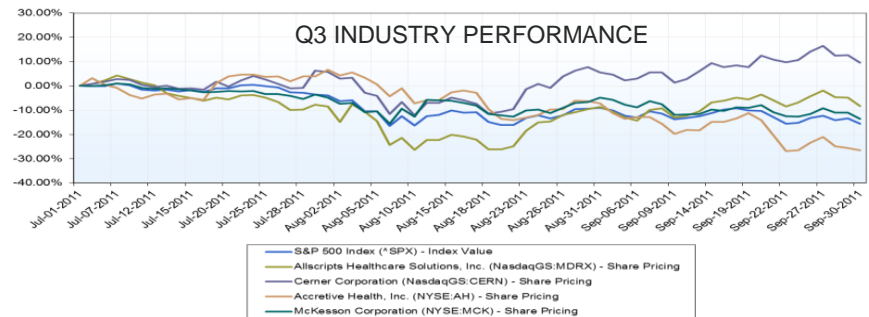
Smartphone and Medical Apps Adaptation by Doctors in the US

It is estimated that 4 out of 5 practicing physicians are now using smartphones, tablets and other mobile devices in their medical practices. In a recent report released by Jackson & Coker, the presence of mobile devices, as well as software apps by physicians, was broken down by the following specialties:

- Emergency Room Physicians – 40%
- Cardiologists – 33%
- Urologists – 31%
- Nephrologists – 31%
- Dermatologists – 30%
- Gastroenterologists – 30%
- Psychiatrists – 28%
- Radiologists – 24%
- Rheumatologists – 22%
- Endocrinologists – 21%
- Oncologists – 20%
- Clinical Pathologists – 16%

TOP STRATEGIC PLAYERS TO WATCH

- **Accretive Health, Inc.** (NYSE: AH)
- **Affiliated Computer Services, Inc.**
- **AllScripts Healthcare Solutions** (NASDAQ: MDRX)
- **Cerner Corporation** (NASDAQ: CERN)
- **eClinicalWorks, LLC**
- **McKesson, Corporation.** (NYSE: MCK)



SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
September 2011	iPractice Group, Inc.	Doctors Access, Inc.	iPractice Group, Inc. has acquired fellow Tennessee-based healthcare revenue-cycle management & practice management company, Doctors Access, Inc. The financial terms of the deal were not disclosed. Doctors Access will become a wholly-owned subsidiary of iPractice Group, Inc. The firm caters to small and midsized practices, taking advantage of tax credits available to practices who transition from paper-based record systems to electronic-based solutions.
September 2011	AmerisourceBergen Corp.	IntrinsiQ, LLC	AmerisourceBergen Corp. has acquired IntrinsiQ, LLC of Waltham, Massachusetts for \$35 million. The acquisition is expected to be immaterial to the Company's fiscal year 2011 earnings. The revenue multiple equated to roughly 2x. IntrinsiQ will become part of ION Solutions, which is a unit of AmerisourceBergen Specialty Group. IntrinsiQ's offerings will help diversify the Company's technology platform for both physician's and manufacturers.
September 2011	SuccessEHS, Inc.	MMD Systems, Inc.	SuccessEHS, Inc. has acquired MediDent®, a practice management, electronic dental record (EDR) and dental imaging solution, from MMD Systems, Inc. The financial terms of the deal were not disclosed. MediDent will operate as a new division of SuccessEHS. MediDent will continue to exist as a full EDR for independent dental providers, and will also offer easy interface capabilities for clients with existing practice management and EHR/EMR systems.
September 2011	MD On-Line, Inc.	Strategic Edge Communications, Inc.	MD On-Line has acquired Strategic Edge Communications, Inc. This acquisition will add to MD On-line's expanding suite of products, as MD will inherit both the Broadleaf Creative Group and Educational Concepts in Medicine teams to further expand its Instinctive Data program, bringing additional value to their provider base. The specific financial terms of the deal were not disclosed.
August 2011	Aprima Medical Software, Inc.	Health Care Strategies, Inc.	Aprima Medical Software, a physician software vendor, announced that it has acquired Health Care Strategies, Inc. The specific financial terms of the deal were not disclosed. Through this acquisition, the combined company will be able to offer revenue-cycle management services. Health Care Strategies has already been providing billing services to a number of Aprima clients over the past five years, and this deal is the natural next step in order for the companies to combine service offerings.
August 2011	Science Applications International Corp.	Vitalize Consulting Solutions, Inc.	Science Applications International Corporation (NYSE: SAI) has acquired Vitalize Consulting Solutions for an undisclosed amount of cash. The acquisition of Vitalize by SAIC represents a merger based on the synergies between the two companies and growth potential, helping SAIC expand into the non-government side of healthcare.
August 2011	The Blackstone Group	Emdeon Business Services	The Blackstone Group has taken Emdeon Business Services private in a transaction valued at \$3 billion, including the assumption of debt. The deal also represents an exit in the company by private equity firm General Atlantic who bought a 52% stake in the firm in 2006 and should see "a strong return" on their initial \$485 million dollar investment.
July 2011	Transcend Services, Inc.	Salar, Inc.	Transcend Services, Inc. has acquired EHR technology firm Salar, Inc. for \$11 million in cash. Salar will stay in its current offices and operate as a business unit of Transcend.
July 2011	McKesson Corp.	Portico Systems, Inc.	McKesson Corporation, a global provider of distribution and technology solutions, has completed the acquisition of Portico Systems, Inc. for approximately \$90 million in cash. This new addition gives McKesson roughly 40 payer and provider networks that represent 42 million covered individuals. McKesson will also be able to use this acquisition to complement a set of financial management competencies for clients through its claims auditing and decision management tools from McKesson Health Solutions, and the connectivity technology from Relay Health.