



Q4-2011 PRIVATE EQUITY INDUSTRY UPDATE

INDUSTRY UPDATE

There was a great resurgence in M&A overall and within private equity in 2011, when compared with 2010. According to data from Thomson Reuters, total M&A activity was up to \$2.57 trillion, an increase of \$170 billion from the previous year. Private equity backed deals accounted for \$306 billion with 4,295 global deals in 2011. In 2010, private equity only completed 3,888 global deals worth \$231 billion. Within venture capital specifically, there were fewer VC-backed companies raising capital through IPOs, but a sizable increase in per offering dollar, a 31% decline and 41% increase, respectively. 429 VC-backed companies were moved through acquisitions, a 2% decline from 2010. The average VC deal took 5.3 years to build before reaching sale.

The upward trend in M&A deals is a highly encouraging sign for the economy. With the strengthening economy and the end of the capital gains tax break, we expect 2012 to be the best year for healthcare M&A since 2007.



has merged with



a portfolio company of



The undersigned initiated and structured this transaction, conducted the negotiations, and acted as exclusive financial advisor to Cal-Ore Life Flight.



Provident
Healthcare Partners, LLC

Boston, Massachusetts
November 2011

CAL-ORE MERGES WITH REACH MEDICAL HOLDINGS

BOSTON, MA – November 30, 2011 – Cal-Ore Life Flight has merged with REACH Medical Holdings, Inc., a portfolio company of Heritage Partners, Inc. Cal-Ore is a leading provider of air and ground medical transportation services. Provident Healthcare Partners served as the exclusive financial advisor to Cal-Ore Life Flight.

Cal-Ore provides prompt, caring, and dependable ground and air transportation between healthcare facilities for people in medical emergencies. Cal-Ore ground and flight ambulance transports are available twenty-four hours a day, seven days a week. Cal-Ore also provides non-emergency medical transportation. Over the past decade, Cal-Ore Life Flight has responded to over 40,000 air and ground ambulance calls.

“The merger between Cal-Ore and REACH demonstrates the significant interest we are seeing in the marketplace for medical transport companies,” commented Justin Hand, Managing Director at Provident Healthcare Partners. “REACH operates in central Oregon and southern California, and Cal-Ore operates in southern Oregon and northern California making it the perfect fit for REACH,” continued Justin.

“The combined entity creates a dominant provider of these services on the West Coast. We are excited to see how the combined entity further strengthens REACH’s position in this competitive marketplace,” stated Bob Ciardi, Managing Partner at Provident.

SELECT HEALTHCARE PRIVATE EQUITY TRANSACTIONS

Month	Investor	Target Company	Details
December 2011	Kohlberg & Company	SouthernCare	Kohlberg & Company acquired SouthernCare from Metalmark Capital and other investors. SouthernCare provides long term care and hospice services. Financial terms for the deal were not disclosed.
November 2011	Heritage Partners	Cal-Ore Life Flight	Cal-Ore Life Flight has merged with REACH Medical Holdings, a portfolio company of Heritage Partners. Cal-Ore is a leading provider of air and ground medical transportation services. Financial terms for the deal were not disclosed. Provident Healthcare Partners served as the exclusive financial advisor to Cal-Ore Life Flight.
November 2011	TA Associates	Senior Whole Health	TA Associates completed the acquisition of Senior Whole Health. Senior Whole Health provides Medicaid and Medicare managed care services to seniors, servicing Massachusetts, Connecticut, and New York. Financial terms for the deal were not disclosed.
November 2011	Hellman & Friedman and The Blackstone Group	Emdeon	Hellman & Friend and the Blackstone Group completed the acquisition of Emdeon in a take-private acquisition. Emdeon was formerly backed by General Atlantic and Hellman & Friedman. Emdeon provides revenue and payment cycle management solutions that connect payers, providers, and patients in the United States healthcare system. The Implied Enterprise Value was \$3.306 billion, trading at an LTM EBITDA multiple of 13.1x at the time of closing.
October 2011	Welsh, Carson, Anderson & Stowe	Community Care Health Network	Welsh, Carson, Anderson & Stowe completed the acquisition of Community Care Health Network. Community Care Health Network provides medical assessments on behalf of health plans and medical services providers in the United States. Financial terms for the deal were not disclosed.
October 2011	OMERS Private Equity	Great Expressions Dental Centers	OMERS Private Equity, along with the management of Great Expressions Dental, completed the acquisition of Great Expressions Dental Centers from Audax Group. Great Expressions Dental Centers, doing business as American Dental Group, provides dental care services in the United States. Financial terms for the deal were not disclosed. Provident Healthcare Partners previously acted as financial advisor to Great Expressions in their sale to Audax Group.