

Strong Growth Ahead for Healthcare Information and Technology M&A

Large Strategic Companies Looking for Acquisition Opportunities in this Vibrant Market

New York, NY April 6, 2009 – Even before the current administration pledged billions of dollars to expand healthcare coverage for the uninsured and improve healthcare information technology in the U.S., the healthcare information and technology sector was a vibrant market for M&A activity. In 2008, the sector saw the completion of 122 transactions, with a combined value of \$7.3 billion, representing a 21% increase in deals and an 83% increase in value over 2007 levels, according to The Jordan, Edmiston Group, Inc. (JEGI) (www.jegi.com), the leading independent investment bank for media, information, marketing services and related technology.

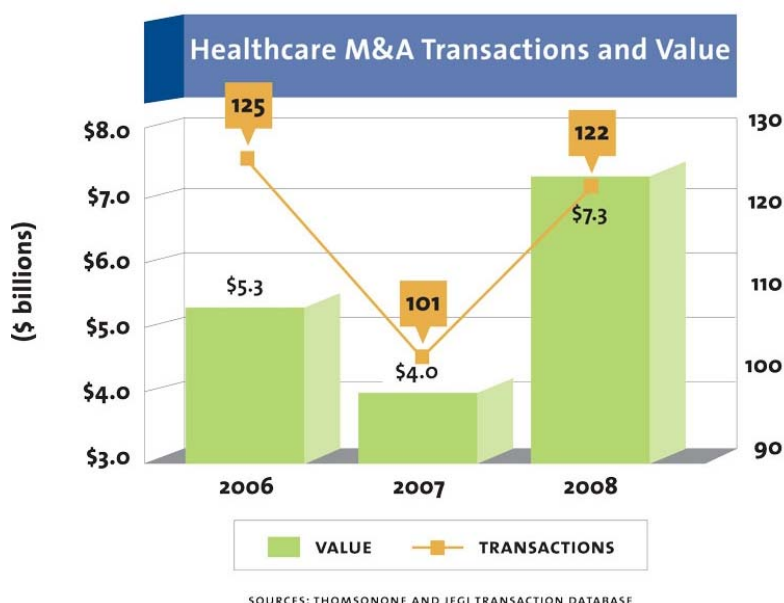
Key industry trends and representative M&A transactions include the following:

1) *Large investment in new technologies, such as electronic medical records.* In 2008, Allscripts acquired Misys Healthcare Solutions, a software provider for electronic health records and practice management, and Wolters Kluwer purchased UpToDate, an evidence based, peer reviewed information resource. JEGI expects to see more transactions in this sector, as the Obama administration has dedicated \$50 billion over five years to this effort.

2) *Focus on cutting costs, reducing waste, and promoting more effective disease management.* In 2008, Elsevier acquired MEDai, a predictive analytics company that improves the delivery of healthcare. A continued focus on these areas of the healthcare market should lead to more M&A transactions in this sector in 2009.

3) *Filling drug pipelines of pharmaceutical companies more efficiently.* Decision Resources, a healthcare market research firm, has completed four transactions since being acquired by Providence Equity Partners in 2007. The company's CEO Peter Hoenigsberg recently commented, "We are still finding attractive opportunities for growth in this challenging environment."

4) *A shortage of medical professionals, especially certified nurses.* Businesses focused on educating and training medical professionals are in demand. In 2008, Gannett acquired Pearls Review, a provider of online nursing continuing education and certification, and Jones and Bartlett Publishers' (Providence Equity Partners) purchased Assessment Technologies Institute, a nurse testing and medical education company.



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5) *Enhancing revenue cycle management.* As part of this growing trend, ABRY Partners invested in Orion Healthcare; Bertram Capital invested in PMG Partners; and Austin Ventures invested in Revenue Cycle Solutions. JEGI expects to see a continuation of this investment strategy in 2009.

Strategic Moves by Leading Companies Create Momentum

Driving M&A activity, which has been concentrated in the middle market, where many of the high-growth, emerging companies reside, are global companies seeking acquisition opportunities in this vibrant market. In 2009, many of these companies are focused on adding healthcare information services and technologies to their portfolios.

Recent Noteworthy Healthcare M&A Transactions		
Date	Buyer	Seller
Feb-09	Intellerus	ConnectivHealth
Nov-08	Gannett	Pearls Review
Oct-08	Waterfront Media	Revolution Health Network
Oct-08	Johnson & Johnson	HealthMedia
Sep-08	Wolters Kluwer	UpToDate
Sep-08	MC Venture Partners	AccentHealth
Jun-08	Health Care Service Corp	MEDecision
May-08	Misys Healthcare	Allscripts
Apr-08	Apax Partners	TriZetto Group
Apr-08	MedAssets	Accuro Healthcare Solutions
Feb-08	Jones and Bartlett Publishers	Assessment Technologies Institute
Jan-08	Elsevier	MEDai
Jan-08	Vestar Capital	Press Ganey Associates
Jan-08	CIVC Partners	Medical Knowledge Group

SOURCE: JEGI TRANSACTION DATABASE
NOTE: COMPANIES HIGHLIGHTED IN BOLD RED WERE REPRESENTED BY JEGI.

Hearst Corporation has been savvy in the healthcare information services sector. As the owner of First Data Bank, a highly regarded database of drugs, Hearst further strengthened its position with the acquisition of Zynx, a leader in evidenced-based, clinical decision support, in 2007. This area of the market is expected to grow strongly, as patient safety takes center stage.

Reed Elsevier's Elsevier Health Sciences division has made a number of key strategic acquisitions in the healthcare information and technology sector over the past few years. Besides MEDai, mentioned previously, Elsevier acquired Gold Standard, a premier provider of online clinical drug information, in 2006. Elsevier's healthcare portfolio is well positioned for the current environment, with revenue and operating profit growth of 5% and 10%, respectively, in 2008.

Thomson Reuters' healthcare information group continued to grow in 2008, posting a 4% increase in revenue. Thomson Reuters' most recent major acquisition in the healthcare information sector was Solucient, a provider of data and advanced analytics, in 2006.

United Business Media (UBM) has made five acquisitions for its healthcare business, CMP Medica, over the past five years, and at the announcement of UBM's 2008 results, CEO David Levin emphasized the group's increasing focus on data services.

Wolters Kluwer's healthcare information group posted a 3% decline in revenue in 2008. However, the company recently installed new leadership in its healthcare division and acquired the aforementioned UpToDate in 2008. JEGI expects the company to make a number of strategic moves to strengthen its healthcare portfolio going forward.

Conclusion

While the current economic environment poses a number of challenges for many companies and markets, the healthcare information and technology sector is poised to continue growing strongly, driven by the government's large commitment to investing in healthcare and technology, as part of the economic stimulus package, and the aging, but wealthy, baby boomer generation. "It is clear that the healthcare segment will continue to see overall increased growth due to the twin drivers of: 1) the aging population; and 2) government initiatives to improve the efficiency and effectiveness of our care delivery systems," said Brain Nairn, former CEO, Elsevier Health Sciences and current JEGI Advisory Board Member.

The continued growth and vibrancy of this industry bodes well for the healthcare M&A market, and the high-growth companies that reside in this sector, especially in the middle market, where transactions are financeable by both strategic companies with strong balance sheets and financial sponsors.

For more information on the healthcare information and technology market, contact Elizabeth Satin, Managing Director, JEGI at elizabeths@jegi.com or 212-754-0710.

About JEGI

The Jordan, Edmiston Group, Inc. (JEGI) of New York, NY is the leading provider of independent investment banking services for media, information, marketing services and related technologies. Since being founded in 1987, JEGI has completed nearly 500 high-profile M&A transactions for global and emerging companies; entrepreneurial owners; and private equity and venture capital funds. JEGI has established an impeccable reputation in the marketplace, which reflects its superior performance on behalf of its clients. The firm's executive team of investment bankers has over 200 years of combined experience across the media, information, marketing services and related technology sectors that JEGI serves. For more information, visit www.jegi.com.

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