



# For Immediate Release

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## **Governance Institute Acquired by National Research Corporation**

**New York, NY May 30, 2006** – The Governance Institute (TGI), a provider of the essential knowledge and solutions necessary for hospital and health system Boards of Directors, executive management and physician leaders to achieve excellence across a wide array of strategic issues that confront hospitals and their Boards, has been sold to National Research Corporation (NASDAQ/NM: NRCI), a leader in healthcare performance measurement and improvement, for \$19.5 million in cash at closing and \$2.8 million in assumed liabilities.

Housatonic Partners, a private equity firm focused on investments in the business services and media industries, was the majority shareholder in The Governance Institute. The Jordan, Edmiston Group, Inc. (JEGI), the New-York based investment banking firm for the media and information industries, represented The Governance Institute in this transaction.

TGI's best practice research, proprietary benchmarking information, world class conferences, and stable of leading experts has established the company as a trusted partner of the senior leadership for over 450 member hospitals and health systems across the country. For the year ending December 31, 2005, TGI generated \$6.2 million in revenue.

Commenting on the acquisition, Michael D. Hays, Chief Executive Officer of National Research Corporation, said, "TGI's attractive subscription-based business model, high renewal rates and low capital requirements, combined with its highly recognized and trusted brand built over the past 20 years, has all the aspects one looks for in great companies with great talent."

Jim Rice, PhD, Vice Chairman of The Governance Institute, said, "NRC's depth in performance measurement and improvement content, blended with its expertise, will allow TGI to add material value to our member organizations on the very topics that are at the center of their radar screens. This combination will not only enhance services for our current members, it will also provide expansion of TGI member services to NRC clients and, of course, opens up board and executive leadership access for NRC products and services."

Pat Beans, Chief Financial Officer of National Research Corporation, added, "the acquisition is anticipated to be accretive to NRC's 2006 earnings given that the profitability of TGI is well established. As such, all our energies can be placed against growing the business and adding client value for both TGI members and NRC clients."

Founded in 1986, The Governance Institute will remain a San Diego-based organization, with substantially all of its current associates joining the NRC family. NRC's Chief Operations Officer, Jona Raasch, has been named President of TGI and will immediately assume day-to-day leadership of the company.

### **About National Research Corporation**

National Research Corporation ([www.nationalresearch.com](http://www.nationalresearch.com)), headquartered in Lincoln, NE, is a leading provider of ongoing survey-based performance measurement, analysis, tracking and improvement services to the healthcare industry in

the U.S. and Canada. The Company addresses the growing need of healthcare providers and payors to measure the care outcomes, specifically satisfaction and health status, of their patients and/or members. The Company develops tools that enable healthcare organizations to obtain performance measurement information necessary to improve their business practices. These tools and data bases can enhance hospital and hospital systems towards pursuit of continuous enhancements.

#### **About The Governance Institute**

Located in San Diego, CA, The Governance Institute ([www.governanceinstitute.com](http://www.governanceinstitute.com)) is the leading provider of governance information and education services to hospital Boards of Directors, physician leaders and other healthcare management professionals. Through its subscription-based membership service, TGI serves over 11,000 trustees and CEOs with timely conferences, research publications, white papers, newsletters and benchmarking tools. The company is well-regarded within the healthcare industry for tracking industry trends and showcasing the best practices of healthcare Boards across the country.

#### **About Housatonic Partners**

Founded in 1994, Housatonic Partners ([www.housatonicpartners.com](http://www.housatonicpartners.com)) is a private equity investment firm with over \$350 million in capital under management. Housatonic Partners invests in profitable companies in the business services and media industries and has offices in Boston and San Francisco.

#### **About The Jordan, Edmiston Group, Inc.**

Founded in 1987, JEGI ([www.jegi.com](http://www.jegi.com)) of New York, NY is recognized as a leading provider of investment banking services on middle-market transactions in the media and information industries. JEGI's client base comprises a wide array of media and information companies, including global US and international diversified conglomerates and entrepreneurial businesses. JEGI also maintains extensive relationships with private equity funds and lending institutions that invest in the media and information industries.

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