

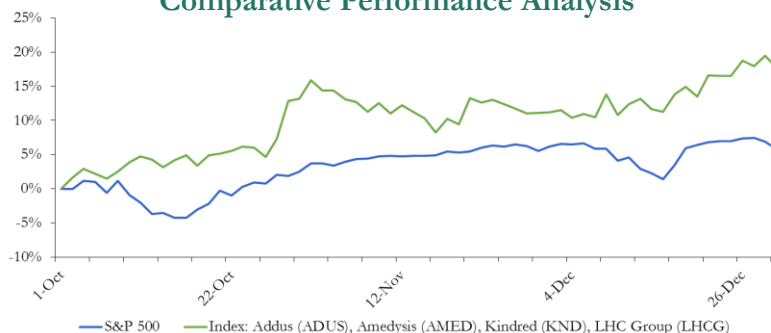
# Q4-2014 Home Health & Hospice Industry Newsletter



## Market Update

Consolidation in the home health & hospice sectors continued to be robust as industry players made strategic acquisitions to bolster geographic presence. Most notably, Kindred Healthcare and Gentiva Health Services announced they have settled on a definitive merger agreement. The terms dictate that Kindred will acquire Gentiva for \$19.50 per share, which values the deal at \$1.8 billion.

## Comparative Performance Analysis



## Select Transactions

Month	Acquirer	Target Company	Details
December 2014	Epic Health Services, Inc.	Nurses to Go, LLC	Nurses to Go, LLC, a provider of home healthcare, has been acquired by Epic Health Services, Inc. (Epic). With this acquisition, Epic will have a total of 35 home healthcare branches and 11 outpatient therapy centers spanning six states.
October 2014	Chenega Corporation	Access Quality Therapy Services Inc.	Access Quality Therapy Services, Inc. (AQTS) has been acquired by Chenega Corporation, a provider of professional services to government department and agencies across the United States and to nine foreign countries. AQTS provides nursing, occupational therapy and physical therapy at the homes of patients.
October 2014	American In-Home Care, LLC	Whitsyms Nursing Registry and Whitsyms Nursing Services	Whitsyms Nursing Registry and Whitsyms Nursing Services (Whitsyms), a Florida-based provider of independent in-home and personal care referral services, has been acquired by American In-Home Care, LLC. (AIHC). AIHC is a portfolio company of Silverhawk Capital Partners.
October 2014	Accelera Innovations, Inc	SCI Home Health, Inc.	SCI Home Health, Inc. (d/b/a Advance Lifecare Home Health) (SCI) has been acquired by Accelera Innovations, Inc. (Accelera). SCI, a Medicare certified provider of home health services, has maintained a 30% to 40% annual growth rate over the past few years. Deal terms were not disclosed.
October 2014	Sinfonia Family Services of Virginia, Inc.	Family & Community Support Systems, LLC	Family & Community Support Systems, LLC (FCSS), a licensed behavioral health and in-home treatment provider, has merged with Sinfonia Family Services of Virginia, Inc., a wholly owned subsidiary of Sinfonia HealthCare Corporation. The merged company will operate within Virginia as Family & Community Support Systems.
October 2014	Kindred Healthcare, Inc. (NYSE: KND)	Gentiva Health Services, Inc. (NASDAQ: GTIV)	Kindred Healthcare, Inc. (Kindred) and Gentiva Health Services, Inc. (Gentiva) have entered into a definitive merger agreement. Under the agreement, Kindred will acquire all outstanding shares of Gentiva common stock for \$19.50 per share. Gentiva shareholders will receive \$14.50 per share in cash and \$5.00 of Kindred common stock. The transaction is expected to close in Q1 of 2015, and the deal is valued at \$1.8 billion including the assumption of net debt. Through this transaction, Kindred will become the largest and most geographically diversified home healthcare and hospice organization in the United States.