

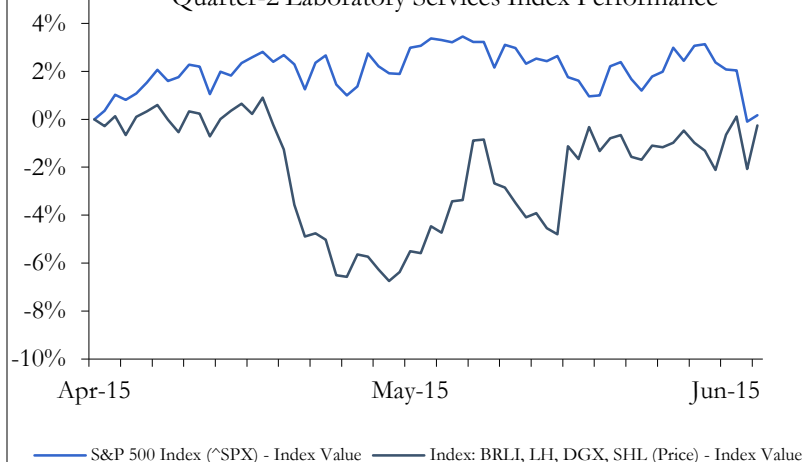
Q2-2015 Laboratory Services Update



SELECT PUBLIC LABORATORY TRADING MULTIPLES

Company	Ticker	Enterprise Value (millions)	EV / Rev.	EV / EBITDA
Bio-Reference Labs	BRLI	\$1,270	1.44x	10.99x
LabCorp	LH	\$18,600	2.93x	14.65x
Quest	DGX	\$14,010	1.86x	9.59x
Sonic Healthcare	SHL	\$10,950	2.72x	15.33x

Quarter-2 Laboratory Services Index Performance



Market Overview

The laboratory services sector has experienced significant interest from investors and consolidators this quarter. Market leaders such as LabCorp and Quest have continued to invest heavily in acquisition. Early detection and preventative care continue to see increased attention from providers and payers. As a larger emphasis is placed on preventative care and early detection, diagnostic testing services play a more vital role in patient treatment. Cost saving benefits are increasingly being recognized by payers as early detection can limit long term medical costs. Industry consolidators are continually making investments to acquire niche diagnostic testing laboratories as a way to expand product offerings. While this quarter focused on strategic acquisitions, looking forward we expect to see private equity play a larger role in seeking out platform-caliber middle market providers. Due to the significant consolidation within the sector, private equity groups are increasingly willing to pay healthy multiples for scalable platforms. We expect this trend to continue as fewer platform-caliber laboratories remain in the market.

SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
June 2015	Eurofins	Diatherix Laboratories	Eurofins, a global leader in bio-analytical testing and genomic services, announced an agreement to acquire Alabama-based Diatherix Labs for \$50 million. The acquisition allows Eurofin access to Diatherix's cutting-edge molecular diagnostic testing services used by hospitals and physicians.
June 2015	Laboratory Corp. of America	Physicians Reference Laboratory	Laboratory Corp. of America (LabCorp) announced its acquisition of Physicians Reference Laboratory (PRL). PRL performs a broad array of blood tests, DNA tests, drug tests, and biopsies. As a wholly-owned subsidiary of LabCorp, Physicians Reference Laboratory will join LabCorps global platform. No financial terms were disclosed.
June 2015	OPKO Health	Bio-Reference Laboratories	OPKO Health and Bio-Reference Laboratories announced a definitive merger agreement under which OPKO will acquire Bio-Reference for \$1.5 billion. The valuation matrix included an EV/Revenue of 1.6x and EV/EBITDA of 11.5x. The acquisition of Bio-Reference, one of the largest, fastest growing diagnostic labs in the world, will establish OPKO as a world leader in full service diagnostic laboratory services.
June 2015	Quest Diagnostics	MemorialCare Health System Laboratory Outreach Service Business	Quest Diagnostics entered into a definitive agreement to acquire the laboratory services business from MemorialCare Health System. The acquisition will expand Quest's already market leading platform of full-service diagnostic testing services. No financial terms were disclosed.