



NEWS & TRENDS

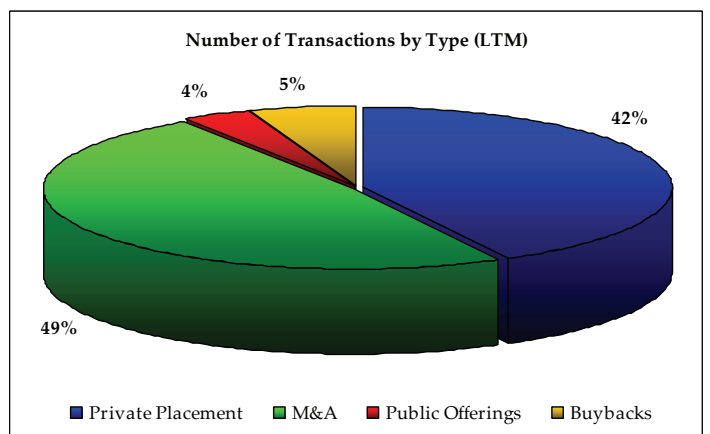
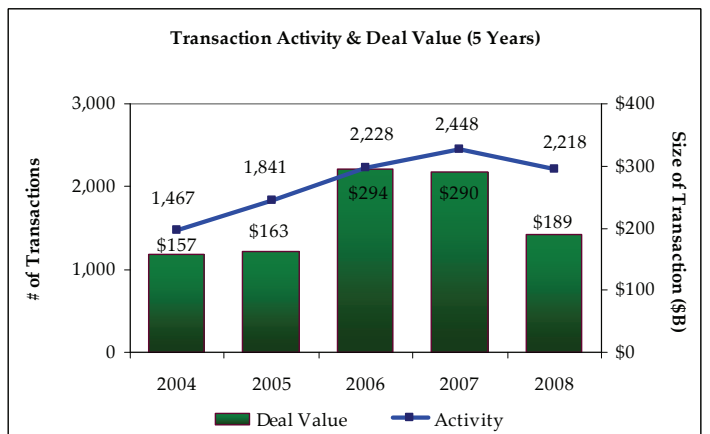
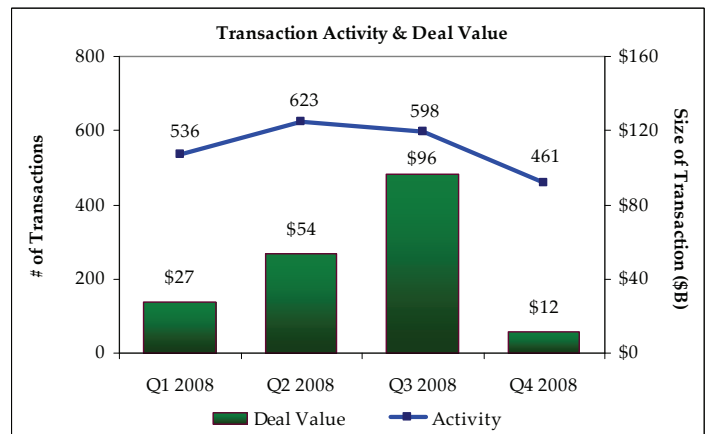
LOOKING AHEAD TO 2009

2008 was a very difficult year in healthcare. Public company valuations fell 26.6% in line with the decline in the broader market. A large and growing portion of the healthcare market is dependent on the state and federal governments for payments. As a consequence of this governmental reliance, the industry is particularly sensitive to political changes. In 2009 the industry will have to deal with a new Congress with strengthened Democratic majorities in both houses, and a new President.

The economic crisis, massive Federal deficit (\$1.2T) and pending stimulus plan (\$800+B) will further increase the calls for cuts to large non-discretionary programs such as Medicare. President Obama intends to create a new post dedicated to improving efficiency and cutting federal waste. The President has further stated that reforming government entitlement programs such as Social Security and Medicare will be "a central part" of his effort to control federal spending.

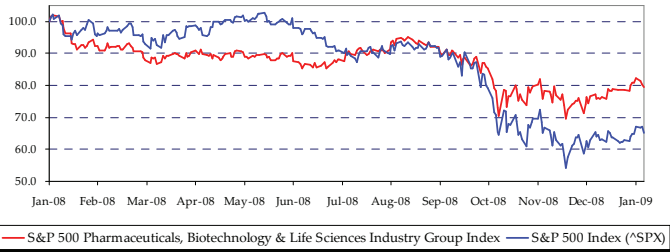
There may be new enforcement actions, regulations and reimbursement cuts aimed at publicly visible targets such as Medicare Advantage Plans. Other efforts, such as the expansion of medical records and wellness/preventative programs, may enjoy a boost under pressure from Washington. The continuing and accelerating shift towards cost saving generic drugs may increase Big Pharma's incentives to replenish their product portfolios through acquisitions. Many potential acquirers have a war chest of cash and will look to take advantage of the attractive valuations of target companies in today's market.

HEALTHCARE TRANSACTIONS



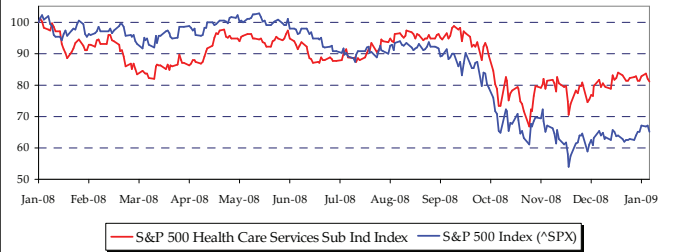
HEALTHCARE MARKET TRENDS & STATISTICS

**Pharmaceuticals, Biotech & Life Sciences Index
Relative Performance (%)**



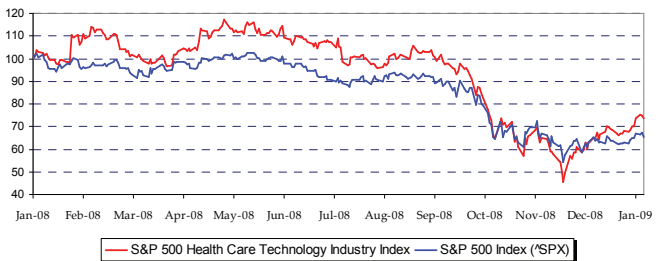
Pharmaceuticals, Biotech & Life Sciences: -21% YoY

**Healthcare Services Index
Relative Performance (%)**



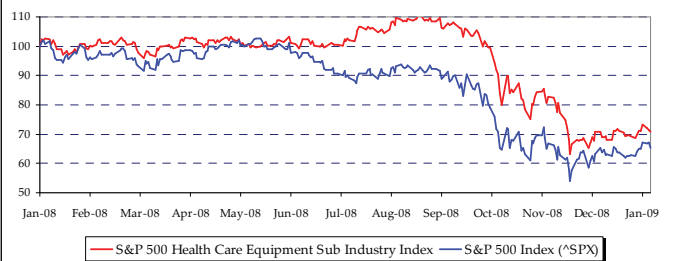
Healthcare Services: -19% YoY

**Healthcare Technology Index
Relative Performance (%)**



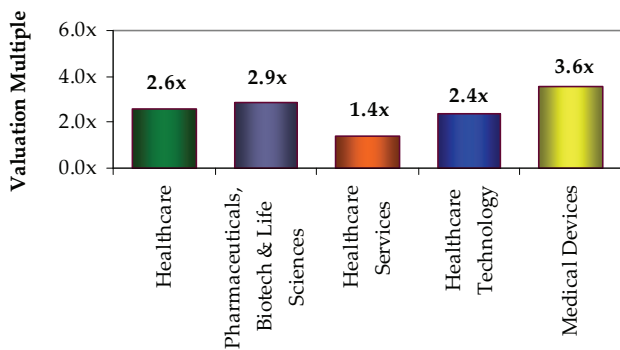
Healthcare Technology: -27% YoY

**Medical Devices
Relative Performance (%)**

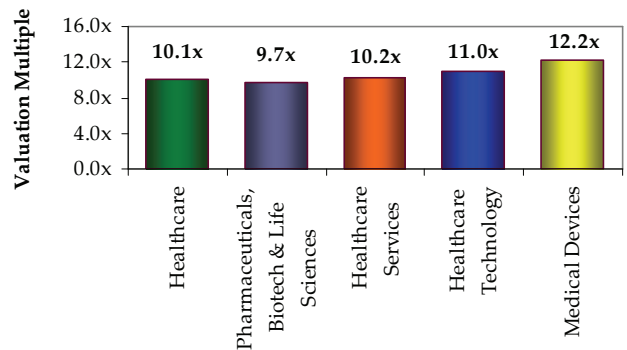


Medical Devices: -29% YoY

Total Enterprise Value / LTM Revenue¹



Total Enterprise Value / LTM EBITDA¹



(1) LTM data is as of Q3 2008 for public companies.
"YoY" is "Year Over Year."
Source: Capital IQ

SELECT HEALTHCARE M&A DEALS — Q4 2008

| Date | Target | Target Description | Buyer | Buyer Description | Transaction Price (\$MM) | EV / Revenue | EV / EBITDA |
|-----------|---|--|--|---|--------------------------|--------------|-------------|
| 01-Dec-08 | Mentor Corp. (NYSE:MNT) | Develops, manufactures, and markets products for the aesthetic and general surgery markets. | Johnson & Johnson (NYSE:JNJ) | Engages in the research and development, manufacture, and sale of health care products worldwide. | \$1,211 | 2.9x | 13.3x |
| 5-Dec-08 | Patheon, Inc. (TSX:PTI) | Provides commercial manufacturing and pharmaceutical development services. | JLL Partners | A New York-based private equity firm specializing in investments in middle market companies. | \$493 | 0.734x | 6.49x |
| 23-Nov-08 | Omrix Biopharmaceuticals, Inc. | A biopharmaceutical company that develops products for the biosurgical and immunotherapy markets. | Johnson & Johnson (NYSE:JNJ) | Engages in the research and development, manufacture, and sale of health care products worldwide. | \$433 | 4.47x | NM |
| 2-Oct-08 | Revolution Health Network | Operates as an online health community. | Waterfront Media, Inc. | Operates a network of health, diet, fitness, and pregnancy Web sites for consumers. | \$300 | - | - |
| 22-Dec-08 | MediGuide Ltd. | Develops tracking and imaging technologies for cardiovascular and endovascular applications. | St. Jude Medical Inc. (NYSE:STJ) | Designs, manufactures, and distributes medical devices worldwide. | \$300 | - | - |
| 9-Dec-08 | Dow Pharmaceutical Sciences, Inc. | Operates as a contract drug development and consulting company. | Valeant Pharmaceuticals International (NYSE:VRX) | Develops, manufactures, and markets pharmaceutical products. | \$285 | - | - |
| 17-Dec-08 | Ibis Biosciences, Inc. | Develops, manufactures, and markets products for the identification and characterization of infectious agents. | Abbott Molecular Inc. | A genomic disease management company, engages in the development and marketing of clinical laboratory products. | \$175 | - | - |
| 10-Nov-08 | Galil Medical Ltd. | Develops, manufactures, and markets cryotherapy systems to treat tumors. | Endocare Inc. (NasdaqCM:ENDO) | A specialty medical device company that focuses on health care products for cryoablation. | \$97 | - | - |
| 13-Oct-08 | Endologix Inc. (NasdaqGM:ELGX) | Develops, manufactures, markets minimally invasive therapies for the treatment of vascular diseases. | Elliott Management Corporation; Elliott Associates, L.P. | A New York-based privately owned hedge fund sponsor. | \$89 | 2.71x | - |
| 22-Dec-08 | Owens & Minor Inc., Direct-to-Consumer Diabetes Supply Business | Offers supply chain management services for distribution of diabetes supplies. | Liberty Healthcare Group, Inc. | Engages in staffing and managing healthcare and treatment programs. | \$63 | - | - |
| 13-Oct-08 | Emageon Inc. (NasdaqGM:EMAG) | Provides solutions for the clinical analysis and management of digital medical images. | Health Systems Solutions, Inc. (OTCBB:HSSO) | Operates as a technology and services company. | \$61 | 0.507x | - |
| 10-Oct-08 | Carolina 7 LLC | Operates 7 retirement communities with over 601 living units and average occupancy of 70%. | Five Star Quality Care Inc. (AMEX:FVE) | Operates senior living communities, assisted living communities, and nursing homes in the U.S. | \$44 | - | - |
| 16-Dec-08 | Shared PET Imaging LLC | Mobile and fixed-site provider of PET/CT. | Alliance Imaging Inc. (NYSE:AIQ) | Provides shared-service and fixed-site diagnostic imaging services. | \$43 | 1.48x | 4.3x |
| 22-Dec-08 | Minrad International Inc. (AMEX:BUF) | Operates as an interventional pain management company. | Piramal Healthcare Ltd. (BSE:500302) | Engages in the manufacturing and sale of own and traded bulk drugs and formulations. | \$39 | 1.37x | - |
| 30-Dec-08 | Premise Corporation | Provides software solutions for the healthcare industry. | Eclipsys Corp. (NasdaqGS:ECLP) | Operates as a healthcare IT company. | \$39 | - | - |

"EV" = Enterprise Value. "EBITDA" = Earnings Before Interest, Taxes, Depreciation and Amortization.

STRATEGIC BUYERS SEEKING ACQUISITIONS IN HEALTHCARE¹

| Company | Specifics |
|---|---------------------------------|
| Covidien, Ltd. (NYSE:COV) | Medical devices |
| Amerisourcebergen Corp. (NYSE:ABC) | Pharmaceuticals |
| Edwards Lifesciences Corp. (NYSE:EW) | Medical devices / technologies |
| Millipore Corp. (NYSE:MIL) | Medical devices |
| VCA Antech Inc. (NasdaqGS:WOOF) | Veterinary services |
| Psychiatric Solutions, Inc. (NasdaqGS:PSYS) | Behavioral health care services |
| Owens & Minor Inc. (NYSE:OMI) | Medical devices |
| ICON plc (NasdaqGS:ICLR) | Clinical research services |

(1) Announced during Q4 2008.
Source: Capital IQ

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THE PRIVATE CAPITAL MARKET

HEALTHCARE COMPANIES RAISING CAPITAL - Q4 2008

| Date | Target | Target Description | Investors | Value (\$MM) |
|-----------|---|--|---|--------------|
| 14-Nov-08 | United Therapeutics Corp. (NasdaqGS:UTHR) | Develops and commercializes therapeutic products for patients with chronic and life-threatening diseases. | Lilly Ventures | \$150 |
| 01-Dec-08 | Micromet, Inc. (NasdaqGM:MITI) | Develops antibodies for the treatment of cancer, inflammation, and autoimmune diseases. | Kingsbridge Capital Group | \$75 |
| 19-Nov-08 | Infinity Pharmaceuticals, Inc. (NasdaqGM:INF1) | Develops medicines for the treatment of cancer and related conditions. | Purdue Pharma L.P. | \$75 |
| 05-Oct-08 | Biolex, Inc. | Develops and commercializes therapeutic proteins based on its proprietary LEX System. | Dow Venture Capital; et al | \$60 |
| 30-Oct-08 | Dyax Corp. (NasdaqGM:DYAX) | Engages in the discovery and commercialization of biotherapeutics for oncology and inflammatory indications. | Azimuth Opportunity Ltd. | \$50 |
| 01-Oct-08 | Ironwood Pharmaceuticals Inc. | An entrepreneurial pharmaceutical company, engages in developing and marketing human medicines. | Polaris Venture Partners, Inc.; et al | \$50 |
| 10-Nov-08 | Precision Therapeutics, Inc. | Operates as a diagnostics services company. | Adams Capital Management, Inc.; et al | \$43 |
| 03-Dec-08 | Catalyst Biosciences, Inc. | Engages in engineering and developing therapeutic protease products. | Burrill Venture Capital; et al | \$40 |
| 30-Dec-08 | Xenoport, Inc. (NasdaqGS:ZNPT) | Develops internally-discovered product candidates that utilize the body's natural nutrient transporter mechanisms. | Venrock; Maverick Capital, Ltd. | \$40 |
| 28-Oct-08 | MAKO Surgical Corp. (NasdaqGM:MAKO) | Provides advanced robotic solution and orthopedic implants for minimally invasive orthopedic knee procedures. | Alta Partners et al | \$40 |
| 04-Dec-08 | Broncus Technologies, Inc. | Develops and commercializes minimally-invasive medical devices for emphysema and other lung diseases. | Abingworth Management Limited; et al | \$38 |
| 11-Nov-08 | Accera, Inc. | Engages in the discovery and development of therapeutic drugs for neurodegenerative diseases. | Inventages Venture Capital Investment Inc.; | \$35 |
| 06-Oct-08 | Proteus Biomedical, Inc. | Develops products and devices that integrate electronics, sensors, and wireless communications. | Adams Street Partners, LLC; et al | \$32 |
| 17-Dec-08 | Ardea Biosciences, Inc. (NasdaqGM:RDEA) | Engages in the development of small-molecule therapeutics for the treatment of HIV, cancer, and inflammatory diseases. | Tang Capital Management, LLC; et al | \$31 |
| 04-Nov-08 | Medlogics Device Corporation | Engages in the research, development, and manufacture of cardiovascular therapies. | Essex Woodlands Health Ventures; UBS AG, | \$30 |
| 23-Oct-08 | PixelOptics, Inc. | Develops electro-active lenses for the vision care industry. | Delphi Ventures; et al | \$30 |
| 27-Oct-08 | Infacare Pharmaceutical Corporation | Develops and markets therapeutic drugs for the acute care infant/pediatric patient community. | Atlas Venture LLP; et al | \$28 |
| 15-Dec-08 | BioSante Pharmaceuticals, Inc. (NasdaqGM:BPAX) | Develops hormone therapy products to treat men and women. | Kingsbridge Capital Group | \$25 |
| 12-Dec-08 | Discovery Laboratories Inc. (NasdaqGM:DSCO) | Develops proprietary surfactant technology for respiratory disorders and diseases. | Kingsbridge Capital Group | \$25 |
| 23-Oct-08 | Nora Pharmaceuticals, Inc. | Develops women reproductive health drugs and devices. | Vivo Ventures, LLC; et al | \$25 |
| 09-Oct-08 | Apieron, Inc. | Provides an asthma measurement and management device to physicians and their patients | Alliance Technology Ventures; et al | \$25 |
| 07-Oct-08 | Nexxon MedSystems Inc. | Engages in the research and development of therapies for cardiovascular diseases. | Guidant Corp.; SurModics Inc. (NasdaqGS:SRDX) | \$24 |
| 23-Oct-08 | InfraReDx, Inc. | Designs, develops, manufactures, and distributes medical devices. | Sanderling Ventures | \$22 |
| 16-Oct-08 | Predictive Biosciences, Inc. | Develops diagnostic products for informed cancer management. | Highland Capital Partners; et al | \$22 |
| 11-Nov-08 | ARYx Therapeutics, Inc. (NasdaqGM:ARYX) | Operates as a biopharmaceutical company. | Montreux Equity Partners; et al | \$22 |
| 02-Oct-08 | Intradigm Corporation | Engages in the development of systematic RNA interference therapeutics with focus on oncology. | Alta Partners; et al | \$21 |
| 20-Oct-08 | Cardiac Concepts, Inc. | Provides health care products. | Affinity Capital Management; et al | \$21 |
| 19-Dec-08 | ATS Medical Inc. (NasdaqGM:ATSI) | Develops, manufactures, and markets medical devices for the treatment of structural heart disease. | Essex Woodlands Health Ventures | \$20 |
| 05-Nov-08 | Prolexys Pharmaceuticals, Inc. | Discovers small molecules acting on novel therapeutic targets. | Friedli Corporate Finance | \$20 |
| 30-Oct-08 | Alnara Pharmaceuticals, Inc. | Develops non-systemic protein therapeutics for the treatment of metabolic and inflammatory diseases. | Bessemer Venture Partners; et al | \$20 |
| 27-Oct-08 | Lutonix Inc. | Development and commercializes drug coated balloon angioplasty technology for coronary and peripheral artery stenosis. | Delphi Ventures; et al | \$20 |

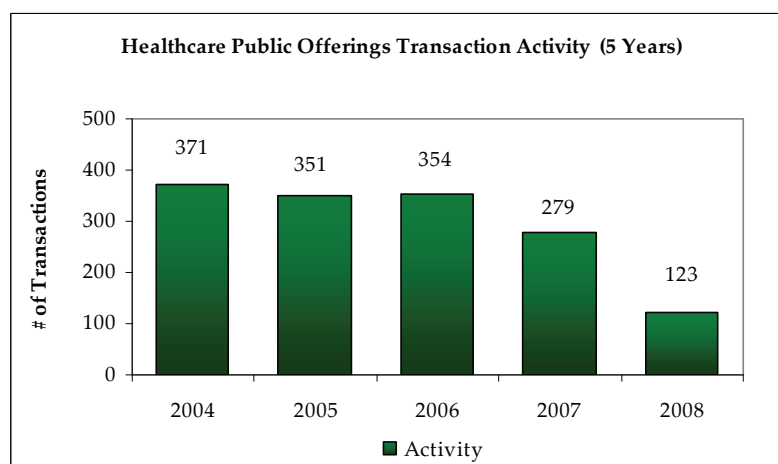
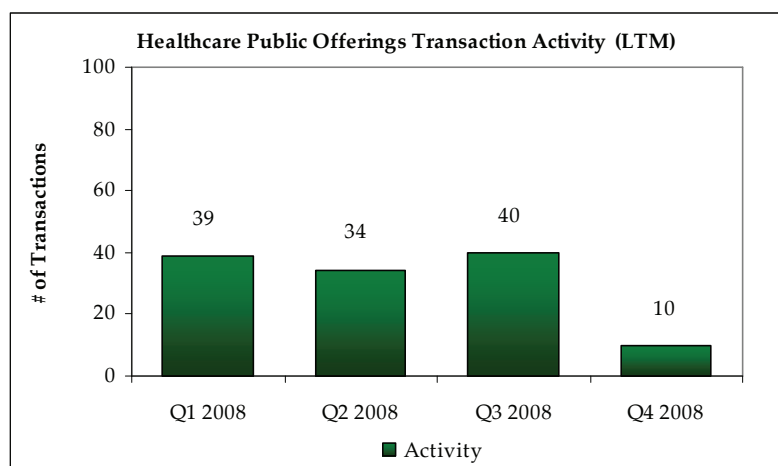
Source: Capital IQ

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THE PUBLIC OFFERING MARKET

HEALTHCARE COMPANY REGISTRATIONS AND OFFERINGS - Q4 2008

| Issuer Company | Issuer Description | Registration Filed | Registration Effective | Offer Date ¹ | Primary Transaction Features | Gross Offering Amt. (\$MM) |
|--|---|--------------------|------------------------|-------------------------|------------------------------|----------------------------|
| Xenoport, Inc. (NasdaqGS: XNPT) | Develops internally-discovered product candidates that utilize the body's natural nutrient transporter mechanisms. | 30-Dec-08 | 30-Dec-08 | 30-Dec-08 | Composite Units Offering | \$40 |
| Stereotaxis Inc. (NasdaqGM: STXS) | Designs, manufactures, and markets cardiology instrument control system to treat arrhythmias and coronary artery disease. | 29-Dec-08 | 07-Sep-06 | - | Composite Units Offering | \$10 |
| Vivakor, Inc. | Develops and commercializes a range of medical devices and pharmaceuticals. | 22-Dec-08 | 19-Dec-08 | - | IPO | \$3 |
| EpiCept Corporation (NasdaqCM: EPCT) | Develops pharmaceutical products for the treatment of cancer and pain. | 19-Dec-08 | - | - | Composite Units Offering | \$4 |
| Columbia Laboratories Inc. (NasdaqGM: CBRX) | Engages in the research, development, manufacture, and commercialization of women's healthcare and endocrinology products. | 20-Nov-08 | 05-Dec-08 | 06-Jan-09 | Follow-on Equity Offering | \$1 |
| Cell Therapeutics, Inc. (NasdaqCM: CTIC) | Markets lymphoma drug, Zevalin. | 21-Oct-08 | 23-Apr-08 | - | Fixed-Income Offering | \$25 |
| DARA BioSciences, Inc. (NasdaqCM: DARA) | Develops a portfolio of therapeutic candidates for neuropathic pain, dermatological disorders, and metabolic diseases, including type 2 diabetes. | 21-Oct-08 | 18-Apr-08 | - | Composite Units Offering | \$9 |
| BMP Sunstone Corporation (NasdaqGM: BJGP) | Operates as a pharmaceutical and over-the-counter manufacturing, marketing, and distribution company. | 09-Oct-08 | 03-Aug-07 | - | Follow-on Equity Offering | \$5 |
| Axcan Intermediate Holdings Inc. | Engages in the research, development, production, and distribution of pharmaceutical for gastrointestinal diseases and disorders. | 07-Oct-08 | 14-Nov-08 | 14-Nov-08 | Fixed-Income Offering | \$463 |
| Dragon's Lair Holdings, Inc. | Engages in the manufacture and distribution of herbal health products. | 02-Oct-08 | 02-Oct-08 | - | Fixed-Income Offering | \$1 |



1) Offer date is only available for a transaction if a prospectus has been filed with the SEC for that transaction.
Source: Capital IQ

HYDE PARK CAPITAL RECENT HEALTHCARE ENGAGEMENTS



Advantica EyeCare
Your Vision Care Partner

M&A



Dattoli Cancer Center & Brachytherapy

Private Placement



Community Home Care & Hospice

M&A



Castle Dental
Castle Dental Centers, Inc.

M&A



Decision Management International, Inc.

M&A



Universal Health Care Group, Inc.

Private Placement



Dencor Management Services, Inc.

M&A




Prostate Services of America, Inc.

M&A



Alton Design, LLC

M&A



Amertek Medical, Inc.

M&A




Coast Dental Services, Inc.

M&A




Pharmacy Services Group

M&A



Isolux America, Corp.

Financial Advisory



Dr. Notes, Inc.

Financial Advisory



Trident Health Resources, Inc.

M&A



Pilgrim Software, Inc.

Private Placement

HYDE PARK CAPITAL ADVISORS, LLC is an private investment bank serving the corporate finance needs of healthcare companies primarily in the United States. Hyde Park Capital's principals have extensive transaction experience successfully executing merger & acquisition engagements, including purchase and sale of company assignments, raising growth capital for companies, including equity, mezzanine and senior debt, recapitalizations, financial advisory, and fairness opinions. Hyde Park Capital has significant experience in all sectors of the healthcare industry. The Principals of Hyde Park Capital have advised on over 200 investment banking transactions totaling more than \$10 billion in transaction value. Hyde Park Capital is headquartered in Tampa, Florida and is a member of the FINRA and SIPC.

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