



Q2-2014 HOME HEALTH AND HOSPICE INDUSTRY UPDATE

Market Update

Consolidation activity in the second quarter of 2014 persisted in the home health and hospice markets as larger providers sought tuck-in acquisitions to augment their geographic presence. Provident Healthcare Partners is pleased to announce its role as exclusive financial advisor in the acquisition of CURA Partners, LLC (dba Aid & Assist at Home, LLC) by Addus Healthcare. Addus has been especially acquisitive in the past few quarters, and we expect them to make additional strategic acquisitions as it targets specific geographic territories.

A notable news announcement during the quarter included Kindred Healthcare's bid for Gentiva Healthcare Services, Inc. Gentiva initially rejected Kindred's offer of \$14-a-share in May (a 64% percent premium of the company's stock price that day), and accordingly, Kindred countered with a hostile takeover bid at a per share price of \$14.50. The current bid would amount to a total equity value of \$573 million, and a transaction value of \$1.7 billion, when including Gentiva's debt. Gentiva continues to urge shareholders to reject the offer and remain independent.

AID & ASSIST  AT HOME
Where the heart is

Has been acquired by


Addus Healthcare
(NASDAQ: ADUS)

SELECT TRANSACTIONS

Month	Acquirer	Target Company	Details
June 2014	Addus HomeCare Corporation (NasdaqGS: ADUS)	CURA Partners, LLC (dba Aid & Assist At Home, LLC)	CURA Partners, LLC (dba Aid & Assist At Home LLC) has been acquired by Addus HomeCare Corporation. Aid & Assist At Home is a personal support services agency that provides non-medical care and support services to seniors and the disabled in the comfort of their own homes. Aid & Assist At Home has eight offices across Tennessee. Provident Healthcare Partners served as exclusive financial advisor in the transaction.
April 2014	Wellspring Capital Management LLC	Great Lakes Caring	Wellspring Capital Management LLC (Wellspring) has acquired Great Lakes Caring (Great Lakes) from Pouschine Cook Capital Management (Pouschine Cook). Great Lakes is one of the largest independent for-profit providers of in-home post-acute services in the United States. Pouschine Cook acquired Great Lakes in 2007, and Provident represented Great Lakes in that transaction. Financial terms for this deal were not disclosed.
April 2014	The Ensign Group Inc. (NasdaqGS: ENSG)	Life's Doors Hospice; Life's Doors Home Health and Life's Doors Home Solutions	The Ensign Group Inc. (The Ensign Group) has acquired Life's Doors Hospice, Life's Doors Home Health and Life's Doors Home Solutions. Cornerstone Healthcare Inc., Ensign's home health and hospice operating company, will operate Life's Doors. The Life's Doors entities will be merged with Horizon Home Health and Hospice, which Cornerstone has operated since 2010. Financials terms of the transactions were not disclosed.
April 2014	ViaQuest, Inc.	Vibrant Home Health Care; Care One Homecare Services, and Serenity Hospice	ViaQuest has acquired the Indiana operations of TriStar Home Health and Hospice, a division of Trilogy Health Services, LLC. The transaction includes TriStar operations known as Vibrant Home Health Care, Care One Homecare Services, and Serenity Hospice. Trilogy Health is a leading provider of senior living and long-term healthcare services in the Midwest. The terms of the transaction were not disclosed.
April 2014	Celtic Healthcare, Inc.	VNA-TIP Healthcare	VNA-TIP Healthcare, a HomeCare Elite agency founded in 1917, has been acquired by Celtic Healthcare. Celtic Healthcare will be able to offer a wide array of value-based care services to physicians, hospitals and senior living communities that assist in care transition coordination, electronic medical record integration, outcome-focused delivery for reduction of avoidable readmissions and increased patient satisfaction as well as collaborative community education. Financial terms of the deal were not disclosed.
April 2014	LHC Group, Inc.	Deaconess HomeCare division of BioScrip, Inc.	BioScrip, Inc. has completed the previously announced sale of substantially all of its Deaconess HomeCare division to LHC Group, Inc. The transaction represents a total deal value of approximately \$60 million. BioScrip will use the net proceeds from the sale to pay down a portion of its outstanding debt.