



Debt & Derivative Advisors

Leaders in Healthcare Finance

Market Update: Healthcare

www.soundcapital.com

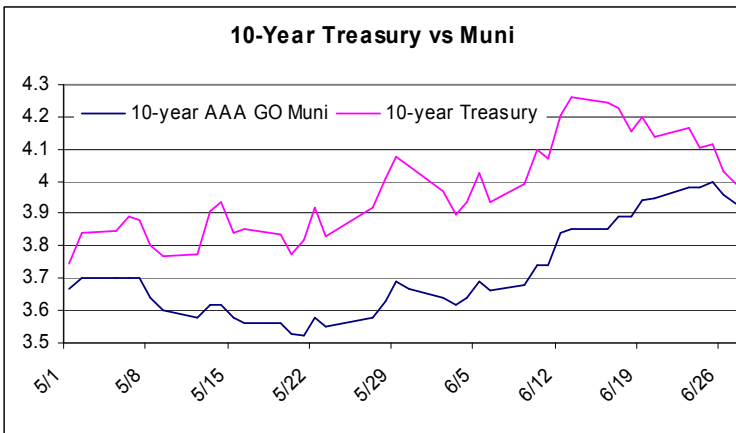
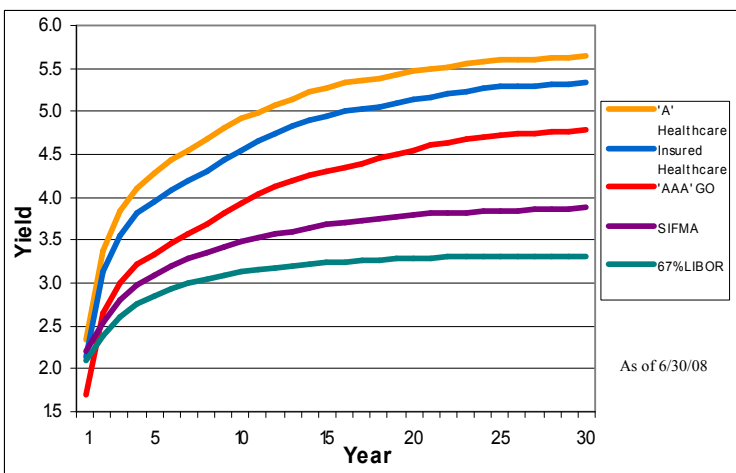
June 30th, 2008

Talk to one of our Debt and Derivative Advisors:

Johan Rosenberg (952) 746-6030	Farah Lotia (952) 746-6171	Steve Johnson (952) 746-6035	Josh Dooley (952) 746-6056
John Trefethen (952) 746-6040	Cynthia Heneage (952) 746-6045	Erik Kelly (952) 746-6055	

General High Grade and Healthcare Yield Curves

	AAA GO	Insured Healthcare	A Healthcare	Swaps	
				SIFMA	67% of LIBOR
2 Yr	2.65	3.14	3.37	2.54	2.38
5 Yr	3.34	3.95	4.28	3.10	2.85
10 Yr	3.93	4.55	4.91	3.48	3.12
20 Yr	4.55	5.14	5.46	3.80	3.29
30 Yr	4.78	5.33	5.64	3.88	3.32



Healthcare Market News

The Dow fell 4.1% last week, closing at 11,347 on Friday. **The index is down 10.2% for the month of June**, which would be its worst June since the Great Depression. Oil reached another all-time high on Friday, closing at \$140.64.

The Fed announced no change in the target **Fed Funds rate on Wednesday, keeping the key rate at 2.00%**. The accompanying FOMC statement brought increased concerns about inflation and less concerns about growth.

In the fixed income markets, treasury yields were down 14 to 23 basis points across the curve, with the largest decline in the 2- to 5-year range. The benchmark 10-year treasury fell 15 basis points to close at 3.99%. The AAA GO muni yield curve flattened considerably, with short-term maturities increasing 1 to 3 basis points, and maturities on the long end falling 4 to 8 basis points.

With the short holiday week, there is only one notable deal on the healthcare new issuance calendar. In the biggest deal of the week, the New York State Dormitory Authority is issuing \$652MM for Mental Health Services Facilities Improvement.

On the general municipal calendar, there is a **very light \$1.6Bn scheduled this week**. Highlights – weak as they are – include 1) \$155MM State of Oregon, and 2) \$120MM West Contra Costa Unified School District, CA.

Advertisement

MuniMarket Pulse podcast - Rob Haines of CreditSights Says Insurers Trying to Silence Critics; Discusses Fitch Withdrawal
Go to <http://podcast.derivactiv.com>.



New Issue Summary

Recent Healthcare Transactions—Issues over \$20MM

Week of sale	\$MM	Issuing Authority	Borrower	ST	Type	Rating (M/SP/F)	Due (20XX)	Manager	Comp /Neg
23-Jun	330.0	Louisville/Jefferson Co Metro Gov	Jewish Hosp/St. Mary's Health	KY	Rev	A3/A+/-	22-23, 27, 37	Morgan Stanley	N
23-Jun	42.8	Madison Hosp Auth #1		NE	Rev	---/BBB/---	09-19, 33	Wells Fargo	N
23-Jun	24.2	Madison Hosp Auth #1		NE	Rev	---/BBB/---	09-19, 21	Wells Fargo	N
23-Jun	30.0	Montana Fac Fin Auth	Health Care Fac	MT	Rev	Aa3/-/AA-	09-18, 23, 28, 33	D.A. Davidson	N
16-Jun	148.9	West Virginia Hosp Fin	Thomas Health System Inc.	WV	Rev	---/-/---	11-15, 20, 23, 28, 38, 43	Raymond James	N
16-Jun	144.7	Maryland Hlth & Higher Ed Fac Auth	Johns Hopkins Hlth System	MD	Rev	A1/A+/AA-	42, 46, 48	Goldman Sachs	N
16-Jun	103.6	Wisconsin Hlth & Ed Fac Auth	Children's Hospital	WI	Rev	Aa3/AA/-	17-24, 28, 33, 37	Goldman Sachs	N
16-Jun	80.7	Washington Hlth Fac Auth	PeaceHealth	WA	Rev	---/AA-/AA	18	Goldman Sachs	N

Highlighted Unenhanced Healthcare Issue Details & Spread Analysis

Madison Hosp Auth #1	Maturity	Yield	+/- "AAA" GO
---/BBB/---	2009	3.50	1.78
Pricing Date: 6/23/08	2010	4.00	1.35
\$42.8MM Negotiated	2011	4.50	1.50
	2012	4.75	1.53
	2013	5.00	1.64
	2014	5.10	1.62
	2015	5.25	1.64
	2016	5.35	1.61
	2017	5.50	1.63
	2018	5.65	1.67
	2019	5.75	1.66
	2033	6.25	1.46

Issuers and borrowers may request SCM to perform a spread analysis on any issue. Call 952-996-0180.

Upcoming Healthcare Transactions—Issues over \$20MM

Week of sale	\$MM	Issuing Authority	Borrower	ST	Type	Rating (M/SP/F)	Due (20XX)	Manager	Comp /Neg
30-Jun	70.0	New York State Dorm Auth		NY	Rev	---/---/---	09-19	Morgan Stanley	N
30-Jun	582.2	New York State Dorm Auth	Mental Health Svcs Fac Imp	NY	Rev	---/---/---		JPMorgan	N
7-Jul	103.4	City of Colorado Springs	Memorial Hospital	CO	Rev	A3/A/-		Goldman Sachs	N
14-Jul	230.0	Oklahoma Dev Fin Auth	Integris	OK	Rev	Aa3/AA/-		Goldman Sachs	N

The foregoing information and opinions are for general information use only and readers should not rely solely on this information, but should undertake their own inquiries and seek third-party advice before making any decisions. Sound Capital does not guarantee their accuracy or completeness, nor does Sound Capital assume any liability for any loss which may result from the reliance by any person upon such information or opinions. The information herein is not an offer or a solicitation to buy or sell any instrument or to participate in any particular trading strategy. No representation is made that any returns indicated will be achieved or that all relevant factors have been considered or stated. Past performance is not necessarily indicative of future results. Price and availability are subject to change without notice.