



Debt & Derivative Advisors

Leaders in Healthcare Finance

Market Update: Healthcare

www.soundcapital.com

March 24th, 2008

Talk to one of our Debt and Derivative Advisors:

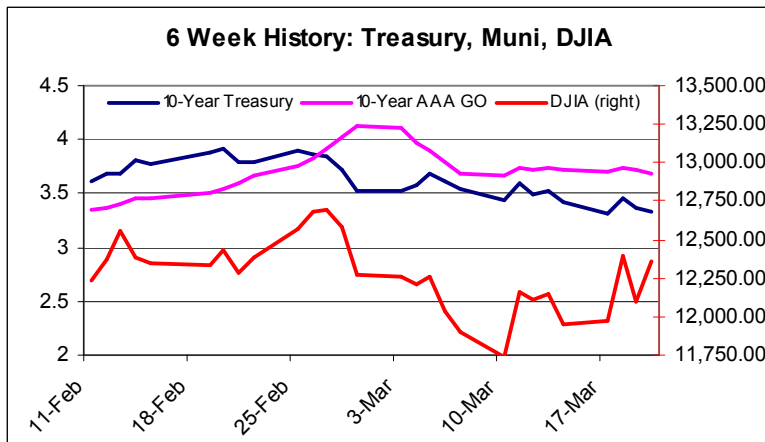
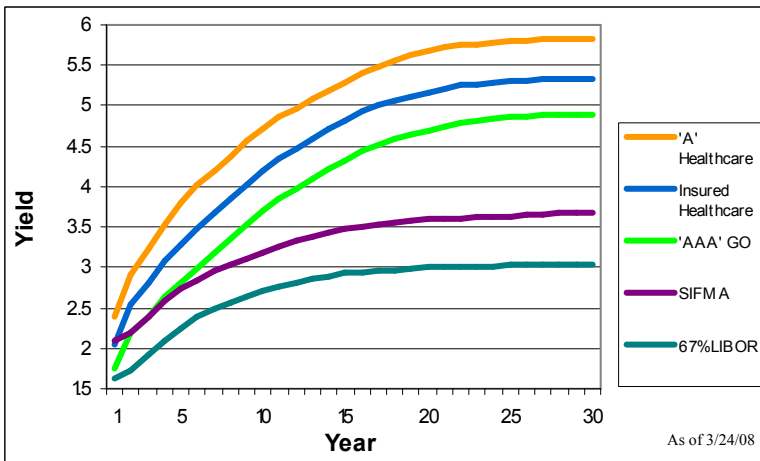
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General High Grade and Healthcare Yield Curves

	AAA GO	Insured Healthcare	A Healthcare	SWAPS	
				SIFMA	67% of LIBOR
2 Yr	2.18	2.54	2.91	2.20	1.72
5 Yr	2.80	3.27	3.80	2.73	2.25
10 Yr	3.69	4.19	4.72	3.19	2.70
20 Yr	4.70	5.17	5.67	3.59	3.00
30 Yr	4.89	5.34	5.83	3.68	3.03



Healthcare Market News

The Dow was up 3.4% for the holiday-shortened week last week, the best week since the period ending Feb 1. Financials led the climb as Goldman Sachs, Lehman Brothers, and Morgan Stanley **reported quarterly earnings down 53%, 57%, and 42% respectively, which was stronger than analysts' estimates.** That news came as a relief to investors that were fearing another Bear-Stearns-like implosion. The Fed's newly announced Primary Dealer Credit Facility also eased fears of a financial system failure.

The Fed cut the Target Fed Funds rate **75 basis points to 2.25% from 3.0% last Tuesday.** The Fed started slashing their key interest rate last September, and in total they have cut **300 basis points in 26 weeks.**

On the week, the AAA GO Muni yield curve was down 4-8 basis points in the 2 to 10-year range, and down 4-5 basis points in the 12 to 30-year range. The benchmark 10-year Treasury was down 9 basis points to close at 3.33% last Thursday. Last week, it hit its lowest point in more than 4 1/2 years.

Today (3/24/08), the existing home sales indicator came in much stronger than expected with a 2.9% month over month increase. A 0.8% decline was anticipated. The Dow was up 200+ points in late-day trading.

On the upcoming new-issuance calendar for healthcare, there is a **heavy \$1.2Bn scheduled this week.** Highlights include 1) \$326.2MM Ascension Health Group, CA, 2) \$227.3MM Kent Hospital Finance Authority, MI, and 3) \$241.3MM Hackensack University Medical Center, NJ.

On the general municipal calendar, there is a **moderate \$6.1Bn scheduled.** Highlights include 1) \$700MM Utah Transit Authority, 2) \$697MM Energy Northwest, 3) \$500MM North Texas Tollway, and 4) \$337MM Texas International Airport.

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MuniMarket Pulse podcast - T.J. Marta of RBC Describes the "Implosion of the Financial System"; Applauds Fed Actions. Go to <http://podcast.derivactiv.com>.

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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
17-Mar	250.0	District of Columbia Hospital	Children's Hospital	DC	Rev	---/AAA/AAA	18,22,28,45	UBS	N
17-Mar	50.0	District of Columbia Hospital	Children's Hospital	DC	Rev	---/AAA/AAA	35	UBS	N
17-Mar	50.0	District of Columbia Hospital	Children's Hospital	DC	Rev	---/AAA/AAA	35	UBS	N
17-Mar	50.0	District of Columbia Hospital	Children's Hospital	DC	Rev	---/AAA/AAA	35	UBS	N
17-Mar	74.5	East Alabama Health Care Auth	East Alabama Medical Ctr	AL	Rev	---/A/---	09-13,33	Merrill Lynch	N
10-Mar	261.6	California State Pub Works Board	UC Irvine Medical Center	CA	Rev	Aa2/AA-/AA-	10-28,33	Bear Stearns	N
10-Mar	26.1	California State Pub Works Board	UCSF Moffitt/Long Hospital	CA	Rev	Aa2/AA-/AA-	09-28,33	Bear Stearns	N
10-Mar	26.4	Washington Healthcare Fac	Providence Health & Services	WA	Rev	Aaa/AAA/AAA	33	Merrill Lynch	N
10-Mar	69.4	Washington Healthcare Fac	Providence Health & Services	WA	Rev	Aaa/AAA/AAA	33	Merrill Lynch	N
10-Mar	69.3	Washington Healthcare Fac	Providence Health & Services	WA	Rev	Aaa/AAA/AAA	33	Merrill Lynch	N

Highlighted Enhanced Healthcare Issue Details & Spread Analysis

	Maturity	Yield	+/- "AAA" GO
District of Columbia Hospital	2018(F)	4.33	0.62
Children's Hospital	2022(F)	4.93	0.72
---/AAA/AAA	2028(A)	5.22	0.52
(---/---/---)	2038(A)	5.45	0.55
FSA and Assured Guaranty			
Pricing Date: 3/17/08			
\$250.0MM Negotiated			

Highlighted Unenhanced Healthcare Issue Details & Spread Analysis

	Maturity	Yield	+/- "AAA" GO
California State Public Works Board	2010	2.53	0.34
UC Irvine Medical Center	2011	2.85	0.44
Aa2/AA-/AA-	2012	3.02	0.36
Pricing Date: 3/10/08	2013	3.20	0.37
\$261.6MM Negotiated	2014	3.37	0.37
	2015	3.54	0.37
	2016	3.71	0.38
	2017	3.86	0.36
	2018	4.02	0.36
	2019	4.23	0.42
	2020	4.39	0.44
	2021	4.51	0.44
	2022	4.63	0.44
	2023	4.74	0.44
	2024	4.83	0.43
	2025	4.91	0.42
	2026	4.95	0.39
	2027	4.99	0.38
	2028	5.03	0.37
	3033	5.11	0.30

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
24-Mar	326.2	Ascension Health Group		CA	Rev	Aa1/AA/AA+		Citigroup	N
24-Mar	136.5	Doylestown Hospital Authority		PA	Rev	---/---/---		PNC Capital	N
24-Mar	227.3	Kent Hospital Finance Authority		MI	Rev	Aa3/AA/---	15	Citigroup	N
24-Mar	85.8	Illinois Finance Authority	Alexian Brothers	IL	Rev	---/---/---		Merrill Lynch	N
24-Mar	85.9	Illinois Finance Authority	Alexian Brothers	IL	Rev	---/---/---		Merrill Lynch	N
24-Mar	241.3	New Jersey Health Care Facilities	Hackensack Univ Medical Center	NJ	Rev	A3/---/A-	09-18,20,41	Merrill Lynch	N
31-Mar	52.8	California Statewide Community Dev	Los Angeles Orthopaedic Hos	CA	Rev	---/---/---	08-30	JP Morgan	N

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