



Debt & Derivative Advisors

Leaders in Healthcare Finance

Market Update: Healthcare

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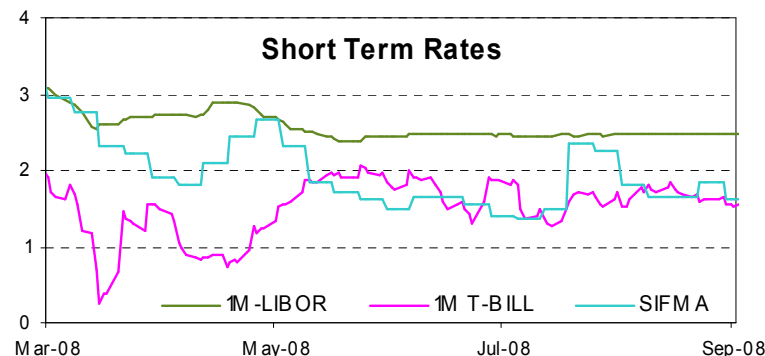
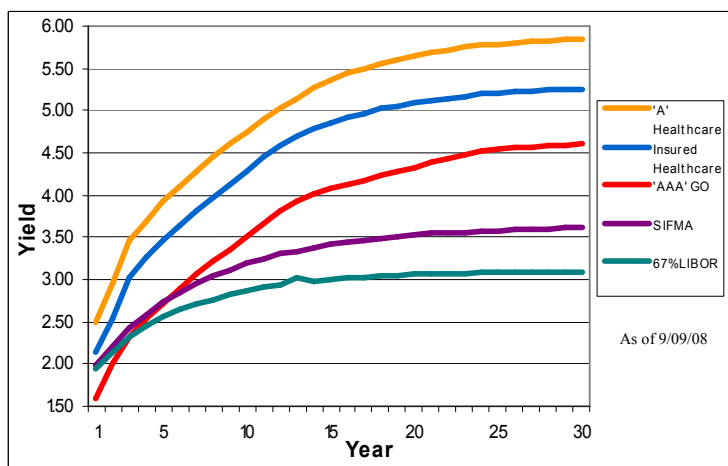
September 9th, 2008

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	2.01	2.54	2.95	2.21	2.14
5 Yr	2.72	3.47	3.92	2.74	2.55
10 Yr	3.51	4.28	4.75	3.20	2.87
20 Yr	4.33	5.09	5.65	3.53	3.06
30 Yr	4.60	5.26	5.85	3.62	3.09



Healthcare Market News

After a quiet start, the Dow fell 2.8% last week to close at 11220.96 and the S&P 500 dropped 3.2% to close at 1242.31, with the heaviest losses coming on Thursday. Energy prices continued to fall, greatly reducing inflationary expectations, while poor chain store sales and increased jobless claims pointed to continuing weakness in the economy.

Moody's last week released a report outlining its plans to move to a single, global ratings scale allowing direct comparisons between corporate and municipal credits by 2009. While this is generally expected to result in upgrades across broad categories of issuers, early indications from Moody's, as well as from a comparable report released by Fitch in July, suggest that private healthcare entities already carry corporate-equivalent ratings. Institutions affiliated with and supported by universities or local governments could see a modest rating increase.

In fixed income, Treasuries plunged 11 to 17 basis points across the curve on a flight to safety from deteriorating stocks. The AAA GO muni yield curve flattened substantially, as yields fell 2 basis points on the front end, 7 to 9 basis points through the belly of the curve, and 11 basis points on the long end.

On the new issuance calendar for healthcare, there is a moderate \$894MM scheduled this week. Highlights include: 1) \$375MM Cleveland Clinic Health system, OH, 2) \$159MM CoxHealth, MO, and 3) \$138MM Ross County Hospital Facilities, OH.

On the general municipal calendar, there is a moderate to heavy \$8Bn scheduled this week. Highlights include: 1) \$700MM City of New York, 2) \$621MM Los Angeles Community College District, and 3) \$609MM North Texas Tollway Authority.

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MuniMarket Pulse podcast - Chris Mier of Loop Capital Says Economy is "Not Out of the Woods Yet"

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
1-Sep	142.9	Ross County	Adena Health	OH	Rev	A3/A/---	09-19, 22, 28, 35, 38	Cain Brothers	N
25-Aug	154.8	Illinois Finance Authority	Northwest Community Hosp	IL	Rev	Aa3/AA-/---	10-23, 28, 33, 38	Goldman Sachs	N
25-Aug	200.0	Harris Co Cult Ed Fac Fin Corp	Baylor College of Medicine	TX	Rev	---/A/---	09-19, 23, 28, 32	Citigroup	N
25-Aug	44.9	Brd of Reg of the Univ of OK	OU Cancer Institute	OK	Rev	---/AA/AA	24-28, 33, 36	Citigroup	N
25-Aug	26.2	Brd of Reg of the Univ of OK	OU Cancer Institute	OK	Rev	---/AA/AA	09-13, 18, 24	Citigroup	N

Highlighted 'A' Healthcare Issue Details & Spread Analysis

Ross County Adena Health	Maturity	Yield	+/- "AAA" GO
A3/A/---	2011	3.65	1.27
Pricing Date: 9/02/08	2012	3.85	1.26
\$142.9MM Negotiated	2013	4.00	1.22
	2014	4.20	1.23
	2015	4.35	1.22
	2016	4.50	1.22
	2017	4.65	1.21
	2018	4.80	1.21
	2019	4.96	1.22
	2022	5.33	1.23
	2028	5.67	1.24
	2035	5.93	1.25
	2038	5.50	0.79

Highlighted 'AA' Healthcare Issue Details & Spread Analysis

Illinois Finance Authority Northwest Community Hospital	Maturity	Yield	+/- "AAA" GO
Aa3/AA-/---	2010	2.90	0.87
Pricing Date: 8/25/08	2011	3.30	0.92
\$154.8MM Negotiated	2012	3.50	0.90
	2013	3.75	0.96
	2014	3.95	0.97
	2015	4.11	0.98
	2016	4.27	0.99
	2017	4.43	1.00
	2018	4.59	1.01
	2019	4.75	1.02
	2020	4.90	1.02
	2021	5.01	1.02
	2022	5.09	1.02
	2023	5.15	1.02
	2028	5.45	1.04
	2033	5.66	1.04
	2038	5.72	1.04

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
8-Sep	60.1	Christian County Hosp		KY	Rev	---/AAA/---	18, 28, 36	Banc of America	N
8-Sep	70.9	Halifax Hosp Med Ctr		FL	Rev	---/---/---		Citigroup	N
8-Sep	35.7	Halifax Hosp Med Ctr		FL	Rev	---/---/---		Citigroup	N
8-Sep	55.0	Kentucky Econ Dev Fin	Ashland Hosp Corp	KY	Rev	A1/---/A+		RBC Capital	N
8-Sep	158.9	Missouri Hlth Ed Facs	CoxHealth	MO	Rev	---/---/---		Merrill Lynch	N
8-Sep	138.4	Ross County Hosp Facs		OH	Rev	A3/A/---		Cain Brothers	N
8-Sep	375.0	Ohio State	Cleveland Clinic Hlth Sys	OH	Rev	---/---/---		JPMorgan	N
15-Sep	550.0	City of Royal Oak	William Beaumont Hospital	MI	Rev	---/---/---		Morgan Stanley	N

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