

Pratt's Stats[®] Transaction Report

Prepared: 1/18/2008 12:13:24 PM (PST)

Seller Details		Source Data	
Company Name:	Quality Care Solutions, Inc.	Public Buyer Name:	TRIZETTO GROUP INC
Business Description:	Software and Information Technology Solutions for the Healthcare Payer Industry	8-K Date:	1/16/2007
SIC:	7372 Prepackaged Software	8-K/A Date:	3/27/2007
NAICS:	511210 Software Publishers	Other Filing Type:	N/A
Sale Location:	United States	Other Filing Date:	N/A
Years in Business:	N/A	CIK Code:	0001092458
Number Employees:	N/A		

Income Data		Asset Data		Transaction Data	
Data is "Latest Full Year" Reported	Yes	Data is Latest Reported	Yes	Date Sale Initiated:	N/A
Data is Restated (see Notes for any explanation)	No	Data is "Purchase Price Allocation agreed upon by Buyer and Seller"	No	Date of Sale:	1/10/2007
Income Statement Date	12/31/2005	Balance Sheet Date	9/30/2006	Asking Price:	N/A
Net Sales	\$48,100,000	Cash Equivalents	\$11,372,000	Market Value of Invested Capital*:	\$148,200,000
COGS	\$19,423,000	Trade Receivables	\$5,681,000	Debt Assumed:	\$1,000,000
Gross Profit	\$28,677,000	Inventory	\$0	Employment Agreement Value:	N/A
Yearly Rent	\$1,037,000	Other Current Assets	\$3,823,000	Noncompete Value:	N/A
Owner's Compensation	N/A	Total Current Assets	\$20,876,000	Amount of Down Payment:	\$147,200,000
Other Operating Expenses	N/A	Fixed Assets	\$2,714,000	Stock or Asset Sale:	Stock
Noncash Charges	\$1,779,000	Real Estate	\$0	Company Type:	C Corporation
Total Operating Expenses	\$22,744,000	Intangibles	\$1,605,000	Was there an Employment/Consulting Agreement?	No
Operating Profit	\$5,933,000	Other Noncurrent Assets	\$907,000	Was there an Assumed Lease in the sale?	No
Interest Expenses	\$152,000	Total Assets	\$26,102,000	Was there a Renewal Option with the Lease?	No
EBT	\$5,822,000	Long-term Liabilities	\$1,073,000	*Includes noncompete value and interest-bearing debt; excludes real estate, employment/consulting agreement values, and all contingent payments.	
Taxes	\$0	Total Liabilities	\$21,243,000		
Net Income	\$7,937,000	Stockholder's Equity	\$4,859,000		

Additional Transaction Information	
Was there a Note in the consideration paid? No	Was there a personal guarantee on the Note? No
<p>Terms:</p> <p>Consideration: Cash in the amount of \$147,200,000 and the assumption of the seller's debt in the amount of \$1,000,000. In addition to the purchase price of \$147,200,000, there was a \$5,000,000 holdback (dependent on working capital) and a potential contingent payment of \$7,000,000 based upon license and software maintenance revenues for the year of 2007. In addition, the Buyer incurred acquisition costs in the amount of \$5,200,000.</p> <p>Assumed Lease (Months): 55</p> <p>Noncompete Length (Months): N/A</p> <p>Employment/Consulting Agreement Description:</p> <p>Additional Notes:</p> <p>EBT includes interest income of \$41,000. Net Income includes a tax benefit of \$2,115,000.</p> <p>Allocation of the Purchase Price (allocates cash paid, holdback, and acquisition costs): Tangible assets \$24,600,000, Goodwill \$91,400,000, Customer relationships \$39,900,000, Trade name \$900,000, Core technology \$9,500,000, Existing technology \$6,700,000, Total assets acquired \$173,000,000, Liabilities assumed (\$15,600,000), Net assets acquired \$157,400,000.</p> <p>Quality Care Solutions, Inc. (QCSI) (the "Company") is a Nevada Corporation that develops, markets and licenses health insurance claims reimbursement, health insurance benefits administration, integrated care management and consumer-driven health care solutions throughout the United States primarily under term licenses. The Company's software products manage the interaction between payors (i.e., insurance companies, managed care organizations, government agencies, self-insured employers, third-party administrators, providers who maintain financial responsibility for healthcare claims and other enterprises that implement health plans and pay the majority of healthcare expenses), providers (i.e., physicians, dentists, medical and dental practice groups, laboratories, hospitals and other organizations that deliver care and services), and patients. This is performed by automating significant portions of the claims, benefit administration and enrollment processes such as analyzing a patient's healthcare plan and related coverage to determine patient eligibility for healthcare benefits, calculating the payor's and patient's responsibility for the claim, authorizing referrals to other providers, and providing products to assist with consumer directed health insurance enrollment and administration.</p>	
Terms of Lease: Future minimum lease payments total \$4,617,000 through July 2010	Noncompete Description: N/A

Valuation Multiples		Profitability Ratios		Leverage Ratios	
MVIC/Net Sales	3.08	Net Profit Margin	0.17	Fixed Charge Coverage	53.22
MVIC/Gross Profit	5.17	Operating Profit Margin	0.17	Long-Term Debt to Assets	0.04
MVIC/EBITDA	19.22	Gross Profit Margin	0.60	Long-Term Debt to Equity	0.22
MVIC/EBIT	24.98	Return on Assets	0.30		
MVIC/Discretionary Earnings	N/A	Return on Equity	1.63		
MVIC/Book Value of Invested Capital	24.98				
Earnings		Liquidity Ratios		Activity Ratios	
EBITDA	\$7,712,000	Current Ratio	1.04	Total Asset Turnover	1.84
Discretionary Earnings	N/A	Quick Ratio	1.04	Fixed Asset Turnover	17.72
				Inventory Turnover	N/A

N/A = Not Available

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