

Almost Family Company Report

November 17, 2010

Recommend: SELL

Current Price: \$34.59

As of 11/12/10

52-Week High: \$44.12

52-Week Low: \$23.50

Target Price: \$26.25

**Target Range: \$24.70 -
\$27.81**

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Colin McGlynn, MBA Student 2011
colin.mcglynn@yale.edu

Prem Tumkosit, MBA Student 2011
prem.tumkosit@yale.edu

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important disclaimer.

- Market underestimating federal fines
- Reimbursement cuts will curb growth
- Acquisitions becoming pricier
- Growth prospects dimmed

Almost Family operates a Visiting Nurse and a Personal Care (PC) line of business. AFAM has operations in the Southeast (FL, AL), Midwest (KY, OH, MI, IL, IN) and the Northeast (CT, NJ, MA, PA). AFAM has 85 visiting nurse branches and 23 personal care branches located in overlapping states.

The Visiting Nurse (VN) line of business provides patients with follow-on care to acute inpatient hospitalizations, these are typically provided as a substitute for care in long-term acute care hospitals, rehabilitation hospitals or skilled nursing facilities. Almost Family operates 42 home health agencies across 85 locations that provide Visiting Nursing services. AFAM offers care management programs including their:

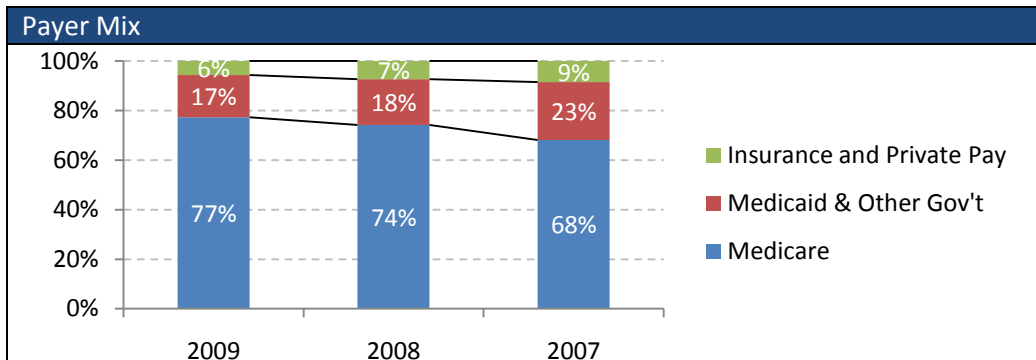
- Frail Elderly Care Management Program
- Optimum Balance Program
- Cadiocare Program
- Orthopedic Program
- Urology Program

The VN line of business is consistent with previously discussed home healthcare services and is reimbursed on a per-episode basis, with 90% of revenues from Medicare and the balancing coming from Medicaid and private insurance programs. The VN segment is primarily based on referrals by physicians upon discharge from the in-patient facility. VN providers consist of registered nurses, licensed practical nurses, physical therapists, speech therapists, occupational therapists, medical social workers and home health aides.¹

The Personal Care line of business provides chiefly non-medical assistance for patients in their home including personal care, medication management, meal preparation,

¹ AFAM 10K, Fiscal Year 2009

caregiver respite and homemaking. These services are provided on an as-needed basis, on an hourly basis or as a live-in basis. These services are given in lieu of admission to a skilled nursing facility or long-term custodial care. Unlike the VN line of business, the revenues for this segment are generated on a per-hourly basis. The majority of this revenue, 67%, comes from Medicaid and other government programs while the remaining is generated through private insurance or private payments. Note that Medicare does not reimburse for Personal Care visits.²



The market appears to be dismissing the federal fine

Almost Family is one of the companies under investigation by the SEC for alleged Medicare Fraud along with many of the other industry players including those discussed previously (AMED). Recall that to estimate the size of the industry fine we used the case study of HCA, the largest settlement for Medicare fraud ever issued.

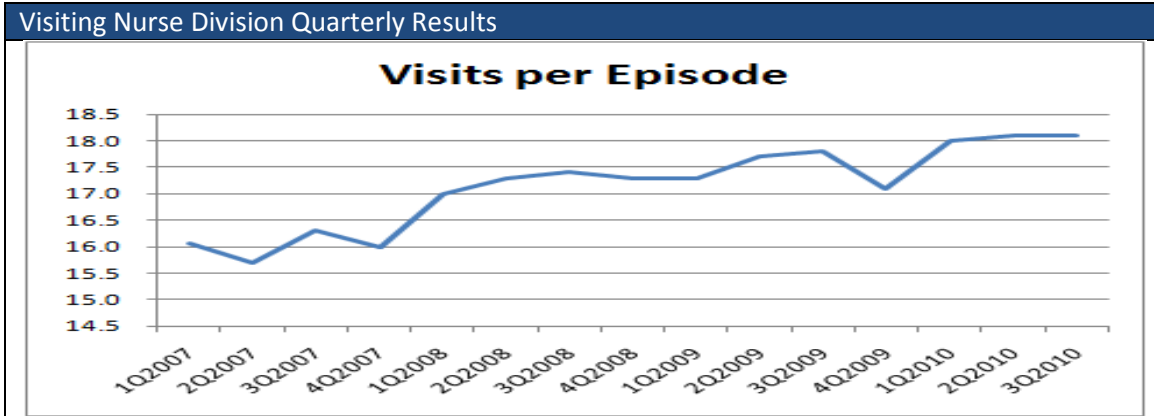
HCA was fined \$1.7 billion dollars which was 10% of 2001 revenues, but approximately 40% of Medicare revenues³. If we were to use the same percentage of Medicare revenues applied to the Almost Family case, we would estimate a fine of approximately \$60 to \$100 million dollars.

We note that unlike some of the other home health providers under investigation, AFAM's stock has registered significant gains against the initial investigation announcement in July.

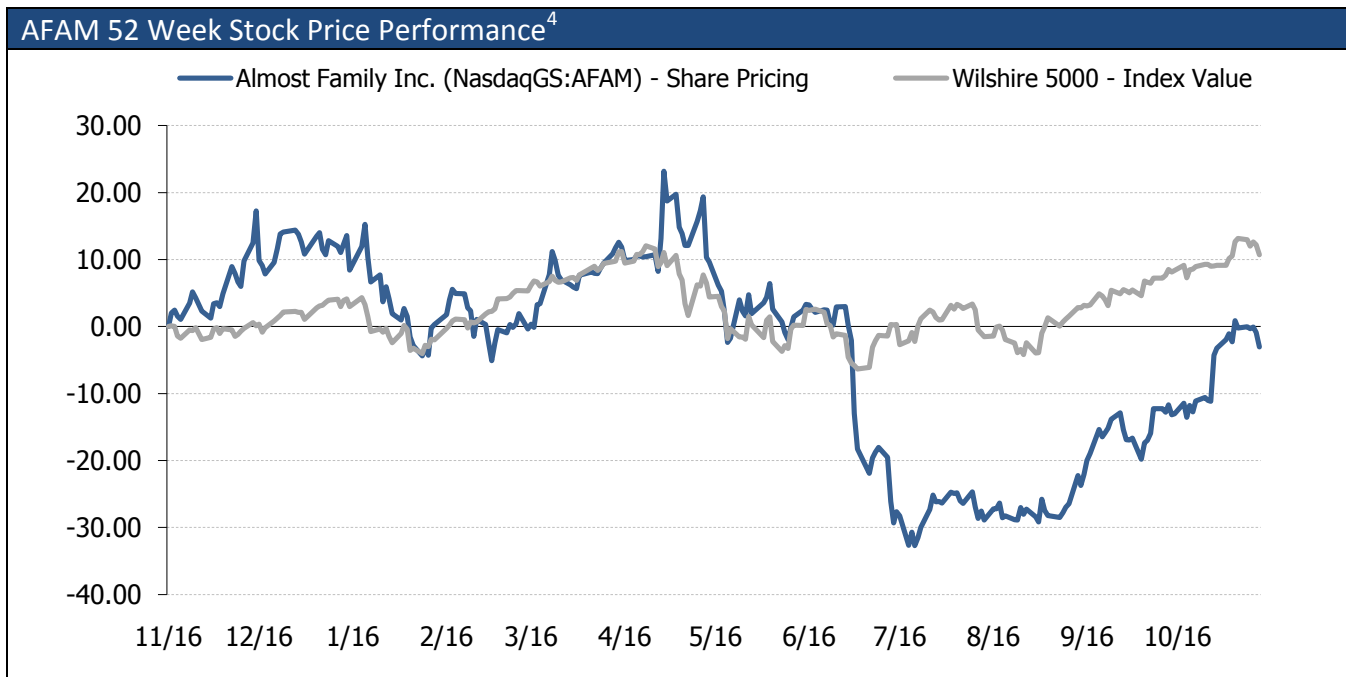
We believe, however, that there is evidence to suggest that AFAM may not escape continued scrutiny by regulators, and, moreover, that whatever penalties may be assessed against AMED will also be soon thereafter assessed against AFAM. The allegations against the industry hinge upon evidence of manipulating Medicare visits to extract additional reimbursement from CMS.

² *ibid.*

³ 28% of HCA FY2001 revenues were from Medicare



Looking at AFAM’s visits per Medicare episode over time, one can find some justification for the regulatory suspicion. Visits per episode have risen by 12.5% since 2007. Management justifies the increase as a change in patient mix to include patients with higher-intensity conditions. We take no explicit view as to the correct or incorrect interpretation of the above results, but we do note that it is unclear how AFAM might selectively increase the characteristics of the population which it serves. Given that most Home Health patients fall in the range between fully-independent and sick enough to warrant full-time care, it is not clear to us how severity on a portfolio-wide basis would increase 12.5% given the pace of new acquisition (i.e. we are not certain how one can find new locations with patients sick enough to move the weighted-average of the company’s entire portfolio out two days but not sick enough to require hospitalization.)



⁴ Capital IQ as of 11/12/10

Comparing the stock price of AFAM and AMED in respect of the announcement of the investigation into billing practices, we find that the market appears to be pricing in a fine for AMED and either no fine (or a substantial delay in assessment of a fine) for AFAM. We do not believe that this interpretation is sustainable. The case against both companies will be made with similar evidence and follow similar patterns. Should the litigation against AMED be successful, we see no reason why regulators would not immediately turn to AFAM to prosecute and attempt a forced settlement. As a company accused of defrauding CMS, AFAM would have no natural allies on either side of the political aisle, and it defies credulity that a seasoned prosecutorial team would secure a victory against one competitor and then simply ignore the other.

We conducted a sensitivity analysis to understand the range of fines and their impact upon valuation in our model. Using the HCA model as an estimator, we find that a potential fine of \$69 million - \$92 million, which translates to a range of roughly \$5.36 to \$8.47 per share of wealth transfer. Using a pre-fine target price of \$31.06, we derive a target price of \$26.25, with a range of \$24.7 to \$27.81 (well below the current price of \$34.59). We arrive at these numbers in tandem with our fundamental analysis of the company, which is presented herein below.

Medicare home healthcare reimbursement marginally worse than expected

Medicare has released its conclusive, 4.89% decrease to home healthcare expenditures⁵ which was within the range of 4-5% as previously discussed, but significantly higher than the 1% adjustment predicted by healthcare reform legislation. Despite this certainty in 2011 reimbursement rates, we estimate that there will likely be further cuts in the home healthcare reimbursement rates and we step down the adjustments to 1% in 2013 as we believe the industry is operating near its cost of capital and would not be able to absorb continued significant cuts in reimbursements.

Growth Strategy

Understanding Almost Family's growth strategy requires bifurcating growth rates for the Personal Care and Visiting Nurse division. Almost Family has not added net Personal Care facilities since 2005, likely in recognition that this segment sees limited growth due to its dependence on Medicaid and private insurance and its poor margin profile (operating margins are, on average, ten percentage points lower than for its Visiting Nurse division). In 2004, Personal Care revenues were roughly 50% of total revenue; by 3Q2010 they represented less

⁵ "Providers to see lower Medicare payments" *Washington Post*, Alex Wyne, 11/5/2010

than 13%. With admissions down 7.7% year-on-year (for 9 months ended September 30, 2010), we anticipate that Personal Care will be maintained by the company at its current size.

For the Visiting Nurse division, prospects are brighter. Admissions per location are up 1.4% year-over-year for 9-months ended September 30, 2010, and the company continues to acquire centers at a rate of approximately 15 per year. It would appear also that Almost Family is also generating significant economies of scale as well. Between 2001 and 2003, Almost Family's VN business generated operating margins averaging 13.8%. By 2009, operating margins for the division had increased to 21% and appear to be staying.

However, we believe that the increased margins may have reached their theoretical maximum. On an operating basis, the increase in margins appears to be driven by a strong increase in the number of visits per care episode in the Visiting Nurse division.

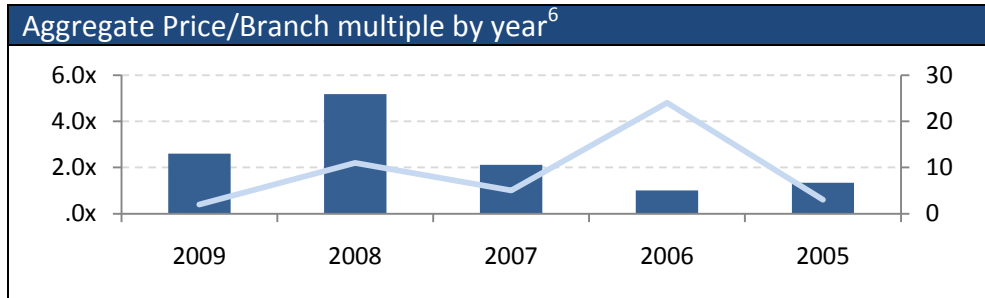
Visiting Nurse Division Quarterly Results															
VN	1Q2007	2Q2007	3Q2007	4Q2007	1Q2008	2Q2008	3Q2008	4Q2008	1Q2009	2Q2009	3Q2009	4Q2009	1Q2010	2Q2010	3Q2010
Average Locations	47	47	46		55	58	64		74	77	82		84	87	88
Patient Months	18,594	18,547	18,453	21,084	24,183	29,814	36,454	40,576	43,121	46,940	47,744	48,154	50,528	51,850	51,382
Admissions	7,505	7,311	6,951	7,571	8,410	9,400	10,339	11,542	12,672	12,994	12,878	13,485	14,664	14,408	14,359
Billable Visits	143,539	143,078	145,009	169,287	187,340	240,795	309,183	351,021	395,774	406,360	416,328	494,018	460,223	476,313	469,992
Medicare															
Revenue	\$ 21,558	\$ 21,704	\$ 21,013	\$ 24,867	\$ 27,969	\$ 36,429	\$ 43,375	\$ 49,119	\$ 52,198	\$ 57,520	\$ 59,381	\$ 61,284	\$ 65,546	\$ 68,958	\$ 67,786
Billable visits	130,660	129,704	131,710	153,658	170,405	222,711	261,426	297,649	314,737	349,792	360,681	369,791	381,958	476,313	394,668
Admissions	6,806	6,589	6,161	7,375	7,585	8,638	9,479	10,498	11,483	11,869	11,616	12,142	13,268	14,408	13,030
Episodes	8,136	8,058	7,972	9,003	10,354	12,485	14,562	16,291	18,051	18,893	19,479	20,013	21,218	21,447	21,763
Revenue per Completed Episode	\$ 2,650	\$ 2,617	\$ 2,638	\$ 2,911	\$ 3,116	\$ 2,886	\$ 2,926	\$ 2,855	\$ 2,936	\$ 2,972	\$ 3,002	\$ 2,974	\$ 3,133	\$ 3,182	\$ 3,156
Visits per Episode	16.1	15.7	16.3	16.0	17.0	17.3	17.4	17.3	17.7	17.8	17.8	17.1	18.0	18.1	18.1
				<<Full Year>>			<<Full Year>>			<<Full Year>>					
Revenue/Visit	\$ 165.01	\$ 166.89	\$ 161.84	\$ 181.94	\$ 183.29	\$ 166.82	\$ 168.16	\$ 165.03	\$ 169.71	\$ 167.91	\$ 168.65	\$ 173.92	\$ 174.06	\$ 175.80	\$ 174.36
YoY Change					11.1%	0.1%	3.9%	-9.3%	-7.4%	0.7%	0.3%	5.4%	2.6%	4.7%	3.4%
Admissions/Location	159.68	155.55	151.11	149.92	152.91	162.07	161.55	167.28	171.24	168.75	157.05	162.47	174.57	165.61	163.17
Visits/Admission	19.13	19.57	20.86	22.36	22.28	25.62	29.90	30.41	31.23	31.27	32.33	36.63	31.38	33.06	32.73
Episodes/Admissions	1.20	1.23	1.29	1.22	1.37	1.45	1.54	1.55	1.57	1.59	1.68	1.65	1.60	1.49	1.67

With pressure on the industry due to the Federal investigation of home healthcare companies increasing revenues through scheduling unnecessary visits during treatment, Almost Family may find it difficult to drive admissions of higher days' treatment patients in the future. It appears to us that a limit is being reached around 18.0 days per episode, and an argument could be made that 17.5 days is a more likely sustainable normal. Translated into billing terms, 17.5 days equates to approximately \$2,900 per episode, while 18 days translates to \$3,150. That additional \$250, however, is multiplied across approximately 165 admissions per location and 88 locations, which translates into an additional \$3.6 million to the top-line every 90 days (or \$14.4 million or 5.7% to the top-line) for the last year. We suspect that revenues per episode have likely peaked and may even decline again, and we modeled normalized revenues per facility based upon the performance from FY2008-FY-2009.

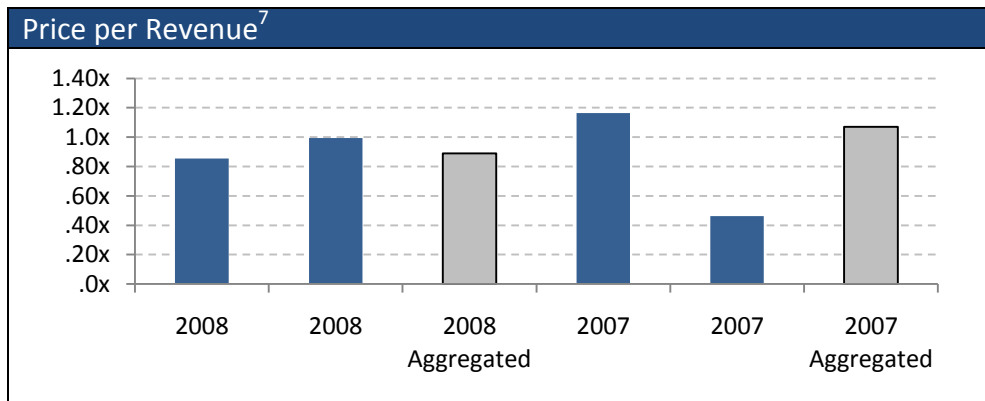


Given the trends in unit pricing, we arrive at our revenue and profit projection after considering the unit volume growth of Almost Family. At a macro level, Almost Family’s organic growth will be limited to Medicare reimbursement and the demographic trends which we’ve discussed previously in our industry report including the aging population of the US, the trend towards less mobility in senior citizens and the drive to push home healthcare as a cost-effective means of healthcare delivery as payers and providers are looking to trim healthcare expenses.

Almost Family addresses unit growth in its business segments in two distinct ways. The VN line of business is grown primarily through acquisition and has been the primary driver of revenue growth for the business, similar to the business model adopted by previously discussed companies (AMED and LNCR). The number and value of acquisitions has historically varied widely, but more recent acquisitions suggest that AFAM is starting to pay a higher premium per site.



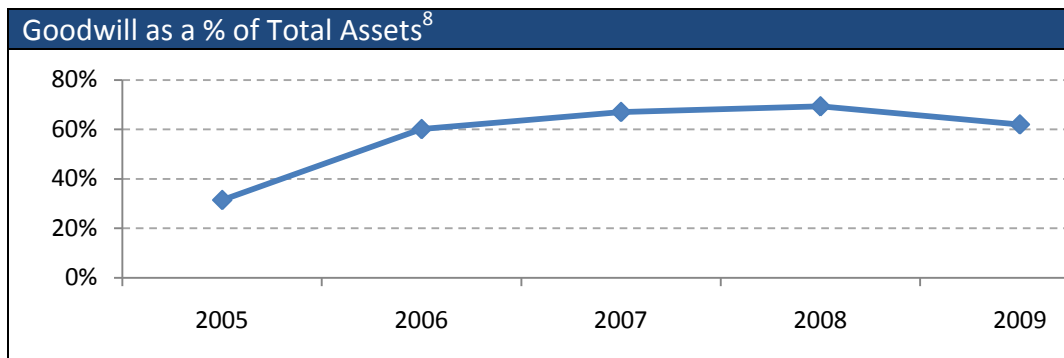
The number of VN centers has grown from a total of 16 centers in 2001 to the current 85, a CAGR of 23%, both from organic growth and acquisitions. Center growth has been strongest in the Midwest (53% CAGR in the same period), but the Southeast remains the dominant region (with 52% of the centers). On an acquisition price per revenue basis, AFAM appears to pay a consistent value of around 1x per acquisition (note that information was only available from 2008 and 2007 acquisitions).



⁶ Data aggregated from AFAM 10Ks from Fiscal Year 2009 through 2005

⁷ Data aggregated from AFAM 10Ks from Fiscal Year 2008

As a result of these acquisitions, AFAM has carried a significant portion of assets under goodwill, currently comprising over 50% of total assets.

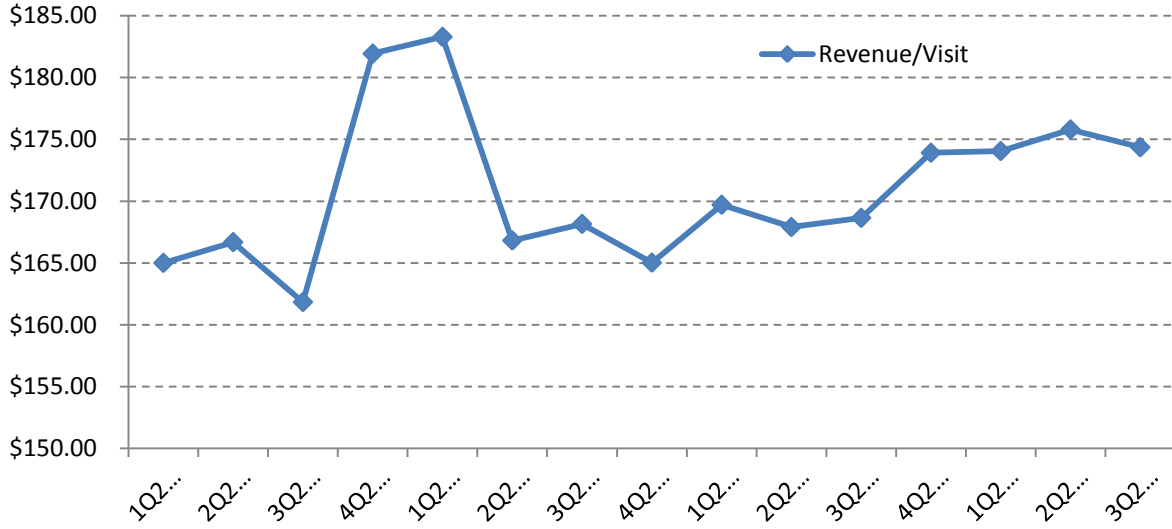


Contrast the VN growth (23% center CAGR over the past 8 years) to the growth in the Personal Care (PC) line of business (1.1% over the same period) which the company has stated that it will only grow organically. We believe that the PC line of business will continue to stay stable, without significant future investment and will serve as a supplemental service for those seeking nursing visits. Eventually, Almost Family may consider divesting this business as a strategic option.

⁸ Goodwill & other intangible assets divided by total assets, 10Ks from 2005-2009.



Visiting Nurse Reimbursement Per Visit⁹



Organic growth rates in Visiting Nurse facilities remain low (by our estimates, below 2% per annum on a volume basis), but returns to acquisition remain high. The average purchase price for a VN facility between 2007 and 2008 was \$2.12-\$3.6 million. In 3Q2010, the average Almost Family VN facility earned \$0.84 million, suggesting a payback period of fewer than three quarters (assuming a \$2.6 million purchase price) on a revenue basis and 14 quarters (3.46 years) on an operating profit basis. On a perpetuity basis, assuming an 8% discount rate and a 1.5% growth rate, this would suggest an IRR on each acquisition of 11%, well above the company’s cost of capital.

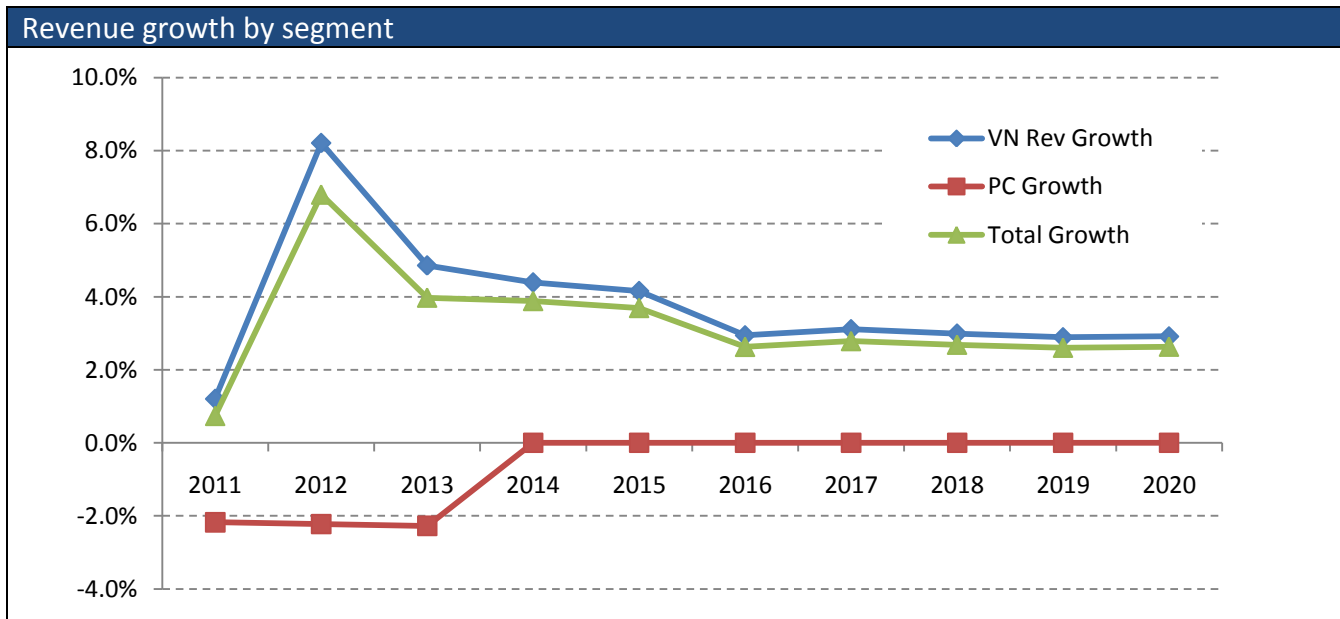
Although pricing appears to be rising for VN centers (*cf.* the growth in goodwill over time), they remain profitable. Almost Family maintains no long-term debt (they have only a \$75 million revolving credit facility with JP Morgan), and management has consistently articulated a strategy of acquisition growth through deployment of free cash flow. As management notes in the 10-K, “We do not pay dividends and intend to retain all future earnings to finance the continued growth and development of our business.”¹⁰

We use this information to estimate future growth through application of 100% of free cash flow to the acquisition of VN facilities, assuming a \$2.6 million average price as Almost Family consolidates in its target regions. Because of its small size relative to giants in the industry like Amedisys (with over \$1 billion in revenue and a historical acquisition pace of 40-80 locations per year), we believe it is reasonable to assume that Almost Family can continue to grow at a

⁹ Goodwill & other intangible assets divided by total assets, 10Ks from 2005-2009.

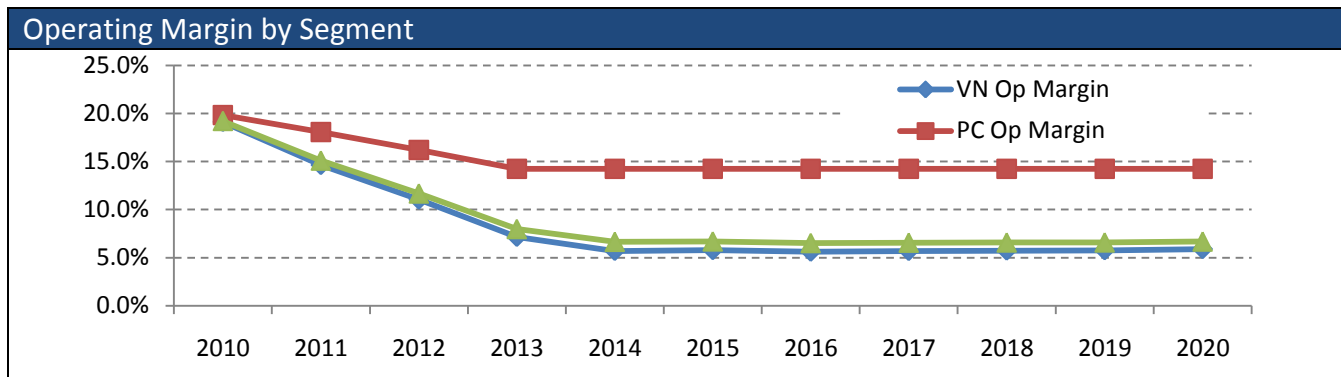
¹⁰ AFAM 2009 10-K, p. 22.

long-term average rate of 4-15 units per year as it has in the past. Between 2005 and June 2010, Almost Family's cash acquisition expenditures have been roughly 1.23X free cash flow. Because we believe that future revenues will be decreasing, and given the company's historical aversion to leverage, we project acquisition growth at 1.0X FCF versus the historical ratio. Using these assumptions, we project growth as follows:



Growth in 2011 is depressed due to the reduction in Medicare reimbursement rates, with an uptick in 2012 due to underlying growth in the operating units. Additionally, revenues are inflated due to the growing elderly population previously discussed in our industry report. Revenues will eventually trending towards the natural population growth rate in the over 65 age category towards the terminal period.

We forecasted COGS and SG&A on a per-center basis similar to the revenue analysis. While VN margins decline in the 2011-2013 period due to decline in Medicare reimbursement rates, PC revenues decline due to decrease in the Patient Months available per location. PC maintains a slightly higher margin in our forecasts helping to give a slight lift to the overall company value.



Recommendation

Even looking at the fine-free unaffected Target Price, we would anticipate a fair value of approximately \$31.06 fully diluted (~10% below the current share price), indicating that the market may be dismissing the possibility of a federal fine for AFAM—an assertion supported by the recovery of the firm’s share price to its pre-investigation levels. The market may also be assuming that the company will either increase leverage in order to swell the pace of acquisition or eventually divest the personal care division in favor of acquiring assets in the Visiting Nurse space. It is our position that either move would be accretive and have a strongly positive impact on the stock price. However, absent any signs from management that the company has changed its view on leverage or the Personal Care space, we discount these possibilities. We believe that at an unaffected fair value of \$31.06 AFAM is over valued at its current market price and recommend a SELL against the stock.

Summary Valuation

AFAM 52 Week Stock Price Performance							
Current Stock Price as of 11/12/10				\$ 34.59			
52-Week High				\$ 44.12			
52-Week Low				\$ 23.50			
Fully Diluted Shares (in millions)				9.24			
Unaffected Target Price per share:				31.06			
Target Price:				\$ 26.25			
Price Range Given estimated Federal Fine				\$24.7 to \$27.81			
Sensitivity Tables (Price per Share)							
Term. Grwth	Cost of Equity			Fed. Fine	Cost of Equity		
	7.61%	8.11%	8.61%		7.61%	8.11%	8.61%
1.5%	\$ 30.83	\$ 29.20	\$ 27.80	\$0	\$ 33.14	\$ 31.06	\$ 29.32
2.0%	\$ 31.88	\$ 30.05	\$ 28.50	\$50	\$ 29.77	\$ 27.81	\$ 26.18
2.5%	\$ 33.14	\$ 31.06	\$ 29.32	\$75	\$ 28.15	\$ 26.25	\$ 24.67
3.0%	\$ 34.68	\$ 32.26	\$ 30.28	\$100	\$ 26.55	\$ 24.70	\$ 23.17
3.5%	\$ 36.58	\$ 33.73	\$ 31.43	\$150	\$ 23.33	\$ 21.58	\$ 20.15



Appendix I

Almost Family (AFAM)									
VN Centers	2001	2002	2003	2004	2005	2006	2007	2008	2009
<i>Southeast</i>	14	15	15	18	20	34	41	39	44
<i>Northeast</i>	1	1	1	1	1	1	1	10	11
<i>Midwest</i>	1	1	1	5	6	9	9	25	30
<i>Total</i>	16	17	17	24	27	44	51	74	85
									11
PC Centers	2001	2002	2003	2004	2005	2006	2007	2008	2009
<i>Southeast</i>	12	12	9	8	14	14	11	8	7
<i>Northeast</i>	5	6	4	5	5	5	7	7	8
<i>Midwest</i>	4	6	6	6	6	5	4	8	8
<i>Total</i>	21	24	19	19	25	24	22	23	23
VN Growth	2001	2002	2003	2004	2005	2006	2007	2008	2009
<i>Southeast</i>		7%	0%	20%	11%	70%	21%	-5%	13%
<i>Northeast</i>		0%	0%	0%	0%	0%	0%	900%	10%
<i>Midwest</i>		0%	0%	400%	20%	50%	0%	178%	20%
<i>Total</i>		6%	0%	41%	13%	63%	16%	45%	15%
PC Growth	2001	2002	2003	2004	2005	2006	2007	2008	2009
<i>Southeast</i>		0%	-25%	-11%	75%	0%	-21%	-27%	-13%
<i>Northeast</i>		20%	-33%	25%	0%	0%	40%	0%	14%
<i>Midwest</i>		50%	0%	0%	0%	-17%	-20%	100%	0%
<i>Total</i>		14%	-21%	0%	32%	-4%	-8%	5%	0%



Appendix II

Almost Family (AFAM)													
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	1Q2010	2Q2010	3Q2010
VN													
Revenue	25,774	27,859	28,799	29,376	32,228	39,733	55,190	96,220	172,977	256,060	71,541	74,947	74,155
Cost	25,857	24,085	24,970	25,095	27,423	34,360	46,091	76,628	136,332	202,305	55,679	57,249	57,619
Operating Income	(83)	3,774	3,829	4,281	4,805	5,373	9,099	19,592	36,645	53,755	15,862	17,698	16,536
PC													
Revenue													
Cost	<<Consolidated with ADHS>>												
Operating Income				3,787	2,309	3,279	3,900	3,412	3,770	5,166	1,251	1,495	1,475
VN													
Revenue Growth		8.1%	3.4%	2.0%	9.7%	23.3%	38.9%	74.3%	79.8%	48.0%	21.8%	17.2%	12.8%
COGS Margin	100.3%	86.5%	86.7%	85.4%	85.1%	86.5%	83.5%	79.6%	78.8%	79.0%	77.8%	76.4%	77.7%
Operating Margin	-0.3%	13.5%	13.3%	14.6%	14.9%	13.5%	16.5%	20.4%	21.2%	21.0%	22.2%	23.6%	22.3%
PC													
Revenue Growth					4.0%	5.4%	0.3%	1.3%	7.3%	8.4%	0.4%	0.2%	1.8%
COGS Margin					93.1%	90.7%	89.0%	90.5%	90.2%	87.6%	87.8%	86.0%	86.3%
Operating Margin					11.7%	9.3%	11.0%	9.5%	9.8%	12.4%	12.2%	14.0%	13.7%



Appendix III

		Almost Family (AFAM)															
VN		1Q2007	2Q2007	3Q2007	4Q2007	1Q2008	2Q2008	3Q2008	4Q2008	1Q2009	2Q2009	3Q2009	4Q2009	1Q2010	2Q2010	3Q2010	
Average Locations		47	47	46		55	58	64		74	77	82		84	87	88	
Patient Months		18,594	18,547	18,453	21,084	24,183	29,814	36,454	40,576	43,121	46,940	47,744	48,154	50,528	51,850	51,382	
Admissions		7,505	7,311	6,951	7,571	8,410	9,400	10,339	11,542	12,672	12,994	12,878	13,485	14,664	14,408	14,359	
Billable Visits		143,539	143,078	145,009	169,287	187,340	240,795	309,183	351,021	395,774	406,360	416,328	494,018	460,223	476,313	469,992	
Medicare																	
Revenue		\$ 21,558	\$ 21,704	\$ 21,013	\$ 24,867	\$ 27,969	\$ 36,429	\$ 43,375	\$ 49,119	\$ 52,198	\$ 57,520	\$ 59,381	\$ 61,284	\$ 65,546	\$ 68,958	\$ 67,786	
Billable visits		130,660	129,704	131,710	153,658	170,405	222,711	281,426	297,649	314,737	349,792	360,681	389,791	381,958	476,313	394,668	
Admissions		6,806	6,569	6,161	7,375	7,585	8,638	9,479	10,498	11,483	11,889	11,616	12,142	13,268	14,408	13,030	
Episodes		8,136	8,058	7,972	9,003	10,354	12,485	14,562	16,291	18,051	18,893	19,479	20,013	21,218	21,447	21,763	
Revenue per Completed Episode		\$ 2,650	\$ 2,617	\$ 2,638	\$ 2,811	\$ 3,116	\$ 2,886	\$ 2,926	\$ 2,855	\$ 2,936	\$ 2,972	\$ 3,002	\$ 2,974	\$ 3,133	\$ 3,182	\$ 3,156	
Visits per Episode		16.1	15.7	16.3	16.0	17.0	17.3	17.4	17.3	17.3	17.7	17.8	17.1	18.0	18.1	18.1	
Revenue/Visit		\$ 165.01	\$ 166.69	\$ 161.84	\$ 181.94	\$ 183.29	\$ 166.82	\$ 168.16	\$ 165.03	\$ 169.71	\$ 167.91	\$ 168.65	\$ 173.92	\$ 174.06	\$ 175.80	\$ 174.36	
YoY Change					<<Full Year>>	11.1%	0.1%	3.9%	-9.2%	-7.4%	0.7%	0.3%	5.4%	2.6%	4.7%	3.4%	
Admissions/Location		159.68	155.55	151.11	149.92	152.91	162.07	161.55	167.28	171.24	168.75	157.05	162.47	174.57	165.61	163.17	
Visits/Admission		19.13	19.57	20.86	22.36	22.28	25.62	29.90	30.41	31.23	31.27	32.33	36.63	31.38	33.06	32.73	
Episodes/Admissions		1.20	1.23	1.29	1.22	1.37	1.45	1.54	1.55	1.57	1.59	1.68	1.65	1.60	1.49	1.67	



Appendix IV

Almost Family (AFAM)															
PC	1Q2007	2Q2007	3Q2007	4Q2007	1Q2008	2Q2008	3Q2008	4Q2008	1Q2009	2Q2009	3Q2009	4Q2009	1Q2010	2Q2010	3Q2010
Average Locations	962	824	957	10,376	877	965	883	732	22	23	23	733	23	23	23
Admissions	10,143	10,301	10,517	10,376	10,587	11,447	11,103	10,241	11,693	11,825	11,822	11,807	11,799	11,831	11,645
Patent Months	516,699	507,202	508,829	522,192	500,961	568,492	560,332	444,444	570,248	593,771	590,662	527,879	570,693	583,722	581,171
Billable Hours	\$ 17.78	\$ 17.84	\$ 17.87	\$ 17.48	\$ 17.42	\$ 17.31	\$ 18.00	\$ 18.58	\$ 17.87	\$ 17.91	\$ 17.87	\$ 18.31	\$ 17.94	\$ 18.26	\$ 18.48
Revenue/Billable Hour															
Change YoY															
Locations															
Admissions					-8.8%	17.1%	-7.7%		22	23	23	0.1%	-3.9%	-7.7%	-11.7%
Patent Months					4.4%	11.1%	5.6%	-1.3%	10.4%	3.3%	6.5%	15.3%	0.9%	0.1%	-1.5%
Billable Hours					-3.0%	12.1%	10.1%	-14.9%	13.8%	4.4%	5.4%	18.8%	0.1%	-1.7%	-1.6%
Revenue/Billable Hour					-2.0%	-3.0%	0.7%	6.3%	2.6%	3.5%	-0.7%	-1.5%	0.4%	2.0%	3.4%



Appendix V

		Almost Family (AFAM)														
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Units		94	97	101	105	109	113	117	122	127	132	137	143	149	155	161
Admissions/Location		652.68	652.2	651.7	651.2	650.7	650.2	649.7	649.2	648.7	648.2	647.7	647.2	646.7	646.2	645.7
Episodes/Admissions		1.67	1.62	1.57	1.52	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
\$/Episode		\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850
Revenue		292,044	292,119	294,553	296,240	303,201	314,087	324,955	336,581	352,186	365,769	379,331	395,638	411,920	428,176	444,407
Growth		-0.5%	0.0%	0.8%	0.6%	2.3%	3.6%	3.9%	4.2%	4.0%	3.9%	3.7%	4.3%	4.1%	3.9%	3.8%
Available Cash Flow		11,499	14,621	13,372	13,087	13,652	14,632	16,585	16,748	17,164	17,601	18,008	18,008	18,008	18,008	18,008
Acquisition Cost/Unit		3,000	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Units Acquired		3	4	4	4	4	4	5	5	5	5	6	6	6	6	6
PN		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Average Locations		23	23	23	23	23	23	23	23	23	23	23	23	23	23	23
Admissions		3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060
Patient Months		11,500	11,250	11,000	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750
Billable Hours		2,533,680	2,478,600	2,423,520	2,368,440	2,368,440	2,368,440	2,368,440	2,368,440	2,368,440	2,368,440	2,368,440	2,368,440	2,368,440	2,368,440	2,368,440
Revenue/Billable Hour		\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00	\$ 18.00
Revenue		45,606	44,615	43,623	42,632	42,632	42,632	42,632	42,632	42,632	42,632	42,632	42,632	42,632	42,632	42,632
Growth		-2.2%	-2.2%	-2.2%	-2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Revenue		337,650	336,734	338,176	338,672	345,833	356,719	367,587	381,213	394,817	408,401	421,963	438,270	454,552	470,808	487,039
Total Growth		-0.3%	-0.4%	0.4%	0.2%	2.1%	3.1%	3.0%	3.7%	3.6%	3.4%	3.3%	3.9%	3.7%	3.6%	3.4%



Appendix VI

Adjusted Present Value Analysis: Almost Family

Free Cash Flow (\$ Millions)	2007	2008	2009	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Revenue	130.9	211.5	297.8	326.7	329.1	351.5	365.5	379.6	393.7	404.0	415.2	426.4	437.5	449.0
<i>Growth (YoY)</i>	45.1%	61.6%	40.8%	9.7%	0.7%	6.8%	4.0%	3.9%	3.7%	2.6%	2.8%	2.7%	2.6%	2.6%
Cost Of Goods Sold	63.1	98.2	138.6	153.8	162.4	179.5	193.8	203.8	211.0	216.7	222.4	228.1	233.8	239.6
Selling General & Admin Exp.	53.9	85.1	117.2	110.2	117.1	130.9	142.5	150.6	156.3	161.0	165.6	170.2	174.8	179.4
Provision for Bad Debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amort.	0.8	1.3	2.4	2.7	2.7	2.7	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5
Operating Expense	54.8	86.4	119.6	112.8	119.8	133.6	145.3	153.5	159.4	164.1	168.8	173.5	178.2	182.9
Operating Income	13.1	26.9	39.7	60.1	47.0	38.4	26.4	22.4	23.3	23.2	24.0	24.8	25.4	26.5
EBITDA	13.9	28.2	42.1	62.8	49.7	41.0	29.2	25.3	26.3	26.3	27.3	28.1	28.8	30.0
Interest Expense	(0.8)	(1.1)	(0.8)	(3.4)	(2.7)	(2.2)	(1.6)	(1.3)	(1.4)	(1.4)	(1.5)	(1.5)	(1.5)	(1.6)
EBT	13.1	27.1	41.3	59.4	47.0	38.8	27.6	23.9	24.9	24.9	25.8	26.6	27.3	28.4
Income Tax Expense	5.3	10.7	16.6	20.8	16.5	13.6	9.7	8.4	8.7	8.7	9.0	9.3	9.5	9.9
NOPAT	7.8	16.4	24.7	38.6	30.6	25.3	17.9	15.5	16.2	16.2	16.8	17.3	17.7	18.5
Change in Working Capital	(4.2)	(13.3)	(5.7)	(3.2)	(0.3)	(2.5)	(1.5)	(1.6)	(1.6)	(1.1)	(1.2)	(1.2)	(1.2)	(1.3)
<i>% of Change of Revenue</i>	-10%	-16%	-7%	-11%	-11%	-11%	-11%	-11%	-11%	-11%	-11%	-11%	-11%	-11%
Capital Expenditures	(0.6)	(1.5)	(2.1)	(2.3)	(2.4)	(2.5)	(2.6)	(2.7)	(2.8)	(2.9)	(3.0)	(3.1)	(3.1)	(3.2)
Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>% of EBIT</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Levered Free Cash Flow	3.1	1.7	16.9	33.1	27.9	20.2	13.8	11.2	11.8	12.2	12.5	13.0	13.4	14.0
<i>2.3%</i>	<i>0.8%</i>	<i>5.7%</i>	<i>10.1%</i>	<i>8.5%</i>	<i>5.8%</i>	<i>3.8%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.1%</i>	<i>3.1%</i>
Interest Expense	0.8	1.1	0.8	3.4	2.7	2.2	1.6	1.3	1.4	1.4	1.5	1.5	1.5	1.6
Corporate Tax Rate			35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
Debt Tax Shield				1.2	0.9	0.8	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6
APV Discount Factors:														
Cost of Equity			8.11%	100.0%	92.5%	85.6%	79.1%	73.2%	67.7%	62.6%	57.9%	53.6%	49.6%	45.8%
Cost of Debt			6.00%	100.0%	94.3%	89.0%	84.0%	79.2%	74.7%	70.5%	66.5%	62.7%	59.2%	55.8%
Present Value of Lev. FCF			138.2	33.1	25.8	17.3	10.9	8.2	8.0	7.6	7.3	7.0	6.6	6.4
Present Value of DTS			5.6	1.2	0.9	0.7	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Terminal Value Calculation		Levered	Tax Shield											
Value at 2020		14.0	0.6											
Terminal Growth Rate		2.49%	2.49%											
Terminal Value at 2020		248.4	5.0											
PV of Terminal Value		113.9	2.3											
Adjusted Present Value:			260.0											
Net Debt			(27.1)											
Preferred Stock			-											
Minority Interest			-											
Estimated Industry Value of Equity			287.0											
Total Debt			4.3											
Total Cash & ST Investments			31.4											
Current Stock Price as of 11/12/10			\$ 34.59											
52-Week High			\$ 44.12											
52-Week Low			\$ 23.50											
Fully Diluted Shares (in millions)			9.24											
Unaffected Target Price per share:			31.06											
Target Price:			\$ 26.25											
Price Range Given estimated Federal Fine			\$24.7 to \$27.81											

Sensitivity Tables (Price per Share)

Term. Grwth	Cost of Equity			Fed. Fine	Cost of Equity		
	7.61%	8.11%	8.61%		7.61%	8.11%	8.61%
1.5%	\$ 30.83	\$ 29.20	\$ 27.80	\$0	\$ 33.14	\$ 31.06	\$ 29.32
2.0%	\$ 31.88	\$ 30.05	\$ 28.50	\$50	\$ 29.77	\$ 27.61	\$ 26.18
2.5%	\$ 33.14	\$ 31.06	\$ 29.32	\$75	\$ 28.15	\$ 26.25	\$ 24.67
3.0%	\$ 34.68	\$ 32.26	\$ 30.28	\$100	\$ 26.55	\$ 24.70	\$ 23.17
3.5%	\$ 36.58	\$ 33.73	\$ 31.43	\$150	\$ 23.33	\$ 21.58	\$ 20.15



Appendix VII

Consolidated Industry Income Statement

Projected Income Statement (\$ Millions)																			
For the Fiscal Period Ending	2006	2007	2008	2009	Avg %	Stdev	CAGR '06-'09	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
	3	4	5	6															
Revenue factors																			
US Census Data & Projections																			
Under Age 65	260.31984	262.2815	264.064034	265.90428			0.7%	267.78	269.54	270.77	272.01	273.30	274.51	275.76	276.91	277.98	278.97	279.83	
Over Age 65	37.19	37.81	38.62	39.39			1.9%	40.12	40.99	42.40	43.80	45.14	46.57	47.96	49.43	50.97	52.57	54.30	
Total	297.51	300.09	302.69	305.29			0.9%	307.91	310.53	313.17	315.81	318.45	321.08	323.72	326.34	328.95	331.54	334.12	
% Change (proxy for utilization change)	1.7%	2.1%	2.0%		1.9%	0.2%		1.86%	2.17%	3.44%	3.30%	3.07%	3.16%	2.98%	3.06%	3.11%	3.15%	3.28%	
Medicare Reimbursement Changes		26.9%	66.5%	25.0%					-4.89%	-2.45%	-1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Gain in Share through acquisition & organic growth		26.9%	66.5%	25.0%					1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
Net Change		29.0%	70.1%	27.5%					1.86%	-2.83%	0.91%	2.27%	4.10%	4.19%	4.01%	4.09%	4.14%	4.18%	4.32%
Revenue																			
Total Revenue	90.2	130.9	211.5	297.8			48.9%	326.7	329.1	351.5	365.5	379.6	393.7	404.0	415.2	426.4	437.5	449.0	
% Change	45.1%	61.6%	40.8%		49.2%	11.0%		1.9%	-2.8%	0.9%	2.3%	4.1%	4.2%	4.0%	4.1%	4.1%	4.2%	4.3%	
Cost Of Goods Sold	46.9	63.1	98.2	138.6			43.5%	153.79	162.37	179.52	193.81	203.82	210.96	216.68	222.40	228.12	233.83	239.55	
Gross Profit	43.3	67.8	113.3	159.3			54.4%	172.9	166.8	172.0	171.7	175.8	182.7	187.3	192.8	198.3	203.6	209.4	
Selling General & Admin Exp.	37.1	53.9	85.1	117.2			46.7%	110.16	117.09	130.94	142.49	150.57	156.35	160.97	165.59	170.21	174.83	179.44	
Depreciation & Amort.	1.0	0.8	1.3	2.4			33.7%	2.69	2.67	2.68	2.78	2.90	3.01	3.12	3.21	3.30	3.39	3.48	
Total Operating Expenses	38.1	54.8	86.4	119.6			46.4%	112.8	119.8	133.6	145.3	153.5	159.4	164.1	168.8	173.5	178.2	182.9	
% of Revenue	42.3%	41.8%	40.8%	40.2%	41.3%	1.0%	-1.7%	34.5%	36.4%	38.0%	39.8%	40.4%	40.5%	40.6%	40.7%	40.7%	40.7%	40.7%	
Operating Income	5.1	13.1	26.9	39.7			97.6%	60.1	47.0	38.4	26.4	22.4	23.3	23.2	24.0	24.8	25.4	26.5	
EBIT Margin	5.7%	10.0%	12.7%	13.3%	10.4%	3.5%	32.7%	18.4%	14.3%	10.9%	7.2%	5.9%	5.9%	5.7%	5.8%	5.8%	5.8%	5.9%	
EBITDA	6.1	13.9	28.2	42.1			89.9%	62.8	49.7	41.0	29.2	25.3	26.3	26.3	27.3	28.1	28.8	30.0	
EBITDA Margin	6.8%	10.6%	13.3%	14.1%	11.2%	3.3%	27.5%	19.2%	15.1%	11.7%	8.0%	6.7%	6.7%	6.5%	6.6%	6.6%	6.6%	6.7%	
Interest Expense	0	(0.8)	(1.1)	(0.8)			NA	(3.35)	(2.65)	(2.19)	(1.56)	(1.35)	(1.41)	(1.41)	(1.45)	(1.50)	(1.54)	(1.60)	
AFAM	-	(0.8)	(1.1)	(0.8)			NA												
Interest and Invest. Income	0.1	0	0	0			-100.0%	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	
Net Interest Exp.	0.1	(0.8)	(1.1)	(0.8)			-344.9%	(3.3)	(2.6)	(2.2)	(1.5)	(1.3)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)	(1.6)	
% of Revenue	0.1%	-0.6%	-0.5%	-0.3%	-0.3%	0.3%		-1.0%	-0.8%	-0.6%	-0.4%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	
Other Non-Operating Inc. (Exp.)	0	0	0	0			NA	-	-	-	-	-	-	-	-	-	-	-	
% of Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
EBT Excl. Unusual Items	5.2	12.3	25.8	38.9			95.5%	56.8	44.4	36.2	24.8	21.0	22.0	21.8	22.6	23.3	23.9	24.9	
Unusual Items	0	0	0	0			NA	-	-	-	-	-	-	-	-	-	-	-	
As a % of Revenue	0%	0%	0%	0%	0.0%			0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
EBT Incl. Unusual Items	5.2	12.3	25.8	38.9			95.5%	56.8	44.4	36.2	24.8	21.0	22.0	21.8	22.6	23.3	23.9	24.9	
EBT Margin (inc. unusual items)	5.8%	9.4%	12.2%	13.1%	10.1%	3.3%	31.3%												
Income Tax Expense	2.8	5.3	10.7	16.6			80.0%	25.79	20.16	16.44	11.29	9.56	9.98	9.93	10.27	10.58	10.87	11.33	
Effective tax rate (Excl. Unusual Items)	54.7%	43.0%	41.3%	42.6%	45.4%	6.2%		45.4%	45.4%	45.4%	45.4%	45.4%	45.4%	45.4%	45.4%	45.4%	45.4%	45.4%	
Earnings from Cont. Ops.	2.4	7.0	15.1	22.3			111.5%	31.0	24.2	19.8	13.6	11.5	12.0	11.9	12.3	12.7	13.1	13.6	
Earnings of Discontinued Ops.	(0.2)	(0.2)	(0.1)	(0.1)			-20.6%	(0.97)	(0.75)	(0.62)	(0.42)	(0.36)	(0.37)	(0.37)	(0.38)	(0.40)	(0.41)	(0.42)	
Net Income	2.2	6.8	15.0	22.2			NM	30.0	23.5	19.1	13.1	11.1	11.6	11.6	12.0	12.3	12.6	13.2	
Net Margin	2.4%	5.2%	7.1%	7.5%	5.5%			9.2%	7.1%	5.4%	3.6%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	
Inflation Assumptions																			
Percentage change in consumer price index in I	3.2%	2.9%	3.8%	-0.3%				1.4%	1.0%	1.9%	2.5%	2.8%	3.0%	3.1%	3.3%	3.4%	3.5%	3.6%	
Inflation Factor								1.01	1.01	1.02	1.03	1.03	1.03	1.03	1.03	1.03	1.04	1.04	
compounded inflation								1.01	1.02	1.04	1.07	1.10	1.13	1.17	1.21	1.25	1.29	1.34	



Appendix VIII

Balance Sheet (\$ Millions)											
Column number	2006	2007	2008	2009	Metrics	2010	2012	2014	2016	2018	2020
	3	4	5	6							
ASSETS											
Total Cash & ST Investments	4.1	0.5	1.2	19.4		9.8	10.5	11.4	12.1	12.8	13.5
Total Receivables	12.8	17.0	34.8	35.1		45.22	48.65	52.54	55.91	59.01	62.14
% of Revenue	14.2%	13.0%	16.4%	11.8%	14%	2.0%					
Other Current Assets	2.4	3.0	7.6	10.3		9.81	10.55	11.40	12.13	12.80	13.48
% of Cash	2.7%	2.3%	3.6%	3.5%	3%	1%					
Total Current Assets	19.3	20.5	43.5	64.8		64.8	69.7	75.3	80.2	84.6	89.1
Gross Property, Plant & Equipme	12.8	13.5	17.4	12.2		14.6	19.4	24.8	30.5	36.5	42.9
Accumulated Depreciation	(11.3)	(12.1)	(13.2)	(7.9)		(10.4)	(15.4)	(20.7)	(26.5)	(32.6)	(39.0)
Net Property, Plant & Equipr	1.5	1.4	4.2	4.3		4.1	4.0	4.0	4.0	4.0	3.9
Total Assets	53	67	157	183		69	74	79	84	89	93

Capitalization Table												
	2006	2007	2008	2009	AVG %	CAGR	2010	2012	2014	2016	2018	2020
Cash	4.1	0.5	1.2	19.4		67.5%	9.8	10.5	11.4	12.1	12.8	13.5
Total Cash & ST Investments	4.1	0.5	1.2	19.4		67.5%						
As a % of Revenue	5%	0%	1%	7%	4.4%		3%	3%	3%	3%	3%	3%
Interest Income	0.1	-	-	-		-100.0%	0.0	0.0	0.0	0.0	0.0	0.0
% of Cash & ST Investments	1%	0%	0%	0%	0.3%		0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Debt	13.0	16.4	27.1	4.3		-30.9%	68.4	44.7	27.5	28.7	30.6	32.7
As a multiple of EBITDA	2.12x	1.18x	.96x	.1x	1.09x		1.09x	1.09x	1.09x	1.09x	1.09x	1.09x
Interest Expense	0.0	0.8	1.1	0.8		#DIV/0!	3.4	2.2	1.3	1.4	1.5	1.6
% of Debt	NM	4.9%	4.1%	18.6%	4.9%		4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
Total Equity	27.74	34.82	94.78	148.98		75.1%						
Debt to Equity	0.47	0.47	0.29	0.03	0.25	0.23						
Cash/Debt	0.32	0.03	0.04	4.51	5.80	10.41						
Debt/EBITDA	2.12x	1.18x	.96x	.1x	1.09x	.83x						

Coupon Rate:	Maturity	Amt	Issued:
6.00%	6/1/2010	4.30	NA

note, revolver financed at approx 4.9% in 2008

Estimating cost of debt:



Appendix IX

Cashflow Elements	2006	2007	2008	2009	Avg	Stdev	CAG	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Change in WC Accounts	(0.8)	(4.2)	(13.3)	(5.7)			89.3%	(3.2)	(0.3)	(2.5)	(1.5)	(1.6)	(1.6)	(1.1)	(1.2)	(1.2)	(1.2)	(1.3)
Change in Acc. Receivable	(1.8)	(4.8)	(14.3)	(4.0)														
AFAM	(1.8)	(4.8)	(14.3)	(4.0)														
Change in Acc. Payable	0.9	1.0	2.0	(2.2)														
AFAM	0.9	1.0	2.0	(2.2)														
Change in Unearned Rev.	-	-	-	-														
AFAM	-	-	-	-														
Change in Inc. Taxes	-	-	-	-														
AFAM	-	-	-	-														
Change in Other Net Operating Assets	0.0	(0.4)	(1.0)	0.5														
AFAM	0.0	(0.4)	(1.0)	0.5														
% of Change of Revenue		-10.2%	-16.5%	-6.6%	-11.1%	5.0%		-11.1%	-11.1%	-11.1%	-11.1%	-11.1%	-11.1%	-11.1%	-11.1%	-11.1%	-11.1%	-11.1%
Capital Expenditure	(0.9)	(0.6)	(1.5)	(2.1)			32.6%	(2.3)	(2.4)	(2.5)	(2.6)	(2.7)	(2.8)	(2.9)	(3.0)	(3.1)	(3.1)	(3.2)
AFAM	(0.9)	(0.6)	(1.5)	(2.1)														
As a % of Revenue	-1.0%	-0.5%	-0.7%	-0.7%	-0.7%	0.2%		-0.7%	-0.7%	-0.7%	-0.7%	-0.7%	-0.7%	-0.7%	-0.7%	-0.7%	-0.7%	-0.7%
Depreciation & Amort.	1.0	0.8	1.3	2.4			33.7%	2.5	2.5	2.5	2.6	2.7	2.8	2.9	3.0	3.1	3.2	3.3
AFAM	1.0	0.8	1.3	2.4														
As a % of BoY Net PPE	55.1%	93.1%	56.7%	68.3%	21.5%	3.5%		58.7%	60.8%	62.9%	65.1%	67.4%	69.7%	72.2%	74.7%	77.3%	80.0%	82.8%
Amort. of Goodwill and Intangibles	0.0	-	0.2	0.3			239.6%	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
AFAM	0.0	-	0.2	0.3														
As a % of Revenue	0.01%	0.00%	0.09%	0.10%	0.05%	0.1%		0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Deprec. & Amort (incl. intangibles)	1.0	0.8	1.5	2.7			38.7%	2.7	2.7	2.7	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5
As a % of Revenue	1.1%	0.6%	0.7%	0.9%	0.84%	0.2%		0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%