

Dear Friend:

It's been a while since you've heard from us, but we've been busy doing deals and growing the firm. Named to the Boston Business Journal's list of Area's Most Active Investment Banks for the third straight year in 2003, we completed 11 engagements ranging from sell-side and buy-side transactions to fairness opinions and financing arrangements.

Inverness Medical Innovations (AMEX: IMA) continues to keep us very busy with its growth into the rapid diagnostics arena with its acquisitions of Applied Biotech, Ostex International and certain assets of Abbott Laboratories – approximately \$160 million in total value. We also arranged a financing in the amount of \$70 million in connection with the Applied Biotech transaction and then a follow-on financing of \$135 million to fund a portion of the Abbott Laboratories transaction.

Other recent highlights include:

- The acquisition of Landacorp, Inc. (NASDAQ: LCOR), a provider of technology-driven solutions for health plans and healthcare delivery organizations, by SHPS, Inc., (a Welsh, Carson, Anderson & Stowe company), a leading provider of integrated health management solutions for employers, health plans and government agencies;
- The acquisition of eClassicSystems, Inc., maker of the world's leading ATM channel management system, by Jack Henry & Associates, Inc. (NASDAQ: JKHY), a provider of integrated computer systems that process ATM and debit card transactions for banks and credit unions;
- The acquisition of Mapletree Networks, Inc., a privately-held supplier of remote access solutions to major telecommunications carriers, by Performance Technologies, Inc. (Nasdaq: PTIX), a developer of signal processing equipment;
- The acquisition of MDeverywhere, Inc., a privately-held developer of point-of-care solutions for physicians, by Med e-Manager, Inc., a leading provider of revenue cycle management services;
- The acquisition of Message Machines, Inc., a privately-held provider of application servers that route messages along various real-time communications devices by NMS Communications (NASDAQ: NMSS), a developer of system building blocks for innovative services on wireless and wireline networks.
- Fairness opinion for Information Management Associates, a subsidiary of AIT Group plc in connection with a debt restructuring program. Previously, we advised Information Management Associates in its sale to AIT Group plc.

Growth of our firm

When Fleet Bank merged with Bank of America, they shut down their very active middle-market M&A advisory group and we were able to add two of their best people – Michael Papile and Dave Gesmondi. At Fleet, they focused on manufacturing, energy, transportation and logistics, consumer products and business services. Their transaction experience allows us to expand into the consumer and industrial spaces, supplementing our technology and healthcare platform.

Earlier in 2004, David Anderson, Ph.D. joined us. A former consultant at Boston Healthcare Associates, David was responsible for the valuation of new technologies and markets. David brings us significant technical science expertise to expand our devices, services and diagnostics healthcare practice into biopharmaceuticals.

Our expansion lets us offer our usual senior-level attention across a broader spectrum of industries. While our primary focus is, as always, M&A advisory services (both buy-side and sell-side); we're also involved in capital raising, valuations and fairness opinions, restructurings and other strategic advisory services. We're excited by our newest team members, the new sectors we are serving and the general sense that things have taken a turn for the better heading out of the second quarter of the year.

We give you and your families our best.



Chris Covington



Tom Cibotti



Ben Dunn



Eric Shealy