

The Ziegler Companies, Inc. and Subsidiaries

**Consolidated Financial Statements and additional financial information
as of September 30, 2011, and for the third quarter and
nine month period ended September 30, 2011**
(December 15, 2011)

Address

200 South Wacker Drive, Suite 2000
Chicago, Illinois 60606

THE ZIEGLER COMPANIES, INC. AND SUBSIDIARIES
Consolidated Statements of Financial Condition

	September 30, 2011	December 31, 2010
(In thousands except per share amounts)	(Unaudited)	
ASSETS		
Cash and cash equivalents	\$ 18,073	\$ 7,919
Securities owned, at fair value	55,917	61,178
Receivable for unsettled trades, net	-	11,218
Receivables, net	5,050	6,988
Notes receivable, net	339	4,032
Investments	6,710	7,651
Deferred tax assets	2,593	2,593
Property and equipment, net	5,796	6,120
Intangible assets, net	100	111
Goodwill	440	440
Other assets	4,147	3,633
	<u>\$ 99,165</u>	<u>\$ 111,883</u>
LIABILITIES		
Short-term notes payable	\$ 10,634	\$ 3,548
Short-term bank borrowing	-	6,300
Securities sold, not yet purchased, at fair value	792	-
Payable to clearing broker	28,514	31,744
Net payable for unsettled trades	7,619	-
Accrued compensation	5,240	14,997
Accounts payable, accrued expenses and other liabilities	6,798	7,759
Long-term debt	12,094	14,885
	<u>71,691</u>	<u>79,233</u>
Commitments		
EQUITY		
Ziegler shareholders' equity-		
Preferred stock, \$1 par, 500 shares authorized, none issued	-	-
Common stock, \$1 par, 7,500 shares authorized, 3,544 shares issued	3,544	3,544
Additional paid-in capital	8,605	8,567
Retained earnings	66,367	65,792
Treasury stock, at cost, 2,367 and 2,322 shares, respectively	(51,453)	(50,569)
Notes receivable for purchase of common stock	-	(94)
	<u>27,063</u>	<u>27,240</u>
Noncontrolling interest	411	5,410
	<u>27,474</u>	<u>32,650</u>
Total equity	<u>27,474</u>	<u>32,650</u>
Total liabilities and equity	<u>\$ 99,165</u>	<u>\$ 111,883</u>

THE ZIEGLER COMPANIES, INC. AND SUBSIDIARIES
Consolidated Statements of Income
(Unaudited)

(In thousands except per share amounts)	For the Three Months Ended	
	September 30, 2011	Revised September 30, 2010
Revenues:		
Investment banking	\$ 5,892	\$ 9,426
Net trading profits	2,810	3,276
Commissions	2,714	2,194
Miscellaneous fee income	1,486	889
Investment management and advisory fees	710	818
Interest and dividends	323	1,209
Investment gains (losses), net	75	(334)
Other income	1,561	294
Total revenues	15,571	17,772
Expenses:		
Compensation and benefits	10,500	12,336
Communications and data processing	1,189	1,429
Occupancy	1,067	1,183
Promotional	1,049	734
Brokerage commissions and clearing fees	532	473
Professional and regulatory	467	639
Interest	289	445
Other	892	327
Total expenses	15,985	17,566
Income (loss) before income taxes and noncontrolling interest	(414)	206
Adjustment for loss (income) attributable to noncontrolling interest	585	(278)
Income (loss) before income taxes	171	(72)
Provision for (benefit from) income taxes	18	(261)
Net income attributable to Ziegler	\$ 153	\$ 189
Per share data:		
Basic earnings per share	\$ 0.13	\$ 0.15
Diluted earnings per share	\$ 0.13	\$ 0.15

THE ZIEGLER COMPANIES, INC. AND SUBSIDIARIES
Consolidated Statements of Income
(Unaudited)

	For the Nine Months Ended	
	September 30, 2011	Revised September 30, 2010
(In thousands except per share amounts)		
Revenues:		
Investment banking	\$ 15,990	\$ 26,909
Net trading profits	9,111	9,128
Commissions	7,861	6,961
Miscellaneous fee income	3,895	3,059
Investment management and advisory fees	2,331	4,196
Interest and dividends	1,910	3,671
Investment losses, net	(721)	(555)
Other income	3,288	3,846
	43,665	57,215
Expenses:		
Compensation and benefits	29,877	37,522
Communications and data processing	3,618	4,384
Occupancy	3,296	3,792
Promotional	2,243	2,339
Brokerage commissions and clearing fees	1,445	1,411
Professional and regulatory	1,428	1,981
Interest	1,064	1,462
Intangible asset impairment	-	1,879
Other	3,562	1,786
	46,533	56,556
Income (loss) before income taxes and noncontrolling interest	(2,868)	659
Adjustment for loss (income) attributable to noncontrolling interest	3,134	(33)
	266	626
Income before income taxes	266	626
Benefit from income taxes	(310)	(433)
	\$ 576	\$ 1,059
	\$ 576	\$ 1,059
Per share data:		
Basic earnings per share	\$ 0.48	\$ 0.83
Diluted earnings per share	\$ 0.48	\$ 0.83

THE ZIEGLER COMPANIES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Unaudited)

	For the Nine Months Ended	
	September 30, 2011	Revised September 30, 2010
(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income attributable to Ziegler	\$ 576	\$ 1,059
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,107	1,370
Provision for losses (recoveries)	2,895	(4)
Gain on sale of operations	-	(2,724)
Loss on sale of property and equipment	8	14
Unrealized investment losses, net	796	895
Compensation expense paid in stock	16	107
Intangible asset impairment	-	1,879
Equity in (income) loss of partially owned entities	(165)	45
(Loss) income attributable to noncontrolling interests	(3,134)	33
Changes in assets and liabilities:		
Decrease (increase) in:		
Securities owned	5,261	(61,210)
Net receivable for unsettled trades	11,218	76,230
Receivables	1,122	(1,898)
Other assets	(586)	2,512
Increase (decrease) in:		
Net payable for unsettled trades	7,619	6,696
Securities sold, not yet purchased	792	1,461
Payable to clearing broker	(3,230)	(22,141)
Accrued compensation	(9,757)	(6,005)
Accounts payable, accrued expenses and other liabilities	(961)	(1,338)
Net cash provided by (used in) operating activities	13,577	(3,019)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from:		
Payments received on notes receivable	1,676	10,145
Distributions and proceeds from investments	902	2,631
Sale of property and equipment	2	4
Sale of ZCM, net of cash	-	3,528
Payments for:		
Issuance of notes receivable	(62)	(538)
Property and equipment expenditures	(710)	(557)
Purchase of investments	(592)	(171)
Net cash provided by investing activities	1,216	15,042

THE ZIEGLER COMPANIES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows (continued)
(Unaudited)

	For the Nine Months Ended	
	September 30, 2011	Revised September 30, 2010
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Issuance of short-term notes payable	\$ 23,152	\$ 10,201
Short-term bank borrowing	36,550	15,575
Sale of common stock to employees	137	-
Payments received on notes receivable issued for purchase of common stock	94	270
Exercise of stock options	60	72
Payments for:		
Maturities of short-term notes payable	(16,066)	(9,764)
Repayments of short-term bank borrowing	(42,850)	(21,400)
Noncontrolling interest capital distributions	(1,865)	(10,351)
Repayments of long-term debt	(2,791)	(11,623)
Purchase of treasury stock	(1,060)	(950)
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Net cash used in financing activities	(4,639)	(27,970)
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,154	(15,947)
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CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,919	18,794
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CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 18,073	\$ 2,847
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SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid during the period	\$ 1,070	\$ 1,754
Income taxes refunded during the period	\$ (369)	\$ (2,302)

ADDITIONAL FINANCIAL INFORMATION (Unaudited)
(Dollars in thousands except per share data)
September 30, 2011

The Ziegler Companies, Inc. ("ZCO", "Ziegler" or the "Parent") and its wholly and partially-owned subsidiaries (collectively, the "Company") are principally engaged in specialty investment banking for the healthcare, senior living, religion and education sectors. Ziegler also provides services associated with corporate finance, Federal Housing Administration/Housing and Urban Development (FHA/HUD), financial advisory, investment advisory, asset management, retail brokerage, fixed income institutional sales and trading, private placement, seed capital, and related financial services. These services are provided to institutions, businesses, and individuals throughout the United States. B.C. Ziegler and Company, the Company's largest subsidiary, is a broker-dealer registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority.

The financial information for the nine months ended September 30, 2011, has been prepared by the Company without audit. The Company believes that the financial information reflects all adjustments that are, in the opinion of management, necessary to present a fair statement of the results for the periods presented. All such adjustments are of a normal recurring nature. Operating results for the nine months ended September 30, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011. All financial information, including the information in the management's discussion of operations and other Company information, should be read in conjunction with the audited consolidated financial statements, the notes thereto, and management's discussion included in the Company's 2010 Annual Report. Certain prior year amounts may have been reclassified to conform with current year presentation.

The consolidated financial statements of the Company include the accounts of ZCO and its wholly owned subsidiaries; B. C. Ziegler and Company ("BCZ"); Ziegler Capital Management, LLC ("ZCM") through April 30, 2010 (and thereafter included as a partially owned investment); Ziegler Financing Corporation ("ZFC"); ZHP I, LLC, a general partner ("ZHP"); Ziegler Medical Devices, LLC ("ZMD"); Ziegler Healthcare Real Estate Fund Management IV, LLC, a general partner ("ZHREFM"); and Ziegler Healthvest Management, LLC ("ZHM"), a general partner. ZMD owns a 20% interest in Ziegler Meditech Partners, LLC ("ZMP"), the general partner of Ziegler Meditech Equity Partners, LP ("Meditech"), of which ZMP holds a 1% interest. ZHREFM is the general partner of Ziegler Healthcare Real Estate Fund IV, LP, a partnership formed for the purpose of investing in medical real estate. ZHM is the general partner of Ziegler HealthVest Partners, LP, and Ziegler HealthVest Partners (Parallel), LP (together "ZHVP"), both partnerships formed for the purpose of making equity and equity-linked investments in companies related to the healthcare services, healthcare information management and technology, and wellness sectors. The Company's consolidated financial statements also include the accounts of Ziegler Equity Funding I, LLC ("ZEF I"), a 68% owned entity, and Ziegler Healthcare Fund I, LP ("ZHF I"), an 11% owned entity through both a direct and indirect relationship for which ZHP is the general partner. ZHF I is a Small Business Investment Company ("SBIC") regulated by the Small Business Administration ("SBA"). ZEF I is 32% owned by officers and employees of the Company. The Company's consolidated financial statements include a 49% equity investment in ZCM from May 1, 2010 to June 10, 2011, and 36% thereafter, a 16% equity investment in Ziegler Healthcare Fund II, LLC ("ZHF II") and a 20% equity investment in Ziegler Equity Funding IV, LLC ("ZEF IV"). ZEF IV is 80% owned by officers and employees of the Company. The investments in ZCM as of May 1, 2010, ZHF II and ZEF IV are accounted for using the equity method of accounting. All significant intercompany balances and transactions are eliminated in consolidation.

Revisions in 2010

As disclosed in the 2010 Annual Report to Shareholders, certain revisions were made to the quarterly and nine month information for 2010. These revisions are reflected in the financial information presented herein. For the three months ended September 30, 2010, net income was revised to \$189 from \$385, a decrease of \$196. The revisions included a decrease in total revenues of \$333 from \$18,105 to \$17,772; a decrease in total expenses of \$6 from \$17,572 to \$17,566; and an increase in the benefit from income taxes of

\$132 from \$129 to \$261. These revisions related to reflecting certain gains or losses, as applicable, included in net income that had been previously included in other comprehensive income.

As disclosed in the 2010 Annual Report, for the nine months ended September 30, 2010, net income was revised to \$1,059 from \$1,349, a decrease of \$290. The revisions included an increase in total revenues of \$1,369 from \$55,846 to \$57,215; an increase in total expenses of \$1,869 from \$54,867 to \$56,556; and an increase in the benefit from income taxes of \$210 from \$223 to \$433. These revisions related to the gain on the sale of 51% of ZCM, an intangible asset impairment, and net losses previously included in other comprehensive income and now included in net income.

Fair Value of Financial Instruments

In valuing financial assets and liabilities, the Company uses valuation techniques believed to be appropriate for each particular financial asset or liability to estimate fair value. These techniques require some degree of judgment and utilize assumptions that market participants would use in pricing the asset or liability. The price transparency of financial instruments is a key determinant of the degree of judgment involved in determining the fair value of the Company's financial instruments. Financial instruments for which actively quoted prices or pricing parameters are available will generally have a higher degree of price transparency than financial instruments that are thinly traded or not quoted. The criteria used to determine whether the market for a financial instrument is active or inactive is based on the particular asset or liability. The following valuation techniques are considered for the financial assets and liabilities of the Company.

- Cash equivalents include cash held in banks and investments in money market mutual funds. The money market mutual funds are classified as Level 1 in the fair value hierarchy. Money market mutual funds are generally valued at a net asset value of a dollar.
- Municipal debt securities are classified as Level 1 or Level 2 in the fair value hierarchy. Municipal variable rate demand notes that have a weekly or more frequent rate reset, are rated by a rating agency and are actively traded, are classified as Level 1 in the fair value hierarchy. Fixed rate municipal debt securities are generally unrated and are not actively traded. The obligations are generally traded at infrequent intervals and may be priced using matrix pricing models. The Company relies on outside pricing services to determine the fair value of fixed rate municipal debt securities. Fixed rate municipal debt securities are classified as Level 2 in the fair value hierarchy.
- Preferred equity securities held by the Company are generally classified as Level 1 in the fair value hierarchy. The preferred equity securities traded by the Company are generally investment grade securities as determined by two rating agencies. In the event that a preferred equity security would fall below investment grade in one or both of its ratings and also be subject to very limited or no market trading, it could be classified as Level 2 or Level 3 in the fair value hierarchy.
- Corporate debt securities include primarily unrated taxable debt securities underwritten by the Company for religious institutions and private schools. These debt securities are generally sold to retail investors. The Company prices the debt securities for sale at the par value based upon the required interest rate using observable market inputs. The Company also participates in limited secondary trading in these corporate debt securities and will price the debt securities at the fair value using current prevailing market interest rates compared to the stated interest rate on the debt securities. Accordingly, corporate debt securities are classified as Level 2 in the fair value hierarchy.
- Other securities consist primarily of mutual funds which are actively traded in public markets and are valued daily. Such investments are classified as Level 1 in the fair value hierarchy.
- Private equity investments consist of various direct investments in operating entities. The valuation of these investments requires significant judgment due to the lack of trading in these investments, the absence of quoted market prices, the inherent lack of liquidity, and the long-term nature of these investments. Private equity investments are valued initially at the transaction price until

significant transactions or developments indicate that a change in the carrying values of these private equity investments is appropriate. Generally, the carrying values of these private equity investments will be adjusted based on financial performance, financing and sales transactions with third parties and changes in market outlook. Various methodologies are used to value these investments including comparable market transactions, discounted cash flow and other valuation methodologies. Investments valued using these valuation techniques are classified within Level 3 of the fair value hierarchy.

- Seed capital investments consist of project specific investment entities that provide funding for the pre-finance development capital needs of continuing care retirement communities (“CCRCs”) to the potential residents of these communities. The Company participates with other investors to provide the relatively significant capital requirements for these seed capital projects. Once a seed capital project has reached a specified level of presales and deposits for the occupancy of living units in the CCRC, the developer can initiate the process of accessing permanent construction financing if such financing is available at interest rates suitable for the project. When permanent construction financing is obtained for a project, the seed capital investment and related investment return is paid to the seed capital investors. The valuation of seed capital investments requires significant judgment due to the lack of certainty related to the presales success, timing, and ability to obtain financing for the projects. The Company values these investments initially at the cost of the investment. The progress of the marketing is a key determinant of the ability of the project to ultimately achieve financing. The Company will recognize a gain on a seed capital project when the financing is successful. Seed capital projects that do not achieve a financing are written off as a loss of the entire investment. Seed capital investments are classified within Level 3 of the fair value hierarchy.
- The investment in Ridgestone Financial Services, Inc. (“Ridgestone”) is an investment in common stock. The common stock is not traded publicly. The value of the common stock is based on a third party valuation, when available. The Company also reviews financial information of similar publicly traded entities to value its investment in Ridgestone common stock. The Ridgestone common stock investment is classified within Level 3 of the fair value hierarchy.
- The investment in ZHVP is a limited partnership investment that itself has invested in private equity entities. As noted above for other private equity entities, significant judgment is required in the valuation process. The underlying private equity entities included in the portfolio of ZHVP are each evaluated individually to arrive at a valuation of ZHVP in total. The underlying private equity entities are evaluated for financial performance, financing and capital transactions with third party investors, if any, and changes in market outlook. The Company’s investment in ZHVP is valued based on its proportionate share of the estimated value. Investments valued using these valuation techniques are classified within Level 3 of the fair value hierarchy.

The following table presents the valuation of the Company's financial instruments measured at fair value on a recurring basis as of September 30, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ASSETS				
Money market mutual funds	\$ 16,091	\$ -	\$ -	\$ 16,091
Securities owned:				
Municipal debt securities – fixed rate	\$ -	\$ 26,640	\$ -	\$ 26,640
Municipal debt securities – variable rate	27,890	-	-	27,890
Preferred equity securities	943	-	-	943
Corporate debt securities	-	16	-	16
Other securities	428	-	-	428
	<u>\$ 29,261</u>	<u>\$ 26,656</u>	<u>\$ -</u>	<u>\$ 55,917</u>
Investments:				
Private equity investments	\$ -	\$ -	\$ 664	\$ 664
Seed capital investments	-	-	1,655	1,655
Investment in Ridgestone	-	-	1,868	1,868
Investment in ZHVP	-	-	366	366
Other	-	-	112	112
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,665</u>	<u>\$ 4,665</u>
Investments not subject to fair value adjustment which are accounted for using the equity method of accounting:				<u>2,045</u>
Total investments				<u>\$ 6,710</u>
LIABILITIES				
Securities sold, not yet purchased:				
U.S. Government	\$ 792	\$ -	\$ -	\$ 792

The following table presents the valuation of the Company's financial instruments measured at fair value on a recurring basis as of December 31, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
ASSETS				
Money market mutual funds	\$ 6,829	\$ -	\$ -	\$ 6,829
Securities owned:				
Municipal debt securities – fixed rate	\$ -	\$ 49,689	\$ -	\$ 49,689
Municipal debt securities – variable rate	6,905	-	-	6,905
Preferred equity securities	649	-	-	649
Corporate debt securities	-	3,421	-	3,421
Other securities	514	-	-	514
	<u>\$ 8,068</u>	<u>\$ 53,110</u>	<u>\$ -</u>	<u>\$ 61,178</u>
Investments:				
Private equity investments	\$ -	\$ -	\$ 1,460	\$ 1,460
Seed capital investments	-	-	1,250	1,250
Investment in Ridgestone	-	-	1,868	1,868
Investment in ZHVP	-	-	366	366
Other	-	-	149	149
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,093</u>	<u>\$ 5,093</u>
Investments not subject to fair value adjustment which are accounted for using the equity method of accounting:				<u>2,558</u>
Total investments				<u>\$ 7,651</u>
LIABILITIES				
Securities sold, not yet purchased	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The following table presents the summary of changes in financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the three months ended September 30, 2011 and required to be reported at fair value in the Consolidated Statements of Financial Condition.

	Private Equity Investments	Seed Capital Investments	Investment in Ridgestone
Fair Value, June 30, 2011	\$ 664	\$ 1,802	\$ 1,868
Unrealized loss included in investment gains (losses), net	-	-	-
Realized gains included in investment gains (losses), net	-	75	-
Purchases	-	40	-
Settlements	-	(262)	-
Fair Value, September 30, 2011	<u>\$ 664</u>	<u>\$ 1,655</u>	<u>\$ 1,868</u>
	Investment in ZHVP	Other Investments: Other	Total
Fair Value, June 30, 2011	\$ 366	\$ 112	\$ 4,812
Unrealized loss included in investment gains (losses), net	-	-	-
Realized gains included in investment gains (losses), net	-	-	75
Purchases	-	-	40
Settlements	-	-	(262)
Fair Value, September 30, 2011	<u>\$ 366</u>	<u>\$ 112</u>	<u>\$ 4,665</u>

The following table presents the summary of changes in financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the nine months ended September 30, 2011 and required to be reported at fair value in the Consolidated Statements of Financial Condition.

	Private Equity Investments	Seed Capital Investments	Investment in Ridgestone
Fair Value, December 31, 2010	\$ 1,460	\$ 1,250	\$ 1,868
Unrealized loss included in investment gains (losses), net	(796)	-	-
Realized gains included in investment gains (losses), net	-	75	-
Purchases	-	593	-
Settlements	-	(263)	-
Fair Value, September 30, 2011	<u>\$ 664</u>	<u>\$ 1,655</u>	<u>\$ 1,868</u>

	Investment in ZHVP	Other Investments: Other	Total
Fair Value, December 31, 2010	\$ 366	\$ 149	\$ 5,093
Unrealized loss included in investment gains (losses), net	-	-	(796)
Realized gains included in investment gains (losses), net	-	-	75
Purchases	-	-	593
Settlements	-	(37)	(300)
Fair Value, September 30, 2011	<u>\$ 366</u>	<u>\$ 112</u>	<u>\$ 4,665</u>

The following table presents the summary of changes in financial assets measured at fair value using Level 3 inputs for the three months ended September 30, 2010 and required to be reported at fair value in the Consolidated Statements of Financial Condition.

	Private Equity Investments	Seed Capital Investments	Investment in Ridgestone
Fair Value, June 30, 2010	\$ 4,150	\$ 909	\$ 2,012
Unrealized loss included in investment gains (losses), net	(375)	-	-
Realized gains included in investment gains (losses), net	-	-	-
Purchases	170	-	-
Settlements	(800)	-	-
Fair Value, September 30, 2010	<u>\$ 3,145</u>	<u>\$ 909</u>	<u>\$ 2,012</u>
	Investment in ZHVP	Other Investments: Other	Total
Fair Value, June 30, 2010	\$ 558	\$ 133	\$ 7,762
Unrealized loss included in investment gains (losses), net	-	-	(375)
Realized gains included in investment gains (losses), net	-	-	-
Purchases	-	-	170
Settlements	-	(1)	(801)
Fair Value, September 30, 2010	<u>\$ 558</u>	<u>\$ 132</u>	<u>\$ 6,756</u>

The following table presents the summary of changes in financial assets measured at fair value using Level 3 inputs for the nine months ended September 30, 2010 and required to be reported at fair value in the Consolidated Statements of Financial Condition.

	Private Equity Investments	Seed Capital Investments	Investment in Ridgestone
Fair Value, December 31, 2009	\$ 4,150	\$ 2,703	\$ 2,012
Unrealized loss included in investment gains (losses), net	(375)	-	-
Realized gains included in investment gains (losses), net	-	340	-
Purchases	170	(494)	-
Settlements	(800)	(1,640)	-
Fair Value, September 30, 2010	<u>\$ 3,145</u>	<u>\$ 909</u>	<u>\$ 2,012</u>
	Investment in ZHVP	Other Investments: Other	Total
Fair Value, December 31, 2009	\$ 625	\$ 143	\$ 9,633
Unrealized loss included in investment gains (losses), net	(67)	-	(442)
Realized gains included in investment gains (losses), net	-	-	340
Purchases	-	1	(323)
Settlements	-	(12)	(2,452)
Fair Value, September 30, 2010	<u>\$ 558</u>	<u>\$ 132</u>	<u>\$ 6,756</u>

Other Fair Value Disclosures

Certain financial instruments held by the Company are not required to be recorded at fair value. The financial instruments listed below have the following valuation techniques and respective fair values, but are recorded in the Company's Consolidated Statements of Financial Condition at cost, net of allowances.

Notes receivable: Notes receivable are primarily notes associated with the business activities of the Company and are not traded. The fair value of notes receivable, net of allowances, is estimated based on discounted values using current loan rates and the contractual arrangements associated with the loans.

Long-term debt: Long-term debt consists of debt with variable and fixed rates of interest. The fair value of variable rate debt is considered to be the face or stated value of the debt. The fair value of fixed rate debt is determined based on a discounted cash flow analysis by substituting current rates of interest for the stated rate of interest.

The estimated fair values of the Company's financial instruments that are not carried at fair value at September 30, 2011 and December 31, 2010 are as follows:

	September 30, 2011 Estimated Fair Value	December 31, 2010 Estimated Fair Value
Notes receivable	\$ 332	\$ 3,592
Long-term debt	12,094	14,885

For those financial instruments described above and for which the fair value is not reflected on the Consolidated Statements of Financial Condition, we have estimated their fair value in part, based upon our assumptions, the estimated amount and timing of future cash flows and estimated discount rates. Different assumptions could significantly affect these estimated fair values. Accordingly, the net realizable values could be materially different from the estimates presented above. In addition, the estimates are only indicative of the value of individual financial instruments and should not be considered an indication of the Company's fair value.

Net Capital Requirements

As the Company's registered broker-dealer, B. C. Ziegler and Company ("BCZ") is subject to the Securities and Exchange Commission Uniform Net Capital Rule (the "Rule"), which requires the maintenance of minimum net regulatory capital. BCZ has elected to use the alternative method permitted by the Rule, which requires that BCZ maintain minimum net regulatory capital equal to the greater of \$250 or 2% of aggregate debit balances arising from customer transactions, as defined. At September 30, 2011 BCZ had net regulatory capital of \$16,086 which was \$15,836 in excess of its required minimum net regulatory capital. Such net capital requirements could restrict the ability of BCZ to pay dividends to ZCO.

Commitments and Contingent Liabilities

In the normal course of business, the Company is the subject of customer complaints and is named as a defendant in various legal actions arising from the securities and other businesses. The Company has established accruals for losses determined to be probable as a result of those customer complaints and legal actions. Although the outcome of litigation is always uncertain, especially in the early stages of a complaint or legal action, based on its understanding of the facts and the advice of legal counsel, management believes that resolution of these known actions will not result in a material adverse effect on the consolidated financial condition or results of operations of the Company. However, if during any period any adverse complaint or legal action should become probable or be resolved, the financial condition or results of operations could be materially affected.

In the normal course of business the Company enters into firm underwriting commitments for the purchase of debt securities. The debt securities associated with any such commitments are reflected in both securities owned and the net receivable or payable for unsettled trades on the Consolidated Statements of Financial Condition. Transactions relating to commitments that were subsequently settled after the end of the period had no material adverse effect on the financial statements as of September 30, 2011.

In the normal course of business, Ziegler Financing Corporation ("ZFC"), whose activities include FHA loan originations, makes commitments to originate loans. As of September 30, 2011, ZFC had no outstanding commitments to originate FHA loans. ZFC may contract with a third party to fund loan originations. Loans originated by ZFC are generally sold to third party investors.

Investments/Proprietary Investing

The Company creates and manages a variety of private equity venture capital and alternative investment funds. These funds are offered to qualified retail and institutional investors. The funds target investments in the healthcare sectors and include seed capital for new senior living communities, acquisitions of medical office buildings, venture capital for mid and late-stage medical device companies, and private equity for for-profit health care among other investments. The Company has selectively made proprietary investments in these funds as well as direct investments in various private equity "seed capital" projects that may also be an investment of the funds. The Company also has an equity investment in Ridgestone Financial Services, Inc. These investments are included in Investments in the Consolidated Statements of Financial Condition.

Each of the proprietary investments made by the Company carries the risks associated with any investment of this illiquid and long-term nature. Although the Company carefully reviews and evaluates each investment prior to the commitment of funds, the progress of the investment, the timing of returns, and the potential loss of principal are subject to factors oftentimes beyond the Company's control as discussed in the Company's 2010 Annual Report. The results of the seed capital proprietary investing activities are included in the Corporate segment.

Operating Segments

The Company is organized and provides financial services through three operating segments. These operating segments are Institutional, Wealth Management, and Corporate. Operating segment results include all direct revenues and expenses of the operating units in each operating segment as well as an allocation of indirect administrative and operating costs.

Operating segment financial information is as follows:

	Three Months Ended	
	September 30, 2011	September 30, 2010
Revenues:		
Institutional	\$ 9,477	\$ 11,562
Wealth Management	5,121	5,165
Corporate	973	1,045
Total	<u>\$ 15,571</u>	<u>\$ 17,772</u>
Income (Loss) Before Income Taxes:		
Institutional	\$ 589	\$ 1,152
Wealth Management	(175)	(626)
Corporate	(243)	(598)
Total	<u>\$ 171</u>	<u>\$ (72)</u>
	Nine Months Ended	
	September 30, 2011	September 30, 2010
Revenues:		
Institutional	\$ 26,107	\$ 33,349
Wealth Management	15,383	15,573
Corporate	2,175	8,293
Total	<u>\$ 43,665</u>	<u>\$ 57,215</u>
Income (Loss) Before Income Taxes:		
Institutional	\$ 1,961	\$ 3,204
Wealth Management	(593)	(1,712)
Corporate	(1,102)	(866)
Total	<u>\$ 266</u>	<u>\$ 626</u>

Earnings per Share Calculation

The following reconciles the numerators and denominators of the basic and diluted earnings per share computations for net income for the following periods ended September 30 (shares in thousands):

	Three Months Ended	
	September 30, 2011	September 30, 2010
Net income	\$ 153	\$ 189
Basic		
Weighted average shares outstanding	1,178	1,255
Basic income per share	\$ 0.13	\$ 0.15
Diluted		
Weighted average shares outstanding- Basic	1,178	1,255
Effect of dilutive securities: Stock options	-	-
Weighted average shares outstanding- Diluted	1,178	1,255
Fully diluted income per share	\$ 0.13	\$ 0.15
	Nine Months Ended	
	September 30, 2011	September 30, 2010
Net income	\$ 576	\$ 1,059
Basic		
Weighted average shares outstanding	1,203	1,276
Basic (loss) income per share	\$ 0.48	\$ 0.83
Diluted		
Weighted average shares outstanding- Basic	1,203	1,276
Effect of dilutive securities: Stock options	-	-
Weighted average shares outstanding- Diluted	1,203	1,276
Weighted average shares outstanding- Diluted	\$ 0.48	\$ 0.83

Noncontrolling Interest

The term “noncontrolling interest” refers to that portion of a consolidated company owned by third parties. The Company includes the full amount of the assets and the full amount of the liabilities of the partially-owned and consolidated entities (ZHF I and ZEF I) in the respective categories of assets and liabilities in the Company’s Consolidated Statements of Financial Condition. The recognition of the claim on the net assets associated with ownership interests other than the Company is included in the “Noncontrolling interest” caption in the Consolidated Statements of Financial Condition. The Company includes the full amount of revenues of the partially-owned and consolidated entities in the total revenues and the full amount of expenses of the partially-owned and consolidated entities in the total expenses in the Company’s

Consolidated Statements of Income. However, the Company only includes in its net income its proportionate share of net income from the partially-owned and consolidated entities. The share of net income belonging to other owners is deducted in the caption "Income attributable to the noncontrolling interest" in the Consolidated Statements of Income.

With respect to the partially owned entities in the consolidation process described above, the Company does not have access or a right to the assets of the partially-owned entities nor is the Company responsible for the liabilities of the partially-owned entities. Only the partially-owned and consolidated entities, ZHF I and ZEF I, have access to the assets and are legally responsible for the applicable liabilities of their respective entities. At September 30, 2011, the assets of the partially-owned entities totaled \$489 of which \$391 consisted of cash and cash equivalents, \$96 consisted of notes and other receivables, and \$2 consisted of investments and other assets. At September 30, 2011, the liabilities of the partially-owned entities totaled \$1. The Company's only exposure to loss related to the partially-owned entities is its net investment in the entities, which was \$103 at September 30, 2011. At September 30, 2010, the assets of the partially-owned entities totaled \$10,061 of which \$1,305 consisted of cash and cash equivalents, \$6,403 consisted of notes and other receivables, and \$2,353 consisted of investments and other assets. At September 30, 2010, the liabilities of the partially-owned entities totaled \$258. The Company's only exposure to loss related to the partially-owned entities was its net investment in the entities, which was \$103 at September 30, 2011.

During 2011, ZHF I recorded a provision for losses on notes and accounts receivable totaling \$650 for the three month and \$2,963 nine month periods ended September 30, 2011. These amounts are included in Other income on the Consolidated Statements of Income. As a result of the provision for losses, ZHF incurred total losses for both the three and nine month periods in 2011, respectively, of \$655 and \$3,549. These losses compare to income of \$327 in the three months ended September 30, 2010 and a loss of \$37 in the nine months ended September 30, 2010. The adjustments for income or losses attributable to the noncontrolling interest on the Consolidated Statement of Income were affected by the provision for losses and the resulting differences between years.

Subsequent Events

The Company evaluates subsequent events that have occurred after the balance sheet date but before the financial statements are issued. The Company evaluated its September 30, 2011 financial statements for subsequent events through December 14, 2011, the date the financial statements were available to be issued. There are two types of subsequent events:

- 1) The first type consists of events or transactions that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements, referred to as "recognized" subsequent events.
- 2) The second type consists of events that provide evidence about conditions that did not exist at the date of the balance sheet but arose subsequent to that date, referred to as "non-recognized" subsequent events.

Based on the Company's evaluation, there were no recognized or non-recognized subsequent events that would require adjustment to the consolidated financial statements.

MANAGEMENT'S DISCUSSION

(Dollars are expressed in thousands, except per share amounts and where specifically indicated otherwise.)

Business and Operating Segments

The Ziegler Companies, Inc. ("ZCO" or the "Parent"), through its wholly-owned subsidiaries and partially-owned and controlled subsidiaries (collectively, the "Company"), is engaged in financial services activities. These financial services activities are conducted through three operating segments: Institutional, Wealth Management and Corporate.

Business/Economic Environment

The Company's business is sensitive to financial market and economic conditions and the uncertainty and volatility in the financial markets. Uncertainty regarding the structure of and change in interest rates, economic and regulatory uncertainty, the demand for new bond issues represented by cash inflows and outflows in municipal bond mutual funds, and industry competition are among the many factors which affect our business and which are largely unpredictable and beyond our control. Each of these factors affects issuers of bonds, other borrowers, institutional and retail investors and ultimately our business and related results.

Results of Operations for the Quarter Ended September 30, 2011

(All references to 2011 and 2010 are intended to refer to the third quarter of such years unless specifically indicated otherwise.)

The overall trends and conditions of the financial markets, specifically, the fixed income markets and the senior living and health care markets, have a significant effect on the financial position and results of operations of the Company. Results of any year or quarter should not be considered representative of future results. The Company has attempted to establish a scope of operations and related cost structure that is appropriate for anticipated future business activity. The Company continuously reviews its business structure and related costs and makes adjustments accordingly.

The Company had a 12% decrease in total revenues, or \$2,201, to \$15,571 in 2011 compared to \$17,772 in 2010. The volume of investment banking transactions in 2010 was higher than in 2011 due to the resurgence of bond underwriting in late 2009 and early 2010. Investment banking activity in 2011 started slower than 2010 and resulted in a decrease in related revenues. Net trading profits also declined due to trading volume related to market conditions. Interest income also decreased due to lower securities inventory balances in 2011 than in 2010 and investment advisory fees decreased due to the sale of part of our interest in ZCM and the related deconsolidation in the Company's financial statements. ZCM's primary revenue was investment advisory fees. These decreases were partially offset by increases in commissions, miscellaneous fee income, and other income. Other income increased due to FHA/HUD origination activity.

Total expenses decreased by 9% or \$1,581 to \$15,985 in 2011 compared to \$17,566 in 2010. The decrease is primarily related to lower incentive-based compensation due to the lower revenues and the exclusion of ZCM revenues and expenses as the result of the sale of 51% of our interest in that entity and the related deconsolidation as of May 1, 2010. The Company had income before income taxes of \$171 in 2011 compared to a loss before income taxes of \$72 in 2010. The Company had net income after taxes of \$153 in 2011 compared to \$189 in 2010.

Institutional segment revenues were \$9,477 in 2011 compared to \$11,562 in 2010, a decrease of \$2,085 or 18%. FHA/HUD loan origination and sales activity were the reasons for the increase. Bond underwriting was \$195 million of par value of bonds underwritten in 2011 compared to \$371 million in 2010 resulting in less revenues in 2011. Trading profits also declined due to lower activity levels. Interest income was lower in 2011 due to lower levels of bond inventory. Total expenses before administrative expense allocations decreased \$1,111 to \$8,301 in 2011 compared to 2010. Institutional segment income before administrative expense allocations and income taxes was \$1,176 in 2011 compared to \$2,149 in 2010.

Wealth Management segment revenues were \$5,121 in 2011 compared to \$5,165 in 2010, a decrease of \$44 or 1%. A decrease in revenue from the sale of underwritten bonds to retail clients was offset by increases in commissions and retail trading profits. Total expenses decreased \$259 to \$4,891 in 2011. A decrease in compensation and benefits was the primary reason for the decreased expenses. Wealth Management segment income before administrative expense allocations and income taxes was \$230 in 2011 compared to \$15 in 2010.

Corporate segment revenues were \$973 in 2011 compared to \$1,045 in 2010, a decrease of \$72. Taking into account the effect of the noncontrolling interest, the total Corporate segment expenses decreased. The Corporate segment income before administrative expense allocations and income taxes was \$49 in 2011 compared to a loss of \$271 in 2010.

A summary of results for the business segments of the Company and the related administrative expense allocations to the business segments for the three months ended September 30 is as follows:

	2011		
	Segment Direct Profits	Administrative Expense Allocations	Segment Results After Allocations
Institutional	\$ 1,176	\$ (587)	\$ 589
Wealth Management	230	(405)	(175)
Corporate	49	(292)	(243)
Income before income taxes	<u>\$ 1,455</u>	<u>\$ (1,284)</u>	<u>\$ 171</u>
	2010		
	Segment Direct Profits	Administrative Expense Allocations	Segment Results After Allocations
Institutional	\$ 2,149	\$ (997)	\$ 1,152
Wealth Management	15	(641)	(626)
Corporate	(271)	(327)	(598)
Income before income taxes	<u>\$ 1,893</u>	<u>\$ (1,965)</u>	<u>\$ (72)</u>

Results of Operations for the Nine Months Ended September 30, 2011

(All references to 2011 and 2010 are intended to refer to the first nine months of such years unless specifically indicated otherwise.)

Total Company revenues decreased \$13,550 to \$43,665 in 2011 compared to \$57,215 in 2010. Investment banking revenue declined after a resurgence of bond underwriting in 2010 that did not sustain itself into 2011. Investment advisory fees decreased due to the sale of 51% of our interest in ZCM and the related deconsolidation in the Company's financial statements. Interest income declined due to lower overall inventory balances. Other income includes \$3,185 of increased revenue associated with FHA/HUD origination activity whereas other income in 2010 included a gain of \$2,724 on the sale of ZCM.

Total Company operating expenses decreased \$10,023 to \$46,533 in 2011 compared to \$56,556 in 2010. Approximately \$2,200 of the reduction in expenses is related to the exclusion of ZCM expenses as the result of the sale of 51% of that entity and the related deconsolidation as of May 1, 2010. Due to the lower revenues, incentive based compensation expense was lower in 2011. In 2010 an impairment of goodwill of \$1,879 was recorded whereas 2011 has not had an impairment. However, in 2011 a write-down of a note and receivables by the partially-owned SBIC totaling \$2,963 was included in other expenses. Ziegler only records its share of the loss from that entity and the addback of \$3,259 in 2011 related to the noncontrolling interest

offset the write-down and other activity in arriving at net income attributable to Ziegler. The Company had net income of \$576 in 2011 compared to net income of \$1,059 in 2010.

Institutional segment revenues were \$26,107 in 2011 compared to \$33,349 in 2010, a decrease of \$7,242 or 22%. Revenue from the underwriting and sale of bonds to institutional investors declined by \$9 million in 2011 compared to 2010. Bond underwriting was \$358 million of par value of bonds underwritten in 2011 compared to \$1,247 million in 2010. Interest income was also lower by \$948 in 2011 due to lower securities inventory balances. These decreases were partially offset by an increase in FHA/HUD loan origination activity. Trading profits associated with institutional investors was comparable, but slightly lower between years. Total expenses decreased \$4,614 to \$22,196 in 2011 compared to 2010. Compensation and benefits decreased \$4,504 primarily due to a decrease in incentive-based compensation related to the lower revenues. Institutional segment income before administrative expense allocations and income taxes was \$3,911 in 2011 compared to \$6,539 in 2010.

Wealth Management segment revenues were \$15,383 in 2011 compared to \$15,573 in 2010, a decrease of \$190 or 1%. A decrease in revenue from the sale of underwritten bonds to retail clients was offset by increases in trading profits, commissions, and investment management and advisory fees. Total expenses decreased \$471 to \$14,670 in 2011 compared to 2010. Decreases in compensation and benefits and communications and data processing are the primary reasons for the decrease. Wealth Management segment income before administrative expense allocations and income taxes was \$713 in 2011 compared to \$432 in 2010.

Corporate segment revenues were \$2175 in 2011 compared to \$8,293 in 2010, a decrease of \$6,118. Approximately \$2,400 of the decrease is due to the revenues of ZCM included through April of 2010, but no longer consolidated into the Company financial statements as of May 1, 2010. ZHF I, the partially-owned SBIC, wrote off an investment of \$734 in 2011. The balance of the decrease from 2010 relates primarily to a gain of \$2,724 recorded in 2010 on the sale of 51% of our interest in ZCM. Taking into account the effect of the noncontrolling interest, the total corporate segment expenses decreased. The Corporate segment loss before administrative expense allocations and income taxes was \$229 in 2011 compared to income of \$319 in 2010.

A summary of results for the business segments of the Company and the related administrative expense allocations to the business segments for the nine months ended September 30 is as follows:

	2011		
	Segment Direct Profits	Administrative Expense Allocations	Segment Results After Allocations
Institutional	\$ 3,911	\$ (1,950)	\$ 1,961
Wealth Management	713	(1,306)	(593)
Corporate	(229)	(873)	(1,102)
Income before income taxes	<u>\$ 4,395</u>	<u>\$ (4,129)</u>	<u>\$ 266</u>
	2010		
	Segment Direct Profits	Administrative Expense Allocations	Segment Results After Allocations
Institutional	\$ 6,539	\$ (3,335)	\$ 3,204
Wealth Management	432	(2,144)	(1,712)
Corporate	319	(1,185)	(866)
Income before income taxes	<u>\$ 7,290</u>	<u>\$ (6,664)</u>	<u>\$ 626</u>

Liquidity and Capital Resources

The Company's business is providing financial services. Adequate regulatory capital and liquidity are essential elements of the Company's various business components, especially with respect to underwriting activities. The Company must maintain sufficient liquidity to operate its businesses while satisfying the regulatory net capital requirements of its broker-dealer subsidiary, BCZ. In the third quarter and first nine months of 2011, the Company met all such applicable requirements.

The Company continuously monitors its regulatory net capital. In the opinion of management, the Company's capital and available sources of credit are currently adequate for present and anticipated future operations. Unanticipated losses in the broker-dealer or business circumstances associated with an unusual increase in inventories or other balances affecting net capital might cause regulatory net capital to be reduced to such a level as to limit or impair Company and related broker-dealer operations.

BCZ acts as a remarketing agent for approximately \$4.4 billion of municipal variable rate demand notes (VRDNs) consisting of 253 issues, most of which BCZ previously underwrote. A total of approximately \$4.2 billion of such VRDNs have a put option feature and can be tendered to BCZ at the option of the holder on seven days advance notice, and approximately \$202 million can be tendered without notice. The VRDNs are also supported by a third party liquidity provider, generally a commercial bank from which the holder of the security can obtain liquidity, if desired.

The Company provides opportunities for employees to own shares in the Company, primarily through compensation plans and occasional opportunities to purchase stock. During the first nine months of 2011, a total of 814 shares were issued as compensation totaling \$15 which reflected the market price on the date of payment, a total of 3,500 shares were issued for the exercise of stock options totaling \$60 which reflected the exercise price of the options, and a total of 7,231 shares were sold to employees for \$137 which reflected the approximate market price on the date of purchase.

The Company repurchases its own common stock from time-to-time. In recognition of that objective, the Company's board of directors has approved a stock repurchase program in accordance with the provisions of Rule 10b5-1 of the Securities Exchange Act. During the first nine months of 2011 the Company repurchased 56,168 shares under the purchase program noted above, for a cost totaling \$1,060. The Company evaluates share repurchase opportunities giving consideration to cash availability, business alternatives, working capital liquidity needs, and other relevant factors. The use of cash for share repurchases may limit the Company's ability to expand current operations or to acquire or develop new business operations.

As noted in the Company's 2010 Annual Report, as of December 31, 2010, the Company was in compliance with the covenants included in an amended credit agreement after receiving a waiver from its lender for the year ended December 31, 2010 related to the violation of the debt service coverage ratio. At September 30, 2011, the Company was in compliance with the covenants in our credit agreements.

Selected Financial Data

(Dollars in thousands except per share amounts)

	For the Three Months Ended			
	2011			2010
	Sept. 30	June 30	Mar. 31	Dec. 31
Revenues.....	\$ 15,571	\$ 16,602	\$ 11,492	\$ 20,339
Net Income (Loss).....	153	1,553	(1,130)	(134)
Basic and Diluted Earnings (Loss) Per Share.....	0.13	1.28	(0.93)	(0.11)
Total Assets.....	99,165	111,746	110,448	111,883
Short-Term Notes Payable.....	10,634	7,647	5,199	3,548
Long-Term Obligations.....	12,094	13,927	14,310	14,885
Ziegler Shareholders' Equity.....	27,063	27,383	26,138	27,240
Book Value Per Share.....	\$ 22.98	\$ 22.77	\$ 21.45	\$ 22.29
Total Employees.....	275	275	275	276

The Company's Common Stock is thinly traded under the symbol "ZGCO" in the over-the-counter (OTC) market (Pink OTC Markets Inc.). The following information is based on the closing prices in the over-the-counter market and reports of shares traded.

	Quarter Ended			
	2011			2010
	Sept. 30	June 30	Mar. 31	Dec. 31
Stock closing price range:				
High Closing Price	\$ 25.50	\$ 22.00	\$ 19.15	\$ 19.00
Low Closing Price	\$ 17.24	\$ 18.93	\$ 16.51	\$ 18.00

As of November 30, 2011, the Company had 1,177,504 shares outstanding.

Forward-Looking Statements

Certain matters discussed herein contain forward-looking statements that involve risks and uncertainties, including (without limitation): the effect of the economic conditions and the current uncertainties that exist; the effect of market conditions, such as demand for investment banking, investment advisory, brokerage and financial advisory services in the markets served by the Company; pricing of services; resolving IRS inquiries concerning municipal bond issuer practices and other matters; successful management of regulatory and legal risks and requirements; successful defense of litigation and arbitrations; interest rates; successful implementation and management of repurchase and interest rate swap agreements; the ability to attract, develop and retain skilled and productive employees; profitable operations of the institutional trading desks; competition; return on proprietary investments made by the Company; the ability to collect receivables and realize the value of investments; the Company's ability to realize the value of intangible assets; the Company's ability to profitably expand its business lines both internally and through external acquisitions; national healthcare and tax policies; strategic alternatives; the ability of the Company to underwrite and distribute securities; the success of affiliated private equity funds; the ability to maintain our reputation; the prevailing market values in the broad equity markets; the ability to maintain sufficient liquidity through commercial paper issuance and the use of credit facilities; the ability to access capital; the ability to comply with regulatory capital requirements; the ability to keep pace with technological change and invest in technological improvements to remain competitive and in compliance with all regulatory requirements; and the ability to successfully remarket municipal variable rate demand notes and the use of the third party liquidity providers under limited circumstances. Forward-looking statements are subject to risks and uncertainties that could cause the Company's actual results to differ materially from those contemplated in the statements. Readers are cautioned not to place undue reliance on the forward-looking statements. When used in written documents or oral presentations, the terms "believe," "estimate," "expect," "may," "possible," and similar expressions are

intended to identify forward-looking statements. There can be no assurance that: (i) the Company has correctly measured or identified all of the factors affecting these markets or the extent of their likely impact; (ii) the publicly available information with respect to these factors on which the Company's analysis is based is complete or accurate information; or (iii) the Company's analysis is correct. The Company undertakes no obligation to publicly update or revise any forward-looking statements.