OVERVIEW

The Corporation earns its revenues by providing capital to private businesses. The Corporation's revenue consists of royalties and preferred distributions received in regular monthly payments that are contractually agreed to between the Corporation and each Private Company Partner. These payments are set for twelve months at a time and adjusted annually based on the audited performance of each Private Company Partner's gross revenue, gross margin, same store sales, or other similar "top-line" performance measure. The Corporation has limited general and administrative expenses with only seven employees.

RESULTS OF OPERATIONS

Year Ended December 31, 2011 Compared to Year Ended December 31, 2010

2011 was a significant year for the Corporation as it continued to focus on what it believes are the five main "pillars" to providing a growing, yet sustainable dividend to Alaris shareholders. They are as follows:

1. **Diversification**
    - Alaris realized a $27.7 million gain on the reduction of its financial interest in LifeMark.
    - The proceeds from the LifeMark transaction, as well as additional capital sources, were used to add two new partners as well as to make a further contribution to an existing partner. As a result, Alaris' largest revenue stream went from 68% in 2010 to 43% in 2011 and will be under 25% in 2012 based on current contractual revenue sources.
2. **Growth**
    - The addition of two new partners, Killick in July 2011 and Quetico in December 2011 provided for growth to Alaris' distributable cash.
    - The Corporation completed a follow on contribution into KMH Limited Partnership in October 2011.
    - Alaris increased its monthly dividend by 12% and provided a total annual return to shareholders of over 60%.
3. **Reducing Volatility**
    - The Corporation locked in a fixed growth metric for LifeMark's annual distribution at 4% per year and negotiated collars on the maximum increase or decrease of the annual distributions from Killick and Quetico.
4. **Visibility**
    - Revenues from the Corporation's seven partners for 2012 are already determined.
    - The Corporation has predictable and low general and administrative expenses.
5. **Liquidity**
    - The Corporation's float increased by 15% in 2011 and daily trading volume continues to grow.

Revenues for the year ended December 31, 2011 reflect distributions from transactions involving each of Alaris' Partners for that year. In 2011, revenues from the Partners totaled $21.5 million compared to $16.7 million in the year ended December 31, 2010. The increase of 29% compared to the prior year is a result of year over year performance metric adjustments from each of the current Partners and the addition of new Partners. Revenues from LifeMark were $9.22 million compared to $11.33 million in the prior year, a decrease of 18.6%. Alaris sold approximately 50% of its financial interest in LifeMark on June 9, 2011