



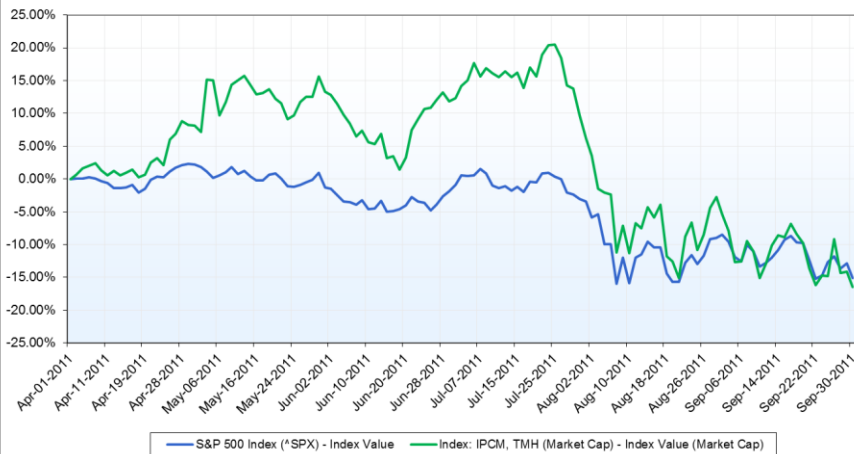
Q3-2011 EMERGENCY MEDICINE INDUSTRY UPDATE

Emergency Medicine Services Providers Look to Diversify

As the consolidation of medical providers continues at a rapid pace, acquirers are beginning to look for diversification plays as part of their acquisition strategy. Most notably, one of the largest emergency department (ED) management providers, EmCare, has made its first acquisition of a group of surgeons with expertise in a number of specialties. The Schumacher Group, with operations in 24 states, acquired a health & wellness consulting group which seeks to help manage healthcare costs for employers. Additionally, TeamHealth acquired its second anesthesia practice this quarter (Anesthesia Services, based in CO), and this is consistent with its renewed emphasis on diversifying into other attractive specialties as well as the ability to achieve potentially higher margins with anesthesia transactions.

Comparative Performance

Below is a chart illustrating the performance of an index of two companies within the ED and hospitalist medicine segment (TeamHealth/TMH and IPC The Hospitalist Company/IPCM) against the S&P 500 index.



TEAMHealth

Current Share Price	(as of 10/6/11)	\$17.15
(+) Implied Market Value of Equity		\$1.12B
(+) Net Debt as of Jun. 30, 2011		\$400M
(=) Implied Enterprise Value		\$1.5B
Implied EV/Revenues		0.5x
Implied EV/EBITDA		8.8x

Financial Performance	Jun 2011 (Qtr)	Jun 2010 (Qtr)
Net Revenue	\$764M	\$656M
Adjusted EBITDA	\$46.6M	\$45.7M
Adjusted EBITDA %	6%	7%

Industry Performance

Due to ongoing market fluctuations and other pressures on profitability, the valuations of the publicly traded companies (see chart to the left and table above) have trended slightly downwards. Despite this, companies active within this sector have continued to make notable acquisitions. A number of larger independent hospitalist practices have recently been acquired by national strategics, and ED management providers have also been active with both clinical acquisitions and practice management services transactions. Across the spectrum of related services (i.e. urgent care, anesthesia, surgery services), deal flow continues to remain strong in order to continue adding onto existing services, while diversifying into newer areas for growth and expansion.

NOTABLE TRANSACTIONS

Month	Acquirer	Target Company	Details
September 2011	Atlanta Equity Investors	Marshall Emergency Services Associates	Atlanta Equity Investors has completed the recapitalization of Marshall Emergency Services Associates. The group currently provides ED and hospitalist management services at approximately 20 facilities in KY. With the completion of the transaction, MESA will be seeking add-on acquisitions.
September 2011	EmCare (EMSC)	Acute Surgical Care Specialists	EmCare, a subsidiary of EMSC, has acquired the management services company of Acute Surgical Care Specialists, based in TX. Acute Surgical provides client hospitals in TX and FL with surgeon call coverage in general, trauma, and orthopedic surgery. This transaction represents a new service line expansion for EmCare into direct surgery services.
August 2011	Intermedix	Comprehensive Medical Billing Solutions	Intermedix has acquired Comprehensive Medical Billing Solutions (CMBS), a revenue cycle management services provider targeting hospital-based emergency physicians. CMBS provides billing, reimbursement, and practice consulting services. With this transaction, Intermedix will become one of the largest providers of emergency department RCM services.
August 2011	The Schumacher Group	WellnessWorks	The Schumacher Group has acquired WellnessWorks, a company which provides onsite health and wellness consulting services to employers. WellnessWorks focuses on developing healthcare strategies for employers to effectively manage employee health and wellness to reduce healthcare costs and lost productivity. The acquisition is expected to further expand The Schumacher Group's service offerings outside of its core ED management services.