



**Q4-2009 EMERGENCY MEDICINE INDUSTRY UPDATE**

**TEAMHEALTH COMPLETES PUBLIC OFFERING**

In December, TeamHealth completed its initial public offering and began trading on the NYSE under the ticker symbol TMH. The IPO priced at \$12.00 per share and yielded \$146.5 million in net proceeds which will be used to retire outstanding subordinated debt. TeamHealth will continue to be majority owned by The Blackstone Group, which acquired the Company in November 2005 in a leveraged buyout. In TeamHealth's prospectus, the Company noted that it will also continue to pursue select acquisitions and that approximately 75% of the emergency department outsourcing market is served by local and regional groups. The Company also noted that it is under several letters of intent that in the aggregate would amount to \$83.3 million in transaction value should they close. Since 2006, TeamHealth has acquired six companies, the largest being a hospitalist company for \$25.4 million in July 2006.



Founded in 1979, TeamHealth is one of the nation's leading providers of outsourced healthcare professional staffing and administrative services to hospitals and other healthcare providers in the United States. TeamHealth is headquartered in Knoxville, Tennessee and is affiliated with approximately 6,100 healthcare professionals who care for almost 11 million patients annually at approximately 550 civilian and military hospitals, clinics and physician groups. In 2008, TeamHealth generated net revenues (less provision for uncollectables) of \$1.33 billion. Outsourced services in hospital emergency departments and hospital medicine (hospitalist) represented approximately 79% of 2008 net revenues, with locum tenens, radiology, pediatrics, military, and other healthcare services representing approximately the remaining 21%.

<b>ED Management</b>	<b>Military Facility Staffing</b>
<b>Hospital Medicine</b>	<b>Locum Tenens</b>
<b>Intensivist Medicine</b>	<b>Medical Call Center</b>
<b>Radiology and Teleradiology</b>	<b>Occupational Medicine</b>
<b>Pediatrics</b>	<b>Urgent Care</b>

**TEAMHEALTH SNAPSHOT**

<b>STAFFING STATISTICS</b>	
Number of Healthcare Professionals	6,100
Physician Retention Rate	95%
Patient Encounters	7.6 million
<b>OPERATING STATISTICS</b>	
2008 Revenues	\$1.33 billion
2008 EBITDA	\$138.4 million
2008 EBITDA (%)	10.4%
2008 Adjusted EBITDA	\$157.8 million
2008 Adjusted EBITDA (%)	11.9%
Total Debt	\$612.1 million
Debt Coverage Ratio (Adjusted EBITDA)	3.9x
Emergency Department CAGR, 2004-2008	9%
Prof. Liability Costs as a % of Net Revenues	3.7%
<b>CLIENT INFORMATION</b>	
Number of Hospital Clients	550
Number of States	46
Largest State – Tennessee	17%
Second Largest State – Florida	16%
Largest Customer as a % of Net Revenues	2.1%
Average Client Tenure – All Clients	9 years
Average Client Tenure – Top 50 Clients	13 years
Contract Renewal Rate	98%
<b>PAYOR INFORMATION</b>	
% of Net Revenues from Third Party Payors	57%
% of Net Revenues from Medicare & Medicaid	24%

**RECENT TRANSACTIONS**

Month	Acquirer	Company Acquired	Details
December 2009	Emergency Medical Services Corporation	Pinnacle Consultants Mid Atlantic and Pinnacle Anesthesia Consultants	Emergency Medical Services Corporation (EMSC) has acquired Pinnacle Consultants Mid Atlantic and the management services company of Pinnacle Anesthesia Consultants. The combined companies serve more than 75 hospitals and ambulatory surgery centers, employ more than 700 clinicians, and generate patient revenues in excess of \$300 million. Both companies will become part of AnesthesiaCare, EMSC's anesthesiology services operation. The transactions are expected to contribute approximately \$100 million in new EMSC revenue from management fees and patient billings. AnesthesiaCare is now a leading manager of anesthesia practices, providing services to more than 130 hospitals in nine states. Terms of the transaction were not disclosed.
December 2009	TeamHealth	Emergency Physicians of Naples	TeamHealth has acquired Emergency Physicians of Naples (EPN) for \$13.5 million, consisting of \$10.1 million in cash and a \$3.4 million earnout contingent. The transaction will expand TeamHealth's presence in Southwest Florida. Since 2002, EPN has held an exclusive contract with NCH Healthcare System to staff the emergency facilities at the Downtown Naples Hospital, North Naples Hospital, and the Marco Healthcare Clinic. EPN also provides the staffing for two stand-alone urgent care clinics. The practice cares for approximately 100,000 patients annually.
November 2009	IPC The Hospitalist Company	Hospital Internists of New London Hospital Internists of Westerly	IPC The Hospitalist Company has acquired Hospital Internists of New London, based in New London, Connecticut, and Hospital Internists of Westerly, based in Westerly, Rhode Island. The acquisition of these two practices marks IPC's expansion into two additional states, bringing the Company's presence to 21 states. The two practices combined have approximately 55,000 patient encounters annually. Terms of the transaction were not disclosed.