

Hospital-based Physician Services Capital Markets Newsletter



Recent News From Wall Street

5/01/2012: TeamHealth Holdings' CEO: "This quarter, acquisition growth was the most significant contributor to consolidated revenue growth as we benefited from the acquisitions we completed during the second half of 2011."

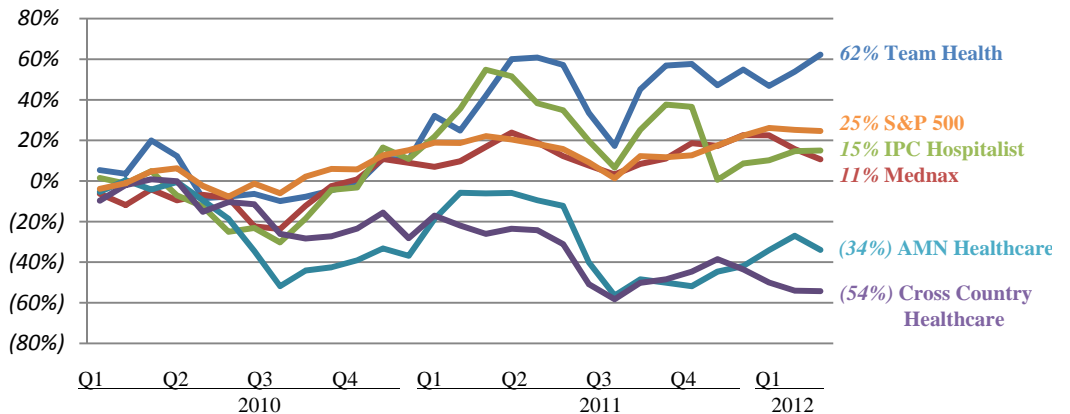
5/03/2012: AMN Healthcare's largest segment, nurse and allied healthcare staffing, see revenues increase 4% in Q1 2012

3/06/2012: Cross Country Healthcare returned to profitability in Q4 2011 as its revenue increased 10%, led by growth in its nurse and allied staffing business

2/21/2012: Acquisition is improving Mednax's finances. The company earned \$1.19 per share for the fourth quarter of 2011, an increase from the \$1.12 earned in the fourth quarter of 2010. "We will continue to grow through acquisition," said David Parker, Mednax's VP of investor relations and corporate communications

Public Company 2-Year Performance

- TeamHealth Holdings outperformed the S&P 500 by 37%, while Mednax underperformed the S&P 500 at a 2-year aggregated adjusted returns of 11% since Q1 2010
- The IPC Hospitalist Company's stock slightly outperformed Mednax's over the period, while Cross Country Healthcare and AMN Healthcare lost significant share value



Public Company Operating and Valuation Statistics

- The sample group averaged LTM revenues of \$1.3 billion with a range from \$474 million to \$3.2 billion
- The selected companies are currently trading at an average Enterprise Value to EBITDA ratio of 9.8x

Public Comparable	Current Price	Market Cap.	Enterprise Value	LTM Revenue	LTM EBITDA	EBITDA Margin	EV/LTM	
							REV	EBITDA
Team Health Holding	\$ 22.71	\$ 1,500	\$ 1,890	\$ 3,260	\$ 169	5%	0.6 x	11.2 x
Mednax	\$ 67.20	\$ 3,220	\$ 3,230	\$ 1,590	\$ 380	24%	2.0 x	8.5 x
IPC Hospitalist	\$ 38.51	\$ 638	\$ 631	\$ 474	\$ 50	11%	1.3 x	12.6 x
AMN Healthcare	\$ 6.07	\$ 246	\$ 451	\$ 887	\$ 54	6%	0.5 x	8.4 x
Cross Country Healthcare	\$ 4.59	\$ 141	\$ 171	\$ 504	\$ 21	4%	0.3 x	8.2 x
Mean		\$ 1,149	\$ 1,275	\$ 1,343	\$ 135	10%	1.0 x	9.8 x
Median		\$ 638	\$ 631	\$ 887	\$ 54	6%	0.6 x	8.5 x

All figures except stock price noted in millions

What The Election Year Means For M&A

- Political uncertainty will play a large part in health care M&A in 2012
- If re-elected, an Obama administration will most likely continue reform efforts while a more fiscally conservative administration would seek to overturn them
- This uncertainty will lengthen the due diligence period for all sectors of health care as the corresponding levels of uncertainty play into valuation metrics
- In the end, political debate could hinder the speed at which deals will be completed

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Recent M&A Transactions

Closed	Target	Target Description	Acquirer
May 2012	Brazos Anesthesiology Associates	A physician group practice based in Bryan, TX that provides anesthesia services	American Anesthesiology (Mednax)
May 2012	Exigence Group	New York-based practice that provides for approximately 500,000 patients per year through management staffing	TeamHealth
Apr 2012	Florida Gulf-to-Bay Anesthesiology Associates	A Florida-based anesthesia and pain management services provider	MTS Health Investors
Apr 2012	Cardiovascular Consultants of Nevada	The Las Vegas-based physician operation brings with it 20 physicians and 6 locations in the area	HealthCare Partners of Nevada
Apr 2012	Ascentia Health Care Solutions	A Philadelphia-based company who focuses on health management	Healthways
Apr 2012	Two Anesthesia Practices	TeamHealth will be expanding their presence in New Jersey and New York with the acquisitions of Bergen Anesthesia Associates and Teaneck Anesthesia Group	TeamHealth
Apr 2012	Burlington Anesthesia	Anesthesia practice based in Burlington, NC	Mednax
Apr 2012	Farhouch Berdjis MD Medical Group	A Orange, CA based healthcare services company engaged in pediatric cardiology practices	Mednax
Mar 2012	Inpatient Clinical Solutions	A Florida-based acute care practice	IPC Hospitalist
2011	11 Physician Practices	Acute care and post-acute care small practices	IPC Hospitalist
Dec 2011	Burlington Anesthesia Associates	Anesthesia providers based in New Jersey	Mednax, Inc.
Oct 2011	Marshall Emergency Services Associates	Full-service emergency department contract management firm	Atlanta Equity

The Strong Finish to 2011

The health care M&A market generated 980 deals worth \$227 billion this past year, up from the \$208 billion recorded in 2010. Health care M&A saw increased activity in Q4 of 2011. There were 247 deals worth approximately \$40.2 billion. Health care services accounted for the vast majority of deal volume in the quarter, representing 139 deals and 55% of the quarter's total M&A activity.

Smaller firms face tougher challenges in borrowing and acquiring money in the current economic climate. The larger companies generally fund their own acquisitions by utilizing their cash reserves.

The 2012 Outlook

Health care M&A analysts predict that 2012 will closely resemble 2011 and will continue to develop the same themes. Predictions expect continued strength in Medical Device M&A as new technologies spur new products. As Affordable Care Organizations grow, analysis predicts strong acquisition incentives as Hospitals buy Physician Medical Groups and Managed Care companies buy e-Health firms in order to assemble the pieces required to obtain optimal growth and efficiency.

Source: *The Health Care M&A Monthly: Volume 17, Issue 1*

The Health Care M&A Market

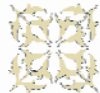
	Q4* '11 Deals	Q3 '11 Deals
Service Segment		
Long-Term Care.....	38	41
Physician Groups.....	34	27
Hospitals.....	16	15
Home Health Care.....	10	6
Managed Care.....	10	5
Other.....	31	35
Services Subtotal.....	139	129
Technology Segment		
Medical Devices.....	34	48
Pharmaceuticals.....	33	24
Biotechnology.....	19	12
e-Health.....	22	21
Technology Subtotal.....	108	105
Grand Total.....	247	234

*Q4 based on preliminary figures

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has been acquired by



ATLANTA EQUITY

The seller was exclusively represented by



About MESA

- Founded in 1999, MESA manages emergency and hospitalist medicine programs in 19 client hospitals throughout Kentucky
- After a rapid growth period, MESA's physician owners sought a financial partner that could provide growth capital and strategic guidance
- The transaction provided both liquidity for the current owners and the ability to pursue an aggressive growth plan

CCG Advisors' Role

- CCG Advisors initiated the transaction and served as the exclusive financial advisor to MESA
- CCG executed a confidential marketing process that included the preparation of marketing materials, strategic and financial buyer selection, due diligence management and negotiations
- Through a competitive process, CCG assisted MESA in identifying a partner best suited to helping MESA achieve their goals

About CCG Advisors

CCG Advisors is a middle-market M&A advisory firm serving private businesses throughout the United States. Founded in 1997, CCG has a long track record of executing business sales, recapitalizations and ESOPs for the owners of privately-held companies. CCG prides itself on getting deals done well above industry norms thus allowing our clients to maximize the reward they receive from all the years of owning and operating their companies. The referrals and goodwill of our clients are a testament to our record of building real and lasting client relationships.

- *Exclusive Business Sales*
- *Private Equity Recapitalizations*
- *Growth Capital*
- *Buy-Side Representation*
- *Employee Stock Ownership Plans*

Office Contacts



Brian Corbett
Managing Partner
Direct: (404) 575-1991
Mobile: (404) 307-9972
bcorbett@ccgadv.com



Steve Spina
VP of Business Development
Direct: (404) 575-1980
Mobile: (404) 386-6103
sspina@ccgadv.com