

vRad to be Acquired by MEDNAX



vRad (Virtual Radiologic), the nation's leading radiology physician services and telemedicine company, today announced that it has entered into a definitive agreement to be acquired by MEDNAX, Inc. (NYSE: MD), the nation's largest provider of maternal-fetal, newborn, pediatric subspecialty and anesthesia physician services.

The cash transaction is valued at \$500 million and is expected to be accretive to MEDNAX's earnings. The transaction is expected to be completed during the second quarter of 2015.

"We are excited at the opportunity to join a company founded and built by physicians, and we share MEDNAX's commitment to providing the highest quality care," said Jim Burke, Chief Executive Officer of vRad. "Our executive management, medical leadership, physicians and team members all look forward to joining MEDNAX. vRad is proud to be recognized as a leader in radiology, an innovator in healthcare informatics, and a pioneer in telemedicine. Together with MEDNAX, we can offer our patients and hospital partners a broad array of services, now including access to an expanding national network of critical subspecialty expertise and support. This transaction is a testament to the strength of the vRad clinical and business model, and underscores the value of the vRad organization today, and for the future."

"We believe vRad is an excellent platform for growth in teleradiology and the broader telemedicine market," said Roger J. Medel, M.D., Chief Executive Officer of MEDNAX. "Radiology is a large, fragmented industry with total revenue of roughly \$18 billion, and it is evolving rapidly to include teleradiology as an economic and clinical necessity for customers. We believe the opportunities for organic growth at vRad and for crossselling between the company's and MEDNAX's customer bases are compelling. This acquisition also further broadens the scope of services we can provide to our hospital partners. Finally, vRad's extensive investments in information technology and data analytics align well with our own commitment to improving both the quality and cost effectiveness of care."

vRad's current management team will join MEDNAX as part of the transaction. The company's headquarters and 24/7 operations and client support center will continue to be based in Eden Prairie, Minnesota. vRad's financial advisor in connection with the transaction is Credit Suisse Securities (USA) LLC and its legal counsel is Kirkland & Ellis LLP. For additional information, including Frequently Asked Questions (FAQs) on the transaction, please visit www.vrad.com/MEDNAX.

Source: vRad

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