



**GOLDMAN SACHS URBAN INVESTMENT GROUP AND PHAROS CAPITAL GROUP  
INVEST IN LEADING MEDICAL MANAGEMENT SERVICES COMPANY  
IN SOUTH FLORIDA**

**New York, NY, Miami, FL and Nashville, TN – January 10, 2007** – MCCI Holdings, LLC (“MCCI”), a South Florida-based provider of medical management services for managed care organizations, announced today a transaction with the Goldman Sachs Urban Investment Group (“UIG”), Pharos Capital Group, LLC (“Pharos”) and GE Healthcare Financial Services (“GE”). Goldman Sachs, Pharos and GE Healthcare Financial Services invested an undisclosed sum in the recapitalization of privately-held MCCI Holdings to facilitate the Company’s organic growth and to provide capital for future acquisitions. GE also provided the investor group with a senior credit facility and credit line as part of the transaction.

MCCI is a leading provider of integrated outpatient health care services in South Florida’s Miami-Dade, Broward and Palm Beach counties. The Company delivers primary care services to over 43,000 Medicare, Medicaid and commercial beneficiaries on behalf of managed care organizations. MCCI differentiates itself by providing superior preventative and urgent care to its patients and focusing its clinical model on improving the overall health of its membership base.

Driven by an aging population, healthcare spending in the U.S. has increased dramatically over the past four decades. It is expected to continue to increase over the next decade primarily through growth in Medicare and Medicaid. The Congressional Budget Office expects that Medicare expenditures will rise at a compounded annual growth rate of 9.3%, from approximately \$372 billion in 2006 to approximately \$909 billion in 2016.

Since 1997, Medicare beneficiaries have had the option to receive care on a fee-for-service basis with no network or provider restrictions, or to enroll in a managed care program, now known as Medicare Advantage (“MA”). In 2005, nationwide Medicare Advantage penetration, expressed as a percentage of total Medicare eligible beneficiaries who belong to a Medicare Advantage plan, was approximately 13%. Medicare Advantage penetration is anticipated to grow to almost 30% by 2013, according to the Henry J. Kaiser Family Foundation. MCCI is well positioned to benefit from the projected increase in MA penetration, as the Company has proven its ability to maintain cost controls while providing quality healthcare to its patients.

“The completion of this transaction provides MCCI the ability to further invest in and improve the quality of care provided at our facilities. We welcome Goldman Sachs and Pharos as our newest partners and look forward to building and growing MCCI together,” said Dr. Jose Armas, Chairman and Chief Executive Officer of MCCI Holdings. “We also look forward to partnering with our existing managed care payors to enter new markets beyond the South Florida area,” stated Dr. Armas.

Martin Chavez, Managing Director at Goldman Sachs said, "We are very pleased to have the opportunity to work with MCCI's management team. We believe MCCI is well positioned for strong and continued growth due to the Company's superior primary care model, and we look forward to helping the Company achieve its strategic growth plans. We believe our investment in MCCI represents an attractive opportunity to benefit from the anticipated growth in medical services of an elderly population compounded by the growth of the Hispanic population in South Florida and other markets." UIG is the primary vehicle through which Goldman Sachs provides long-term capital for both corporations operated or owned by ethnic minorities and real estate developers targeting urban communities. UIG seeks to invest up to \$50 million of equity per transaction. The group also looks to work with top-quality companies that are driven by strong and experienced management teams.

"MCCI represents a growth opportunity in a growth market and we are pleased to be invested in taking the company to the next level. The MCCI business model has strong potential for South Florida as well as other communities with growing elderly populations and we look forward to working with management and our partners to achieve future growth and continued success," said Bob Crants, Managing Partner of Pharos Capital.

Florida is the second largest Medicare Advantage state, behind California, and is the fourth largest HMO market in the U.S. behind California, New York, and Pennsylvania. Over 640,000 individuals are enrolled in MA plans out of approximately 3.1 million Medicare beneficiaries, and approximately 4.4 million individuals are enrolled in HMOs out of a total population of 17.8 million. According to the U.S. Census Bureau, the Florida population is projected to grow 20.5% from the years 2000 to 2010, as compared to only 9.8% growth for the total U.S. population. Population growth among Florida residents who are 65 years of age or older is expected to grow 21.8% from the years 2000 to 2010, and 49.4% from the years 2010 to 2020, as compared to 15.0% and 35.8% respectively for the U.S. as a whole.

The Hispanic population represents an important demographic segment in South Florida. In aggregate, the total Hispanic population is over 1.7 million in South Florida with over 1.2 million, 270,000, and 140,000 Hispanic individuals in Miami-Dade, Broward and Palm Beach counties, respectively. The Medicare-eligible Hispanic population in Florida is projected to grow 29.2% from 2000 to 2025. MCCI is positioned well to serve this growing group of Medicare-eligible beneficiaries through its extensive network of physicians, affiliated physician groups and specialists, many of whom are bilingual. The large Hispanic population in the South Florida region is expected to drive growth among MA enrollees. According to the U.S. Census Bureau, 14.1% of Florida residents between the ages of 65 and 85 are Hispanic. This same figure is only 7.3% nationally.

**About MCCI Holdings, LLC:**

Headquartered in Miami, Florida, MCCI Holdings is a leading provider of outpatient health care services to approximately 43,570 Medicare, Medicaid, and commercial beneficiaries in the rapidly growing South Florida region. The Company was formed in 1998 by Dr. Jose Armas and Dr. Eduardo Alarcon and has since become a leading provider of medical management services for several managed care organizations. Currently, MCCI provides high quality primary care services on an outpatient basis through its 23 facilities located in South Florida's Miami-Dade, Broward, and Palm Beach counties and nine affiliated physician groups.

**About The Goldman Sachs Urban Investment Group:**

The Goldman Sachs Urban Investment Group is part of the Merchant Banking Division within The Goldman Sachs Group, Inc. (NYSE: GS), that invests capital in ethnic minority-owned or targeted businesses and urban real estate. Founded in 1869, Goldman Sachs is a leading global investment banking, securities and investment management firm. The firm is headquartered in New York and maintains offices

in Miami, Tampa, Atlanta, Houston, San Francisco and Los Angeles. To learn more about the Goldman Sachs Urban Investment Group, please visit [www.gs.com/uig](http://www.gs.com/uig).

**About Pharos Capital Group, LLC:**

Based in Dallas and Nashville, Pharos Capital Group ([www.pharosfunds.com](http://www.pharosfunds.com)) currently has approximately \$500 million in capital under management. Pharos primarily invests \$10 to \$20 million in companies seeking later stage equity funding for internal growth, acquisitions, management buyouts or recapitalizations across industry sectors, with particular focus on health care, business services, and applied technology. To learn more about Pharos Capital Group, LLC, please visit [www.pharosfunds.com](http://www.pharosfunds.com).

**About GE Healthcare Financial Services:**

GE Healthcare Financial Services is a provider of capital, financial solutions, and related services for the global healthcare market. With over \$16 billion of capital committed to the healthcare industry, GE Healthcare Financial Services offers a full range of capabilities from equipment financing and real estate financing to working capital lending, vendor programs, and practice acquisition financing. With its knowledge of all aspects of healthcare from hospitals and long-term care facilities to physicians' practices and life sciences, GE Healthcare Financial Services works with customers to create tailored financial solutions that help them improve their productivity and profitability. For more information, visit [www.gehealthcarefinance.com](http://www.gehealthcarefinance.com)

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