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**NATIONAL SURGICAL HOSPITALS TO PURCHASE MAJORITY INTEREST  
IN LAFAYETTE SURGICAL SPECIALTY HOSPITAL IN LAFAYETTE, LOUISIANA**

CHICAGO (January 5, 2011) – National Surgical Hospitals, an owner, operator and developer of surgical hospitals and surgery centers in partnership with local physicians, today announced that it has agreed to purchase a 56.9% interest in Lafayette Surgical Specialty Hospital, a specialty hospital located in Lafayette, Louisiana. The purchase will increase to 15 the number of surgical hospitals owned and operated by the Company nationwide. Terms of the transaction, which is expected to be completed by February 4, 2011, were not reported. Funding for this acquisition is made possible by NSH's concurrent recapitalization with Irving Place Capital, a New York-based private equity firm.

Lafayette Surgical Specialty Hospital opened in 2004 with a core group of orthopedic surgeons, neurosurgeons, pain management practitioners and ENT specialists and now has 32 physician partners. It comprises 75,000 square feet and includes eight operating rooms, two treatment rooms and 20 inpatient beds; physicians performed approximately 8,000 procedures there in 2010.

Commenting on the announcement, John G. Rex-Waller, Chairman, President and Chief Executive Officer of NSH, said, "We are pleased to acquire a majority interest in Lafayette Surgical Specialty Hospital, which marks another strategic step for our company as we expand our presence in the surgical hospital arena. We are especially attracted to the vibrant Lafayette area, where this facility's specialized approach to quality healthcare readily expands the continuum of available choices, delivering greater cost efficiency and convenience to patients and creating increased practice efficiencies for surgeons. We are gratified by the confidence and support shown by the physician partners at Lafayette Surgical Specialty Hospital for NSH, and we look forward to forging a solid, long-term relationship with them as we work together to expand the potential and reach of this outstanding facility."

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Dr. David Muldowny, Chairman of Lafayette Surgical Specialty Hospital, added, "As always, our primary interest is the welfare of our patients, and we believe the singular focus that NSH brings to high-quality surgical care will enhance our ability to provide patients with a better overall hospital experience and, thus, help our hospital achieve its mission to provide the best possible patient care."

National Surgical Hospitals is the innovative healthcare partner that empowers physicians to thrive in a changing marketplace. NSH owns and operates 14 surgical hospitals and seven ambulatory surgery centers, specializing in orthopedic surgery, spine and back, pain management, and neurosurgery. For information about NSH, visit the company's website at [www.nshinc.com](http://www.nshinc.com).

Irving Place Capital, a leading middle-market private equity firm, has agreed to recapitalize NSH, in partnership with senior management. IPC invests private equity capital in buyouts, recapitalizations, and growth capital opportunities alongside superior management teams, focusing on making control or entrepreneur-driven investments. Since its formation in 1997, IPC has invested in more than 50 companies and has raised over \$4.0 billion of capital, including its current \$2.7 billion institutional fund. More information about Irving Place Capital is available at [www.irvingplacecapital.com](http://www.irvingplacecapital.com).

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