

For More Information, Contact:
Harry Shaw, Spheris Vice President of Marketing
615-261-1570



For Immediate Release
December 23, 2004

Spheris Announces Acquisition of Avicis, formerly known as HealthScribe

The number 2 and 3 leaders in the medical transcription outsourcing industry join forces

FRANKLIN, TENNESSEE, December 23, 2004 – Spheris, a leading medical transcription technology and outsourcing services company, announced today that it has acquired Avicis Inc., formerly known as HealthScribe Inc. Avicis/HealthScribe, founded in 1993, currently serves more than 150 healthcare facilities with a transcription workforce of over 1,800 medical transcriptionists and a wholly owned international transcription operation. As the industry's second largest medical transcription company, Spheris provides a broad choice of technology and services to many of the country's largest and most prestigious acute-care hospitals and group medical practices. With the acquisition of Avicis/HealthScribe, currently the nation's third largest medical transcription outsource provider, Spheris is now positioned to more rapidly expand its product and service offering of complete medical transcription technology and outsourcing services to healthcare providers throughout the U.S. and Canada. Terms of the transaction were not disclosed.

Steven E. Simpson, Spheris' president and CEO, along with the current Spheris management team, will continue to lead the combined company. Michael King, CEO and chairman of Avicis/HealthScribe, will join the combined company's Board of Directors and David Ehrhardt, Avicis/HealthScribe president and COO, will join the Spheris senior management team as Chief Operating Officer. Antoine Abdallah, who previously served as Spheris COO, is assuming a newly created role as Spheris' Chief Technology Officer in order to more strongly position the company to execute on its strategy of technology advancement. In his new role, Mr. Abdallah will apply his extensive experience with healthcare information systems to rapidly accelerate Spheris' technology development and deployment.

"The healthcare industry has a responsibility to move rapidly forward to paperless, digitized medical records," stated Steven E. Simpson, Spheris president and CEO. "Companies of scale, such as Spheris, with extended workforce coverage and a clear strategy to convert healthcare provider voice and handwriting to digital medical information are critical to achieving a paperless environment. To accelerate this effort, the combination of two leading North American-based transcription workforces, along with global resource capabilities, makes sound strategic sense." Mr. Simpson continued, "I am very pleased to welcome Mike King as a member of our Board of Directors, and Dave Ehrhardt and the rest of the Avicis/HealthScribe

employees to Spheris. Our new, combined company is strongly positioned to advance the cause toward a more clinically effective and economically efficient healthcare industry.”

“Combined with Spheris’ 3,200 medical transcriptionists, Avicis’ 1,800-plus MTs will greatly increase our ability to deliver industry leading turnaround, quality and service,” stated David Ehrhardt, Avicis/HealthScribe former president and COO and now Spheris COO. “I look forward to joining the Spheris team and working to expeditiously integrate the combined companies. Our goal is to provide the combined companies’ operational excellence for the benefit of our customers and prospects as quickly as possible.”

Mr. Simpson sees the business combination as an opportunity to respond to customer demand for increased choice. “In addition to listening to our customers and prospects, Spheris conducted formal market research this year that affirmed the demand for more innovative approaches to medical record documentation.” Simpson explained, “Avicis/HealthScribe has established proven business practices at their international medical transcription facility with a secure, controlled-access environment that achieved ISO 9001:2000 certification in 2003. With Avicis/HealthScribe, Spheris is now positioned to offer health systems, hospitals and group practices additional choices with our global offering through increased medical transcription capacity, around-the-clock, ‘after hours’ service for faster turnaround and the ability to integrate with virtually every hospital information and electronic health record system in a seamless manner.”

About Spheris

Spheris is a leading, global outsource provider of medical transcription technology and services to more than 450 health systems, hospitals and group practices throughout the U.S. and Canada. Over 5,000 professional Spheris medical transcriptionists support the company’s clients through secure networks, using a Web-based system with integrated voice, text and data. Customer service is provided 365/24/7 with an emphasis on quality, fast turnaround time and verifiable pricing. Spheris is headquartered in Franklin, TN, with major operations in St. Petersburg, FL, and Sterling, VA. For more information, please visit www.spheris.com.