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FOR IMMEDIATE RELEASE

VIRTUAL RADIOLOGIC AND S&D MEDICAL PARTNER TO CREATE NEW YORK RADIOLOGY ALLIANCE

BEDFORD, NY, August 23, 2010 – Virtual Radiologic, a national radiology practice and leader in the development of next-generation technology for radiology, and S&D Medical, a New York-based radiology practice, announced the launch of a strategic alliance, merging S&D with an affiliated medical practice of vRad. The practice will be called New York Radiology Alliance, and will offer greater access to subspecialists, next-generation technology, clinical data benchmarking, and the shared expertise of nearly 200 radiologists nationwide. The collaborative effort will enhance the quality and efficiency of imaging services for patients and providers in the New York / New Jersey Metropolitan area. The merger will take effect October 1, 2010.

“S&D has used a combination of onsite and virtual radiology for years to enhance productivity and service to our clients. As we looked at the growth of our practice and the changing landscape of the healthcare industry, we had to find more efficient ways to meet the increasing demands for enhanced service, improved quality and lower costs.” said Dr. Kenneth Schwartz, S&D Medical managing partner. “While weighing the cost and associated risk of new technology and additional staffing, we approached vRad about the possible synergies of further integrating our already productive relationship.”

“Managing a group this large and diverse requires sophisticated solutions to load-balance studies across radiologists and deliver industry-leading turnaround times. vRad’s technology, commitment to innovation and a shared vision of radiology’s future made full integration seem like a natural fit,” said Dr. Schwartz.

S&D had been a customer of vRad since 2008 and early adopter of their vRad Enterprise Connect platform. vRad Enterprise Connect is the core technology platform vRad uses to manage and read more than three million studies annually from over 1,200 facilities. vRad recently released its commercial version vRad Enterprise Connect 3.0 that will enhance the practice’s productivity with expedited time to diagnosis and treatment, while lowering the overall cost of patient care for New York Radiology Alliance customers.

“Working with our customers to deliver technology solutions has enabled us to forge deeper relationships and employ creative solutions that were not previously available. Customers using our technology are able to provide enhanced quality care while making their practices more efficient and profitable,” said Rob Kill, vRad president and chief



executive officer. “As the healthcare market continues to rapidly evolve, we see demands for new and innovative care delivery models. Partnerships like these will be an important tool to optimize care, while reducing overall costs”

The technology is especially beneficial to a practice like New York Radiology Alliance where radiologists work across disparate systems in different facilities. vRad’s technology includes tools that will help improve communications to hospitals, practices and patients in New York.

“The technology and operational infrastructure vRad has in place, coupled with increased access to subspecialists and the quality they are able to ensure will have a significant impact on our business, our customers and most importantly patients,” said Dr. Schwartz.

He also noted the alliance will enhance quality by giving their local radiologists more time devoted to onsite services, improving patient care and communication with referring physicians. In addition, they will benefit from shared clinical data and best practices with radiologists nationwide.

“We were impressed by vRad’s ability to systematically review interpretations, create benchmarks and share that data to create best practices. The data they’ve collected with their quality assurance program and the accuracy in their reads is crucial to enhancing the quality of care provided to patients,” said Dr. Schwartz. “This is truly a win-win as we will be able to continue to practice with local autonomy while retaining the invaluable support of a national practice.”

S&D Medical has grown to 53 full-time radiologists in the past 11 years, and services more than 45 facilities throughout New York. Current clients will see the same or improved services, with S&D’s radiologists continuing onsite at the local hospitals.

“We are looking forward to having S&D join our practice. They are a fast growing, complex practice servicing many facilities,” said Kill. “vRad has the infrastructure already in place that will help them better manage their customers, increase efficiency, and provide quality care to patients.”

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About S&D Medical

Formed in 1999, S&D Medical is a 53-person radiology group that provides professional radiology services via both teleradiology and on-site departmental staffing. S&D Medical interprets almost one million cases per year for its client base of more than 45 facilities, including hospitals, imaging centers, radiology groups, trade unions and multi-specialty practice sites. S&D Medical is headquartered in Bedford, New York and serves providers throughout the state. For more information, visit www.sd-medical.com.

About Virtual Radiologic



Virtual Radiologic Corporation (vRad) is a national radiology practice working in partnership with local radiologists and hospitals to optimize radiology's pivotal role in patient care. vRad's more than 140 radiologists serve 1,200+ facilities (21% of U.S. hospitals), reading 3 million studies annually. Delivering access to extensive subspecialty coverage, vRad contributes to improved quality of patient care. And with its next-generation technology, vRad enhances productivity, helping to lower the overall cost of care while expediting time to diagnosis and treatment. For more information, visit www.vrad.com.