Emergency Medical Services CORP
Form S-1/A
December 15, 2005

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As filed with the Securities and Exchange Commission on December 15, 2005

Registration No. 333-127115

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 6
to
Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

EMERGENCY MEDICAL SERVICES CORPORATION
EMERGENCY MEDICAL SERVICES L.P.
(Exact Name of Registrants as Specified in their Charters)

Delaware *(State or Other Jurisdiction of Incorporation or Organization)*	**4119, 8011 and 8741** *(Primary Standard Industrial Classification Code No.)*	**20-3738384** **20-2076535** *(I.R.S. Employer Identification Nos.)*

6200 S. Syracuse Way
Greenwood Village, Colorado 80111
(303) 495-1200
(Address, including zip code, and telephone number, including area code, of registrants principal executive offices)

William A. Sanger
Chief Executive Officer
Emergency Medical Services Corporation
6200 S. Syracuse Way
Greenwood Village, Colorado 80111
(303) 495-1200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies To:

Lynn Toby Fisher, Esq. **Joel I. Greenberg, Esq.** **Kaye Scholer LLP** **425 Park Avenue** **New York, New York 10022** **(212) 836-8000**	**Todd Zimmerman, Esq.** **General Counsel** **Emergency Medical Services Corporation** **6200 S. Syracuse Way** **Greenwood Village, Colorado 80111** **(303) 495-1200**	**James J. Clark, Esq.** **Noah B. Newitz, Esq.** **Cahill Gordon & Reindel LLP** **80 Pine Street** **New York, New York 10005** **(212) 701-3000**

Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	**Amount To Be Registered(1)**	**Proposed Maximum Offering Price Per Share**	**Proposed Maximum Aggregate Offering Price**	**Amount Of Registration Fee**
Class A Common Stock, par value $0.01 per share	shares	(2)	$ 172,500,000(2)	$ 20,304(3)
	1,148,325 shares	(4)	$ 7,937,657(4)	$ 935(3)

(1) Includes shares that the underwriters have the option to purchase solely to cover over-allotments, if any.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) of the Securities Act of 1933, as amended.

(3) Previously paid.

(4) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(2) of the Securities Act of 1933, as amended, based upon a book value of $10.3685 per share at June 30, 2005.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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EXPLANATORY NOTE

The offering of the class A common stock will be made by two prospectuses, one for use in the initial public offering and one for use in the issuance of class A common stock in exchange for class B units of Emergency Medical Services L.P. The prospectus relating to the class A common stock registered hereby to be offered in the initial public offering (the IPO Prospectus) is set forth following this page. The prospectus relating to the issuance of class A common stock in exchange for class B units of Emergency Medical Services L.P. is substantially the same as the form of IPO Prospectus, except that:

- it contains different front and back cover pages;
- the section captioned The Offering has been replaced with a section captioned The Exchange , which describes the exchange and clarifies that references in the prospectus to this offering refer to the initial public offering of the class A common stock;
- the section captioned Formation of Holding Company has been expanded to state that the issuance of class A common stock in exchange for class B units will occur automatically, without any vote or consent of the class B unitholders, upon the completion of our public offering and to include information concerning the mechanics of authorizing the exchange;
- the section captioned Use of Proceeds has been replaced with a new section captioned Use of Proceeds ;
- a new subsection captioned Tax Consequences of the Exchange has been added to the section captioned Material U.S. Federal Income Tax Considerations ;
- a new section captioned Comparison of Rights of EMS L.P. Class B Unitholders and EMSC Class A Stockholders has been added to describe the differences in the rights attaching to the class B units and the class A common stock; and
- the section captioned Underwriters has been replaced with a section captioned Plan of Distribution .

These changed pages are included in this registration statement immediately following the IPO Prospectus.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 2, 2005

Prospectus

7,800,000 Shares
Emergency Medical Services Corporation
Class A Common Stock

Emergency Medical Services Corporation is offering 7,800,000 shares of class A common stock in an underwritten offering. This is our initial public offering, and no public market currently exists for our class A common stock.

Our class A common stock has been accepted for listing on the New York Stock Exchange under the symbol EMS , subject to official notice of issuance. We anticipate that the initial public offering price will be between $15.00 and $17.00 per share.

Investing in our class A common stock involves a high degree of risk. See Risk Factors beginning on page 9.

	Per Share	Total
Offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds to Emergency Medical Services Corporation, before expenses	$	$

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Certain of our existing stockholders have granted the underwriters an option to purchase up to 1,170,000 additional shares of our class A common stock to cover over-allotments, if any. We will not receive any proceeds from the sale of shares of our class A common stock by the selling stockholders. The underwriters can exercise this right at any time within 30 days from the date of this prospectus. The underwriters expect to deliver the shares of class A common stock to our investors on or about , 2005.

Banc of America Securities LLC **JPMorgan**

CIBC World Markets **Credit Suisse First Boston** **Goldman, Sachs & Co.**
Scotia Capital **Utendahl**

, 2005

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emcare amr ems

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amr
american medical response®

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emcare®
emergency medicine. customer driven.

You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus is accurate on the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

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INDUSTRY AND MARKET DATA

The market data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data are also based on our good faith estimates, which are derived from our review of internal surveys, as well as the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information. None of the independent industry publications used in this prospectus were prepared on our or our affiliates behalf and none of the sources cited in this prospectus consented to the inclusion of any data from its reports, nor have we sought their consent.

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SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information you need to consider in making your investment decision. This summary is qualified in its entirety by the more detailed information and the combined and consolidated financial statements and notes thereto appearing elsewhere in this prospectus. You should read carefully this entire prospectus and should consider, among other things, the matters set forth in the section entitled Risk Factors before deciding whether to invest in our common stock.

Company Overview

Emergency Medical Services Corporation is a leading provider of emergency medical services in the United States. We operate our business and market our services under the AMR and EmCare brands. AMR is the leading provider of ambulance services in the United States, based on net revenue and number of transports. EmCare is the leading provider of outsourced emergency department staffing and related management services in the United States, based on number of contracts with hospitals and affiliated physician groups. Approximately 86% of our fiscal 2004 net revenue was generated under exclusive contracts. For the fiscal year ended August 31, 2004, we generated net revenue of $1.6 billion, of which AMR and EmCare represented approximately 66% and 34%, respectively, and net income of $37.3 million.

AMR. Over its 50 years of operating history, AMR has developed the largest network of ambulance services in the United States. AMR has an 8% share of the total ambulance services market and a 21% share of the private provider ambulance market, with net revenue approximately twice that of our only national competitor. During fiscal 2004, AMR treated and transported approximately 3.7 million patients in 34 states. AMR has approximately 2,855 contracts with communities, government agencies, healthcare providers and insurers to provide ambulance transport services. For fiscal 2004, approximately 57% of AMR s net revenue was generated from emergency 911 ambulance services, 32% from non-emergency ambulance services and the balance generated from the provision of training, dispatch centers and other services to communities and public safety agencies.

EmCare. Over its 33 years of operating history, EmCare has become the largest provider of outsourced emergency department staffing and related management services to healthcare facilities. EmCare has a 6% share of the total emergency department services market and a 9% share of the outsourced emergency department services market, and has 32% more emergency department staffing contracts than our principal national competitor. In addition, EmCare has become one of the leading providers of hospitalist services, the staffing of physicians that specialize in the care of acutely ill patients in an inpatient setting. During fiscal 2004, EmCare had approximately 5.3 million patient visits in 38 states. We contract with our hospital customers and our healthcare professionals directly and through our affiliated physician groups and managed companies. Through its 4,500 affiliated physicians and 333 exclusive contracts with hospitals and independent physician groups, EmCare provides emergency department, hospitalist and radiology staffing, management and other administrative services.

We are issuing our class A common stock in this offering. After completion of this offering, we will have no material assets other than direct ownership of approximately 22.1% of the equity interest in Emergency Medical Services L.P., or EMS L.P., the Delaware limited partnership that holds all of the capital stock of AMR and EmCare. Onex Corporation and its affiliates will hold the remaining 77.9% of our equity through their ownership of LP exchangeable units in EMS L.P. The Onex entities will control 97.7% of our voting power through our class B special voting stock. Our only source of cash flow from operations is distributions from EMS L.P. pursuant to the partnership agreement.

Emergency Medical Services Industry

We operate in the ambulance and emergency department services markets, two large and growing segments of the emergency medical services market. Most communities are required by law to provide emergency ambulance services and most hospitals are required to provide emergency department services. Approximately 43% of all hospital admissions originated from the emergency department in 2003, and a substantial portion of patients enter the hospital by way of ambulance transport. We believe that growth in our emergency medical services markets will continue due to increased outsourcing for these services driven by increased outpatient services and emergency department visits, coupled with the need for enhanced

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technology, changes in reimbursement rates and increased federal funding for disaster preparedness and response.

Ambulance services encompass both 911 emergency response and non-emergency transport services. We believe the ambulance services market represents annual expenditures of approximately $12 billion. The ambulance services market is highly fragmented, with more than 14,000 private, public and not-for-profit service providers accounting for an estimated 36 million ambulance transports in 2004. Given demographic trends, we expect the total number of ambulance transports to continue to grow at a steady rate of 1% to 2% per year.

We believe the physician reimbursement component of the emergency department services market represents annual expenditures of approximately $10 billion. There are approximately 4,700 hospitals in the United States that operate emergency departments, of which approximately 67% outsource their physician staffing and management for this department. The market for outsourced emergency department staffing and related management services is highly fragmented, with more than 800 national, regional and local providers.

Competitive Strengths

We believe the following competitive strengths position our company to capitalize on the favorable trends occurring within the healthcare industry and the emergency medical services markets.

Significant Scale and Geographic Presence. We believe our significant scale and broad geographic presence provide a competitive advantage over local and regional providers through our: (i) broad program offering and cost efficiencies generated by our technology investment, which may be too costly for certain providers to replicate; (ii) national contracting and preferred provider relationships with managed care organizations and healthcare systems; and (iii) ability to recruit and retain quality personnel.

Long-Term Relationships with Existing Customers. We believe our long-term, well-established relationships with communities and healthcare facilities enhance our ability to retain existing customers and win new contracts. AMR and EmCare have maintained relationships with their ten largest customers for an average of 34 and 12 years, respectively. We believe our industry-leading contract retention rates reflect our ability to deliver on our service commitments to our customers over extended time periods.

Strong Financial Performance. One of the key factors our potential customers evaluate is financial stability. We believe our ability to demonstrate consistently strong financial performance will continue to differentiate our company and provide a competitive advantage in winning new contracts and renewing existing contracts.

Focus on Risk Management. Our risk management initiatives are enhanced by the use of our professional liability claims database and comprehensive claims management at EmCare, and by our risk/safety program at AMR. Over the last three years, our workers compensation, auto, general and professional liability claims per 100,000 ambulance transports decreased 8.4% at AMR and our professional liability claims per 100,000 emergency department visits decreased 14.0% at EmCare.

Investment in Core Technologies. AMR uses proprietary technology to improve chart documentation, determine transportation service levels and track response times and other data for hospitals. EmCare uses proprietary physician recruitment software to improve recruitment efficiency and retention rates.

Proven and Committed Management Team. We are led by an experienced senior management team with an average of 21 years of experience in the healthcare industry. Our Chairman and Chief Executive Officer, William Sanger, has over 30 years of experience within the healthcare services industry, with leadership roles in numerous areas of healthcare.

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Business Strategy

We intend to leverage Emergency Medical Services competitive strengths to pursue our business strategy:

Increase Revenue from Existing Customers. We believe our long track record of delivering excellent service and innovative programs for both communities and hospitals, coupled with our breadth of services, creates opportunities for us to increase revenue from our existing customer base.

Grow Our Customer Base. We believe we have a unique competency in the treatment, management and billing of episodic and unscheduled care. We will continue to pursue additional outsourcing opportunities for ambulance transports and emergency department, hospitalist and radiology services and expanding our public/private ambulance partnerships with local fire departments.

Pursue Select Acquisition Opportunities. We plan to pursue select acquisitions in our core businesses, explore the acquisition of complementary businesses and seek opportunities to expand the scope of services in which we can leverage our core competencies.

Utilize Technology to Differentiate Our Services and Improve Operating Efficiencies. We intend to continue to invest in technologies that broaden our services in the marketplace, improve patient care, enhance our billing efficiencies and increase our profitability.

Continued Focus on Risk Management. We will continue to conduct aggressive risk management programs for loss prevention and early intervention. We will continue to develop and utilize clinical fail safes and use technology in our ambulances to reduce vehicular incidents.

Implement Cost Rationalization Initiatives. We will continue to rationalize our cost structure by aligning compensation with productivity and eliminating costs in our national and regional corporate support structure.

Company History

In February 2005, an investor group led by Onex Partners LP and Onex Corporation, and including members of our management, purchased our operating subsidiaries AMR and EmCare from Laidlaw International, Inc. Laidlaw had acquired AMR and EmCare in 1997.

The purchase price for AMR and EmCare totaled $828.8 million. We funded the purchase price and related transaction costs with equity contributions of $219.2 million, the issuance and sale of $250.0 million principal amount of our senior subordinated notes and borrowings under our senior secured credit facility, including a term loan of $350.0 million and approximately $20.2 million under our revolving credit facility. We intend to use approximately $100.0 million of the net proceeds from this offering to repay debt outstanding under our senior secured credit facility.

Since completing our acquisition of AMR and EmCare, we have operated through a holding company, EMS L.P., that is a limited partnership. As described in Formation of Holding Company , our new holding company will be a Delaware corporation upon completion of this offering. This prospectus gives effect to our reorganization.

The class A common stock we are selling in this offering will represent approximately 18.9% of our equity and 2.3% of our combined voting power. Following this offering, our initial equity investors, including management and entities affiliated with Onex Corporation, will continue to own approximately 81.1% of our equity and 97.7% of our combined voting power. The Onex entities will hold their equity in the form of LP exchangeable units in EMS L.P., which are exchangeable on a one-for-one basis for shares of our class B common stock, and they will have the benefit of the voting rights attributable to that class B common stock through one share of class B special voting stock. See Formation of Holding Company. Our class B common stock has ten votes per share and our class A common stock has one vote per share.

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In exchange for an annual management fee of $1.0 million, an affiliate of Onex Corporation provides us with corporate finance and strategic planning consulting services. Our management agreement has an initial term ending February 10, 2010, subject to automatic one-year renewals unless terminated by either party by notice given at least 90 days prior to the scheduled expiration date. The annual fee may be increased to up to $2.0 million upon approval of majority of the members of each of AMR s and EmCare s board of directors who are not affiliated with Onex. We have no other arrangements by which Onex affiliates will receive payments or compensation from us other than on an equivalent basis to class A stockholders. See Certain Relationships and Related Party Transactions Management Fee Agreement with Onex Partners Manager LP .

Risk Factors

Investing in our class A common stock involves risks. You should refer to the section entitled Risk Factors for a discussion of certain risks you should consider before deciding whether to invest in our class A common stock.

Executive Offices

Our principal executive offices are located at 6200 S. Syracuse Way, Suite 200, Greenwood Village, Colorado 80111 and our telephone number at that address is (303) 495-1200. Our website address is *www.emsc.net*. The website addresses for our business segments are *www.amr.net* and *www.emcare.com.* **Information contained on these websites is not part of this prospectus and is not incorporated in this prospectus by reference.**

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The Offering

Class A common stock offered by us	7,800,000 shares
Over-allotment shares of class A common stock offered by the selling stockholders	1,170,000 shares
Class A common stock outstanding after this offering	8,948,325 shares
Use of proceeds	We intend to use $100.0 million of the net proceeds from this offering to repay debt outstanding under our senior secured credit facility, and the balance for general corporate purposes. See Use of Proceeds. Certain of the underwriters of this offering or their affiliates are lenders under our senior secured credit facility and, in that capacity, will receive a portion of the net proceeds of this offering.
Proposed NYSE symbol	EMS

The number of shares of class A common stock being offered in this offering represents 18.9% of our common stock outstanding and 2.3% of our combined voting power. The number of shares of our common stock to be outstanding after this offering excludes the 32,107,500 shares of class B common stock issuable on exchange of the LP exchangeable units and the 3,509,219 shares of class A common stock issuable upon the exercise of options.

Following this offering, we will have the following securities outstanding:

- 8,948,325 shares of class A common stock,
- 142,545 shares of class B common stock,
- one share of class B special voting stock, and
- 32,107,500 LP exchangeable units of EMS L.P.

At any time at the option of the holder:

- each LP exchangeable unit is exchangeable into one share of class B common stock, and
- each share of class B common stock is convertible into one share of class A common stock.

Our securities are entitled to vote on all matters subject to a vote of holders of common stock, voting together as a single class, as follows:

- class A common stock is entitled to one vote per share,
- class B common stock is entitled to ten votes per share (reducing to one vote per share under certain limited circumstances), and
- one share of class B special voting stock, held for the benefit of the holders of LP exchangeable units, is entitled to a number of votes equal to the number of votes that could be cast if all the then outstanding LP exchangeable units were exchanged for class B common stock.

The holders of the LP exchangeable units may therefore exercise voting rights with respect to Emergency Medical Services as though they held the same number of shares of our class B common stock.

Except as otherwise indicated, all of the information presented in this prospectus assumes the following:

our formation as a holding company named Emergency Medical Services Corporation, as described under Formation of Holding Company ,

the anticipated 1.5-for-1 stock split based upon an assumed initial public offering price of $16.00 per share, which is the mid-point of the range set forth in the cover page of this prospectus, and

no exercise of the underwriters over-allotment option.

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Summary of Historical Combined, Consolidated and Pro Forma Consolidated Financial Information and Other Data

The summary combined financial data of AMR and EmCare for the year ended August 31, 2002 (Predecessor Pre-Laidlaw Bankruptcy), the nine months ended May 31, 2003 (Predecessor Pre-Laidlaw Bankruptcy), and as of and for the three months ended August 31, 2003 (Predecessor Post-Laidlaw Bankruptcy), the year ended August 31, 2004 (Predecessor Post-Laidlaw Bankruptcy) and the five months ended January 31, 2005 (Predecessor Post-Laidlaw Bankruptcy) are derived from our audited combined historical financial statements included in this prospectus. As a result of a correction to AMR s method of calculating its accounts receivable allowances, we determined that the allowances were understated at various balance sheet dates. The audited combined financial statements included in this prospectus are restated to correct this error. There were no adjustments necessary to income subsequent to May 31, 2003.

The summary combined historical financial data for the five months ended January 31, 2004 (Predecessor Post-Laidlaw Bankruptcy) and the three months and eight months ended September 30, 2004 (Predecessor Post-Laidlaw Bankruptcy) are derived from the unaudited combined historical financial statements included in this prospectus. The summary consolidated financial data for the three months and eight months ended September 30, 2005 (Successor) are derived from the unaudited consolidated historical financial statements included elsewhere in this prospectus. The interim financial statements include, in the opinion of management, all adjustments, consisting of normal accruals, necessary for a fair presentation of the information for those periods. The results of operations for the interim periods may not be indicative of results that may be expected for the full fiscal year.

The summary pro forma consolidated financial information and other data for the year ended August 31, 2004, the five months ended January 31, 2005 and the eight months ended September 30, 2005 reflect the acquisition of AMR and EmCare by Emergency Medical Services and the completion of this offering, and should be read in conjunction with our unaudited pro forma consolidated financial statements included elsewhere in this prospectus which, with respect to statement of operations data, give effect to the acquisition and this offering as if they occurred as of September 1, 2003, September 1, 2004 and February 1, 2005, respectively, and with respect to balance sheet data, give effect to this offering as if it occurred as of September 30, 2005. The unaudited pro forma consolidated financial information is presented for informational purposes only and does not purport to represent what our results of operations would have been if our acquisition of AMR and EmCare and this offering had occurred as of the dates indicated or what such results will be for future periods.

Effective as of January 31, 2005, we acquired AMR and EmCare from Laidlaw and, in connection with the acquisition, we changed our fiscal year to December 31 from August 31. For all periods prior to the acquisition, the AMR and EmCare businesses formerly owned by Laidlaw are referred to as the Predecessor. For all periods from and subsequent to the acquisition, these businesses are referred to as the Successor. As a result of the acquisition, we include as a reporting period of the Predecessor our pre-acquisition period ended January 31, 2005.

You should read the summary information in conjunction with Selected Combined and Consolidated Financial Information and Other Data, Unaudited Pro Forma Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and the combined and consolidated financial statements and related notes included in this prospectus.

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Pre-Laidlaw ankruptcy) As Restated	Predecessor (Pre-Acquisition)							Successor (Post-Acquisition)		Unaudi	
				(Post-Laidlaw Bankruptcy)							
r ed t 31, 2	Nine Months Ended May 31, 2003	Three Months Ended August 31, 2003	Year Ended August 31, 2004	Five Months Ended January 31, 2004	Five Months Ended January 31, 2005	Three Months Ended September 30, 2004	Eight Months Ended September 30, 2004	Three Months Ended September 30, 2005	Eight Months Ended September 30, 2005	Year Ended August 31, 2004	Ja
				(unaudited)		(unaudited)		(unaudited)			
				(dollars in thousands)							
,786	$ 1,103,335	$ 384,461	$ 1,604,598	$ 667,506	$ 696,179	$ 413,869	$ 1,077,749	$ 456,245	$ 1,187,653	$ 1,604,598	$
,590	757,183	264,604	1,117,890	461,923	481,305	286,628	751,238	319,292	822,595	1,117,890	
,321	163,447	55,212	218,277	90,828	94,882	55,863	147,524	66,156	168,700	218,277	
,479	69,576	34,671	80,255	36,664	39,002	18,404	51,674	21,048	60,382	80,255	
,455	37,867	12,017	47,899	22,016	21,635	12,093	31,270	15,654	38,248	47,899	
,400	4,050	1,350	15,449	6,436	19,857	3,657	10,095			15,449	
,183	32,144	12,560	52,739	22,079	18,808	12,669	34,627	14,843	38,811	55,869	
,780											
,777	1,288	1,449	2,115				1,381			2,115	
,761	3,650										

,960)	34,130	2,598	69,974	27,560	20,690	24,555	49,940	19,252	58,917	66,844	
,418)	(4,691)	(908)	(9,961)	(4,137)	(5,644)	(5,138)	(8,679)	(12,824)	(34,407)	(47,051)	
		90	(1,140)			(1,140)	(1,191)	(34)	(40)	(1,140)	
369	304	22	240	1,403	714	162	210	91	189	240	
	46,416										
,009)	76,159	1,802	59,113	24,826	15,760	18,439	40,280	6,485	24,659	18,893	
,374)	(829)	(8,633)	(21,764)	(9,800)	(6,278)	(7,191)	(15,710)	(3,479)	(10,657)	(5,764)	
,383)	75,330	(6,831)	37,349	15,026	9,482	11,248	24,570	3,006	14,002	13,129	
	(223,721)										
,383)	$ (148,391)	$ (6,831)	$ 37,349	$ 15,026	$ 9,482	$ 11,248	$ 24,570	$ 3,006	$ 14,002	$ 13,129	$

	Predecessor (Pre-Acquisition)				
	(Pre-Laidlaw Bankruptcy) As Restated		**(Post-Laidlaw Bankruptcy)**		**Successor (Post-Acquisition)**
Year	**Nine Months**	**Three Months**	**Year**		**Eight Months**

	Ended August 31, 2002	Ended May 31, 2003	Ended August 31, 2003	Ended August 31, 2004	Five Months Ended January 31, 2004	Five Months Ended January 31, 2005	Eight Months Ended September 30, 2004	Ended September 30, 2005
					(unaudited)	(unaudited)	(unaudited)	(unaudited)
					(dollars in thousands)			
Other Financial Data:								
Cash flow provided by (used in):								
Operating activities	$ 156,544	$ 58,769	$ 30,009	$ 127,679	$ 18,627	$ 15,966	$ 99,961	$ 108,462
Investing activities	(57,347)	(98,835)	(15,136)	(81,516)	(10,881)	(21,667)	(73,910)	(917,422)
Financing activities	(36,066)	(8,060)	(47,222)	(47,328)	(7,532)	10,856	(20,699)	804,442
Capital expenditures	57,438(3)	34,768	18,079	42,787	14,224	14,045	(30,217)	34,947
EBITDA(4)	$ (172,777)	$ (111,031)(5)	$ 15,428	$ 121,753	$ 49,639	39,498	83,376	97,688
EBITDA, as adjusted(4)						$ 59,355	$ 94,852	$ 102,948

	As of September 30, 2005 Consolidated	As of September 30, 2005 Pro Forma
Balance Sheet Data:		
Cash and cash equivalents	$ 10,113	$ 21,677
Total assets	1,253,408	1,261,994
Long-term debt and capital lease obligations, including current maturities	608,607	508,607
Partners / Stockholders equity	$ 235,534	$ 345,333
Financial Covenant Ratios(6):		
Total leverage ratio	4.05	3.39
Senior leverage ratio	2.39	1.72
Fixed charge coverage ratio	1.64	1.70

(1) See note 1 to our combined financial statements with respect to our fresh-start financial reporting.
(2) Reflects an impairment of goodwill recorded in connection with the adoption of SFAS No. 142.
(3) Includes $26.3 million financed through capital leases.
(4) EBITDA represents net income (loss) before interest expense, net, income tax expense and depreciation and amortization expenses. Adjusted EBITDA represents EBITDA adjusted to remove the effect of the Laidlaw allocations of management fees and compensation charges, insurance expenses, rebates and reorganization costs, Onex management fees and certain non-recurring items. Management routinely calculates EBITDA and uses it to allocate resources. Management believes that EBITDA is a useful measure to investors because it is commonly

used as an analytical indicator within the healthcare industry to evaluate operational performance, leverage capacity and ability to service debt.

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Adjusted EBITDA is used as a measure for various financial covenants in our senior secured credit facility, and we use adjusted EBITDA as a measure for incentive compensation purposes. EBITDA and adjusted EBITDA should not be considered in isolation or as an alternative to net income, cash flows generated by operating, investing or financing activities or other financial statement data presented in the combined and consolidated financial statements as an indicator of financial performance or liquidity. EBITDA and adjusted EBITDA, as presented, may not be comparable to similarly titled measures of other companies.

The following table reconciles EBITDA and EBITDA, as adjusted to net income (loss):

	Predecessor (Pre-Acquisition)							Successor (Post-Acquisition)
	(Pre-Laidlaw Bankruptcy) As Restated			(Post-Laidlaw Bankruptcy)				
	Year Ended August 31, 2002	Nine Months Ended May 31, 2003	Three Months Ended August 31, 2003	Year Ended August 31, 2004	Five Months Ended January 31, 2004	Five Months Ended January 31, 2005	Eight Months Ended September 30, 2004	Eight Months Ended September 30, 2005
Combined/Consolidated Results:								
Net income (loss)	$ (247,383)	$ (148,391)	$ (6,831)	$ 37,349	$ 15,026	$ 9,482	$ 24,570	$ 14,002
Depreciation and amortization expenses	67,183	32,144	12,560	52,739	22,079	18,808	34,627	38,811
Interest expense	6,418	4,691	908	9,961	4,137	5,644	8,679	34,407
Interest and other income	(369)	(304)	(22)	(240)	(1,403)	(714)	(210)	(189)
Income tax expense	1,374	829	8,633	21,764	9,800	6,278	15,710	10,657
EBITDA(a)	$ (172,777)	$ (111,031)	$ 15,248	$ 121,573	$ 49,639	39,498	83,376	97,688
Laidlaw fees and compensation charges						19,857	10,095	
Onex management fee								667
Transaction related costs								2,131
Non-cash charges								2,462
Restructuring charges							1,381	
EBITDA, as adjusted						$ 59,355	$ 94,852	$ 102,948

(a) EBITDA for periods presented includes Laidlaw s allocation to us of fees and compensation charges, insurance expenses and rebates and reorganization costs. Laidlaw s allocations to us of fees and compensation charges and of reorganization costs are based on allocations among all of Laidlaw s business units based on revenues, plus an additional amount allocated to us in respect of a one-time compensation expense related to the changes in the enterprise values of AMR and EmCare. Laidlaw s allocation to us of insurance expense and rebates is based on an allocation of investment income of Laidlaw s captive insurance subsidiary among all of Laidlaw s business units based on revenues, and an allocation of claims among Laidlaw s business units based on each business unit s claims experience. We do not believe that Laidlaw s allocation of these expenses and rebates are predictive of expenses and rebates we expect to incur as a stand-alone company in respect of management services or for comparable stand-alone insurance costs. Laidlaw s allocation of these expenses and rebates for the historical periods presented were as follows:

	Predecessor (Pre-Acquisition)							
	(Pre-Laidlaw Bankruptcy)	(Post-Laidlaw Bankruptcy)						
	Year Ended August 31, 2002	Nine Months Ended May 31, 2003	Three Months Ended August 31, 2003	Year Ended August 31, 2004	Five Months Ended January 31, 2004	2005	Three Months Ended September 30, 2004	Eight Months Ended September 30, 2004
					(unaudited)		(unaudited)	
	(dollars in thousands)							
Laidlaw insurance expense (rebate)(a)	$ (8,094)	$ 3,058	$ 11,522	$ (4,505)	$	$	$	$
Laidlaw fees and compensation charges	5,400	4,050	1,350	15,449(b)	6,436	19,857(c)	3,657	10,095
Laidlaw reorganization costs	8,761	3,650						
Total Laidlaw allocated expense	$ 6,067	$ 10,758	$ 12,872	$ 10,944	$ 6,436	$ 19,857	$ 3,657	$ 10,095

(a) Included in Insurance expense in our combined statements of operations.

(b) Includes compensation charges of $4.1 million.

We estimate that the costs we will incur in respect of management services and other costs as a stand-alone company will total approximately $4.0 million a year. See note (1) to the unaudited pro forma consolidated statement of operations for the five months ended January 31, 2005 and the year ended August 31, 2004 in Unaudited Pro Forma Consolidated Financial Data. We incurred $1.9 million of such costs in the eight months ended September 30, 2005, excluding costs related to our acquisition of AMR and EmCare.

(c) Includes compensation charges of $15.3 million.

(5) Includes $46.4 million relating to the fresh-start accounting adjustment and $(223.7) million relating to the cumulative effect of a change in accounting principle.

(6) Represents financial covenant coverages, calculated in accordance with our senior secured credit facility. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital

Resources Debt Facilities for information with respect to required coverages at September 30, 2005 and the calculation of these ratios.

RISK FACTORS

An investment in our class A common stock involves a high degree of risk. You should carefully consider the factors described below in addition to the other information set forth in this prospectus before deciding whether to make an investment in our class A common stock. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially and adversely affect our business operations. Any of the following risks could materially adversely affect our business, financial condition or results of operations. In such case, you may lose all or part of your original investment.

Risk Factors Related to our Capital Structure

The interests of our controlling stockholders may conflict with your interests.

Following this offering, Onex Partners LP and other entities affiliated with Onex Corporation, which we refer to together as the Onex entities, will own all of our outstanding LP exchangeable units, which are exchangeable at any time, at the option of the holder, for our class B common stock. Our class A common stock has one vote per share, while our class B common stock has ten votes per share (reducing to one vote per share under certain limited circumstances), on all matters to be voted on by our stockholders. Prior to the exchange for class B common stock, the holders of the LP exchangeable units will be able to exercise the same voting rights with respect to Emergency Medical Services as they would have after the exchange through a share of class B special voting stock. As a result, after this offering, the Onex entities will control 96.6% of our combined voting power. Accordingly, the Onex entities will exercise a controlling influence over our business and affairs and will have the power to determine all matters submitted to a vote of our stockholders, including the election of directors, the removal of directors and approval of significant corporate transactions such as amendments to our certificate of incorporation, mergers and the sale of all or substantially all of our assets. The Onex entities could cause corporate actions to be taken even if the interests of these entities conflict with the interests of our other stockholders. This concentration of voting power could have the effect of deterring or preventing a change in control of Emergency Medical Services that might otherwise be beneficial to our stockholders. Gerald W. Schwartz, the Chairman, President and Chief Executive Officer of Onex Corporation, owns shares representing a majority of the voting rights of the shares of Onex Corporation. See Principal and Selling Stockholders , Description of Capital Stock and Limited Partnership Agreement of Emergency Medical Services L.P.

Onex has the voting power to elect our entire board of directors and to remove any director or our entire board without cause.

Although our current board includes independent directors , so long as the Onex entities control more than 50% of our combined voting power we are exempt from the NYSE rule that requires that a board be comprised of a majority of independent directors . Onex may have a controlling influence over our board, as Onex has sufficient voting power to elect the entire board, and our certificate of incorporation permits stockholders to remove directors at any time with or without cause.

As a holding company, our only material asset is our equity interest in EMS L.P. and our only source of revenue is distributions from EMS L.P. Because the Onex entities have the voting power to control our board of directors, they could influence us, as the general partner of EMS L.P., to take action at the level of EMS L.P. that would benefit the Onex entities and conflict with the interests of our class A stockholders.

We are a holding company, and we will have no material assets other than our direct ownership of an approximately 22% equity interest in EMS L.P. EMS L.P. will also be our only source of cash flow from operations. The Onex entities hold their equity interest in us through LP exchangeable units of EMS L.P. As our controlling stockholder, Onex could limit distributions to us from EMS L.P., and could cause us to amend the EMS L.P. partnership agreement in a manner that would be beneficial to the Onex entities, as limited partners of EMS L.P., and detrimental to our class A stockholders.

Any decrease in our distributions from EMS L.P. would have a negative effect on our cash flow. In order to minimize this conflict, the EMS L.P. partnership agreement requires that the partnership reimburse us for all of our expenses, including all employee costs and the expenses we incur as a public company, and provides further that no distributions may be made to the Onex entities, as the holders of LP exchangeable units, unless we make pay an economically equivalent dividend to all holders of our common stock.

The EMS L.P. partnership agreement provides that amendments to that agreement may only be proposed and authorized by us, as the general partner. The Onex entities could seek to influence our board s action with respect to any amendment and we, as the general partner of EMS L.P., owe a fiduciary duty to the limited partners of the partnership. Our board also owes a fiduciary duty to our common stockholders. Because of the inherent conflict of interest we face between our fiduciary duty to our stockholders, including our class A stockholders, and the Onex entities, as limited partners in EMS L.P., the EMS L.P. partnership agreement provides that, if there is any conflict between the interests of the limited partners and our common stockholders, our board may, in the exercise of its business judgment, cause us to act in the best interests of our stockholders.

We are party to a management agreement with an affiliate of Onex which permits us to increase substantially the fee we pay to that affiliate.

The management agreement between our subsidiaries, AMR and EmCare, and an Onex affiliate provides that the annual fee may be increased from $1.0 million to $2.0 million, which amount represents a significant percentage of our net income. Such an increase would be detrimental to the interests of our class A stockholders if the fee were disproportionate to the benefit we derive from the services the Onex affiliate performs. In order to minimize this potential conflict of interest, the agreement requires that any increase in the fee be approved by a majority of the members of the boards of AMR and EmCare who are not affiliated with Onex. As long as the Onex entities control more than 50% of our combined voting power, they may be able to exercise a controlling influence over the election of the boards of AMR and EmCare. See Certain Relationships and Related Party Transactions Management Fee Agreement with Onex Partners Manager LP.

Our substantial indebtedness could adversely affect our financial condition and our ability to operate our business.

We have a substantial amount of debt. At September 30, 2005, we had total debt of $608.6 million, including $348.3 million of borrowings under the term loan portion of our senior secured credit facility, $250.0 million of our senior subordinated notes, $5.0 million of borrowings under our revolving credit facility and $4.4 million of capital lease obligations, and we had $27.3 million of letters of credit outstanding. In addition, subject to restrictions in the indenture governing our notes and the credit agreement governing our senior secured credit facility, we may incur additional debt.

Our substantial debt could have important consequences to you, including the following:

- it may be difficult for us to satisfy our obligations, including debt service requirements under our outstanding debt,
- our ability to obtain additional financing for working capital, capital expenditures, debt service requirements or other general corporate purposes may be impaired,
- we must use a significant portion of our cash flow for payments on our debt, which will reduce the funds available to us for other purposes,
- we are more vulnerable to economic downturns and adverse industry conditions and our flexibility to plan for, or react to, changes in our business or industry is more limited,
- our ability to capitalize on business opportunities and to react to competitive pressures, as compared to our competitors, may be compromised due to our high level of debt, and
- our ability to borrow additional funds or to refinance debt may be limited.

Furthermore, all of our debt under our senior secured credit facility bears interest at variable rates. If these rates were to increase significantly, our ability to borrow additional funds may be reduced and the risks related to our substantial debt would intensify.

Servicing our debt will require a significant amount of cash. Our ability to generate sufficient cash depends on numerous factors beyond our control, and we may be unable to generate sufficient cash flow to service our debt obligations.

Our business may not generate sufficient cash flow from operating activities. The cash we require to meet contractual obligations in 2006, including our debt service, will total approximately $89.7 million. Our ability to make payments on and to refinance our debt and to fund planned capital expenditures will depend on our ability to generate cash in the future. To some extent, this is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Lower net revenues, or higher provision for uncollectibles, generally will reduce our cash flow.

If we are unable to generate sufficient cash flow to service our debt and meet our other commitments, we may need to refinance all or a portion of our debt, sell material assets or operations or raise additional debt or equity capital. We cannot assure you that we could effect any of these actions on a timely basis, on commercially reasonable terms or at all, or that these actions would be sufficient to meet our capital requirements. In addition, the terms of our existing or future debt agreements may restrict us from effecting any of these alternatives.

Restrictive covenants in our senior secured credit facility and the indenture governing our senior subordinated notes may restrict our ability to pursue our business strategies.

Our senior secured credit facility and the indenture governing our senior subordinated notes limit our ability, among other things, to:

- incur additional debt or issue certain preferred stock,
- pay dividends or make distributions to our stockholders,
- repurchase or redeem our capital,
- make investments,
- incur liens,
- make capital expenditures,
- enter into transactions with our stockholders and affiliates,
- sell certain assets,
- acquire the assets of, or merge or consolidate with, other companies, and
- incur restrictions on the ability of our subsidiaries to make distributions or transfer assets to us.

Our ability to comply with these covenants may be affected by events beyond our control, and any material deviations from our forecasts could require us to seek waivers or amendments of covenants, alternative sources of financing or reductions in expenditures. We cannot assure you that such waivers, amendments or alternative financings could be obtained, or, if obtained, would be on terms acceptable to us.

In addition, the credit agreement governing our senior secured credit facility requires us to meet certain financial ratios and restricts our ability to make capital expenditures or prepay certain other debt. We may not be able to maintain these ratios, and the restrictions could limit our ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities.

If a breach of any covenant or restriction contained in our financing agreements results in an event of default, those lenders could discontinue lending, accelerate the related debt (which would accelerate other debt) and declare all borrowings outstanding thereunder to be due and payable. In addition, the lenders could terminate any commitments they had made to supply us with additional funds. In the event of an acceleration of our debt, we may not have or be able to obtain sufficient funds to make any accelerated debt payments.

Our obligations under our senior secured credit facility are secured by substantially all of our assets.

Our obligations under our senior secured credit facility are secured by liens on substantially all of our assets, and the guarantees of our subsidiaries under our senior secured credit facility are secured by liens on substantially all of those subsidiaries assets. If we become insolvent or are liquidated, or if payment under our senior secured credit facility or of other secured obligations are accelerated, the lenders under our senior secured credit facility or the obligees with respect to the other secured obligations will be entitled to exercise the remedies available to a secured lender under applicable law and the applicable agreements and instruments, including the right to foreclose on all of our assets. Accordingly, you could lose all or a part of your investment in our common stock.

Risk Factors Related to Our Business

We could be subject to lawsuits for which we are not fully reserved.

In recent years, physicians, hospitals and other participants in the healthcare industry have become subject to an increasing number of lawsuits alleging medical malpractice and related legal theories such as negligent hiring, supervision and credentialing. Similarly, ambulance transport services may result in lawsuits concerning vehicle collisions and personal injuries, patient care incidents and employee job-related injuries. Some of these lawsuits may involve large claim amounts and substantial defense costs.

EmCare procures professional liability insurance coverage for most of its affiliated medical professionals and professional and corporate entities. Beginning January 1, 2002, this insurance coverage has been provided by affiliates of CNA Insurance Company, which then reinsure the entire program, primarily through EmCare s wholly-owned subsidiary, EMCA Insurance Company, Ltd., or EMCA. Workers compensation coverage for EmCare s employees and applicable affiliated medical professionals is provided under a similar structure for the period. From September 1, 2004 to the closing date of our acquisition of AMR and EmCare, AMR obtained insurance coverage for losses with respect to workers compensation, auto and general liability claims through Laidlaw s captive insurance company. AMR currently has a self-insurance program fronted by an unrelated third party. AMR retains the risk of loss under this coverage. Under these insurance programs, we establish reserves, using actuarial estimates, for all losses covered under the policies. Moreover, in the normal course of our business, we are involved in lawsuits, claims, audits and investigations, including those arising out of our billing and marketing practices, employment disputes, contractual claims and other business disputes for which we may have no insurance coverage, and which are not subject to actuarial estimates. The outcome of these matters could have a material effect on our results of operations in the period when we identify the matter, and the ultimate outcome could have a material adverse effect on our financial position or results of operations.

Our liability to pay for EmCare s insurance program losses is collateralized by funds held through EMCA and, to the extent these losses exceed the collateral and assets of EMCA or the limits of our insurance policies, will have to be funded by us. Should our AMR losses with respect to such claims exceed the collateral held by Laidlaw in connection with our self-insurance program or the limits of our insurance policies, we will have to fund such amounts. See Business American Medical Response Insurance and EmCare Insurance.

The reserves we establish with respect to our losses covered under our insurance programs are subject to inherent uncertainties.

In connection with our insurance programs, we establish reserves for losses and related expenses, which represent estimates involving actuarial and statistical projections, at a given point in time, of our expectations of the ultimate resolution and administration costs of losses we have incurred in respect of our liability risks. Insurance reserves inherently are subject to uncertainty. Our reserves are based on historical claims, demographic factors, industry trends, severity and exposure factors and other actuarial assumptions calculated by an independent actuary firm. The independent actuary firm performs studies of projected ultimate losses on an annual basis and provides quarterly updates to those projections. We use these actuarial estimates to determine appropriate reserves. Our reserves could be significantly affected if current and future occurrences differ from historical claim trends and expectations. While we monitor claims closely when we estimate reserves, the complexity of the claims and the wide range of potential outcomes may hamper timely adjustments to the assumptions we use in these estimates. Actual losses and related expenses may deviate, individually and in the aggregate, from the reserve estimates reflected in our financial statements. If we determine that our estimated reserves are inadequate, we will be required to increase reserves at the time of the determination, which would result in a reduction in our net income in the period in which the deficiency is determined. See Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies Claims Liability and Professional Liability Reserves and note 12 of the notes to our combined financial statements included elsewhere in this prospectus.

Insurance coverage for some of our losses may be inadequate and may be subject to the credit risk of commercial insurance companies.

Some of our insurance coverage, for periods prior to the initiation of our self-insurance programs as well as portions of our current insurance coverage, is through various third party insurers. To the extent we hold policies to cover certain groups of claims, but either did not obtain sufficient insurance limits, did not buy an extended reporting period policy, where applicable, or the issuing insurance company is no longer viable, we may be responsible for losses attributable to such claims. Furthermore, for our losses that are insured or reinsured through commercial insurance companies, we are subject to the credit risk of those insurance companies. While we believe our commercial insurance company providers currently are creditworthy, there can be no assurance that such insurance companies will remain so in the future.

We are subject to decreases in our revenue and profit margin under our fee-for-service contracts, where we bear the risk of changes in volume, payor mix and third party reimbursement rates.

In our fee-for-service arrangements, which generated approximately 84% of our fiscal 2004 net revenue, we, or our affiliated physicians, collect the fees for transports and physician services. Under these arrangements, we assume the financial risks related to changes in the mix of insured and uninsured patients and patients covered by government-sponsored healthcare programs, third party reimbursement rates and transports and patient volume. Our revenue decreases if our volume or reimbursement decreases, but our expenses do not decrease proportionately. See Risk Factors Related to Healthcare Regulation Changes in the rates or methods of third party reimbursements may adversely affect our revenue and operations. In addition, fee-for-service contracts have less favorable cash flow characteristics in the start-up phase than traditional flat-rate contracts due to longer collection periods.

We collect a smaller portion of our fees for services rendered to uninsured patients than for services rendered to insured patients. Our credit risk related to services provided to uninsured individuals is exacerbated because the law requires communities to provide 911 emergency response services and hospital emergency departments to treat all patients presenting to the emergency department seeking care for an emergency medical condition regardless of their ability to pay. We also believe uninsured patients are more likely to seek care at hospital emergency departments because they frequently do not have a primary care physician with whom to consult.

We may not be able to successfully recruit and retain physicians and other healthcare professionals with the qualifications and attributes desired by us and our customers.

Our ability to recruit and retain affiliated physicians and other healthcare professionals significantly affects our performance under our contracts. In the recent past, our customer hospitals have increasingly demanded a greater degree of specialized skills, training and experience in the healthcare professionals providing services under their contracts with us. This decreases the number of healthcare professionals who may be permitted to staff our contracts. Moreover, because of the scope of the geographic and demographic diversity of the hospitals and other facilities with which we contract, we must recruit healthcare professionals, and particularly physicians, to staff a broad spectrum of contracts. We have had difficulty in the past recruiting physicians to staff contracts in some regions of the country and at some less economically advantaged hospitals. Moreover, we compete with other entities to recruit and retain qualified physicians and other healthcare professionals to deliver clinical services. Our future success in retaining and winning new hospital contracts depends on our ability to recruit and retain healthcare professionals to maintain and expand our operations.

Our non-compete agreements and other restrictive covenants involving physicians may not be enforceable.

We have contracts with physicians and professional corporations in many states. Some of these contracts, as well as our contracts with hospitals, include provisions preventing these physicians and professional corporations from competing with us both during and after the term of our relationship with them. The law governing non-compete agreements and other forms of restrictive covenants varies from state to state. Some states are reluctant to strictly enforce non-compete agreements and restrictive covenants applicable to physicians. There can be no assurance that our non-compete agreements related to affiliated physicians and professional corporations will not be successfully challenged as unenforceable in certain states. In such event, we would be unable to prevent former affiliated physicians and professional corporations from competing with us, potentially resulting in the loss of some of our hospital contracts.

We are required to make significant capital expenditures for our ambulance services business in order to remain competitive.

Our capital expenditure requirements primarily relate to maintaining and upgrading our vehicle fleet and medical equipment to serve our customers and remain competitive. The aging of our vehicle fleet requires us to make regular capital expenditures to maintain our current level of service. Our capital expenditures totaled $42.8 million and $52.8 million in fiscal 2004 and fiscal 2003, respectively. In addition, changing competitive conditions or the emergence of any significant advances in medical technology could require us to invest significant capital in additional equipment or capacity in order to remain competitive. If we are unable to fund any such investment or otherwise fail to invest in new vehicles or medical equipment, our business, financial condition or results of operations could be materially and adversely affected.

We depend on our senior management and may not be able to retain those employees or recruit additional qualified personnel.

We depend on our senior management. The loss of services of any of the members of our senior management could adversely affect our business until a suitable replacement can be found. There may be a limited number of persons with the requisite skills to serve in these positions, and we cannot assure you that we would be able to identify or employ such qualified personnel on acceptable terms.

We must perform on our own services that Laidlaw previously performed for us, and we are subject to financial reporting and other requirements for which our accounting and other management systems and resources may not be adequate.

Laidlaw historically has provided various services to AMR and EmCare, including income tax accounting, preparation of tax returns, certain risk management, compliance and insurance coverage services, cash management, certain benefit plan administration and internal audit. Moreover, as subsidiaries of a public company, AMR and EmCare have not themselves been subject to the reporting and other requirements of the Securities Exchange Act of 1934, or the Exchange Act. In connection with this offering, we will become subject to reporting and other obligations under the Exchange Act. We are working with our independent legal, accounting and financial advisors to identify those areas in which changes should be made to our financial and management control systems to manage our growth and our obligations as a public company. These areas include corporate governance, corporate control, internal audit, disclosure controls and procedures and financial reporting and accounting systems. These reporting and other obligations will, together with the impact of performing services previously provided to us by Laidlaw, place significant demands on our management, administrative and operational resources, including accounting resources.

We anticipate that we will need to hire additional tax, accounting and finance staff. We are reviewing the adequacy of our systems, financial and management controls, and reporting systems and procedures, and we intend to make any necessary changes. We believe these replacement services will result in total annual stand-alone selling, general and administrative, compensation and benefits and insurance expense of approximately $4.0 million in fiscal 2005, including a management fee we will pay to Onex. We believe this represents our full incremental ordinary course stand-alone expense, and compares to the pre-acquisition fees and compensation charges of $15.4 million we paid Laidlaw in fiscal 2004 and $19.9 million for the five months ended January 31, 2005. In addition, we estimate that, in our first year as a public company, we will incur costs of approximately $1.0 million to implement the assessment of controls and public reporting mandated by the Sarbanes-Oxley Act of 2002. We cannot assure you that our estimate is accurate or that our separation from Laidlaw will progress smoothly, either of which could adversely impact our results. Although we have not fully implemented our replacement services, our costs for these services (including the Onex management fee but excluding costs related to our acquisition of AMR and EmCare) totaled $1.9 million in the eight months ended September 30, 2005. Moreover, our stand-alone expenses may increase. If we are unable to upgrade our financial and management controls, reporting systems and procedures in a timely and effective fashion, we may not be able to satisfy our obligations as a public company on a timely basis.

Our revenue would be adversely affected if we lose existing contracts.

A significant portion of our growth historically has resulted from increases in the number of emergency and non-emergency transports, and the number of patient visits and fees for services, we provide under existing contracts and the addition of new contracts. Substantially all of our fiscal 2004 net revenue was generated under contracts, including exclusive contracts that accounted for approximately 86% of our fiscal 2004 net revenue. Our contracts with hospitals generally have terms of three years and the term of our contracts with communities to provide 911 services generally ranges from three to five years. Most of our contracts are terminable by either of the parties upon notice of as little as 30 days. Any of our contracts may not be renewed or, if renewed, may contain terms that are not as favorable to us as our current contracts. We cannot assure you that we will be successful in retaining our existing contracts or that any loss of contracts would not have a material adverse effect on our business, financial condition and results of operations.

We may not accurately assess the costs we will incur under new contracts.

Our new contracts increasingly involve a competitive bidding process. When we obtain new contracts, we must accurately assess the costs we will incur in providing services in order to realize adequate profit margins and otherwise meet our financial and strategic objectives. Increasing pressures from healthcare payors to restrict or reduce reimbursement rates at a time when the costs of providing medical services continue to increase make assessing the costs associated with the pricing of new contracts, as well as maintenance of existing contracts, more difficult. In addition, integrating new contracts, particularly those in new geographic locations, could prove more costly, and could require more management time, than we anticipate. Our failure to accurately predict costs or to negotiate an adequate profit margin could have a material adverse effect on our business, financial condition and results of operations.

The high level of competition in our segments of the market for emergency medical services could adversely affect our contract and revenue base.

AMR. The market for providing ambulance transport services to municipalities, other healthcare providers and third party payors is highly competitive. In providing ambulance transport services, we compete with governmental entities (including cities and fire districts), hospitals, local and volunteer private providers, and with several large national and regional providers, such as Rural/ Metro Corporation, Southwest Ambulance and Acadian Ambulance. In many communities, our most important competitors are the local fire departments, which in many cases have acted traditionally as the first response providers during emergencies, and have been able to expand their scope of services to include emergency ambulance transport and do not wish to give up their franchises to a private competitor.

EmCare. The market for providing outsourced physician staffing and related management services to hospitals and clinics is highly competitive. Such competition could adversely affect our ability to obtain new contracts, retain existing contracts and increase or maintain profit margins. We compete with both national

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and regional enterprises such as Team Health, Sterling Healthcare, The Schumacher Group and National Emergency Services Healthcare Group, some of which may have greater financial and other resources available to them, greater access to physicians and/or greater access to potential customers. We also compete against local physician groups and self-operated hospital emergency departments for satisfying staffing and scheduling needs.

Our business depends on numerous complex information systems, and any failure to successfully maintain these systems or implement new systems could materially harm our operations.

We had 3.7 million transports and 5.3 million patient visits in fiscal 2004. We depend on complex, integrated information systems and standardized procedures for operational and financial information and our billing operations. We may not have the necessary resources to enhance existing information systems or implement new systems where necessary to handle our volume and changing needs. Furthermore, we may experience unanticipated delays, complications and expenses in implementing, integrating and operating our systems, including the integration of our AMR and EmCare systems. Any interruptions in operations during periods of implementation would adversely affect our ability to properly allocate resources and process billing information in a timely manner, which could result in customer dissatisfaction and delayed cash flow. We also use the development and implementation of sophisticated and specialized technology to differentiate our services from our competitors and improve our profitability. The failure to successfully implement and maintain operational, financial and billing information systems could have an adverse effect on our ability to obtain new business, retain existing business and maintain or increase our profit margins.

If we fail to implement our business strategy, our financial performance and our growth could be materially and adversely affected.

Our future financial performance and success are dependent in large part upon our ability to implement our business strategy successfully. Our business strategy envisions several initiatives, including increasing revenue from existing customers, growing our customer base, pursuing select acquisitions, implementing cost rationalization initiatives, focusing on risk mitigation and utilizing technology to differentiate our services and improve profitability. We may not be able to implement our business strategy successfully or achieve the anticipated benefits of our business plan. If we are unable to do so, our long-term growth and profitability may be adversely affected. Even if we are able to implement some or all of the initiatives of our business plan successfully, our operating results may not improve to the extent we anticipate, or at all.

Implementation of our business strategy could also be affected by a number of factors beyond our control, such as increased competition, legal developments, government regulation, general economic conditions or increased operating costs or expenses. In addition, to the extent we have misjudged the nature and extent of industry trends or our competition, we may have difficulty in achieving our strategic objectives. Any failure to implement our business strategy successfully may adversely affect our business, financial condition and results of operations and thus our ability to service our debt. In addition, we may decide to alter or discontinue certain aspects of our business strategy at any time.

Our ability to obtain adequate bonding coverage, and therefore maintain existing contracts and successfully bid on new ones, could be adversely affected by our high leverage.

Our emergency ambulance transport service business is highly dependent on our ability to obtain performance bond coverage sufficient to meet bid requirements imposed by existing and potential customers. In connection with the acquisition, Laidlaw has agreed to provide to us any cash collateral required to support the performance bonds in effect at the closing, and for a three-year period to pay any bond premiums in excess of rates in effect at the time of closing. We cannot assure you that we will have access to adequate bonding capacity to meet new contract requirements, or to obtain substitute performance bonds for existing bonds at the end of the three-year period, or that such bonding will be available on terms acceptable to us. If adequate bonding is not available, or if the terms of the bonding are too onerous, there would be a material adverse effect on our business, financial condition and results of operations.

A successful challenge by tax authorities to our treatment of certain physicians as independent contractors could require us to pay past taxes and penalties.

As of September 30, 2005, we contracted with approximately 1,200 physicians as independent contractors to fulfill our contractual obligations to customers. Because we treat them as independent contractors rather than as employees, we do not (i) withhold federal or state income or other employment related taxes from the compensation that we pay to them, (ii) make federal or state unemployment tax or Federal Insurance Contributions Act payments (except as described below), (iii) provide workers compensation insurance with respect to such affiliated physicians (except in states that require us to do so even for independent contractors), or (iv) allow them to participate in benefits and retirement programs available to employed physicians. Our contracts with our independent contractor physicians obligate these physicians to pay these taxes and other costs. Whether these physicians are properly classified as independent contractors depends upon the facts and circumstances of our relationship with them. It is possible that the nature of our relationship with these physicians would support a challenge to our classification of them. If such a challenge by federal or state taxing authorities were successful, and the physicians at issue were instead treated as employees, we could be adversely affected and liable for past taxes and penalties to the extent that the physicians did not fulfill their contractual obligations to pay those taxes. Under current federal tax law, however, even if our treatment were successfully challenged, if our current treatment were found to be consistent with a long-standing practice of a significant segment of our industry and we meet certain other requirements, it is possible (but not certain) that our treatment of the physicians would qualify under a safe harbor and, consequently, we would be protected from the imposition of past taxes and penalties. In the recent past, however, there have been proposals to eliminate the safe harbor and similar proposals could be made in the future.

We may make acquisitions which could divert the attention of management and which may not be integrated successfully into our existing business.

We may pursue acquisitions to increase our market penetration, enter new geographic markets and expand the scope of services we provide. We cannot assure you that we will identify suitable acquisition candidates, that acquisitions will be completed on acceptable terms or that we will be able to integrate successfully the operations of any acquired business into our existing business. The acquisitions could be of significant size and involve operations in multiple jurisdictions. The acquisition and integration of another business would divert management attention from other business activities. This diversion, together with other difficulties we may incur in integrating an acquired business, could have a material adverse effect on our business, financial condition and results of operations. In addition, we may borrow money or issue capital stock to finance acquisitions. Such borrowings might not be available on terms as favorable to us as our current borrowing terms and may increase our leverage, and the issuance of capital stock could dilute the interests of our stockholders.

If Laidlaw is unwilling or unable to satisfy any indemnification claims made by us pursuant to the purchase agreements relating to the acquisition of AMR and EmCare, we will be forced to satisfy such claims ourselves.

Laidlaw has agreed to indemnify us for certain claims or legal actions brought against us arising out of the operations of AMR and EmCare prior to the closing date of the acquisition. If we make a claim against Laidlaw, and Laidlaw is unwilling or unable to satisfy such claim, we would be required to satisfy the claim ourselves and, as a result, our financial condition may be adversely affected.

Many of our employees are represented by labor unions and any work stoppage could adversely affect our business.

Approximately 50% of AMR s employees are represented by 42 collective bargaining agreements with 43 different union locals. Fourteen of these collective bargaining agreements, representing approximately 4,100 employees, are subject to renegotiation in 2006. Although we believe our relations with our employees are good, we cannot assure you that we will be able to negotiate a satisfactory renewal of these collective bargaining agreements or that our employee relations will remain stable.

Risk Factors Related to Healthcare Regulation

We conduct business in a heavily regulated industry and if we fail to comply with these laws and government regulations, we could incur penalties or be required to make significant changes to our operations.

The healthcare industry is heavily regulated and closely scrutinized by federal, state and local governments. Comprehensive statutes and regulations govern the manner in which we provide and bill for services, our contractual relationships with our physicians and customers, our marketing activities and other aspects of our operations. Failure to comply with these laws can result in civil and criminal penalties such as fines, damages and exclusion from the Medicare and Medicaid programs. The risk of our being found in violation of these laws and regulations is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are sometimes open to a variety of interpretations. Any action against us for violation of these laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management s attention from the operation of our business.

Our practitioners and our customers are also subject to ethical guidelines and operating standards of professional and trade associations and private accreditation agencies. Compliance with these guidelines and standards is often required by our contracts with our customers or to maintain our reputation.

The laws, regulations and standards governing the provision of healthcare services may change significantly in the future. We cannot assure you that any new or changed healthcare laws, regulations or standards will not materially adversely affect our business. We cannot assure you that a review of our business by judicial, law enforcement, regulatory or accreditation authorities will not result in a determination that could adversely affect our operations.

We are subject to comprehensive and complex laws and rules that govern the manner in which we bill and are paid for our services by third party payors, and the failure to comply with these rules, or allegations that we have failed to do so, can result in civil or criminal sanctions, including exclusion from federal and state healthcare programs.

Like most healthcare providers, the majority of our services are paid for by private and governmental third party payors, such as Medicare and Medicaid. These third party payors typically have differing and complex billing and documentation requirements that we must meet in order to receive payment for our services. Reimbursement to us is typically conditioned on our providing the correct procedure and diagnostic codes and properly documenting the services themselves, including the level of service provided, the medical necessity for the services, and the identity of the practitioner who provided the service.

We must also comply with numerous other laws applicable to our documentation and the claims we submit for payment, including but not limited to (1) coordination of benefits rules that dictate which payor we must bill first when a patient has potential coverage from multiple payors; (2) requirements that we obtain the signature of the patient or patient representative, when possible, or document why we are unable to do so, prior to submitting a claim; (3) requirements that we make repayment to any payor which pays us more than the amount to which we are entitled; (4) requirements that we bill a hospital or nursing home, rather than Medicare, for certain ambulance transports provided to Medicare patients of such facilities; (5) reassignment rules governing our ability to bill and collect professional fees on behalf of our physicians; (6) requirements that our electronic claims for payment be submitted using certain standardized transaction codes and formats; and (7) laws requiring us to handle all health and financial information of our patients in a manner that complies with specified security and privacy standards. See Business Regulatory Matters Medicare, Medicaid and Other Government Reimbursement Programs.

Governmental and private third party payors and other enforcement agencies carefully audit and monitor our compliance with these and other applicable rules, and in some cases in the past have found that we were not in compliance. We have received in the past, and expect to receive in the future, repayment demands from third party payors based on allegations that our services were not medically necessary, were billed at an improper level, or otherwise violated applicable billing requirements. See Business American Medical Response Legal Matters. Our failure to comply with the billing and other rules applicable to us could result in non-payment for services rendered or refunds of amounts previously paid for such services. In addition, non-compliance with these rules may cause us to incur civil and criminal penalties, including fines, imprisonment and exclusion from government healthcare programs such as Medicare and Medicaid, under a number of state and federal laws. These laws include the federal False Claims Act, the Health Insurance Portability and Accountability Act of 1996, the federal Anti-Kickback Statute, the Balanced Budget Act of 1997 and other provisions of federal, state and local law.

In addition, from time to time we self-identify practices that may have resulted in Medicare or Medicaid overpayments or other regulatory issues. For example, we have previously identified situations in which we may have inadvertently utilized incorrect billing codes for some of the services we have billed to government programs such as Medicare or Medicaid. In such cases, it is our practice to disclose the issue to the affected government programs and, if appropriate, to refund any resulting overpayments. Although the government usually accepts such disclosures and repayments without taking further enforcement action, it is possible that such disclosures or repayments will result in allegations by the government that we have violated the False Claims Act or other laws, leading to investigations and possibly civil or criminal enforcement actions. See Regulatory Matters Corporate Compliance Program and Corporate Integrity Obligations.

If our operations are found to be in violation of these or any of the other laws which govern our activities, any resulting penalties, damages, fines or other sanctions could adversely affect our ability to operate our business and our financial results. See Business Regulatory Matters Federal False Claims Act and Other Healthcare Fraud and Abuse Laws.

Changes in the rates or methods of third party reimbursements may adversely affect our revenue and operations.

We derive a majority of our revenue from direct billings to patients and third party payors such as Medicare, Medicaid and private health insurance companies. As a result, any changes in the rates or methods of reimbursement for the services we provide could have a significant adverse impact on our revenue and financial results.

Government funding for healthcare programs is subject to statutory and regulatory changes, administrative rulings, interpretations of policy and determinations by intermediaries and governmental funding restrictions, all of which could materially impact program coverage and reimbursements for both ambulance and physician services. In recent years, Congress has consistently attempted to curb spending on Medicare, Medicaid and other programs funded in whole or part by the federal government. State and local governments have also attempted to curb spending on those programs for which they are wholly or partly responsible. This has resulted in cost containment measures such as the imposition of new fee schedules that have lowered reimbursement for some of our services and restricted the rate of increase for others, and new utilization controls that limit coverage of our services. For example, we estimate that the impact of a national fee schedule promulgated in 2002, as modified by subsequent legislation, resulted in a decrease in AMR s net revenue for fiscal 2003 and fiscal 2004 of approximately $20 million and $11 million, respectively, will result in an increase in AMR s net revenue of approximately $13 million in calendar 2005, and will result in a decrease in AMR s net revenue of approximately $17 million in 2006 and continuing decreases thereafter to 2010. We currently expect that the Medicare fee schedule update for physician services fees will provide for a 4.3% decrease to physician rates effective January 1, 2006, which would result in a decrease in EmCare s 2006 net revenue of approximately $5.7 million. See Business Regulatory Matters Medicare, Medicaid and Other Government Reimbursement Programs.

In addition, state and local government regulations or administrative policies regulate ambulance rate structures in some jurisdictions in which we conduct transport services. We may be unable to receive ambulance service rate increases on a timely basis where rates are regulated, or to establish or maintain satisfactory rate structures where rates are not regulated.

We believe that regulatory trends in cost containment will continue. We cannot assure you that we will be able to offset reduced operating margins through cost reductions, increased volume, the introduction of additional procedures or otherwise. In addition, we cannot assure you that federal, state and local governments will not impose reductions in the fee schedules or rate regulations applicable to our services in the future. Any such reductions could have a material adverse effect on our business, financial condition or results of operations.

If current or future laws or regulations force us to restructure our arrangements with physicians, professional corporations and hospitals, we may incur additional costs, lose contracts and suffer a reduction in net revenue under existing contracts, and we may need to refinance our debt or obtain debt holder consent.

A number of laws bear on our contractual relationships with our physicians. There is a risk that state authorities in some jurisdictions may find that these contractual relationships violate laws prohibiting the corporate practice of medicine and fee-splitting prohibitions. These laws prohibit the practice of medicine by general business corporations and are intended to prevent unlicensed persons or entities from interfering with or inappropriately influencing the physician s professional judgment. They may also prevent the sharing of professional services income with non-professional or business interests. From time to time, including recently, we have been involved in litigation in which private litigants have raised these issues. See Business Regulatory Matters Fee-Splitting; Corporate Practice of Medicine.

In addition, the Medicare program generally prohibits the reassignment of Medicare payments due to a physician or other healthcare provider to any other person or entity unless the billing arrangement between that physician or other healthcare provider and the other person or entity falls within an enumerated exception to the Medicare reassignment prohibition. The Medicare Modernization Act amended the Medicare reassignment statute as of December 8, 2003 and now permits our independent contractor physicians to reassign their Medicare receivables to us under certain circumstances. Because this provision has only recently been implemented, it could be interpreted in a manner adverse to us, which would negatively impact our ability to bill for our physicians services.

Our physician contracts include contracts with individual physicians and with physicians organized as separate legal professional entities (*e.g.*, professional medical corporations). Antitrust laws may deem each such physician/entity to be separate, both from EmCare and from each other and, accordingly, each such physician/practice is subject to a wide range of laws that prohibit anti-competitive conduct between or among separate legal entities or individuals. A review or action by regulatory authorities or the courts could force us to terminate or modify our contractual relationships with physicians and affiliated medical groups or revise them in a manner that could be materially adverse to our business. See Business Regulatory Matters Antitrust Laws.

Various licensing and certification laws, regulations and standards apply to us, our affiliated physicians and our relationships with our affiliated physicians. Failure to comply with these laws and regulations could result in our services being found to be non-reimbursable or prior payments being subject to recoupment, and can give rise to civil or criminal penalties. We are pursuing steps we believe we must take to retain or obtain all requisite licensure and operating authorities. While we have made reasonable efforts to substantially comply with federal, state and local licensing and certification laws and regulations and standards as we interpret them, we cannot assure you that agencies that administer these programs will not find that we have failed to comply in some material respects.

EmCare s professional liability insurance program, under which insurance is provided for most of our affiliated medical professionals and professional and corporate entities, is reinsured through our wholly-owned subsidiary, EMCA Insurance Company, Ltd. The activities associated with the business of insurance, and the companies involved in such activities, are closely regulated. Failure to comply with the laws and regulations can result in civil and criminal fines and penalties and loss of licensure. While we have made reasonable efforts to substantially comply with these laws and regulations, and utilize licensed insurance professionals where necessary and appropriate, we cannot assure you that we will not be found to have violated these laws and regulations in some material respects.

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Adverse judicial or administrative interpretations could result in a finding that we are not in compliance with one or more of these laws and rules that affect our relationships with our physicians.

These laws and rules, and their interpretations, may also change in the future. Any adverse interpretations or changes could force us to restructure our relationships with physicians, professional corporations or our hospital customers, or to restructure our operations. This could cause our operating costs to increase significantly. A restructuring could also result in a loss of contracts or a reduction in revenue under existing contracts. Moreover, if we are required to modify our structure and organization to comply with these laws and rules, our financing agreements may prohibit such modifications and require us to obtain the consent of the holders of such debt or require the refinancing of such debt.

Our contracts with healthcare facilities and marketing practices are subject to the federal Anti-Kickback Statute, and we are currently under investigation for alleged violations of that statute.

We are subject to the federal Anti-Kickback Statute, which prohibits the knowing and willful offer, payment, solicitation or receipt of any form of remuneration in return for, or to induce, the referral of business or ordering of services paid for by Medicare or other federal programs. Remuneration potentially includes discounts and in-kind goods or services, as well as cash. Certain federal courts have held that the Anti-Kickback Statute can be violated if one purpose of a payment is to induce referrals. Violations of the Anti-Kickback Statute can result in imprisonment, civil or criminal fines or exclusion from Medicare and other governmental programs.

In 1999, the Office of Inspector General of the Department of Health and Human Services, or the OIG, issued an Advisory Opinion indicating that discounts provided to health facilities on the transports for which they are financially responsible potentially violate the Anti-Kickback Statute when the ambulance company also receives referrals of Medicare and other government-funded transports from the facility. The OIG has clarified that not all discounts violate the Anti-Kickback Statute, but that the statute may be violated if part of the purpose of the discount is to induce the referral of the transports paid for by Medicare or other federal programs, and the discount does not meet certain safe harbor conditions. In the Advisory Opinion and subsequent pronouncements, the OIG has provided guidance to ambulance companies to help them avoid unlawful discounts. See Business Regulatory Matters Federal Anti-Kickback Statute.

Like other ambulance companies, we sometimes provide discounts to our healthcare facility customers (nursing home and hospital). Although we have attempted to comply with the OIG s guidance on this issue, the government has alleged that certain of our contractual discounts in effect in Texas, principally in periods prior to 1999 and possibly through 2001, violate the Anti-Kickback Statute. We are currently in discussions with the OIG regarding these Texas allegations. Our contracting practices in Oregon and possibly other jurisdictions may also be under investigation. See Business American Medical Response Legal Matters. If we are found to have violated the Anti-Kickback Statute in these jurisdictions, we may be subject to civil or criminal penalties, including exclusion from the Medicare or Medicaid programs, or may be required to enter into settlement agreements with the government to avoid such sanctions. Typically, such settlement agreements require substantial payments to the government in exchange for the government to release its claims. Such a settlement may also require us to enter into a Corporate Integrity Agreement, or CIA. See Business Regulatory Matters Corporate Compliance Program and Corporate Integrity Obligations.

In addition to AMR s contracts with healthcare facilities, other marketing practices or transactions entered into by AMR and EmCare may implicate the Anti-Kickback Statute. Although we have attempted to structure our past and current marketing initiatives and business relationships to comply with the Anti-Kickback Statute, we cannot assure you that the OIG or other authorities will not find that our marketing practices and relationships violate the statute.

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Changes in our ownership structure and operations require us to comply with numerous notification and reapplication requirements in order to maintain our licensure, certification or other authority to operate, and failure to do so, or an allegation that we have failed to do so, can result in payment delays, forfeiture of payment or civil and criminal penalties.

We and our affiliated physicians are subject to various federal, state and local licensing and certification laws with which we must comply in order to maintain authorization to provide, or receive payment for, our services. For example, Medicare and Medicaid require that we complete and periodically update enrollment forms in order to obtain and maintain certification to participate in programs. Compliance with these requirements is complicated by the fact that they differ from jurisdiction to jurisdiction, and in some cases are not uniformly applied or interpreted even within the same jurisdiction. Failure to comply with these requirements can lead not only to delays in payment and refund requests, but in extreme cases can give rise to civil or criminal penalties.

In certain jurisdictions, changes in our ownership structure require pre-or post-notification to governmental licensing and certification agencies, or agencies with which we have contracts. Relevant laws in some jurisdictions may also require re-application or re-enrollment and approval to maintain or renew our licensure, certification, contracts or other operating authority. For example, in connection with our acquisition of AMR from Laidlaw, two of our subsidiaries were required to apply for state and local ambulance operating authority in New York. Similarly, the change in corporate structure and ownership in connection with this offering may require us to give notice, re-enroll or make other applications for authority to continue operating in various jurisdictions.

If an agency requires us to complete the re-enrollment process prior to submitting reimbursement requests, we may be delayed in payment, receive refund requests or be subject to recoupment for services we provide in the interim. The change in ownership effected by our acquisition of AMR and EmCare from Laidlaw or this offering may require us to re-enroll in one or more jurisdictions, in which case reimbursement from the relevant government program is likely to be deferred for several months. This would affect our cash flow but would not affect our net revenue. We do not expect the impact of this deferral to be material to us unless several jurisdictions require us to re-enroll.

While we have made reasonable efforts to substantially comply with these requirements in connection with prior changes in our operations and ownership structure, and will do so in connection with this offering, we cannot assure you that the agencies that administer these programs or have awarded us contracts will not find that we have failed to comply in some material respects. A finding of non-compliance and any resulting payment delays, refund demands or other sanctions could have a material adverse effect on our business, financial condition or results of operations.

If we fail to comply with the terms of our settlement agreements with the government, we could be subject to additional litigation or other governmental actions which could be harmful to our business.

In the last five years, we have entered into four settlement agreements with the United States government. In June 2002, one of our subsidiaries, AMR of Massachusetts, entered into a settlement agreement to resolve a number of allegations, including allegations related to billing and documentation practices. In February 2003, another subsidiary, AMR of South Dakota, entered into a settlement agreement to resolve allegations that it incorrectly billed for transports performed by other providers when an AMR paramedic accompanied the patient during transport, and that it billed for certain non-emergency transports using emergency codes. In July 2004, our subsidiary, American Medical Response West, entered into a settlement agreement in connection with billing matters related to emergency transports and specialized services. In August 2004, AMR entered into a settlement agreement on behalf of a subsidiary, Regional Emergency Services LP, or RES, to resolve allegations of violations of the False Claims Act by RES and a hospital system based on the absence of certificates of medical necessity and other non-compliant billing practices. See Business American Medical Response Legal Matters.

As part of the settlements AMR of Massachusetts and AMR West entered into with the government, we entered into Corporate Integrity Agreements, or CIAs. Pursuant to these CIAs, we are required to establish and maintain a compliance program which includes, among other elements, the appointment of a compliance officer and committee, claims review by an independent review organization, and reporting of overpayments and other reportable events. See Business Regulatory Matters Corporate Compliance Program and Corporate Integrity Obligations.

We cannot assure you that the CIAs or the compliance program we initiated has prevented, or will prevent, any repetition of the conduct or allegations that were the subject of these settlement agreements, or that the government will not raise similar allegations in other jurisdictions or for other periods of time. If such allegations are raised, or if we fail to comply with the terms of the CIAs, we may be subject to fines and other contractual and regulatory remedies specified in the CIAs or by applicable laws, including exclusion from the Medicare program and other federal and state healthcare programs. Such actions could have a material adverse effect on the conduct of our business, our financial condition or our results of operations.

If we are unable to effectively adapt to changes in the healthcare industry, our business may be harmed.

Political, economic and regulatory influences are subjecting the healthcare industry in the United States to fundamental change. We anticipate that Congress and state legislatures may continue to review and assess alternative healthcare delivery and payment systems and may in the future propose and adopt legislation effecting fundamental changes in the healthcare delivery system.

We cannot assure you as to the ultimate content, timing or effect of changes, nor is it possible at this time to estimate the impact of potential legislation. Further, it is possible that future legislation enacted by Congress or state legislatures could adversely affect our business or could change the operating environment of our customers. It is possible that changes to the Medicare or other government program reimbursements may serve as precedent to similar changes in other payors reimbursement policies in a manner adverse to us. Similarly, changes in private payor reimbursements could lead to adverse changes in Medicare and other government payor programs which could have a material adverse effect on our business, financial condition or results of operations.

Risk Factors Related to this Offering

Prior to this offering, there has been no public market for our class A common stock. An active trading market for our class A common stock may not develop or be sustained after this offering. The lack of a public market may impair the value of your shares and your ability to sell your shares at any time you wish to sell them.

Our stock price may be volatile and you may not be able to sell your shares at or above the offering price.

The initial public offering price for our shares of class A common stock will be determined by negotiations between the representatives of the underwriters and us. This price may not reflect the market price of our class A common stock following this offering. You may be unable to resell the class A common stock you buy at or above the initial public offering price.

The stock markets in general have experienced extreme volatility, often unrelated to the operating performance of particular companies. Broad market fluctuations may adversely affect the trading price of our class A common stock.

Price fluctuations in our class A common stock could result from general market and economic conditions and a variety of other factors, including:

- actual or anticipated fluctuations in our operating results,
- changes in healthcare pricing or reimbursement policies,
- our competitors announcements of significant contracts, acquisitions or strategic investments,
- changes in our growth rates or our competitors growth rates,
- the timing or results of regulatory submissions or actions with respect to our business,
- our inability to raise additional capital,
- conditions of the healthcare industry or in the financial markets or economic conditions in general, and

changes in stock market analyst recommendations regarding our class A common stock, other comparable companies or the healthcare industry generally.

You will experience immediate and substantial dilution in the net tangible book value of your class A common stock.

Based on our actual book value, the value of the shares of class A common stock you purchase in this offering immediately will be less than the offering price you paid. This reduction in the value of your equity is known as dilution. This dilution occurs in large part because our initial investors paid less than the initial public offering price when they purchased their shares. If you purchase class A common stock in this offering, you will incur immediate dilution of $16.19 per share, based on an assumed initial public offering price of $16.00 per share.

If a significant number of shares of our class A common stock are sold into the market following this offering, the market price of our class A common stock could significantly decline, even if our business is doing well.

Sales of a substantial number of shares of our class A common stock in the public market after this offering could adversely affect the prevailing market price of our class A common stock.

Upon completion of this offering, we will have 8,948,325 shares of class A common stock, 142,545 shares of class B common stock and 32,107,500 LP exchangeable units outstanding. Of these securities, the 7,800,000 shares of class A common stock offered pursuant to this offering will be freely tradable without restriction or further registration under federal securities laws, except to the extent shares are purchased in the offering by our affiliates. The 32,250,045 shares of class B common stock outstanding or issuable on exchange of the LP exchangeable units, as well as any class A common stock held by our affiliates, as that term is defined in the Securities Act of 1933, are restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available.

In connection with this offering, we, each of our directors and executive officers and the Onex entities have entered into lock-up agreements that prevent the sale of shares of our common stock for up to 180 days after the date of this prospectus. Following the expiration of the lock-up period, the Onex entities will have the right, subject to certain conditions, to require us to register the sale of these shares under the federal securities laws. If this right is exercised, holders of all shares subject to the registration rights agreement will be entitled to participate in such registration. By exercising their registration rights, and selling a large number of shares, these holders could cause the prevailing market price of our class A common stock to decline. Approximately 33,165,795 shares of our common stock will be subject to our registration rights agreement upon completion of this offering. These shares may be sold in the public market under Rule 144 after the applicable holding period, subject to the restrictions and limitations of that Rule. See Shares Eligible for Future Sale and Description of Capital Stock Registration Agreement.

Approximately 349,575 shares of our class A common that we will issue in our formation transactions to employees, affiliated physicians, physician assistants and nurse practitioners will be eligible for sale in the public market 180 days after the date of this prospectus. See Description of Capital Stock Equityholder Agreements.

If a trading market develops for our class A common stock, our employees, officers and directors may elect to sell their shares of our class A common stock or exercise their stock options in order to sell the stock underlying their options in the market. Sales of a substantial number of shares of our class A common stock in the public market after this offering could depress the market price of our class A common stock and impair our ability to raise capital through the sale of additional equity securities.

Our certificate of incorporation and our by-laws contain provisions that could discourage another company from acquiring us and may prevent attempts by our stockholders to replace or remove our current management.

Provisions of our certificate of incorporation and our by-laws may discourage, delay or prevent a merger or acquisition that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace or remove our current board of directors. These provisions include:

providing for a classified board of directors with staggered terms,

providing for the class B special voting stock which will be voted as directed by the Onex entities,

providing for multi-vote shares of common stock which, upon exchange of LP exchangeable units, will be owned by the Onex entities,

establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted on by stockholders at stockholder meetings, and

the authority of the board of directors to issue, without stockholder approval, up to 20,000,000 shares of preferred stock with such terms as the board of directors may determine and an additional 54,725,666 shares of class A common stock.

See Description of Capital Stock.

We are a controlled company within the meaning of the New York Stock Exchange rules and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements.

Because the Onex entities will own more than 50% of our combined voting power after the completion of this offering, we will be deemed a controlled company under the rules of the New York Stock Exchange, or the NYSE. As a result, we will qualify for, and intend to rely upon, the controlled company exception to the board of directors and committee composition requirements under the rules of the NYSE. Pursuant to this exception, we will be exempt from rules that would otherwise require that our board of directors be comprised of a majority of independent directors, and that our compensation committee and corporate governance and nominating committee be comprised solely of independent directors (as defined under the rules of the NYSE), so long as the Onex entities continue to own more than 50% of our combined voting power. Upon completion of this offering, our board of directors will be comprised of six persons, of which one will be a representative from Onex and two will be current executive officers and, therefore, will not be independent. See Management Composition of the Board of Directors after this Offering and Committees of the Board of Directors.

We do not intend to pay cash dividends.

We do not intend to pay cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future. In addition, the terms of our current, as well as any future, financing agreements may preclude us from paying any dividends. As a result, capital appreciation, if any, of our common stock will be your sole source of potential gain for the foreseeable future.

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Forward-looking statements give our current expectations or forecasts of future events. Forward-looking statements generally can be identified by the use of forward-looking terminology such as may, will, expect, intend, estimate, anticipate, believe, project, or continue, or c words. These statements reflect management s current views with respect to future events and are subject to risks and uncertainties, both known and unknown. Our actual results may vary materially from those anticipated in forward-looking statements. We caution investors not to place undue reliance on any forward-looking statements.

Important factors that could cause actual results to differ materially from forward-looking statements include, but are not limited to:

- the impact on our revenue of changes in transport volume, mix of insured and uninsured patients, and third party reimbursement rates,
- the adequacy of our insurance coverage and insurance reserves,
- potential penalties or changes to our operations if we fail to comply with extensive and complex government regulation of our industry,
- our ability to recruit and retain qualified physicians and other healthcare professionals, and enforce our non-compete agreements with our physicians,
- the effect of changes in rates or methods of third party reimbursement,
- our ability to generate cash flow to service our debt obligations,
- the cost of capital expenditures to maintain and upgrade our vehicle fleet and medical equipment,
- the loss of services of one or more members of our senior management team,
- the outcome of government investigations of certain of our business practices,
- our ability to successfully restructure our operations to comply with future changes in government regulation,
- our ability to perform services previously performed for us by Laidlaw,
- the loss of existing contracts and the accuracy of our assessment of costs under new contracts,
- the high level competition in our industry,
- our ability to maintain or implement complex information systems,
- our ability to implement our business strategy,
- our ability to obtain adequate bonding coverage, and
- our ability to successfully integrate strategic acquisitions.

These factors are not exhaustive, and new factors may emerge or changes to the foregoing factors may occur that could impact our business. Except to the extent required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

You should review carefully the sections captioned Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations in this prospectus for a more complete discussion of these and other factors that may affect our business. We note that the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995 does not apply to statements made in connection with an initial public offering.

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FORMATION OF HOLDING COMPANY

Emergency Medical Services is a newly formed Delaware corporation that is issuing class A common stock in this offering. Immediately prior to the completion of this offering, we intend to complete a reorganization. After giving effect to the reorganization and the completion of this offering:

- EMS L.P., currently our top-tier holding company, will become our consolidated subsidiary, and
- we will own the general partner interests in EMS L.P., and will continue to conduct our operations through AMR and EmCare, our operating subsidiaries.

Unless the context otherwise requires, this prospectus gives effect to this reorganization.

We will have outstanding two classes of common stock and one share of class B special voting stock, as follows:

- 8,948,325 shares of class A common stock, held by our management and persons who purchase shares in this offering,
- 142,545 shares of class B common stock, held by certain former holders of interests in EMS L.P., and
- one share of class B special voting stock, held by Onex Corporation as trustee for the holders of LP exchangeable units.

EMS L.P. will have outstanding partnership units as follows:

- 32,107,500 LP exchangeable units, exchangeable on a one-for-one basis for shares of our class B common stock, held by the Onex entities, and
- 860,570 other partnership units, including the general partner interest, held by us.

The shares sold in this offering will be our class A common stock. The Onex entities ownership of the LP exchangeable units will entitle them to acquire from us all of our class B common stock other than the 142,545 shares that will be outstanding upon completion of this offering. The LP exchangeable units will be exchangeable at any time, at the option of the holder, for shares of class B common stock on a one-for-one basis, and the LP exchangeable units will be substantially equivalent economically to class B common stock.

Our shares of class A common stock and shares of class B common stock will be identical except with respect to voting rights and except that each share of class B common stock may be converted into a share of class A common stock at any time at the option of the holder. On every matter properly submitted to stockholders for their vote, each share of class A common stock will be entitled to one vote per share and each share of class B common stock will be entitled to ten votes per share, reducing to one vote per share under certain limited circumstances. The one share of class B special voting stock will be entitled to a number of votes equal to the number of votes that could be cast if all of the then outstanding LP exchangeable units were exchanged for class B common stock. See Description of Capital Stock Common Stock and LP Exchangeable Units and Class B Special Voting Stock.

To effect the reorganization, we will take the following steps immediately prior to the completion of this offering:

- the holders of the capital stock of the sole general partner of EMS L.P. will contribute that capital stock to us in exchange for shares of class B common stock, the general partner will be merged into us and we will become the general partner of EMS L.P.,
- the holders of class B units of EMS L.P. will contribute their units to us in exchange for shares of our class A common stock, and the holders of certain class A units of EMS L.P. will contribute their units to us in exchange for shares of our class B common stock,
- the class A units of EMS L.P. held by the Onex entities will continue to be held by the Onex entities and will be designated LP exchangeable units , and,

we will issue one share of class B special voting stock to Onex Corporation as trustee to hold for the benefit of the holders of the LP exchangeable units.

We have structured our reorganization in this manner to ensure that our initial public offering will not result in a taxable event for any of our equity holders. We are registering under the Securities Act the class A common stock we are issuing in our reorganization to holders of class B units of EMS L.P. Accordingly, these shares will be freely transferable under the Securities Act for holders who are not our affiliates. See Shares Eligible for Future Sale .

The partnership interests of EMS L.P. we will purchase with the net proceeds of this offering will be approximately 18.9% of the total number of partnership units. This is the same percentage as the class A common stock we are selling in this offering bears to our total outstanding common stock, giving effect to the exchange of all of the LP exchangeable units for class B common stock. See Description of Capital Stock Overview .

Immediately prior to this offering, our structure and ownership is as follows:

* The stock of AMR and EmCare is held through 100% wholly-owned subsidiaries.

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Upon completion of this offering, our structure and ownership will be as follows:

* The stock of AMR and EmCare is held through 100% wholly-owned subsidiaries.

** The Onex entities will hold 30 shares of class B common stock and will have the benefit of one share of class B special voting stock.

*** Holders have consent rights under certain limited circumstances with respect to changes in the rights attributable to LP exchangeable units. See Limited Partnership Agreement of Emergency Medical Services L.P. Limited Consent Rights.

Following this offering, we will have the following securities outstanding:

8,948,325 shares of class A common stock,

142,545 shares of class B common stock,

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- one share of class B special voting stock, and
- 32,107,500 LP exchangeable units of EMS L.P.

At any time at the option of the holder:

- each LP exchangeable unit is exchangeable into one share of class B common stock, and
- each share of class B common stock is convertible into one share of class A common stock.

Our securities are entitled to vote on all matters subject to a vote of holders of common stock, voting together as a single class, as follows:

- class A common stock is entitled to one vote per share,
- class B common stock is entitled to ten votes per share (reducing to one vote per share under certain limited circumstances), and
- one share of class B special voting stock, held for the benefit of the holders of LP exchangeable units, is entitled to a number of votes equal to the number of votes that could be cast if all the then outstanding LP exchangeable units were exchanged for class B common stock.

The holders of the LP exchangeable units may therefore exercise voting rights with respect to Emergency Medical Services as though they held the same number of shares of our class B common stock.

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USE OF PROCEEDS

We estimate that our net proceeds from the sale of 7,800,000 shares of class A common stock in this offering will be approximately $111.6 million, based on an assumed initial public offering price of $16.00 per share, the midpoint of the range on the cover of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any of the proceeds from the sale of shares by the selling stockholders if the underwriters exercise their over-allotment option.

We intend to use the net proceeds to purchase partnership interests in our subsidiary, Emergency Medical Services L.P. In turn, the partnership intends to use the net proceeds:

- to repay $100.0 million of the $350.0 million outstanding under the term loan portion of our senior secured credit facility, and

- the balance for working capital, capital expenditures and other general corporate purposes.

On February 10, 2005, we entered into a $450.0 million senior secured credit agreement, comprised of a $100.0 million revolving credit facility and a $350.0 million term loan. We borrowed the full amount of the term loan and $20.2 million under the revolving credit facility to fund our acquisition of AMR and EmCare, including the payment of related fees and expenses, and we have used balances outstanding from time to time under the revolving credit facility for working capital purposes. As of September 30, 2005, we had $5.0 million of borrowings outstanding under the revolving credit facility and we had approximately $67.7 million of availability under that facility, net of outstanding letters of credit of $27.3 million. Commitments under our revolving credit facility terminate on February 10, 2010. We intend to repay $100.0 million of the term loan with the proceeds of this offering. The term loan and the revolving credit facility bear interest at variable rates (5.98% at September 30, 2005). The revolving credit facility matures on February 10, 2011 and the term loan matures on February 10, 2012. Certain of the underwriters of this offering or their affiliates are lenders under our senior secured credit facility and, in that capacity, will receive a portion of the net proceeds of this offering.

See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Debt Facilities for additional information regarding our outstanding debt.

See Formation of Holding Company for a description of how we determined the percentage of the equity in EMS L.P. we will purchase with the net proceeds of this offering.

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CAPITALIZATION

The following table sets forth as of September 30, 2005:

- our consolidated capitalization on an actual basis,

- our consolidated capitalization on a pro forma basis to give effect to our reorganization as a holding company and the 1.5-for-1 stock split to be effected immediately prior to this offering, and

- our consolidated capitalization on a pro forma, as adjusted, basis to give effect to the sale of 7,800,000 shares of class A common stock by us in this offering at an assumed initial public offering price of $16.00 per share, and the application of those proceeds as described in Use of Proceeds.

You should read this table together with our unaudited consolidated pro forma financial information included elsewhere in this prospectus. For additional information regarding our outstanding debt, see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Debt Facilities.

	As of September 30, 2005		
	Actual	Pro Forma	Pro Forma, as Adjusted
	(dollars in millions) (unaudited)		
Long-term debt, including current portion:			
Revolving credit facility(1)	$ 5.0	$ 5.0	$ 5.0
Term loan	348.3	348.3	248.3
Capital leases and other debt	5.3	5.3	5.3
Total senior debt	358.6	358.6	258.6
Senior subordinated notes	250.0	250.0	250.0
Total debt	$ 608.6	$ 608.6	$ 508.6
Redeemable partnership equity	1.2		
Partnership equity	222.2		
Stockholders equity			
Preferred stock, $0.01 par value per share, 20,000,000 shares authorized pro forma; no shares issued and outstanding			
Class A common stock, $0.01 par value per share, 100,000,000 shares authorized pro forma; 1,148,325 shares issued and outstanding pro forma; 8,498,325 shares issued and outstanding pro forma, as adjusted			0.1
Class B common stock, $0.01 par value per share, 40,000,000 shares authorized pro forma; 142,545 shares issued and outstanding pro forma and as adjusted			
LP exchangeable units, 32,107,500 units issued and outstanding pro forma and as adjusted		213.3	213.3
Additional paid-in capital		10.1	121.6

Retained earnings		14.0		14.0		11.0
Comprehensive loss		(.7)		(.7)		(.7)
Total equity		235.5		236.7		345.3
Total capitalization	$	845.3	$	845.3	$	853.9

(1) The revolving credit facility provides for availability of borrowings and issuances of letters of credit for up to $100.0 million. At September 30, 2005, $5.0 million of borrowings were outstanding under the revolving credit facility, letters of credit outstanding were $27.3 million and the maximum remaining available under the facility was $67.7 million.

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DILUTION

If you invest in our class A common stock, your interest will be diluted immediately to the extent of the difference between the public offering price per share of our class A common stock and the pro forma net tangible book value per share of our common stock after this offering.

As of September 30, 2005, our net tangible book value, determined on a historical basis as described below, was $(117.8) million, or $(3.53) per share of class A common stock and class B common stock (together, our common stock). Net tangible book value represents the amount of our total assets (excluding intangible assets), less our total liabilities, divided, in the case of net tangible book value per share, by the pro forma number of shares outstanding giving effect to our reorganization into a holding company and the 1.5-for-1 stock split that we expect to effect in connection with this offering.

After giving effect to our sale of 7,800,000 shares of class A common stock in this offering, based on an assumed initial public offering price of $16.00 per share, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our adjusted pro forma net tangible book value at September 30, 2005 would have been approximately $(8.0) million, or $(0.19) per share of our common stock. This represents an immediate increase in pro forma net tangible book value of $3.34 per share to our existing stockholders and an immediate net tangible book value dilution of $16.19 per share to new investors purchasing shares in this offering. The following table illustrates this dilution:

Assumed initial public offering price per share		$ 16.00
Net tangible book value per share at September 30, 2005	$ (3.53)	
Increase in pro forma net tangible book value per share attributable to new investors	3.34	
Pro forma adjusted net tangible book value per share after this offering		(0.19)
Dilution per share to new investors		$ 16.19

The following table summarizes, as of September 30, 2005, as adjusted to give effect to this offering, the differences between the number of shares of our common stock purchased from us, the total consideration paid to us and the average price per share paid by our existing stockholders and by the new investors purchasing common stock in this offering. The calculation is based on an assumed initial public offering price of $16.00 per share, before deducting underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		
	Number	Percent	Amount	Percent	Average Price Per Share
Existing stockholders	33,398,370	81.1%	$ 222,655,800	64.1%	$ 6.67
New investors	7,800,000	18.9%	$ 124,800,000	35.9%	$ 16.00
Total	41,198,370	100%	$ 347,455,800	100%	

If the underwriters exercise their over-allotment option in full, our existing stockholders would own approximately 78.2% of the total number of shares of our common stock outstanding after this offering.

The preceding discussion and tables include the shares of our class B common stock issuable on exchange of our LP exchangeable units and exclude 3,509,219 shares of our class A common stock issuable upon the exercise of outstanding stock options at an exercise price of $6.67 per share and 566,745 shares of our class A common stock reserved for issuance under our equity option plan. To the extent that all outstanding options are exercised, your investment will be further diluted by $0.01 per share, and our existing stockholders would own approximately 82.6% of the total number of shares of our common stock outstanding after this offering. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

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DIVIDEND POLICY

We currently intend to retain any future earnings to support our operations and to fund the development and growth of our business. In addition, the payment of dividends by us to holders of our common stock is limited by our senior secured credit facility. Our future dividend policy will depend on the requirements of financing agreements to which we may be a party. We do not intend to pay cash dividends on our common stock in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements and contractual restrictions.

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UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL DATA

The following pro forma consolidated financial statements present Emergency Medical Services financial position and results of operations resulting from the acquisition, the sale of 7,800,000 shares of class A common stock pursuant to this offering and the application of the proceeds therefrom as described in Use of Proceeds. AMR and EmCare combined are the predecessor entity of Emergency Medical Services for the periods prior to our acquisition of those businesses.

The unaudited pro forma consolidated financial statements include:

- the pro forma consolidated balance sheet as of September 30, 2005, assuming this offering occurred on September 30, 2005 and the proceeds were applied as described in Use of Proceeds,
- the pro forma consolidated statement of operations for the eight months ended September 30, 2005, assuming this offering occurred on February 1, 2005 and the proceeds were applied as described in Use of Proceeds,
- the pro forma consolidated statement of operations for the five months ended January 31, 2005, assuming the transactions described below occurred as of September 1, 2004, and
- the pro forma consolidated statement of operations for the year ended August 31, 2004, assuming the transactions described below occurred as of September 1, 2003.

The unaudited pro forma consolidated financial information is presented for informational purposes only and does not purport to represent our financial condition or our results of operations had the acquisition and this offering occurred on or as of the dates noted above or to project the results for any future date or period. In the opinion of management, all adjustments have been made that are necessary to present fairly the unaudited pro forma consolidated financial information.

The unaudited pro forma consolidated financial statements for periods prior to our acquisition of AMR and EmCare are based on the historical combined financial statements of AMR and EmCare, as predecessor to Emergency Medical Services, included elsewhere in this prospectus, adjusted to give pro forma effect to the following transactions, all of which are deemed to have occurred concurrently:

- our acquisition of AMR and EmCare, including:
  - issuance of equity by Emergency Medical Services for aggregate contributions of $219.2 million,
  - our senior secured credit facility, consisting of:
    - a revolving credit facility of $100.0 million, of which we borrowed approximately $20.2 million at the closing date of the acquisition and had outstanding $24.3 million of letters of credit, and
    - a term loan of $350.0 million, all of which was borrowed on the closing date,
- the issuance and sale of $250.0 million in aggregate principal amount of our senior subordinated notes,
- our purchase of all of the outstanding common stock of AMR and EmCare, and
- the payment of related fees and expenses related to the acquisition.

The unaudited pro forma consolidated financial statements for all periods are adjusted to give pro forma effect to the following, which are deemed to have occurred concurrently:

- our formation as a holding company, with EMS L.P. as a subsidiary, the issuance of common stock to our equityholders other than the Onex entities and the 1.5-for-1 stock split, and
- the sale of the 7,800,000 shares of class A common stock offered hereby by us and the application of the proceeds therefrom as described in Use of Proceeds.

The unaudited pro forma consolidated financial statements are based on the estimates and assumptions set forth in the notes to these statements that management believes are reasonable. These estimates include an

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allocation of fair value to identifiable intangible assets other than goodwill, and the resulting excess of the purchase price over the carrying value of the net assets acquired is recorded as goodwill. The pro forma adjustments reflected in the following financial statements are based on management s preliminary assessment of the fair value of the tangible and intangible assets we acquired and liabilities we assumed in our acquisition of AMR and EmCare. The final purchase price allocation will be performed when an independent appraisal of certain assets acquired and liabilities assumed is finalized. We expect that the final purchase price allocation may reflect differences from our estimated amounts, as follows:

- the fair value of our finite life contract intangible asset,
- the fair value adjustment for favorable or unfavorable leases,
- the fair value adjustment for property and equipment,
- changes in the excess purchase price allocated to goodwill,
- changes in the fair value of other liabilities assumed and incurred as part of the acquisition, and
- changes in the value of net deferred tax assets carried over as part of the acquisition, including the final determination of the deductibility of amounts related to certain settlement accruals.

The unaudited pro forma consolidated financial statements should be read in conjunction with our historical financial statements and related notes and other financial information included elsewhere in this prospectus, including Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations.

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Emergency Medical Services Corporation
Unaudited Pro Forma Consolidated Balance Sheet
September 30, 2005

	Actual	Pro Forma Equity Offering Adjustments	Pro Forma
		(dollars in thousands)	
ASSETS			
Current assets:			
Cash and cash equivalents	$ 10,113	$ 11,564 (1)	$ 21,677
Restricted cash and cash equivalents	11,949		11,949
Restricted marketable securities	2,165		2,165
Trade and other accounts receivable, net	369,766		369,766
Parts and supplies inventory	18,760		18,760
Other current assets	31,008		31,008
Current deferred tax assets	22,971		22,971
Total current assets	466,732	11,564	478,296
Non-current assets:			
Property, plant and equipment, net	133,283		133,283
Intangible assets, net	81,363		81,363
Non-current deferred tax assets	117,488		117,488
Restricted long-term investments	73,304		73,304
Goodwill	271,987		271,987
Other long-term assets	109,251	(2,978)(2)	106,273
Total assets	$ 1,253,408	$ 8,586	$ 1,261,994
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	$ 53,066	$	$ 53,066
Accrued liabilities	199,849		199,849
Current portion of long-term debt	13,478		13,478
Total current liabilities	266,393		266,393
Long-term debt	595,129	(100,000)(3)	495,129
Other long-term liabilities	155,139		155,139
Total liabilities	1,016,661	(100,000)	916,661
Redeemable partnership equity	1,213	(1,213)(4)	
Equity			
Partnership equity	222,178	(222,178)(4)	
Class A common stock		90 (4)	90
Class B common stock		1 (4)	1

LP exchangeable units		213,311 (4)	213,311
Additional paid-in capital		121,553 (4)	121,553
Retained earnings	14,002	(2,978)(2)	11,024
Comprehensive income (loss)	(646)		(646)
Total equity	235,534	109,799	345,333
Total liabilities and equity	$ 1,253,408	$ 8,586	$ 1,261,994

(1) To record cash receipts from the net proceeds of this offering to be used for general corporate purposes.

(2) To record the write-off of certain deferred financing costs associated with the portion of our senior secured credit facility we will pay down with the net proceeds of this offering. We will expense these costs in our historical post-offering consolidated statement of operations.

(3) To record the pay-down of our senior secured credit facility with the net proceeds of this offering.

(4) To record (a) our formation as a holding company, with EMS L.P. as a subsidiary, the (b) issuance of class A common stock and class B common stock to certain of our existing equityholders and the designation of the remaining class A partnership units as LP exchangeable units, exchangeable for our class B common stock and (c) net proceeds of this offering.

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Emergency Medical Services Corporation
Unaudited Pro Forma Consolidated Statement of Operations
For the eight months ended September 30, 2005

	Consolidated	Pro Forma Equity Offering Adjustments	Pro Forma
		(dollars in thousands)	
Net revenue	$ 1,187,653	$	$ 1,187,653
Compensation and benefits	822,595		822,595
Operating expenses	168,700		168,700
Insurance expense	60,382		60,382
Selling, general and administrative expenses	38,248		38,248
Depreciation and amortization expenses	38,811		38,811
Income from operations	58,917		58,917
Interest expense	(34,407)	4,512 (1)	(29,895)
Realized loss on investments	(40)		(40)
Interest and other income	189		189
Income before income taxes	24,659	4,512	29,171
Income tax expense	(10,657)	(1,805) (2)	(12,462)
Net income	$ 14,002	$ 2,707	$ 16,709
Net income per share:			
Basic			$ 0.42
Diluted			$ 0.41
Weighted average shares basic			40,163,066 (3)
Weighted average shares diluted			41,122,368 (3)

(1) To record reduction of interest expense on our senior secured credit facility as a result of the pay-down with net proceeds of this offering and reduce amortization associated with the write-down of deferred financing costs.

(2) To adjust income tax expense to reflect the reduction of interest expense, at an effective tax rate of 40%.

(3) The pro forma weighted shares outstanding are based on the actual equity transactions recorded in the eight-month period ended September 30, 2005 and described elsewhere in this prospectus. These actual equity transactions have been adjusted to give effect to our reorganization as a holding company, assume the exchange of all LP exchangeable units for class B common stock, and include the 7.0 million shares of common stock we will issue in this offering to generate the $100 million of net proceeds we intend to use to repay debt outstanding under our senior secured credit facility. These weighted shares were used to calculate basic earnings per share, and the number of diluted shares gives pro forma effect to the options outstanding during the eight-month period, using an assumed offering price of $16.00 per share.

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Emergency Medical Services Corporation
Unaudited Pro Forma Consolidated Statement of Operations
For the five months ended January 31, 2005

	AMR and EmCare Combined	Pro Forma Acquisition Adjustments	Pro Forma Equity Offering Adjustments	Pro Forma
		(dollars in thousands)		
Net revenue	$ 696,179	$	$	$ 696,179
Compensation and benefits	481,305			481,305
Operating expenses	94,882			94,882
Insurance expense	39,002			39,002
Selling, general and administrative expenses	21,635			21,635
Laidlaw fees and compensation charges	19,857			19,857(1)
Depreciation and amortization expenses	18,808	4,424 (2)		23,232
Income (loss) from operations	20,690	(4,424)		16,266
Interest expense	(5,644)	5,254 (3)		
		(21,306)(4)(5)	3,141 (6)	(18,555)
Interest and other income	714			714
Income (loss) before income taxes	15,760	(20,476)	3,141	(1,575)
Income tax expense	(6,278)	8,157 (7)	(1,250)(7)	629
Net income (loss)	$ 9,482	$ (12,319)	$ 1,891	$ (946)
Net loss per share:				
Basic				$ (0.02)
Diluted				$ (0.02)
Weighted average shares basic				40,163,066(8)
Weighted average shares diluted				41,122,368(8)

(1) Represents certain Laidlaw fees and compensation charges, primarily relating to a compensation charge associated with the increase in the enterprise values of AMR and EmCare. Our estimated replacement costs for certain functions are not recorded on the face of this pro forma statement of operations because we do not have a contract for each element of these costs. We will be required to replace certain functions and costs previously provided to us by Laidlaw and which comprise Laidlaw fees and compensation charges. Our estimate of these costs on an annual basis ($1.67 million for a five-month period) are:

Compensation and benefits costs for personnel providing internal audit and tax services	$ 1,100
Directors and officers insurance	500

Selling, general and administrative expenses for external audit fees, treasury services and other costs		1,400
Onex management fee		1,000
	$	4,000

We incurred $1.9 million of such costs in the eight months ended September 30, 2005, excluding costs related to our acquisition of AMR and EmCare.

(2) AMR and EmCare combined amortization expense includes amortization (over a 7-year period) of the finite life intangible assets of $89.0 million based on the value of identifiable intangible assets determined by an independent valuation group.

(3) To eliminate interest expense charged on the Laidlaw payable.

(4) To record amortization on $18.1 million of deferred financing costs associated with our acquisition-related borrowings, utilizing a weighted average maturity of eight years on an effective yield basis.

(5) To record interest expense on our acquisition-related borrowings, assuming a weighted average interest rate of 7.87%.

(6) To record reduction of interest expense on our senior secured credit facility as a result of the pay-down with net proceeds of this offering.

(7) To adjust income tax expense to reflect the adjustments identified in notes (2) through (6), at an effective tax rate of 40%.

(8) The pro forma weighted shares outstanding are based on the actual equity transactions recorded in the eight-month period ended September 30, 2005 and described elsewhere in this prospectus. These actual equity transactions have been adjusted to give effect to our reorganization as a holding company, assume the exchange of all LP exchangeable units for class B common stock, and include the 7.0 million shares of common stock we will issue in this offering to generate the $100 million of net proceeds we intend to use to repay debt outstanding under our senior secured credit facility. These weighted shares were used to calculate basic earnings per share, and the number of diluted shares gives pro forma effect to the options outstanding during the eight-month period, using an assumed offering price of $16.00 per share.

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Emergency Medical Services Corporation
Unaudited Pro Forma Consolidated Statement of Operations
For the year ended August 31, 2004

	AMR and EmCare Combined	Pro Forma Acquisition Adjustments	Pro Forma Equity Offering Adjustments	Pro Forma
		(dollars in thousands)		
Net revenue	$ 1,604,598	$	$	$ 1,604,598
Compensation and benefits	1,117,890			1,117,890
Operating expenses	218,277			218,277
Insurance expense	80,255			80,255
Selling, general and administrative expenses	47,899			47,899
Laidlaw fees and compensation charges	15,449			15,449(1)
Depreciation and amortization expenses	52,739	3,130 (2)		55,869
Restructuring charges	2,115			2,115
Income (loss) from operations	69,974	(3,130)		66,844
Interest expense	(9,961)	6,373 (3)		
		(50,968)(4)(5)	7,505 (6)	(47,051)
Realized loss on investments	(1,140)			(1,140)
Interest and other income	240			240
Income (loss) before income taxes	59,113	(47,725)	7,505	18,893
Income tax expense	(21,764)	19,000 (7)	(3,000)(7)	(5,764)
Net income (loss)	$ 37,349	$ (28,725)	$ 4,505	$ 13,129
Net income per share:				
Basic			$	0.33
Diluted			$	0.32
Weighted average shares basic				40,163,066(8)
Weighted average shares diluted				41,122,368(8)

(1) Represents certain Laidlaw fees and compensation charges, primarily relating to a compensation charge associated with the increase in the enterprise values of AMR and EmCare. Our estimated replacement costs for certain functions, are not recorded on the face of this pro forma statement of operations because we do not have a contract for each element of these costs. We will be required to replace certain functions and costs previously provided to us by Laidlaw and which comprise Laidlaw fees and compensation charges. Our estimate of these

costs on an annual basis are:

Compensation and benefits costs for personnel providing internal audit and tax services	$	1,100
Directors and officers insurance		500
Selling, general and administrative expenses for external audit fees, treasury services and other costs		1,400
Onex management fee		1,000
	$	4,000

We incurred $1.9 million of such costs in the eight months ended September 30, 2005, excluding costs related to our acquisition of AMR and EmCare.

(2) AMR and EmCare combined amortization expense includes amortization (over a 7-year period) of the finite life intangible assets of $89.0 million based on the value of identifiable intangible assets by an independent valuation group.

(3) To eliminate interest expense charged on the Laidlaw payable.

(4) To record amortization on $18.1 million of deferred financing costs associated with our acquisition-related borrowings, utilizing a weighted average maturity of eight years on an effective yield basis.

(5) To record interest expense on our acquisition-related borrowings, assuming a weighted average interest rate of 7.87%.

(6) To record reduction of interest expense on our senior secured credit facility as a result of the pay-down with net proceeds of this offering.

(7) To adjust income tax expense to reflect the adjustments identified in notes (2) through (6), at an effective tax rate of 40%.

(8) The pro forma weighted shares outstanding are based on the actual equity transactions recorded in the eight-month period ended September 30, 2005 and described elsewhere in this prospectus. These actual equity transactions have been adjusted to give effect to our reorganization as a holding company, assume the exchange of all LP exchangeable units for class B common stock, and include the 7.0 million shares of common stock we will issue in this offering to generate the $100 million of net proceeds we intend to repay debt outstanding under our senior secured credit facility. These weighted shares were used to calculate basic earnings per share, and the number of diluted shares gives pro forma effect to the options outstanding during the eight-month period, using an assumed offering price of $16.00 per share.

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SELECTED COMBINED AND CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The following table sets forth our selected combined or consolidated financial data for each of the periods indicated. Financial data for the year ended August 31, 2002 (Predecessor Pre-Laidlaw Bankruptcy), nine months ended May 31, 2003 (Predecessor Pre-Laidlaw Bankruptcy), as of and for the three months ended August 31, 2003 (Predecessor Post-Laidlaw bankruptcy), the year ended August 31, 2004 (Predecessor Post-Laidlaw Bankruptcy) and the five months ended January 31, 2005 (Predecessor Post-Laidlaw Bankruptcy) are derived from our audited combined financial statements included in this prospectus. As a result of a correction to AMR s method of calculating its accounts receivable allowances, we determined that the allowances were understated at various balance sheet dates. The audited combined financial statements included in this prospectus are restated to correct this error. There were no adjustments necessary to income subsequent to May 31, 2003. Financial data as of and for the five months ended January 31, 2004 (Predecessor Post-Laidlaw Bankruptcy) and the three months and eight months ended September 30, 2004 (Predecessor Post-Laidlaw Bankruptcy) are derived from our unaudited combined financial statements included in this prospectus. Financial data as of and for the three months and eight months ended September 30, 2005 are derived from our unaudited consolidated financial statements. Interim results are not necessarily indicative of the results to be expected for the entire fiscal year. You should read the information presented below in conjunction with Capitalization, Management s Discussion and Analysis of Financial Condition and Results of Operations and our combined and consolidated financial statements and related notes contained elsewhere in this prospectus.

The comparability of our selected historical financial data has been affected by a number of significant events and transactions. As we discuss more fully in note 1 Fresh-Start Accounting of the notes to our audited combined financial statements, AMR s and EmCare s former parent, Laidlaw, and certain of its affiliates filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code. Although subsidiaries of Laidlaw, neither AMR nor EmCare was included in the bankruptcy filing. Laidlaw emerged from bankruptcy protection in June 2003. Laidlaw applied fresh-start accounting as of June 1, 2003 to AMR and EmCare and pushed down to us our share of the fresh-start accounting adjustments. As a result of the fresh-start change in the basis of accounting for our underlying assets and liabilities, our results of operations and cash flows have been separated as pre-June 1, 2003 and post-May 31, 2003.

Effective as of January 31, 2005, we acquired AMR and EmCare from Laidlaw and, in connection with the acquisition, we changed our fiscal year to December 31 from August 31. For all periods prior to the acquisition, the AMR and EmCare businesses formerly owned by Laidlaw are referred to as the Predecessor. For all periods from and subsequent to the acquisition, these businesses are referred to as the Successor. As a result of the acquisition, we include as a reporting period of the Predecessor our pre-acquisition period ended January 31, 2005.

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Predecessor (Pre-Acquisition)										
Pre-Laidlaw Bankruptcy As Restated					Post-Laidlaw Bankruptcy					(Po
Year Ended August 31,			Nine Months Ended	Three Months Ended	Year Ended	Five Months Ended January 31,		Three Months Ended	Eight Months Ended	Thr Mon End
0(1)	2001(2)	2002	May 31, 2003	August 31, 2003	August 31, 2004	2004	2005	September 30, 2004	September 30, 2004	Septem 200
(unaudited)						(unaudited)		(unaudited)		
(dollars in thousands)										
55,978	$ 1,386,136	$ 1,415,786	$ 1,103,335	$ 384,461	$ 1,604,598	$ 667,506	$ 696,179	$ 413,869	$ 1,077,749	$ 456
30,731	976,330	960,590	757,183	264,604	1,117,890	461,923	481,305	286,628	751,238	319
01,853	216,019	219,321	163,447	55,212	218,277	90,828	94,882	55,683	147,524	66
78,079	117,374	66,479	69,576	34,671	80,255	36,664	39,002	18,404	51,674	21
59,404	53,017	61,455	37,867	12,017	47,899	22,016	21,635	12,093	31,270	15
7,320	7,260	5,400	4,050	1,350	15,449	6,436	19,857	3,657	10,095	
99,957	66,286	67,183	32,144	12,560	52,739	22,079	18,808	12,669	34,627	14
33,681		262,780								
1,826		3,777	1,288	1,449	2,115				1,381	
	9,198	8,761	3,650							

56,873)	(59,348)	(239,960)	34,130	2,598	69,974	27,560	20,690	24,555	49,940	19
95,087)	(66,181)	(6,418)	(4,691)	(908)	(9,961)	(4,137)	(5,644)	(5,138)	(8,679)	(12
				90	(1,140)			(1,140)	(1,191)	
86	222	369	304	22	240	1,403	714	162	210	
			46,416							
51,874)	(125,307)	(246,009)	76,159	1,802	59,113	24,826	15,760	18,439	40,280	6
54,639)	17,538	(1,374)	(829)	(8,633)	(21,764)	(9,800)	(6,278)	(7,191)	(15,710)	(3
06,513)	(107,769)	(247,383)	75,330	(6,831)	37,349	15,026	9,482	11,248	24,570	3
(5,288)			(223,721)(4)							
1,801)	$ (107,769)	$ (247,383)	$ (148,391)	$ (6,831)	$ 37,349	$ 15,026	$ 9,482	$ 11,248	$ 24,570	$ 3

0,133	$ 28,044	$ 156,544	$ 58,769	$ 30,009	$ 127,679	$ 18,627	$ 15,966	$ 99,961
0,983)	(36,442)	(57,347)	(98,835)	(15,136)	(81,516)	(10,881)	(21,667)	(73,910)
2,402	11,376	(36,066)	(8,060)	(47,222)	(47,328)	(7,532)	10,856	(20,699)
7,698	$ 39,347	$ 57,438(5)	$ 34,768	$ 18,079	$ 42,787	$ 14,224	$ 14,045	$ 30,217

	As of September 30, 2005 (dollars in thousands)
Balance Sheet Data:	
Cash and cash equivalents	$ 10,113
Total assets	1,253,408
Long-term debt and capital lease obligations, including current maturities	608,607
Partners equity	$ 235,534

(1) Represents the combination of the audited financial statements of AMR and the unaudited financial statements of EmCare for the year ended August 31, 2000.

(2) Represents the combination of the audited financial statements of AMR and EmCare for the year ended August 31, 2001.

(3) See note 1 to our combined financial statements with respect to our fresh-start financial reporting.

(4) Reflects an impairment of goodwill recorded in connection with the adoption of SFAS No. 142.

(5) Includes $26.3 million financed through capital leases.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations with the audited combined financial statements, the notes to the audited combined financial statements and the Selected Combined and Consolidated Financial Information and Other Data appearing elsewhere in this prospectus. The following covers periods before the closing of the acquisition of AMR and EmCare. Accordingly, the discussion and analysis of historical periods do not reflect the impact the acquisition of AMR and EmCare will have on us. In addition, this discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the Risk Factors section of this prospectus. Our results may differ materially from those anticipated in any forward-looking statements.

Company Overview

We are a leading provider of emergency medical services in the United States. We operate our business and market our services under the AMR and EmCare brands. AMR is the leading provider of ambulance transport services in the United States. EmCare is the leading provider of outsourced emergency department staffing and management services in the United States. Approximately 86% of our fiscal 2004 net revenue was generated under exclusive contracts. During fiscal 2004, we treated and transported approximately 9 million patients in more than 2,050 communities nationwide. For the fiscal year ended August 31, 2004, we generated net revenue of $1.6 billion, of which AMR and EmCare represented approximately 66% and 34%, respectively, and net income of $37.3 million. Over the past two fiscal years, we increased our net revenue and adjusted EBITDA organically at compound annual growth rates, or CAGRs, of 6.5% and 13.5%, respectively.

American Medical Response

Over its 50 years of operating history, AMR has developed the largest network of ambulance transport services in the United States. AMR has an 8% share of the total ambulance services market and a 21% share of the private provider ambulance market. During fiscal 2004, AMR treated and transported approximately 3.7 million patients in 34 states. AMR has approximately 2,855 contracts with communities, government agencies, healthcare providers and insurers to provide ambulance services. AMR s broad geographic footprint enables us to contract on a national and regional basis with managed care and insurance companies. AMR has made significant investments in technology, customer service plans, employee training and risk mitigation programs to deliver a compelling value proposition to our customers, which we believe has led to industry-leading contract retention rates.

For fiscal 2004, approximately 57% of AMR s net revenue was generated from emergency 911 ambulance transport services. Non-emergency ambulance transport services, including critical care transfer, wheelchair transports and other interfacility transports, or IFTs, accounted for 32% of AMR s net revenue for the same period, with the balance generated from the provision of training, dispatch centers and other services to communities and public safety agencies. For fiscal 2004, AMR generated net revenue of $1,054.8 million and net income of $22.9 million.

EmCare

Over its 33 years of operating history, EmCare has become the largest provider of outsourced emergency department staffing and related management services to healthcare facilities. EmCare has a 6% share of the total emergency department services market and a 9% share of the outsourced emergency department services market. In addition, EmCare has become one of the leading providers of hospitalist services, with hospitalist-related net revenue increasing from $7.2 million in fiscal 2001 to $23.5 million in fiscal 2004. A hospitalist is a physician who specializes in the care of acutely ill patients in an in-patient setting. During fiscal 2004, EmCare had approximately 5.3 million patient visits in 38 states.

EmCare primarily provides emergency department staffing and related management services to healthcare facilities. EmCare recruits and hires or subcontracts with physicians and other healthcare professionals, who then provide professional services within the healthcare facilities with which we contract. We also provide billing and collection, risk management and other administrative services to our healthcare professionals and to independent physicians. EmCare has 333 contracts with hospitals and independent physician groups to provide emergency department, hospitalist and radiology staffing, and related management and other administrative services. We believe that EmCare s successful physician recruitment and retention, high level of customer service and advanced risk management programs have resulted in high contract retention rates and continued growth in new customers. For the year ended August 31, 2004, EmCare generated net revenue of $549.8 million and net income of $14.4 million.

Key Factors and Measures We Use to Evaluate Our Business

The key factors and measures we use to evaluate our business focus on the number of patients we treat and transport and the costs we incur to provide the necessary care and transportation for each of our patients.

We evaluate our revenue net of provisions for contractual payor discounts and provisions for uncompensated care. Medicaid, Medicare and certain other payors receive discounts from our standard charges, which we refer to as contractual discounts. In addition, individuals we treat and transport may be personally responsible for a deductible or co-pay under their third party payor coverage, and most of our contracts require us to treat and transport patients who have no insurance or other third party payor coverage. Due to the uncertainty regarding collectibility of charges associated with services we provide to these patients, which we refer to as uncompensated care, our net revenue recognition is based on expected cash collections. Our net revenue is gross billings after provisions for contractual discounts and estimated uncompensated care. Provisions for contractual discounts and uncompensated care have increased historically primarily as a result of increases in gross billing rates. The table below summarizes our approximate payor mix as a percentage of both net revenue and total transports and patient visits for fiscal years 2003 and 2004.

	Percentage of Net Revenue Year Ended August 31,		**Percentage of Total Transports and Visits Year Ended August 31,**	
	2003	**2004**	**2003**	**2004**
Medicare	27.4%	27.3%	25.5%	25.8%
Medicaid	5.3	5.2	11.8	12.3
Commercial insurance and managed care	47.3	47.7	42.2	41.4
Self-pay	4.7	4.0	20.5	20.5
Subsidies and fees	15.3	15.8	0.0	0.0
Total	100.0%	100.0%	100.0%	100.0%

In addition to continually monitoring our payor mix, we also analyze the following key factors and measures in each of our business segments:

AMR

Approximately 89% of AMR s fiscal 2004 net revenue was transport revenue derived from the treatment and transportation of patients based on billings to third party payors and healthcare facilities. The balance of AMR s net revenue is derived from direct billings to communities and government agencies for the provision of training, dispatch center and other services. AMR s measures for transport net revenue include:

Transports. We utilize transport data, including the number and types of transports, to evaluate net revenue and as the basis by which we measure certain costs of the business. We segregate transports into two main categories ambulance transports (including emergency, as well as non-emergency critical care and other interfacility transports) and wheelchair transports due to the significant differences in reimbursement and the associated costs of providing ambulance and wheelchair transports. As a result of these differences, in certain analyses we weight our transport numbers according to category in an effort to better measure net revenue and costs.

Net revenue per transport. Net revenue per transport reflects the expected net revenue for each transport based on gross billings less all estimated provisions for contractual discounts and uncompensated care. In order to better understand the trends across business segments and in our transport rates, we analyze our net revenue per transport based on weighted transports to reflect the differences in our transportation mix.

The change from period to period in the number of transports is influenced by increases in transports in existing markets from both new and existing facilities we serve for non-emergency transports, and the effects of general community conditions for emergency transports. The general community conditions may include (1) the timing, location and severity of influenza, allergens and other annually recurring viruses, (2) severe weather that affects a region s health status and/or infrastructure and (3) community-specific demographic changes.

The costs we incur in our AMR business segment consist primarily of compensation and benefits for ambulance crews and support personnel, direct and indirect operating costs to provide transportation services, and costs related to accident and insurance claims. AMR s key cost measures include:

Unit hours and cost per unit hour. Our measurement of a unit hour is based on a fully staffed ambulance or wheelchair van for one operating hour. We use unit hours and cost per unit hour to measure compensation-related costs and the efficiency of our deployed resources. We monitor unit hours and cost per unit hour on a combined basis, as well as on a segregated basis between ambulance and wheelchair transports.

Operating costs per transport. Operating costs per transport is comprised of certain direct operating costs, including vehicle operating costs, medical supplies and other transport-related costs, but excluding compensation-related costs. Monitoring operating costs per transport allows us to better evaluate cost trends and operating practices of our regional and local management teams.

Accident and insurance claims. We monitor the number and magnitude of all accident and insurance claims in order to measure the effectiveness of our risk management programs. Depending on the type of claim (workers compensation, auto, general or professional liability), we monitor our performance by utilizing various bases of measurement, such as net revenue, miles driven, number of vehicles operated, compensation dollars, and number of transports.

Our recent operating costs have been adversely affected by increasing fuel costs. Fuel costs represented approximately 9.8% of our operating costs in fiscal 2004, increasing to 13.6% in the three months ended September 30, 2005 as a result of higher fuel costs. Further increases in fuel costs without mitigation through fee and subsidy increases will continue to adversely affect our operating costs.

We estimate that the impact of the Balanced Budget Act of 1997, or BBA, ambulance service rate decreases, as modified by the phase-in provisions of the Medicare Modernization Act, resulted in a decrease in AMR s net revenue for fiscal 2003 and fiscal 2004 of approximately $20 million and $11 million, respectively, will result in an increase in AMR s net revenue of approximately $13 million in calendar 2005, and will result in a decrease in AMR s net revenue of approximately $17 million in 2006 and continuing decreases thereafter to 2010. Although we have been able to substantially mitigate the phased-in reductions of the BBA through additional fee and subsidy increases, we may not be able to continue to do so.

We have focused our risk mitigation efforts on employee training for proper patient handling techniques, development of clinical and medical equipment protocols, driving safety, implementation of technology to reduce auto incidents and other risk mitigation processes which we believe has resulted in a reduction in the frequency, severity and development of claims. We continue to see positive trends in our claims costs but cannot assure you that these trends will continue.

EmCare

Of EmCare s fiscal 2004 net revenue, approximately 97% was derived from our hospital contracts for emergency department staffing, hospitalist and radiology services and other management services. Of this revenue, approximately 75% was generated from billings to third party payors for patient visits and approximately 25% was generated from billings to hospitals and affiliated physician groups for professional services. EmCare s key net revenue measures are:

Number of contracts. This reflects the number of contractual relationships we have for outsourced emergency department staffing and related management services, hospitalist services and other management services. We analyze the change in our number of contracts from period to period based on net new contracts, which is the difference between total new contracts and contracts that have terminated.

Revenue per patient visit. This reflects the expected net revenue for each patient visit based on gross billings less all estimated provisions for contractual discounts and uncompensated care. Net revenue per patient visit also includes net revenue from billings to third party payors and hospitals.

The change from period to period in the number of patient visits under our same store contracts is influenced by general community conditions as well as hospital-specific elements, many of which are beyond our direct control. The general community conditions include (1) the timing, location and severity of influenza, allergens and other annually recurring viruses and (2) severe weather that affects a region s health status and/or infrastructure. Hospital-specific elements include the timing and extent of facility renovations, hospital staffing issues and regulations that affect patient flow through the hospital.

The costs incurred in our EmCare business segment consist primarily of compensation and benefits for physicians and other professional providers, professional liability costs, and contract and other support costs. EmCare s key cost measures include:

Provider compensation per patient visit. Provider compensation per patient visit includes all compensation and benefit costs for all professional providers, including physicians, physician assistants and nurse practitioners, during each patient visit. Providers include all full-time, part-time and independently contracted providers. Analyzing provider compensation per patient visit enables us to monitor our most significant cost in performing under our contracts.

Professional liability costs. These costs include provisions for estimated losses for actual claims, and claims likely to be incurred in the period, within our self-insurance limits based on our past loss experience, as well as actual direct costs, including investigation and defense costs, claims payments, reinsurance costs and other costs related to provider professional liability.

Medicare pays for all physicians services based upon a national fee schedule. The rate formula may result in significant yearly fluctuations which may be unrelated to changes in the actual cost of providing physician services. Initially, the physician fee schedule update for 2004 called for a payment decrease of 4.5%. Subsequently, Congress authorized a 1.5% increase that negated the planned rate cuts, and also provided a 1.5% rate increase for 2005. We currently expect that the fee schedule will provide for a 4.3% decrease to physician rates effective January 1, 2006, which would result in a decrease in EmCare s 2006 net revenue of approximately $5.7 million.

We have developed extensive professional liability risk mitigation processes, including risk assessments on medical professionals and hospitals, extensive incident reporting and tracking processes, clinical fail-safe programs, training and education and other risk mitigation programs which we believe have resulted in a continued reduction in the frequency, severity and development of claims. We continue to see positive trends in our claims costs but cannot assure you that these trends will continue.

Hurricane Katrina and our Gulf Coast Operations

AMR provides ambulance services in Gulfport and Biloxi, Mississippi and several other Gulf Coast communities. Although our dispatch center was damaged by Hurricane Katrina and we had damage to a small number of vehicles, we were able to maintain communications through our use of back-up generators and other emergency supplies. We have worked closely with FEMA and other federal, state and local agencies and have deployed additional ambulance transportation resources where they were most needed, particularly in the coastal areas of Mississippi, Louisiana and Alabama. We have deployed more than 100 additional ambulances

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and nearly 300 paramedics, EMTs and other professionals to aid the rescue effort in the Gulf Coast, including the deployment of additional resources to aid in the transport of evacuees to medical facilities in Texas. For the three months ended September 30, 2005, we recognized revenue of $4.6 million and expenses of $4.7 million in the deployment of additional resources in connection with Hurricane Katrina and other Gulf Coast storms.

EmCare operations were generally unaffected by Katrina, with only one facility in the affected area. EmCare deployed additional resources to assist those operations, and we have experienced a volume increase in certain facilities in adjacent states where evacuees were relocated.

We have been able to maintain our normal operations in areas outside the Gulf Coast, notwithstanding our transfer of resources to that area. We expect that, for the foreseeable future, our AMR operations in Mississippi will continue to be negatively affected by the aftermath of Hurricane Katrina, and that we will continue to provide additional resources to assist local recovery efforts throughout the region.

Results of Operations

Basis of Presentation

As we discuss more fully in note 1 Fresh-Start Accounting of the notes to our audited combined financial statements, AMR s and EmCare s former parent, Laidlaw, and certain of its affiliates filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code. Although subsidiaries of Laidlaw, neither AMR nor EmCare was included in the bankruptcy filing. Laidlaw emerged from bankruptcy protection in June 2003. Laidlaw applied push-down accounting as of June 1, 2003 to AMR and EmCare and allocated to us our share of the fresh-start accounting adjustments. For financial statement purposes, for periods prior to February 1, 2005, AMR and EmCare combined are our Predecessor. As a result of the application of push-down accounting and the fresh-start change in the basis of accounting for our underlying assets and liabilities, our results of operations and cash flows have been separated further as pre-June 1, 2003 (referred to as the Predecessor Pre-Laidlaw Bankruptcy) and post-May 31, 2003 and pre-February 1, 2005 (referred to as the Predecessor Post-Laidlaw Bankruptcy).

Effective as of January 31, 2005, we acquired EmCare and AMR from Laidlaw and in connection with the acquisition we changed our fiscal year to December 31 from August 31. For all periods prior to the acquisition, the AMR and EmCare businesses formerly owned by Laidlaw are referred to as the Predecessor. For all periods subsequent to the acquisition, the business is referred to as the Successor. As a result of the acquisition, we include as a reporting period of the Predecessor our pre-acquisition period ended January 31, 2005.

We have made no comparisons for our financial results or cash flows and other liquidity measures for the Predecessor Post-Laidlaw Bankruptcy s three months ended August 31, 2003 or for the Predecessor Post-Laidlaw Bankruptcy s financial results or cash flows and other liquidity measures for the nine months ended May 31, 2003. As the length of these periods is significantly different from the length of any corresponding comparative periods, these results are not comparable in absolute dollar terms.

However, to facilitate the identification of certain business trends, we compare the financial results and cash flows for the year ended August 31, 2004 for the Predecessor Post-Laidlaw Bankruptcy to:

- the combined financial results and cash flows for the year ended August 31, 2003, which represents the financial results and cash flows for the Predecessor Post-Laidlaw Bankruptcy for the three months ended August 31, 2003 and the financial results and cash flows for the Predecessor Pre-Laidlaw Bankruptcy for the nine months ended May 31, 2003, and

- our Predecessor Pre-Laidlaw Bankruptcy s financial results for the year ended August 31, 2002.

The combined year ended August 31, 2003 presented below does not comply with SOP 90-7, which calls for separate reporting for the Predecessor Post-Laidlaw Bankruptcy and the Predecessor Pre-Laidlaw Bankruptcy. Additionally, for the reasons described in note 1 and due to other non-recurring adjustments, the Predecessor Pre-Laidlaw Bankruptcy s financial statements for the periods prior to Laidlaw s emergence from bankruptcy may not be comparable to our Predecessor Post-Laidlaw Bankruptcy s financial statements and results of operations which are for periods after Laidlaw s emergence from bankruptcy. Investors should, therefore, review this material with caution and should not rely solely on the information concerning the Predecessor Pre-Laidlaw Bankruptcy or the combined financial results for the year ended August 31, 2003 as being indicative of our future results or as providing an accurate comparison of financial performance from period to period.

The following tables present, for the periods indicated, information expressed as a percentage of net revenue. This information has been derived from our audited combined statements of operations, which include both our AMR and our EmCare business segments, for the years ended August 31, 2002, 2003 and 2004 and the five months ended January 31, 2005, respectively, from our unaudited combined statements of operations for the five months ended January 31, 2004 and the three months and eight months ended September 30, 2004, respectively, and from our unaudited consolidated statements of operations for the three months and eight months ended September 30, 2005.

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Combined and Consolidated Results of Operations and as a Percentage of Net Revenue

	Predecessor							Successor	
	Year Ended August 31, As Restated			Five Months Ended January 31,		Three Months Ended September 30,	Eight Months Ended September 30,	Three Months Ended September 30,	Eight Months Ended September 30,
	2002	2003	2004	2004	2005	2004	2004	2005	2005
				(unaudited)		(unaudited)		(unaudited)	
Net revenue	$ 1,415,786	$ 1,487,796	$ 1,604,598	$ 667,506	$ 696,179	$ 413,869	$ 1,077,749	$ 456,245	$ 1,187,653
Compensation and benefits	960,590	1,021,787	1,117,890	461,923	481,305	286,628	751,238	319,292	822,595
Operating expenses	219,321	218,659	218,277	90,828	94,882	55,863	147,524	66,156	168,700
Insurance expense	66,479	104,247	80,255	36,664	39,002	18,404	51,674	21,048	60,382
Selling, general and administrative expenses	61,455	49,884	47,899	22,016	21,635	12,093	31,270	15,654	38,248
Laidlaw fees and compensation charges(1)	5,400	5,400	15,449	6,436	19,857	3,657	10,095		
Depreciation and amortization expenses	67,183	44,704	52,739	22,079	18,808	12,669	34,627	14,843	38,811
Impairment losses	262,780								
Restructuring charges	3,777	2,737	2,115				1,381		
Laidlaw reorganization costs	8,761	3,650							
Income (loss) from operations	(239,960)	36,728	69,974	27,560	20,690	24,555	49,940	19,252	58,917
Interest expense	(6,418)	(5,599)	(9,961)	(4,137)	(5,644)	(5,138)	(8,679)	(12,824)	(34,407)
Realized gain (loss) on		90	(1,140)			(1,140)	(1,191)	(34)	(40)

investments									
Interest and other income	369	326	240	1,403	714	162	210	91	189
Fresh-start accounting adjustments		46,416							
Cumulative effect of a change in accounting principle		(223,721)							
Income tax expense	(1,374)	(9,462)	(21,764)	(9,800)	(6,278)	(7,191)	(15,710)	(3,479)	(10,657)
Net income (loss)	$ (247,383)	$ (155,222)	$ 37,349	$ 15,026	$ 9,482	$ 11,248	$ 24,570	$ 3,006	$ 14,002

(1) Amounts include specifically allocated compensation costs and the Laidlaw fees and compensation charges allocated to AMR and EmCare by Laidlaw pursuant to a formula based upon each company s share of Laidlaw s consolidated revenue.

	Predecessor							Successor	
	Year Ended August 31,			Five Months Ended January 31,		Three Months Ended September 30,	Eight Months Ended September 30,	Three Months Ended September 30,	Eight Months Ended September 30,
	As Restated								
	2002	2003	2004	2004	2005	2004	2004	2005	2005
				(unaudited)		(unaudited)		(unaudited)	
Net revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Compensation and benefits	67.8	68.7	69.7	69.2	69.1	69.3	69.7	70.0	69.3
Operating expenses	15.5	14.7	13.6	13.6	13.6	13.5	13.7	14.5	14.2
Insurance expense	4.7	7.0	5.0	5.5	5.6	4.4	4.8	4.6	5.1
Selling, general and administrative expenses	4.3	3.4	3.0	3.3	3.1	2.9	2.9	3.4	3.2
Laidlaw fees and compensation	0.4	0.4	1.0	1.0	2.9	0.9	0.9	0.0	0.0

charges(1)									
Depreciation and amortization expense	4.7	3.0	3.3	3.3	2.7	3.1	3.2	3.3	3.3
Impairment losses	18.6					0.0	0.0	0.0	0.0
Restructuring charges	0.3	0.2	0.1			0.0	0.1	0.0	0.0
Laidlaw reorganization costs	0.6	0.2				0.0	0.0	0.0	0.0
Income (loss) from operations	(16.9)%	2.5%	4.4%	4.1%	3.0%	5.9%	4.6%	4.2%	5.0%

(1) Amounts include specifically allocated compensation costs and the Laidlaw fees and compensation charges allocated to AMR and EmCare by Laidlaw pursuant to a formula based upon each company s share of Laidlaw s consolidated revenue.

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AMR

Predecessor

August 31,				Five Months Ended January 31,								
ated												
2003	% of Net Revenue	2004	% of Net Revenue	2004	% of Net Revenue	2005	% of Net Revenue	Three Months Ended September 30, 2004	% of Net Revenue	Eight Months Ended September 30, 2004	% of Net Revenue	T M E Septe
					(unaudited)				(unaudited)			
					(dollars in thousands)							
$ 1,007,151	100.0%	$ 1,054,800	100.0%	$ 441,956	100.0%	$ 455,059	100.0%	$ 270,887	100.0%	$ 705,181	100.0%	$ 2
647,255	64.3	687,221	65.2	287,736	65.1	289,733	63.7	174,792	64.5	457,661	64.9	1
195,105	19.4	194,398	18.4	80,277	18.2	83,910	18.4	49,693	18.3	131,520	18.7	
67,409	6.7	44,272	4.2	20,297	4.6	22,437	4.9	11,612	4.3	28,785	4.1	
35,078	3.5	32,217	3.1	16,175	3.7	15,721	3.5	7,754	2.9	19,806	2.8	
3,600	0.4	9,020	0.9	3,758	0.9	9,399	2.1	2,211	0.8	5,970	0.8	
39,273	3.9	43,629	4.1	18,278	4.1	16,394	3.6	10,464	3.9	28,591	4.1	
									0.0		0.0	
2,737	0.3	2,115	0.2						0.0	1,381	0.2	
$ 16,694	1.7%	$ 41,928	4.0%	$ 15,435	3.5%	$ 17,465	3.8%	$ 14,361	5.3%	$ 31,467	4.5%	$

(1) Amounts include specifically allocated compensation costs and the Laidlaw fees and compensation charges allocated to AMR by Laidlaw pursuant to a formula based upon AMR s share of Laidlaw s consolidated revenue.

EmCare

				Predecessor								
ear Ended August 31,				Five Months Ended January 31,								
2003	% of Net Revenue	2004	% of Net Revenue	2004	% of Net Revenue	2005	% of Net Revenue	Three Months Ended September 30, 2004	% of Net Revenue	Eight Months Ended September 30, 2004	% of Net Revenue	Thr Mor End Septem 20
				(unaudited)				(unaudited)				
				(dollars in thousands)								
$ 480,645	100.0%	$ 549,798	100.0%	$ 225,550	100.0%	$ 241,120	100.0%	$ 142,982	100.0%	$ 372,568	100.0%	$ 164
374,532	77.9	430,669	78.3	174,187	77.2	191,572	79.5	111,836	78.2	293,577	78.8	129
23,554	4.9	23,879	4.3	10,551	4.7	10,972	4.6	6,170	4.3	16,004	4.3	7
36,838	7.7	35,983	6.5	16,367	7.3	16,565	6.9	6,792	4.8	22,889	6.1	11
14,806	3.1	15,682	2.9	5,841	2.6	5,914	2.5	4,339	3.0	11,464	3.1	4
1,800	0.4	6,429	1.2	2,678	1.2	10,458	4.3	1,446	1.0	4,125	1.1	
5,431	1.1	9,110	1.7	3,801	1.7	2,414	1.0	2,205	1.5	6,036	1.6	2
3,650	0.8								0.0		0.0	
$ 20,034	4.2%	$ 28,046	5.1%	$ 12,125	5.4%	$ 3,225	1.3%	$ 10,194	7.1%	$ 18,473	5.0%	$ 8

(1) Amounts include specifically allocated compensation costs and the Laidlaw fees and compensation charges allocated to EmCare by Laidlaw pursuant to a formula based upon EmCare s share of Laidlaw s consolidated revenue.

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Eight months ended September 30, 2005 (Successor) compared to the eight months ended September 30, 2004 (Predecessor)

For the eight months ended September 30, 2005 compared to the same period in 2004, our net revenue grew 10.2%, with half of this growth attributable to an increase in combined volumes at our operating segments from increases in both existing markets and the addition of net new contracts at each of AMR and EmCare. The balance of the net revenue growth was generated by net pricing increases due to contract and community rate increases and Medicare increases.

Our income from operations increased 18.0% from period to period, resulting in improved operating margins. The period to period comparison is affected by increased fuel costs in 2005 of $4.6 million, stock compensation charges of $2.5 million in 2005, favorable insurance claims development of $3.3 million recorded in 2004, and $10.1 million of Laidlaw fees and compensation charges in 2004 offset by $4.0 million in 2005 for transaction-related costs and services that were previously provided by Laidlaw.

Interest expense. Interest expense for the eight months ended September 30, 2005 was $34.4 million compared to $8.7 million for the eight months ended September 30, 2004. This $25.7 million increase relates to the debt we incurred in connection with our acquisition of AMR and EmCare.

Income tax expense. Income tax expense for the eight months ended September 30, 2005 was $10.7 million compared to $15.7 million for the eight months ended September 30, 2004. This $5.0 million decrease relates primarily to the additional interest expense recorded during the 2005 period.

AMR

Net revenue. Net revenue for the eight months ended September 30, 2005 was $761.7 million, an increase of $56.5 million, or 8.0%, from $705.2 million for the eight months ended September 30, 2004. The increase in net revenue was due primarily to an increase in our net revenue per weighted transport of approximately 7.4%. The increase in net revenue per weighted transport was the result of rate increases in several of our operating markets and Medicare rate increases under the Medicare Modernization Act. In addition, we had a net increase of approximately 11,600 weighted transports. We had an increase in weighted transports of 82,900, or 4.4%, primarily as a result of an increase in ambulance transports in existing markets. This increase was offset by a decrease of approximately 71,300 weighted transports and $14.5 million in net revenue for the eight months ended September 30, 2005 as a result of exiting the Pinellas County, Florida market in September 2004.

Compensation and benefits. Compensation and benefits costs for the eight months ended September 30, 2005 were $486.5 million, or 63.9% of net revenue, compared to $457.7 million, or 64.9% of net revenue, for the eight months ended September 30, 2004. Total unit hours increased period over period by approximately 105,000 due to the increase in ambulance transport volume and deployment changes required as part of several contract rate increases. In addition, ambulance crew wages per ambulance unit hour increased by 5.4%, which increased compensation costs by $13.6 million. The ambulance crew wages per ambulance unit hour increase resulted principally from annual salary increases. Benefits costs increased $6.5 million due to increased health benefit claim costs and health insurance premiums. The exit from the Pinellas County, Florida market decreased ambulance unit hours by 153,600 and compensation and benefits costs by $11.2 million in 2005 compared to 2004.

Operating expenses. Operating expenses for the eight months ended September 30, 2005 were $150.1 million, or 19.7% of net revenue, compared to $131.5 million, or 18.7% of net revenue, for the eight months ended September 30, 2004. Operating expenses per weighted transport increased 13.5% in 2005 compared to the prior period. The change is due primarily to additional fuel and vehicle repair costs of approximately $6.3 million, an increase in medical supply costs of $2.6 million and an increase in external services costs of $3.7 million. Costs for medical supplies and external services grew as a result of increased ambulance transport volumes. An increase in professional fees of $2.7 million was related primarily to audit fees and consulting fees for valuations we incurred in connection with our acquisition of AMR. Other operating costs, including occupancy, telecommunications and other expenses, increased $3.3 million, but remained relatively flat as a percentage of net revenue compared to the prior period.

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Insurance expense. Insurance expense for the eight months ended September 30, 2005 was $30.4 million, or 4.0% of net revenue, compared to $28.8 million, or 4.1% of net revenue, for the same period in 2004.

Selling, general and administrative. Selling, general and administrative expense for the eight months ended September 30, 2005 was $27.0 million, or 3.5% of net revenue, compared to $19.8 million, or 2.8% of net revenue, for the eight months ended September 30, 2004. The eight months ended September 30, 2004 included reductions in expense resulting from a one-time reversal of an accrued liability of $1.8 million and payroll tax refunds related to prior periods of $2.0 million, and the 2005 period included increased expense from $0.3 million of Onex management fees and $0.5 million of additional employee severance costs. The remaining increase in the 2005 period related primarily to the Company s growth and strategic initiatives.

Laidlaw fees and compensation charges. AMR did not incur Laidlaw fees and compensation charges for the eight months ended September 30, 2005 as it was no longer a subsidiary of Laidlaw International, Inc. For the eight months ended September 30, 2004, these fees and charges were $6.0 million, or 0.8% of net revenue. Costs of $1.0 million that we have incurred to date to replace the services previously performed by Laidlaw are included in the statement of operations for the eight months ended September 30, 2005.

Restructuring charges. AMR did not incur restructuring charges during the eight months ended September 30, 2005. Restructuring charges of $1.4 million recorded during the eight months ended September 30, 2004 relate to a reduction in the number of operating regions. Oversight of the affected operations was shifted to the remaining regional management teams.

Depreciation and amortization. Depreciation and amortization expense for the eight months ended September 30, 2005 was $31.5 million, or 4.1% of net revenue, compared to $28.6 million, or 4.1% of net revenue, for the eight months ended September 30, 2004.

EmCare

Net revenue. Net revenue for the eight months ended September 30, 2005 was $425.9 million, an increase of $53.4 million, or 14.3%, from $372.6 million for the eight months ended September 30, 2004. The increase was due primarily to an increase in patient visits from net new hospital contracts and net revenue increases in existing contracts. Following September 30, 2004, we added 25 net new contracts which accounted for a net revenue increase of $29.0 million for the eight months ended September 30, 2005. Net revenue increased $5.9 million as a result of 21 net new contract additions in the eight months ended September 30, 2004. Net revenue under our same store contracts (contracts in existence for the entirety of both fiscal periods) increased $18.5 million in the eight months ended September 30, 2005 due to a 4.8% increase in patient visits and a 0.9% increase in net revenue per patient visit.

Compensation and benefits. Compensation and benefits costs for the eight months ended September 30, 2005 were $336.1 million, or 78.9% of net revenue, compared to $293.6 million, or 78.8% of net revenue, for the eight months ended September 30, 2004. Provider compensation and benefits costs increased $24.6 million from net new contract additions subsequent to January 31, 2004. Same store provider compensation and benefits costs increased $11.8 million primarily related to an increase in patient visits.

Operating expenses. Operating expenses for the eight months ended September 30, 2005 were $18.6 million, or 4.4% of net revenue, compared to $16.0 million, or 4.3% of net revenue, for the eight months ended September 30, 2004. Operating expenses increased due to net new contract additions but remained consistent as a percentage of net revenue.

Insurance expense. Professional liability insurance expense for the eight months ended September 30, 2005 was $30.0 million, or 7.0% of net revenue, compared to $22.9 million, or 6.1% of net revenue, for the eight months ended September 30, 2004. The increase as a percent of net revenue is due primarily to the impact of $3.3 million of favorable claims development recorded in the 2004 period.

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Selling, general and administrative. Selling, general and administrative expense for the eight months ended September 30, 2005 was $11.3 million, or 2.7% of net revenue, compared to $11.5 million, or 3.1% of net revenue, for the eight months ended September 30, 2004.

Laidlaw fees and compensation charges. EmCare did not incur Laidlaw fees and compensation charges for the eight months ended September 30, 2005 as it was no longer a subsidiary of Laidlaw International, Inc. For the eight months ended September 30, 2004, these fees and charges were $4.1 million, or 1.1% of net revenue. Costs of $0.9 million that we have incurred to date to replace the services previously performed by Laidlaw are included in the statement of operations for the eight months ended September 30, 2005.

Depreciation and amortization. Depreciation and amortization expense for the eight months ended September 30, 2005 was $7.3 million, or 1.7% of net revenue, compared to $6.0 million, or 1.6% of net revenue, for the eight months ended September 30, 2004.

Three months ended September 30, 2005 (Successor) compared to the three months ended September 30, 2004 (Predecessor)

For the three months ended September 30, 2005 compared to the same period in 2004, our net revenue grew 10.2%, with half of this growth attributable to an increase in combined volumes at our operating segments from increases in both existing markets and the addition of net new contracts at each of AMR and EmCare. The balance of the net revenue growth was generated by net pricing increases due to contract and community rate increases and Medicare increases.

Our income from operations decreased 21.6% from period to period due primarily to unusual items affecting the period to period comparability. These items include increased fuel costs of $2.5 million in 2005, stock compensation charges of $2.2 million in 2005, favorable insurance claims development of $5.4 million recorded in 2004 compared with $3.0 million in 2005, health benefit reductions of $1.4 million in 2004, and $3.7 million of Laidlaw fees and compensation charges in 2004 offset by $1.7 million in 2005 for transaction-related costs and services that were provided previously by Laidlaw.

Interest expense. Interest expense for the three months ended September 30, 2005 was $12.8 million compared to $5.1 million for the three months ended September 30, 2004. This $7.7 million increase relates to the debt we incurred in connection with our acquisition of AMR and EmCare.

Income tax expense. Income tax expense for the three months ended September 30, 2005 was $3.5 million compared to $7.2 million for the three months ended September 30, 2004. This $3.7 million decrease relates primarily to the additional interest expense recorded during the 2005 period.

AMR

Net revenue. Net revenue for the three months ended September 30, 2005 was $291.9 million, an increase of $21.0 million, or 7.8%, from $270.9 million for the three months ended September 30, 2004. The increase in net revenue was due primarily to an increase in our net revenue per weighted transport of approximately 7.6%. The increase in net revenue per weighted transport was the result of rate increases in several of our operating markets and Medicare rate increases under the Medicare Modernization Act. In addition, we had a net increase of approximately 800 weighted transports. We had an increase in weighted transports of 27,600, or 3.9%, primarily as a result of an increase in ambulance transports in existing markets. This increase was offset by a decrease of approximately 26,800 weighted transports and $5.6 million in net revenue for the three months ended September 30, 2005 as a result of exiting the Pinellas County, Florida market in late September 2004.

Compensation and benefits. Compensation and benefits costs for the three months ended September 30, 2005 were $190.1 million, or 65.1% of net revenue, compared to $174.8 million, or 64.5% of net revenue, for the three months ended September 30, 2004. Total unit hours increased period over period by approximately 85,200 due to the increase in ambulance transport volume, deployment changes required as part of several contract rate increases and deployment changes to improve our inter-facility market share. In addition, ambulance crew wages per ambulance unit hour increased by approximately 5.4%, which increased compensation costs by $5.5 million. The ambulance crew wages per ambulance unit hour increase resulted

principally from annual salary increases. Benefits costs increased $3.7 million due to rising costs of health insurance premiums and increased health benefit claims and a favorable adjustment of $1.4 million in 2004 for claims experience. The exit from the Pinellas County, Florida market decreased ambulance unit hours by 56,200 and compensation and benefits costs by $4.5 million.

Operating expenses. Operating expenses for the three months ended September 30, 2005 were $58.8 million, or 20.1% of net revenue, compared to $49.7 million, or 18.3% of net revenue, for the three months ended September 30, 2004. Operating expenses per weighted transport increased 18.1% in 2005 compared to the prior period. The change is due primarily to additional fuel and vehicle repair costs of approximately $3.2 million, and increases in medical supplies, external services and professional fees of $1.5 million, $1.8 million and $1.5 million, respectively. External services increased due to contract changes, increased ambulance transport volumes and professional fees increased due to audit and consulting fees for valuations we incurred in connection with our acquisition of AMR. Other operating costs, including occupancy, telecommunications and other expenses, increased $1.0 million, but remained relatively flat as a percentage of net revenue compared to the prior period.

Insurance expense. Insurance expense for the three months ended September 30, 2005 was $9.4 million, or 3.2% of net revenue, compared to $11.6 million, or 4.3% of net revenue, for the same period in 2004. These quarters included favorable reductions in ultimate claims costs of $3.0 million and $2.2 million for the three months ended September 30, 2005 and 2004, respectively.

Selling, general and administrative. Selling, general and administrative expense for the three months ended September 30, 2005 was $11.0 million, or 3.8% of net revenue, compared to $7.8 million, or 2.9% of net revenue, for the three months ended September 30, 2004. The three months ended September 30, 2005 included Onex management fees of $0.1 million, additional employee severance costs of $0.3 million and donations totaling $0.3 million to our employees impacted by the Gulf Coast storms. The remaining increase related primarily to our growth and strategic initiatives, which totaled $1.6 million.

Laidlaw fees and compensation charges. AMR did not incur Laidlaw fees and compensation charges for the three months ended September 30, 2005 as it was no longer a subsidiary of Laidlaw International, Inc. For the three months ended September 30, 2004, these fees and charges were $2.2 million, or 0.8% of net revenue. Costs of $0.4 million that we incurred to date to replace the services previously performed by Laidlaw are included in the statement of operations for the three months ended September 30, 2005.

Depreciation and amortization. Depreciation and amortization expense for the three months ended September 30, 2005 was $12.1 million, or 4.1% of net revenue, compared to $10.5 million, or 3.9% of net revenue, for the three months ended September 30, 2004.

EmCare

Net revenue. Net revenue for the three months ended September 30, 2005 was $164.3 million, an increase of $21.3 million, or 14.9%, from $143.0 million for the three months ended September 30, 2004. The increase was due primarily to an increase in patient visits from net new hospital contracts and net revenue increases in existing contracts. Following September 30, 2004, we added 25 net new contracts which accounted for a net revenue increase of $12.1 million for the three months ended September 30, 2005. Net revenue under our same store contracts (contracts in existence for the entirety of both fiscal periods) increased $9.3 million in the three months ended September 30, 2005 due to a 5.7% increase in patient visits and a 1.8% increase in net revenue per patient visit.

Compensation and benefits. Compensation and benefits costs for the three months ended September 30, 2005 were $129.2 million, or 78.6% of net revenue, compared to $111.8 million, or 78.2% of net revenue, for the three months ended September 30, 2004. Provider compensation and benefits costs increased $9.3 million from net new contract additions subsequent to September 30, 2004. Same store provider compensation and benefits costs increased $6.6 million, related primarily to an increase in patient visits.

Operating expenses. Operating expenses for the three months ended September 30, 2005 were $7.4 million, or 4.5% of net revenue, compared to $6.2 million, or 4.3% of net revenue, for the three months ended September 30, 2004. Operating expenses increased due to net new contract additions but remained consistent as a percentage of net revenue.

Insurance expense. Professional liability insurance expense for the three months ended September 30, 2005 was $11.6 million, or 7.1% of net revenue, compared to $6.8 million, or 4.8% of net revenue, for the three months ended September 30, 2004. The increase as a percent of net revenue is due primarily to the impact of $3.2 million of favorable insurance claims development recorded in the 2004 period.

Selling, general and administrative. Selling, general and administrative expense for the three months ended September 30, 2005 was $4.7 million, or 2.9% of net revenue, compared to $4.3 million, or 3.0% of net revenue, for the three months ended September 30, 2004. The $0.4 million increase in selling, general and administrative expense is related to replacement costs previously included in Laidlaw management fees and the increase in net new contracts.

Laidlaw fees and compensation charges. EmCare did not incur Laidlaw fees and compensation charges for the three months ended September 30, 2005 as it was no longer a subsidiary of Laidlaw International, Inc. For the three months ended September 30, 2004, these fees and charges were $1.4 million, or 1.0% of net revenue. Costs of $0.4 million that we incurred to date to replace the services previously performed by Laidlaw are included in the statement of operations for the three months ended September 30, 2005.

Depreciation and amortization. Depreciation and amortization expense for the three months ended September 30, 2005 was $2.8 million, or 1.7% of net revenue, compared to $2.2 million, or 1.5% of net revenue, for the three months ended September 30, 2004.

Five months ended January 31, 2005 (Successor) compared to the five months ended January 31, 2004 (Predecessor)

Interest expense. Interest expense for the five months ended January 31, 2005 was $5.6 million compared to $4.1 million for the five months ended January 31, 2004. The $1.5 million difference relates to an increase in the amount owed to Laidlaw during the five months ended January 31, 2005 compared to the same period in 2004.

Income tax expense. Income tax expense for the five months ended January 31, 2005 was $6.3 million compared to $9.8 million for the five months ended January 31, 2004. The $3.5 million decrease relates primarily to additional interest expense and added costs incurred by AMR and EmCare as a result of the acquisition.

AMR

Net revenue. Net revenue for the five months ended January 31, 2005 was $455.1 million, an increase of $13.1 million, or 3.0%, from $442.0 million for the five months ended January 31, 2004. The increase in net revenue was due primarily to an increase in our net revenue per weighted transport of approximately 6%, offset by approximately 38,700 fewer weighted transports, including a 30,220 ambulance transport decrease. The decrease in ambulance transports was due primarily to exiting the Pinellas County, Florida market in late September 2004, which accounted for a decrease of approximately 35,000 ambulance transports and $6.2 million in net revenue for the five months ended January 31, 2005.

Compensation and benefits. Compensation and benefits costs for the five months ended January 31, 2005 were $289.7 million, or 63.7% of net revenue, compared to $287.7 million, or 65.1% of net revenue, for the five months ended January 31, 2004. Total unit hours decreased period over period by 100,800 primarily as a result of the exit from the Pinellas County, Florida market, which decreased ambulance unit hours by 79,800 and compensation and benefits costs by $5.3 million. The decrease in total unit hours was offset by an increase in our ambulance crew wages per ambulance unit hour of 6.6%, which increased compensation costs by $10.1 million. The ambulance crew wages per ambulance unit hour increase resulted principally from annual salary increases. Benefits costs decreased $1.7 million due to our shift of employees previously covered under premium-based health insurance plans to self-insured health plans.

Operating expenses. Operating expenses for the five months ended January 31, 2005 were $83.9 million, or 18.4% of net revenue, compared to $80.3 million, or 18.2% of net revenue, for the five months ended January 31, 2004. Operating expenses per weighted transport increased 7.9% in 2005 compared to the prior

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period. This $3.6 million increase was due primarily to higher fuel costs, which were 2.0% of net revenue for the five months ended January 31, 2005, compared to 1.6% of net revenue for the same period in 2004.

Insurance expense. Insurance expense for the five months ended January 31, 2005 was $22.4 million, or 4.9% of net revenue, compared to $20.3 million, or 4.6% of net revenue, for the same period in 2004. This $2.1 million decrease was primarily a result of improvements in ultimate claims costs.

Selling, general and administrative. Selling, general and administrative expense for the five months ended January 31, 2005 was $15.7 million, or 3.5% of net revenue, compared to $16.2 million, or 3.7% of net revenue, for the five months ended January 31, 2004. The $0.5 million decrease in selling, general and administrative expense related primarily to deferred compensation expense recorded as part of management incentive programs that were implemented by Laidlaw during fiscal 2004 and which were expensed as a component of Laidlaw fees and compensation charges in 2005.

Laidlaw fees and compensation charges. Laidlaw fees and compensation charges for the five months ended January 31, 2005 were $9.4 million, or 2.1% of net revenue, compared to $3.8 million, or 0.9% of net revenue, for the five months ended January 31, 2004. This $5.6 million increase was primarily due to charges related to senior management incentive plans expensed as part of the sale to Onex and additional Laidlaw overhead costs allocated to AMR during the five months ended January 31, 2005.

Depreciation and amortization. Depreciation and amortization expense for the five months ended January 31, 2005 was $16.4 million, or 3.6% of net revenue, compared to $18.3 million, or 4.1% of net revenue, for the five months ended January 31, 2004. The $1.9 million decrease resulted from the elimination of the contract intangible asset recorded in fiscal 2003 as part of our fresh-start accounting adjustments. As this asset was eliminated in the fourth quarter of fiscal 2004, no amortization expense was recorded for this intangible asset in the five months ended January 31, 2005.

EmCare

Net revenue. Net revenue for the five months ended January 31, 2005 was $241.1 million, an increase of $15.5 million, or 6.9%, from $225.6 million for the five months ended January 31, 2004. The increase was due primarily to an increase in patient visits from net new hospital contracts and net revenue increases in existing contracts. Following January 31, 2004, we added 33 net new contracts which accounted for a net revenue increase of $11.9 million for the five months ended January 31, 2005. Net revenue increased $2.6 million as a result of six net new