

Letter from Rich Garnick

A Message from the CEO:

I wanted to take this opportunity to talk about the exciting road ahead of us at PHNS, driven by unprecedented industry challenges and significant opportunities for growth.

The ConJoin Group's acquisition of PHNS will unlock tremendous potential for the business that will create better products and services, a more efficient operating structure, and a clear pathway to becoming the leading provider of healthcare IT services into our market.

ConJoin has a long track record of helping businesses succeed in high growth markets through business process re-engineering and by leveraging our unique global delivery model. This proven experience will provide valuable support to the core PHNS business, and create the operational leverage and expertise to support profitable growth. The core PHNS business and all of the factors that made it so successful will remain intact, but we will have the added support of decades of management expertise, infrastructure and additional resources.

As part of this acquisition, PHNS now has the backing of Actis, a private equity investor that has committed significant capital to invest in our future, and help us meet the unprecedented industry challenges and opportunities for growth ahead of us. As we move forward, we will invest in innovations that enable us to gain a competitive advantage and provide solutions to long-standing problems in the healthcare industry.

This is a very exciting time to be in our industry. Due to a convergence of factors, the healthcare sector is poised for tremendous opportunities in the years ahead. This is a highly fragmented market, and one that has been late to adopt new technologies to enhance productivity. This creates strong tail winds we can harness.

There's no question that healthcare providers today face very unique challenges and pressures to speed the adoption of technology. This comes with great technology challenges and risks, requiring a partner that not only understand your business, but the broader healthcare IT market and the new challenges that have come into play.

My team and I have decades of experience in the IT and BPO services industry, and in healthcare specifically. I personally architected a major business transformation at IT services firm Keane, Inc., serving as President North American and Global Business Lines. This included working closely with the Company's Healthcare Solutions Division to create a product offering that responded to specific industry challenges around the adoption of technology. I also served as Chief Executive, Americas and Global Enterprise Application Services (EAS) of Wipro Technologies, and was successful

growing the North American Business from \$150 million to over \$2 billion run-rate. An important piece of this growth came from the Company's healthcare business.

It is our mission to make PHNS the global sector IT/BPO champion for the healthcare industry. As a result of this acquisition, we are now a stronger company in terms of resources and expertise, and I believe much better positioned to capitalize on the broader healthcare IT opportunity.

I am inspired by the very real passion, deep industry domain expertise and commitment of everyone at PHNS in building such a strong company, known for its uncompromising commitment to client service. This acquisition will enable us to accelerate the company's growth and further distinguish our leadership position in this exciting market.

Sincerely,

Richard S. Garnick
Chief Executive Officer, PHNS