

2003 ANNUAL REPORT

EVERY DAY YOU MAY MAKE PROGRESS. EVERY STEP MAY BE FRUITFUL. YET THERE WILL STRETCH OUT BEFORE YOU AN EVER-LENGTHENING, EVER-ASCENDING, EVER-IMPROVING PATH. YOU KNOW YOU WILL NEVER GET TO THE END OF THE JOURNEY. BUT THIS, SO FAR FROM DISCOURAGING, ONLY ADDS TO THE JOY AND GLORY OF THE CLIMB.

SIR WINSTON CHURCHILL

MESSAGE FROM THE CHAIRMAN OF THE BOARD



John Doyle

Akin to a journey, progress is usually made with a goal in mind - a destination. Yet, as Sir Winston Churchill stated, the journey may never end. As committed individuals and companies near their goals, they raise them! It is this passion for progress itself, along with our commitment to a Call to Action that continually drives and inspires TriMedx.

In FY 2003, TriMedx made significant progress, manifested in a substantial increase in revenue, a first time profit, and the development of new data management technology. But more important than these notable achievements is TriMedx's adherence to our values. Progress and resource development are important means to an all-important end - helping to sustain a greater good.

As one of the newest portfolio companies of Ascension Health Ventures, TriMedx's capacity for generating revenue and reducing clinical engineering costs is well aligned with our Mission to care for those in need and our Call to Action that drives our priorities to create Healthcare That Works, Healthcare That Is Safe and Healthcare That Leaves No One Behind. By improving clinical engineering services throughout healthcare systems using collaborative means and common data management programs, TriMedx is changing the way hospitals manage medical equipment assets.

This report details the impressive progress TriMedx made in FY 2003. We are excited about the journey ahead and the role that TriMedx will play transforming healthcare. We look forward to making this journey with you.

CONTENTS

PROGRESS IN FY 2003	3
INNOVATION	4
RESPONSIBILITY	5
INTEGRITY	6
RESULTS	9
MOVING FORWARD	11
COMPANY INFORMATION	12
FROM AN ASSOCIATE	13

TriMedx is a spiritually rooted organization sponsored by Ascension Health. We serve those who provide care to the sick and poor by supplying health care providers with the expertise to manage their technology affordably and effectively. We create and implement innovative, customer-focused, high-quality solutions.

Being good stewards of those we serve, TriMedx will foster growth of the mission of Ascension Health through partnering, collaborating, and networking.

As a member of Ascension Health, we are called to:

- Service of the Poor
- Reverence
- Integrity
- Wisdom
- Creativity
- Dedication

EVERY

DAY YOU MAY MAKE PROGRESS.

PROGRESS IN FY 2003

Restructure - Early in the fiscal year, a new company structure emerged - one that included a marketing focus, a dedicated sales team, regional leadership, and new finance leadership.

Transfer of Ownership - In February 2003, TriMedx ownership transitioned to Ascension Health Ventures, the Strategic Business Development and Innovation division of Ascension Health.

RSQ™ - Our Information Technology team designed a proprietary software program called RSQ, providing a single portal for equipment and service data management.

Projects - In addition to the RSQ project, several other initiatives were completed in FY 2003:

New Business - Our entire process for bringing on new customers was reviewed and refined. New data management tools were developed to capture and track information for proposal development as well as preparation for new site implementation.

Purchasing Process - Our purchasing process relied on a program that was external to our data management system. A streamlined requisition and purchasing module was developed and integrated into RSQ. Associates can manage purchasing and work order details all within the same system.

Financial Reporting - Our growth over the past two years required more sophisticated methods and tools for accessing and distributing financial data for each business unit. A new reporting tool was developed along with new financial management procedures.

The Scope Exchange - A relationship with The Scope Exchange resulted in a vendor

collaboration that reduced costs for endoscopes, endoscope systems, instrument repair, and technical training.

Parts Sourcing - In FY 2003, our parts sourcing team saved over \$1.1 million through second-sourcing parts. Our success rate led us to launch parts sourcing as a standalone service to facilities not currently participating in our comprehensive program.

Service Star Award - The Service Star Award was introduced in FY 2003 by our service center managers and associates to recognize extraordinary support provided by central office associates.

New Service Centers - New service centers were established in Saginaw, MI, Baltimore, MD, and Detroit, MI.



EVERY STEP MAY BE FRUITFUL.

INNOVATION

A primary objective for FY 2003 was to improve processes. Our solutions included the development of a new data management system that would handle our growth and better support our technicians in the field.

RSQ™, an equipment data management system created by TriMedx in FY 2003, streamlined the processes involved in entering and accessing information regarding equipment, work details, and costs. It also integrated a new purchasing and requisition system. Creation of RSQ was a significant initiative that took nearly a year to develop and an entire month to train our technicians and service managers.

Based on our current business, it is estimated that RSQ will save over \$400,000 annually due to time saved in processing service calls, entering work order information, generating reports, and ordering and receiving equipment parts.

RESPONSIBILITY

Charity Care

We have a responsibility to extend our prosperity to those less fortunate. Yet the experiences, the pleasures, and the rewards our associates gain by helping others outweigh the obligation. Our mission work in FY 2003 took technicians to Ecuador, Bolivia, and Haiti, and our charity work at home provided help to those battling illness and hardship. In FY 2003, over 2,300 man-hours were committed to charity and mission projects, and over \$45,000 was contributed to provide supplies, equipment, and service to those in need.

Patient Safety

Our ultimate responsibility is patient safety. Every program we employ is aimed at supporting our technicians and service managers in their work. They are the front line force that ensures the highly specialized equipment used by medical professionals is reliable and operating efficiently.

In April 2003, our safety committee policy was revised to enhance compliance with the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) standards and to support Environment of Care Medical Management Plans. TriMedx is obligated to assign a representative to each site who will report to the hospital safety committee and evaluate safety standards, procedures, and hazards.

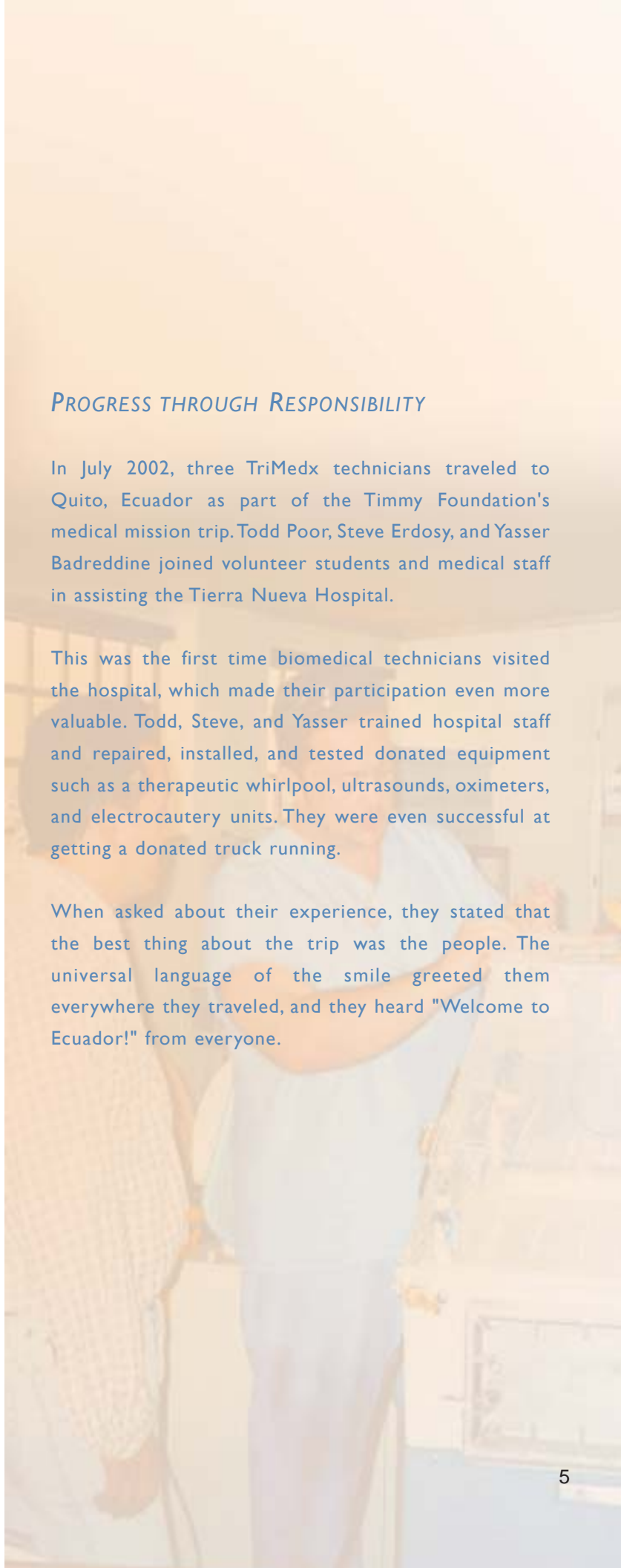
Another initiative in FY 2003 was a company-wide focus on the JCAHO National Patient Safety Goals - particularly a push to improve clinical alarm systems. TriMedx worked with service managers, risk management associates from customer sites, and ECRI in making revisions to our database that will enable alarmed devices to be identified and monitored.

PROGRESS THROUGH RESPONSIBILITY

In July 2002, three TriMedx technicians traveled to Quito, Ecuador as part of the Timmy Foundation's medical mission trip. Todd Poor, Steve Erdosy, and Yasser Badreddine joined volunteer students and medical staff in assisting the Tierra Nueva Hospital.

This was the first time biomedical technicians visited the hospital, which made their participation even more valuable. Todd, Steve, and Yasser trained hospital staff and repaired, installed, and tested donated equipment such as a therapeutic whirlpool, ultrasounds, oximeters, and electrocautery units. They were even successful at getting a donated truck running.

When asked about their experience, they stated that the best thing about the trip was the people. The universal language of the smile greeted them everywhere they traveled, and they heard "Welcome to Ecuador!" from everyone.



YET THERE WILL STRETCH OUT EVER-ASCENDING,

INTEGRITY

Integrity takes precedence in our business, and it is represented in many ways - through the reliability of our equipment data, the accuracy of our financial information, and the ability of our technicians to provide equipment repairs and maintenance.

- Data integrity is important in predicting equipment life cycles, estimating cost of service, providing customer reports, and meeting regulatory standards. In FY 2003, we created a position dedicated to information standardization and accuracy, which ensures data integrity for our customers.
- This year we began refining the information we provide our customers. Our Customer Year in Review Report includes a review of contract information, safety committee projects, significant events, special training events, customer satisfaction ratings, and details of completed work. The annual customer reports rely heavily on the integrity of our equipment and service data.
- Integrity is the mainstay of our technical training philosophy. TriMedx utilizes a multi-tiered

approach, taking advantage of all available methods such as training through equipment manufacturers, independent training organizations, colleges and trade schools, and our own equipment service experts. Training in-house technicians increases reliability and confidence and reduces the dependency on service contracts. This fiscal year, TriMedx provided over \$425,000 to support training initiatives throughout the company.

- TriMedx programs have never received a Type I recommendation from a JCAHO inspection. In the past year, Joint Commission inspectors have noted our performance as exemplary. In addition, no TriMedx programs have received citations from state or local inspectors.

These achievements are aligned with our ability to provide accurate data quickly. Education through seminars, videoconferences, and meetings has helped our service managers and technicians gain more insight to regulatory requirements. The knowledge we gain ensures that we provide our customers with programs, policies, and measures that meet and exceed requirements.

“TRIMEDX HAS GIVEN THE STAFF A BETTER FEELING ABOUT THEIR FUTURE. WE NOW ARE INVESTING IN THEM TO LEARN MORE, GIVING THEM MORE RESPONSIBILITIES; IT'S MAKING THEIR CURRICULA LOOK MUCH BETTER THAN IT EVER HAS BEFORE.”

LARRY LAWSON, DIRECTOR OF TECH SERVICES
ST. AGNES HEALTHCARE, BALTIMORE, MD

BEFORE YOU AN EVER-LENGTHENING, EVER-IMPROVING PATH.

“TRIMEDX HELPS ME PREPARE FOR JOINT COMMISSION AND CRITICAL ACCESS HOSPITAL ACCREDITATION SURVEYS AND ADDRESS REGULATORY REQUIREMENTS TO ENSURE THAT THE EQUIPMENT IS FUNCTIONAL AND READY.”

ANN PARSONS, DIRECTOR OF PATIENT CARE AND CLINICAL SERVICES
ST. VINCENT MERCY HOSPITAL, ELWOOD, IN

PROGRESS THROUGH INTEGRITY

In the last year, many of our customer sites were inspected by the JCAHO. The majority of these customers were part of the same health system, and the inspection team consisted of the same members. After the third site inspection, the JCAHO representatives noted that TriMedx was responsible for the medical equipment management plan. Based on the previous results, the inspectors expressed confidence that the requirements would be met.



YOU KNOW YOU WILL NEVER

“HAVING DEPENDABLE EQUIPMENT, HAVING EQUIPMENT THAT IS CUTTING-EDGE, HAVING ACCESS TO VENDORS, BEING ABLE TO LEVERAGE - WHETHER IT’S PRICING, TRAINING, EQUIPMENT MANUALS AND SO FORTH - THIS HAS BEEN SOMETHING TRIMEDX HAS BROUGHT THAT, IN MY 23 YEARS OF BEING IN THIS FIELD, I’VE NOT SEEN TO THIS DEGREE.”

*RICK LOWE, VICE PRESIDENT OF OPERATIONS
SACRED HEART HOSPITAL, PENSACOLA, FL*

GET TO THE END OF THE JOURNEY.

RESULTS

Cost savings, optimal equipment performance, and high quality service are the dynamics of this industry. It is our ability to exceed expectations in these areas that keeps our customers satisfied.

Total Savings*

In addition to direct service and maintenance savings, TriMedx provides our customers indirect savings opportunities. Cost avoidance advice, consulting on capital purchases and construction projects, participation in JCAHO and HIPAA compliance initiatives, and the handling of administrative tasks such as vendor negotiations and accounts payable and receivable functions are all additional services that produce indirect benefits.

Total Savings: \$3,302,581

** Total savings reported are for the Ascension Health Ministries only and represent direct and indirect savings for FY 2003.*

Central Dispatch System

TriMedx maintains a common system through our Response Center, which provides a standard protocol for accepting and dispatching service call information. In FY 2003, our Response Center expanded hours to accommodate our service centers in other time zones. Our average speed of answer was 8 seconds and our data specialists received over 72,000 calls.

Parts Sourcing

In FY 2003, our parts sourcing specialists achieved an 83% success rate and produced savings of \$1.1 million by second-sourcing parts. Our success in meeting or exceeding vendor savings led us to extend the service as a standalone offering to facilities that are not currently utilizing our comprehensive equipment management program.

National Vendor Contract Savings

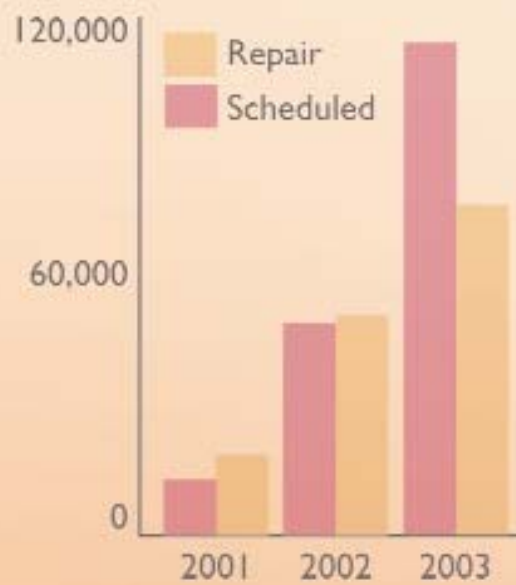
Six new vendor contracts were finalized in FY 2003; however, the majority of our efforts concentrated on equipment additions and deletions to existing national contracts. TriMedx realized an annual savings of \$205,354 on new contracts this fiscal year.

PROGRESS THROUGH RESULTS

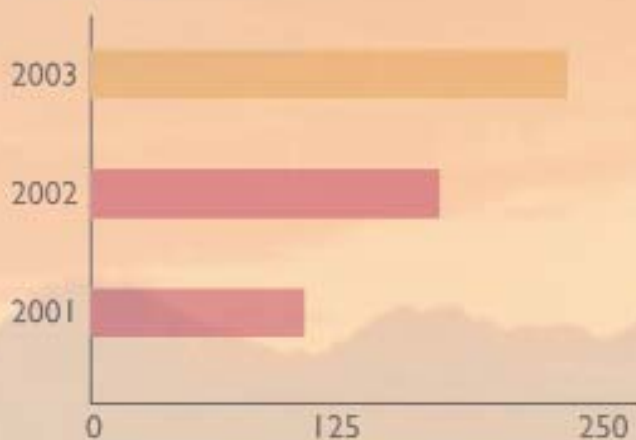
A CT went down at one of our customer sites. Vendor replacement cost for the tube was \$176,000. The technician contacted a TriMedx parts sourcing specialist for a better price. He was able to find a direct replacement for the original equipment manufacturer tube from another vendor. A team of TriMedx associates pulled together to work with the vendor and to negotiate additional terms. Their efforts saved over \$100,000 from the original equipment manufacturer price quote.

*BUT THIS,
SO FAR FROM DISCOURAGING,
ONLY ADDS TO THE JOY AND*

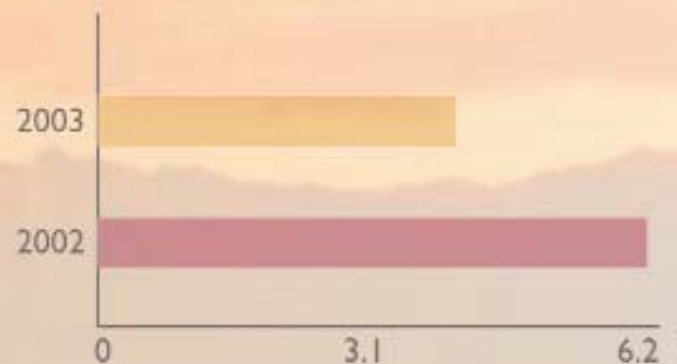
Work Orders



Associates



AVI Ratio



GLORY OF THE CLIMB.

MOVING FORWARD

RSQ Mobile™ - Many of our customers will benefit from new technology that interfaces with our RSQ system through hand-held devices used for entering service details.

Service Center Expansions - We will continue to implement a market penetrating model of expansion that may also provide revenue opportunities for our customers.

Expand Business Beyond Ascension Health - The potential to further extend our program to non-Ascension Health customers provides additional revenue and increases our ability to leverage vendor negotiations.

Product Development - Technology enhancements and data mining services are areas of the industry that we will explore in FY 2004.

Enhancements to the Service Module - Our Information Technology team is advancing on a more efficient system for handling service data.

Safety Initiatives - Standardization of how we execute safety and medical equipment management plans, in addition to setting protocol for providing regulatory data, are projects for the coming fiscal year.

Call to Action - As an affiliate of Ascension Health, we will actively support the Call to Action - an Ascension Health initiative to transform the delivery of healthcare through Healthcare that is Safe, Healthcare that Leaves No One Behind, and Healthcare that Works.

Performance Objectives for FY 2004 - Our objectives include increasing operating income, cash on hand, and revenue growth, improving associate satisfaction, decreasing our Asset Value Indicator, and participating in two additional international mission sites.

COMPANY INFORMATION

- Based in Indianapolis, Indiana
- Owned by Ascension Health Ventures
- 230 associates
- Provides equipment management services to over half of the Ascension Health Ministries, in addition to numerous hospitals and healthcare facilities outside the Ascension Health system
- Maintains over 130 customer contracts that cover services for nearly 600 healthcare facilities
- Responsible for over 100,000 medical devices
- Maintains 12 service centers in 9 states
- Supports mission projects in Ecuador, Haiti, Bolivia, and Africa

BOARD MEMBERS

John Doyle, President and Chief Executive Officer
Ascension Health Ventures
St. Louis, MO

Arnie Kimmel, Chief Executive Officer,
Supply Chain Management
Ascension Health
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John Nusbaum, Executive Director,
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Gregory Ranger, President
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Indianapolis, IN

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President



CHARLES (SKEETS) JAMES
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LARRY W. HERTZLER
Vice President Marketing



K. DOUGLAS PUCKETT
Vice President Operations



MIKE W. HOLLAND
Director, Human Resources

FROM AN ASSOCIATE...

I first heard about TriMedx at an Ascension Health retreat program. Hearing that TriMedx was involved with what I do - clinical engineering - I wanted to learn more about their mission and values.

In one of the group sessions, I met an individual who worked for TriMedx. After talking with him and hearing more about the company's philosophy, I could easily see that TriMedx provided the opportunity to live and work in a strong faith-based environment. I learned about the charity care and mission trips to countries where the Ascension Health and Vincentian value of Service of the Poor was being carried out.

I was so moved when I heard this person speak about his work - his genuine care, his zeal, his concern and reverence for the people who are less fortunate than we are - that I made arrangements with our clinical engineering department to check with TriMedx to see if the medical equipment we were discarding could be used for a mission trip.

Several months later, the opportunity arose to introduce TriMedx to Saint Mary's Hospital in Saginaw, Michigan. With time, vision, and zeal instilled by TriMedx, we soon became part of their team. The TriMedx mission and values were present the very first day the associates arrived at Saint Mary's. What is more remarkable is that every TriMedx associate that has visited us or has been placed in contact with us has exemplified the same core values. One example came in the form of TriMedx sending technical help to us at a time when we were in need. We look forward to the day when we can share that zeal with others.

Vincent de Paul once said "If the love of God is a fire, then zeal is its flame; if the love of God is a sun, then zeal is its rays. Zeal is what is most pure in the love of God." I feel that TriMedx associates not only have this zeal within them, but also shine and spread this zeal to others in a loving, reverent, and humble way.

*David Wachowiak BMET
TriMedx - Saint Mary's Saginaw Service Center*

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