

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) August 3, 2004

PEDIATRIX MEDICAL GROUP, INC.  
-----

(Exact Name of Registrant as Specified in its Charter)

FLORIDA  
-----

(State or Other Jurisdiction  
of Incorporation)

0-26762  
-----

(Commission  
File Number)

65-0271219  
-----

(IRS Employer  
Identification No.)

1301 Concord Terrace  
Sunrise, Florida 33323-2825  
-----

(Address of Principal Executive Offices, Including Zip Code)

Registrant's Telephone Number, Including Area Code: (954) 384-0175  
-----

(Former Name or Former Address, if Changed Since Last Report)

Item 5. Other Events

On August 3, 2004, Pediatrix Medical Group, Inc. (the "Company") issued a press release ("Press Release") announcing that its Board of Directors authorized a new share repurchase program, pursuant to which the Company may purchase up to \$50 million of its common stock based upon general economic and market conditions. A copy of the Press Release is attached as Exhibit 99.1 to this Current Report and is incorporated herein by reference.

Item 9. Regulation FD Disclosure.

The Company also announced in the Press Release that it increased its earnings per share guidance for the third and fourth quarters of 2004.

Item 12. Results of Operations and Financial Condition.

The Company also announced in the Press Release its results of operations for the three and six month periods ended June 30, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PEDIATRIX MEDICAL GROUP, INC.

Date: August 3, 2004

By: /s/ Karl B. Wagner  
-----  
Karl B. Wagner  
Chief Financial Officer

EXHIBIT INDEX

-----

EXHIBIT NO.  
-----

DESCRIPTION  
-----

99.1	Press Release dated August 3, 2004.
------	-------------------------------------

Pediatrics Reports EPS of 99 Cents for 2004 Second Quarter,  
Increases Full-Year Guidance, New Share Repurchase Authorized

FORT LAUDERDALE, Fla.--(BUSINESS WIRE)--Aug. 3, 2004--Pediatrics Medical Group, Inc., (NYSE:PDX), the nation's largest provider of physician services focused on newborn and maternal-fetal care, today reported record quarterly results from operations for the three months ended June 30, 2004, and modified existing earnings guidance.

Pediatrics also announced today that its Board of Directors has authorized the repurchase of an additional \$50 million of the Company's common stock.

Highlights for the three months ended June 30, 2004 include record:

- Earnings per share of 99 cents, up 21 percent from the comparable period of 2003;
- Revenue of \$152.2 million, an increase of 14 percent over the prior-year period;
- Operating income of \$40.4 million, up 25 percent; operating margin expanded by 230 basis points, to 26.5 percent; and
- Quarterly net income of \$25.2 million, an increase of 27 percent over the prior-year period of 2003.

"Our continued strong operating results demonstrate that we remain on course in our strategy to grow our core operations and to manage those activities with increased efficiency," said Roger J. Medel, M.D., Chief Executive Officer of Pediatrics Medical Group. "We are on track to achieve our financial objectives, including contributions from the acquisition of physician practices that seek to join our proven national group model."

Revenue of \$152.2 million for the 2004 second quarter was up 14 percent from \$133.7 million for the 2003 comparable period. Revenue growth reflects contributions from acquisitions completed during the past year, as well as same-unit growth of 4.6 percent. Same-unit revenue growth includes higher neonatal intensive care unit (NICU) patient volume of 2.0 percent for the 2004 second quarter.

Income from operations was \$40.4 million for the 2004 second quarter, up 25 percent from \$32.4 million for the comparable period of 2003. Operating margin increased by 230 basis points to 26.5 percent for the 2004 second quarter as a result of efficiencies at both the practice and general and administrative levels.

Net income grew by 27 percent, to \$25.2 million for the three months ended June 30, 2004, from \$19.9 million for the comparable 2003 period. For the 2004 second quarter Pediatrics earned 99 cents per share, based on a weighted average 25.5 million shares outstanding, up 21 percent from earnings of 82 cents per share based on a weighted average 24.3 million shares outstanding for the 2003 second quarter.

Pediatrics had cash flow from operations of \$41.2 million for the three months ended June 30, 2004. During the quarter, the Company used \$30 million of its cash to acquire physician group practices, and \$23.2 million to repurchase approximately 348,000 shares under a \$50 million share repurchase program that was authorized in late May. Since the end of the 2004 second quarter, Pediatrics has completed that share repurchase program, a total of approximately 744,000 shares of its common stock.

At June 30, 2004, Pediatrics had cash and cash equivalents of \$19.7 million, total debt of less than \$2 million and no balance outstanding under its revolving line of credit.

During the 2004 second quarter, Pediatrics acquired neonatal physician group practices in Lafayette, Louisiana, Torrance, California, and Columbus, Ohio, as well as a maternal-fetal medicine physician group in Atlanta, Georgia, and a pediatric intensive care physician group in Tacoma, Washington. For all of 2004, Pediatrics has invested \$38.7 million in cash to acquire seven physician group practices.

For the six months ended June 30, 2004, as compared to the same period of 2003, Pediatrics's net revenue increased by 16 percent to \$300.3 million, operating income of \$74.5 million was up 24 percent, and net income increased 26 percent to \$46.6 million. Earnings per share of \$1.84, based on a weighted average 25.3 million shares outstanding, were up 23 percent over the prior year period.

Pediatrics expects that the share repurchases completed last month will positively impact earnings per share for the remainder of the year. Pediatrics believes that its earnings per share will be in a range from \$1.11 to \$1.13 each for the 2004 third and fourth quarters, and a range of \$4.06 to \$4.10 for all of 2004.

The share repurchase program announced this morning is effective immediately and allows the Company to make open market purchases from time-to-time based on general economic and market conditions. Pediatrix has not included any possible impact of this share repurchase program into its current earnings guidance. Since June 2002, Pediatrix has used \$200 million of its cash to repurchase its common stock through four separately authorized programs.

#### Investor Conference Call

At 10 a.m. Eastern Time today, Pediatrix Medical Group, Inc., will host an investor conference call to discuss the quarterly results, operations review and earnings guidance. The conference call webcast may be accessed from the Company's website, <http://www.pediatrix.com>. A telephone replay of the conference call will be available from 2 p.m. EDT today through midnight EDT August 10, 2004 by dialing 800-475-6701, access code 738967. The replay will also be available at <http://www.pediatrix.com>.

#### About Pediatrix

Pediatrix was founded in 1979. Pediatrix physicians and advanced nurse practitioners are reshaping the delivery of maternal-fetal and newborn care, identifying best demonstrated processes and participating in clinical research to enhance patient outcomes and provide high-quality, cost-effective care. Pediatrix provides services at more than 200 neonatal intensive care units, and through Obstetrix, provides maternal-fetal subspecialty services in many markets where Pediatrix provides patient services. Combined, Pediatrix and its affiliated professional corporations employ more than 700 physicians in 31 states and Puerto Rico. Pediatrix is also the nation's largest provider of newborn hearing screens and newborn metabolic screening. Additional information is available at <http://www.pediatrix.com>.

Certain statements and information in this press release may be deemed to be "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. Forward-looking statements may include, but are not limited to, statements relating to our objectives, plans and strategies, and all statements (other than statements of historical facts) that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. These statements are often characterized by terminology such as "believe", "hope", "may", "anticipate", "should", "intend", "plan", "will", "expect", "estimate", "project", "positioned", "strategy" and similar expressions, and are based on assumptions and assessments made by Pediatrix's management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Any forward-looking statements in this press release are made as of the date hereof, and Pediatrix undertakes no duty to update or revise any such statements, whether as a result of new information, future events or otherwise. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. Important factors that could cause actual results, developments, and business decisions to differ materially from forward-looking statements are described in Pediatrix's most recent Annual Report on Form 10-K, including the section entitled "Risk Factors".

Pediatrix Medical Group, Inc.  
Consolidated Statements of Income  
(Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2004	2003	2004	2003
	-----			
	(in thousands, except for per share data)			
	-----			
Net patient service revenue	\$152,187	\$133,701	\$300,303	\$259,901
	-----			
Operating expenses:				
Practice salaries and benefits	83,881	75,648	170,356	150,264
Practice supplies and other operating expenses	5,960	4,718	11,311	8,783
General and administrative expenses	19,606	19,006	39,453	37,307

Depreciation and amortization	2,337	1,903	4,700	3,553
	-----	-----	-----	-----
Total operating expenses	111,784	101,275	225,820	199,907
	-----	-----	-----	-----
Income from operations	40,403	32,426	74,483	59,994
	-----	-----	-----	-----
Investment income	112	81	258	220
Interest expense	(300)	(435)	(556)	(725)
	-----	-----	-----	-----
Income before income taxes	40,215	32,072	74,185	59,489
Income tax provision	(14,980)	(12,187)	(27,634)	(22,605)
	-----	-----	-----	-----
Net income	\$25,235	\$19,885	\$46,551	\$36,884
	=====	=====	=====	=====
Per share data:				
Net income per common and common equivalent share (diluted)	\$0.99	\$0.82	\$1.84	\$1.49
Weighted average shares used in computing net income per common and common equivalent share (diluted)				
	25,457	24,327	25,278	24,705

#### Balance Sheet Highlights

	As of June 30, 2004	As of Dec. 31, 2003
	-----	-----
	(unaudited)	
	(in thousands)	
Assets:		
Cash and cash equivalents	\$19,719	\$27,896
Accounts receivable, net	100,345	94,213
Other current assets	22,528	23,448
Other assets	609,754	572,037
	-----	-----
Total assets	\$752,346	\$717,594
	=====	=====
Liabilities and shareholders' equity:		
Accounts payable and accrued expenses	\$ 91,963	\$ 111,974
Total debt	1,933	1,864
Other liabilities	27,322	31,378
	-----	-----
Total liabilities	121,218	145,216
Shareholders' equity	631,128	572,378
	-----	-----
Total liabilities and shareholders' equity	\$ 752,346	\$ 717,594
	=====	=====

CONTACT: Pediatrix Medical Group, Inc., Fort Lauderdale  
Investor Relations:  
Bob Kneeley, 954-384-0175, x-5300  
bob\_kneeley@pediatrix.com