

Parent of River Park finalizes acquisition of nine hospitals – Transaction encompasses more than 1,000 beds in five states

Capella Healthcare, the parent company of River Park Hospital, has finalized the acquisition of nine general acute care hospitals representing approximately \$425 million in net revenue from Community Health Systems Inc.

“After a period of customary due diligence and regulatory approval processes, our team is delighted to have these nine hospitals join our family,” said Daniel S. Slipkovich, chief executive officer of Capella.

“This transaction represents significant growth for Capella, and we are very excited about the opportunity to share our expertise and resources with these hospitals and their communities.”

Capella and CHS entered into a definitive agreement in late November 2007. Combined, the nine new hospitals owned by Capella have 1,070 beds and employ nearly 4,000 people across five states. They include:

- Willamette Valley Medical Center in McMinnville, Ore.
- Saint Mary’s Regional Medical Center in Russellville, Ark.
- National Park Medical Center in Hot Springs, Ark.
- Mineral Area Regional Medical Center in Farmington, Mo.
- White County Community Hospital in Sparta, Tenn.
- Parkway Medical Center in Decatur, Ala.
- Woodland Medical Center in Cullman, Ala.
- Hartselle Medical Center in Hartselle, Ala.
- Jacksonville Medical Center in Jacksonville, Ala.

Following this acquisition, the Capella family now includes four hospitals in Alabama, three in Tennessee, two each in Arkansas and Oklahoma, two in the Pacific Northwest and one in southern Missouri. Notably, White County Community Hospital in Sparta is located 25 miles from River Park.

“It is very important to note that this expansion will not affect the resources or strategic direction of River Park,” said Tom Anderson, president and co-founder of Capella. “In order to remain flexible and accessible to River Park and the McMinnville community, we are expanding our team at headquarters to accommodate the resulting needs of these hospitals.”

Funding for this acquisition does not come from the revenues of River Park – or any other Capella hospital. The transaction is being funded by a combination of equity capital from Capella’s partner GTCR Golder Rauner and debt financing led by Citigroup Global Markets Inc., Bank of America Securities LLC and GE Capital Markets.