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Caritas Christi Health Care Closes Sale to Steward Health Care LLC

Boston, MA – November 8, 2010 – Caritas Christi Health Care (CCHC) today announced that it has completed its sale to Steward Health Care System LLC (Steward), a newly formed affiliate of Cerberus Capital Management, L.P. (Cerberus). The sale had already been approved by the Massachusetts Supreme Judicial Court, Attorney General and Department of Public Health, as well as the Roman Catholic Archdiocese of Boston and the Vatican. The system will continue to operate under the Caritas Christi banner following the sale.

The sale to Steward includes six CCHC hospitals: St. Elizabeth’s Medical Center in Brighton, Carney Hospital in Dorchester, Norwood Hospital, Good Samaritan Medical Center in Brockton, Saint Anne’s Hospital in Fall River, and Holy Family Hospital in Methuen. Steward has also acquired the assets of other CCHC entities, including the Caritas Physician Network, Caritas Hospice and Home Care, Laboure College, and Por Cristo. As a result of the transaction, the Caritas system will no longer operate on a non-profit, tax free basis and will begin paying all applicable state and local taxes and continue to provide established levels of free care for the uninsured, community benefits and pastoral care.

The completed transaction brings approximately \$895 million of capital to the Caritas Health Care System to be used for the assumption of pension obligations, repayment of debt, funding for operations and significant capital projects, including immediate upgrades to Caritas’ six hospitals.

“We owe a debt of gratitude to our employees, the communities Caritas Christi Health Care System serves, the Archdiocese of Boston and to the state of Massachusetts for their support and approval of this transaction,” said Ralph de la Torre, MD, CEO of Steward. “With the purchase of Caritas Christi, Steward Health Care System will become a model for high-quality, low-cost, community-based health care. We look forward to continuing our service to the communities that have put their trust in us.”

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Dr. Ralph de la Torre and the current senior leadership at CCHC will remain in place and the six Caritas hospitals will continue to deliver care that adheres to the Ethical and Religious Directives for Catholic Health Care.

“Cerberus is proud to be associated with Caritas Christi,” said W. Brett Ingersoll, Director of Steward and Co-Head of Private Equity at Cerberus Capital Management, LP. “Its health care model promises a bright future for the system. We look forward to working with Caritas’ outstanding management team to build a community-based health care model that will thrive for many years to come.”

The acquisition provides \$400 million in capital for infrastructure and technology improvements for the Caritas health care system. The hospitals will undergo major infrastructure improvements and experience the benefits of significant investments in clinical technology and health care information technology. This new technology will improve efficiency through better physician communication and clinical integration.

“We are investing in the Caritas hospitals for the long term and building a strong, community-based accountable care organization (ACO) for Massachusetts,” said de la Torre. “The Steward ACO will focus on prevention and high quality, compassionate care while offering patients access to world-class physicians and the latest clinical technology. As an ACO, Steward will organize all aspects of clinical care around the patient to ease the burden of coordinating care that many patients experience in the current health care delivery system.”

About Steward Health Care

Steward Health Care is a community-based accountable care organization. Headquartered in Boston, Steward has more than 13,000 employees serving over 600,000 patients annually in 85 communities. Hospitals in the system include Saint Anne’s in Fall River, Holy Family Hospital in Methuen, St. Elizabeth’s Medical Center in Brighton, Norwood Hospital in Norwood, Carney Hospital in Dorchester, and Good Samaritan Medical Center in Brockton. Further information is available at www.CaritasChristi.org.