



Caritas Christi Health Care and Cerberus Capital Management Transaction Overview

Financial & Non-Financial Consideration

Under the terms of the purchase agreement, Caritas will receive a commitment of \$830 - \$850 million of capital support upon completion of the transaction, which is subject to customary closing conditions including regulatory approvals. These benefits will include:

- Approximately \$430 - \$450 million generated through:
 - the assumption of all pension obligations for our current and former employees;
 - the repayment of virtually all of the system's outstanding debt; and
 - the investment of significant additional capital to help fund the system's operations going forward.
- Approximately \$400 million of capital improvements in Massachusetts, including six major, immediate construction projects to improve the facilities of each of the hospitals.

In addition to the substantial economic benefits that the sale will bring to the Caritas system, the purchase agreement also contains several other commitments that will benefit Caritas and the communities we serve in Massachusetts and New England. Among other things, the agreement provides that:

- The system will remain a Massachusetts-based business headquartered in the Greater Boston area;
- Current management will remain in place;
- The system will maintain employment levels, compensation and benefits;
- The system will continue to run the 6 hospitals as Catholic health care providers true to the Ethical and Religious Directives for Catholic Health Care Services;
- The system will maintain existing policies on community benefits and charitable and pastoral care;
- Cerberus will maintain a long-term investment horizon underscored by a commitment to refrain from undertaking an initial public offering, a sale, transfer of control or merger with a third party, or the incurrence of debt for the purpose of paying a dividend or other distribution to equity holders, for at least 3 years after the close of the transaction.

Upcoming Caritas Christi Construction Projects

- Seven projects on six sites in the Caritas Christi system:
 - \$100M project resulting in 117,000 SqFt of hospital space
- Creating new jobs in areas with the highest unemployment in the Commonwealth:
 - 110 design, engineering and consulting jobs
 - 500 construction jobs
 - 500 new jobs from Hospital projects

- Related stimulus jobs: 3,757
- Total potential new jobs: 4,867
- Increasing the size of our overcrowded EDs (originally built between 1954 and 1972)
- 60% of all inpatients come through the ED
 - 103 ED treatment bays serving 150,000 patients per year (an increase of 22 bays)
- Modernizing ORs in 2 of our poorest communities to ensure that we can continue to care for our patients where they live
 - 6 ORs handling 18,000 cases per year
- Modernizing radiation therapy so that our patients can have access to a full continuum of oncology care with seamless connection among their primary care provider, their medical oncologist, their surgeon and their radiation oncologist.