



FOR IMMEDIATE RELEASE
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**CAPELLA HEALTHCARE TO PURCHASE NINE HOSPITALS
FROM COMMUNITY HEALTH SYSTEMS, INC.**

Acquisition encompasses more than 1,000 beds in five states

FRANKLIN, TENN. – Capella Healthcare has signed a definitive agreement to purchase nine general acute care hospitals from Community Health Systems Inc., officials announced today.

Both companies are working on the regulatory approval processes and expect to close the transaction by first quarter 2008. Funding for the \$315 million deal will come from a combination of equity capital from Capella's partner GTCR Golder Rauner and debt financing led by Citigroup Global Markets Inc., Banc of America Securities LLC and Merrill Lynch Capital. Merrill Lynch acted as M&A advisor to Capella on this transaction.

"This is a banner day for the Capella team, in that this transaction represents significant growth for our company and our hospitals," said Daniel S. Slipkovich, Chief Executive Officer of Capella. "CHS is known for running clinically strong, operationally sound community hospitals. We are excited about the opportunity to share our expertise and our resources with these facilities to build on their strong track records."

Founded in 2005, Capella presently owns and operates five thriving hospitals across the nation. During its time of ownership, Capella has invested millions of dollars in improving and expanding its family of hospitals.

Combined, the nine hospitals being acquired by Capella have 1,070 beds and employ nearly 4,000 people. They include:

- **Willamette Valley Medical Center** in McMinnville, Ore., an 80-bed hospital accredited by The Joint Commission that is located 40 miles southwest of Portland;
- **Saint Mary's Regional Medical Center** in Russellville, Ark., a 170-bed facility accredited by The Joint Commission that has served the Arkansas River Valley since 1925;
- **National Park Medical Center** in Hot Springs, Ark., a 156-bed facility accredited by The Joint Commission that serves five counties in Central Arkansas;
- **Mineral Area Regional Medical Center** in Farmington, Mo., a 135-bed facility accredited by the American Osteopathic Association and located 80 miles south of St. Louis;
- **White County Community Hospital** in Sparta, Tenn., a 60-bed facility accredited by The Joint Commission that is located 60 miles east of Nashville;
- **Parkway Medical Center** in Decatur, Ala., a 108-bed hospital accredited by The Joint Commission that is located approximately 35 minutes west of Huntsville;
- **Woodland Medical Center** in Cullman, Ala., a 100-bed hospital accredited by The Joint Commission that is located 45 minutes from both Huntsville and Birmingham;
- **Hartselle Medical Center** in Hartselle, Ala., a 150-bed facility accredited by The Joint Commission that is located 45 minutes southwest of Huntsville; and
- **Jacksonville Medical Center** in Jacksonville, Ala., an 89-bed facility accredited by The Joint Commission that is located 80 miles east of Birmingham.

*Capella to Add Nine Hospitals
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Four of the nine hospitals – Jacksonville Medical, St. Mary’s, National Park and Willamette Valley – were previously owned by Triad Hospitals Inc. Community Health Systems completed its acquisition of Triad in July.

“Capella is focused on providing quality care by helping hospitals reach their full potential and meet the healthcare needs of their communities,” said Tom Anderson, President and co-founder of Capella. “We are looking forward to working with the employees, medical staffs and boards of these hospitals to best serve their patients.”

About Capella Healthcare

Based in Franklin, Tenn., Capella Healthcare partners with communities to build strong local healthcare systems that are known for quality patient care. Capella’s senior leadership team has more than 200 years of combined experience managing over 200 hospitals. With the financial backing of GTCR Golder Rauner, the company has access to significant resources for the expansion and improvement of its hospitals and the services they provide. Capella operates five thriving hospitals across the nation. For more information, please visit www.capellahealth.com.

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