

Steward Health Care System, LLC
Summary Consolidated Income Statement
(Dollars in Millions)

	<u>FY11 Prelim</u>	<u>FY12 Budget</u>	<u>Growth</u>	<u>%</u>
Revenues				
Net Patient Service Revenue	1,314.0	1,489.8	175.8	13%
Premium Revenue	148.8	138.3	-10.5	-7%
Other Revenue	<u>59.5</u>	<u>87.8</u>	<u>28.3</u>	48%
Revenues	1,522.3	1,716.0	193.6	13%
Operating Expenses				
Salaries, Wages and Benefits	874.0	953.3	79.3	9%
Contract Labor	4.3	5.1	0.8	19%
Supplies & Other	442.8	495.9	53.1	12%
Bad Debt	57.2	56.9	-0.3	0%
Purchased Provider Services	70.4	82.0	11.5	16%
Reorganization Expense	13.2	0.1	-13.1	-99%
Transaction Expense	<u>17.8</u>	<u>9.7</u>	<u>-8.1</u>	-46%
Operating Expenses	1,479.7	1,603.0	123.3	8%
EBITDA	42.7	113.0	70.3	165%
Adjustments	<u>41.0</u>	<u>11.6</u>	<u>-29.4</u>	-72%
Adjusted EBITDA	83.7	124.6	40.9	49%
<i>Adjusted EBITDA Margin</i>	<i>0.0</i>	<i>0.0</i>		
Less: Adjustments	41.0	11.7	-29.3	-71%
Less: Depreciation and Amortization	<u>68.0</u>	<u>85.9</u>	<u>17.9</u>	26%
EBIT (Operating Income)	-25.4	38.0	63.3	250%
Non-Operating Gains - Net	-1.2	0.7	1.9	154%
Defined Benefit Pension	17.4	7.7	-9.7	-56%
Interest Expense	2.5	8.0	5.5	217%
Taxes	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	n/a
Net Income	-46.5	23.0	69.5	149%

Notes

FY11 results are for the full fiscal year, including October 1 - November 5 prior to the Steward acquisition
FY11 results are preliminary and are unaudited - audit is currently in process (Ernst & Young)
FY11 results include Merrimack Valley Hospital and Nashoba Valley Medical Center beginning May 1
FY11 reorganization expenses including a nursing early retirement program and other restructuring costs
Transaction expenses include legal and consulting expense associated with the Steward transaction and other acquisitions
In addition to reorg and transaction expense, adjustments to EBITDA include state unemployment tax costs
FY12 budget includes Morton Hospital. Quincy Medical Center not yet included in budget due to timing issues

Steward Health Care System

Consolidated Balance Sheet as of September 30, 2011

(Dollars in Millions)

<u>ASSETS</u>		<u>LIABILITIES AND EQUITY</u>	
Cash & Cash Equivalents	\$ 33.5	Notes Payable	96.3
Current Assets Limited as to Use	1.3	Current Portion of LT Debt	1.4
Net Patient Accounts Receivable	142.9	AP and Accrued Expenses	260.8
Other Current Receivables	23.7	Third Party Payables	7.7
Inventory and Other CA	<u>33.2</u>	Other Current Liabilities	<u>9.0</u>
Total Current Assets	234.6	Total Current Liabilities	375.3
Board Designated Investments	0.8	Long-term Debt	2.0
Malpractice Trust	55.1	Third Party Payables	9.1
Restricted Investments	<u>1.8</u>	Other LT Liabilities	<u>337.5</u>
Total Assets Limited as to Use	57.7	Total Non-Current Liabilities	348.5
PP&E - net	469.7	Shareholders' Equity	193.7
Other Assets - net	155.5		
Total Assets	<u><u>917.5</u></u>	Total Liabilities and Equity	<u><u>917.5</u></u>

FIN 141 Opening Balance Sheet work is not fully reflected in the above; numbers may change as a result (primarily PP&E).