

## MERCY HOSPITAL LEVERAGES REAL ESTATE TO IMPROVE PATIENT CARE

### *Mercy Sells 6.6 Acres of Ocean Front Property in Landmark Deal*

**MIAMI, FL (November 18, 2004)** - Mercy Hospital, Inc. has signed an agreement with Ocean Land Equities, Inc. to sell 6.6 acres of its ocean front property for \$96 million. All funds will remain local and proceeds will be utilized to enhance clinical programs.

Mercy developed a strategy to leverage one of its most valuable assets – land, in order to continue to deliver the very best healthcare services while caring for the community regardless of their financial resources.

Mercy will need close to \$200 million in capital to fund a number of patient care initiatives over the next five years. The infusion of capital from this land sale will subsidize less than half of the financial needs of Mercy Hospital over the next five years.

"This transaction has placed Mercy Hospital in a position to continue to expand and develop the cutting-edge programs needed to provide the highest quality healthcare to our community. It will also allow Mercy to further its mission of caring for the poor and underserved," said John E. Matuska, president and CEO of Mercy Hospital.

While this project will allow Mercy to continue to develop and enhance its clinical programs, this sale of land will not limit the Hospital's ability for future construction as there is still a substantial amount of land for expansion. The Mercy campus is comprised of 42.5 total acres of land including 2,078 linear feet of water front.

Jean François Roy, principal at Ocean Land Equities, Inc. said, "I am honored to be able to do something good for Mercy Hospital. I hope to do more of these types of deals with other worthy not-for-profits like Mercy."

The Related Group of Florida will develop this property, which will be designed by Arquitectonica and will consist of three buildings along Biscayne Bay in the southeast corner of Mercy's existing property. A Mercy commissioned traffic study indicates a potential for additional construction without directly impacting Bayshore Drive traffic.

"This is one of the most incredible sites in the City of Miami. It is wonderful that this project will benefit Mercy Hospital, a Catholic institution that has done so much for so many, for decades," added Jorge M. Perez, chairman, The Related Group of Florida.

The patient care projects Mercy will develop in the next five years include: an emergency department (ED) expansion almost tripling the size of the current ED, upgrading all patient care units, purchasing new technology and expanding clinical programs.

Mercy Hospital, a recipient of the HealthGrades Distinguished Hospital Award for Clinical Excellence™, as well as the J.D. Power and Associates Distinguished Hospital for Service Excellence in 2003 and 2004, is a comprehensive medical center, sponsored by the Sisters of St. Joseph, and part of Catholic Health East - one of the nation's largest healthcare systems. The 483-bed hospital currently has more than 900 physicians on staff representing 28 medical specialties. Its Centers of Excellence include: The Heart Center at Mercy Hospital, the Miami Cancer Center at Mercy Hospital, and The Orthopaedic Institute at Mercy Hospital. Mercy Hospital is located at 3663 S. Miami Avenue, Miami, FL.

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