

## **Thoma Cressey Equity Partners Acquires Controlling Interest in Continuing Care Rx, Inc.**

BOSTON--January 3, 2005--Private equity investment firm Thoma Cressey Equity Partners (TCEP) announces today that on Dec. 29, 2004, it completed a recapitalization of Continuing Care Rx, Inc. (CCRx), a subsidiary of PHI, a Pennsylvania-based 501(c)(3) not-for-profit organization. CCRx provides comprehensive pharmacy services to institutional long-term care, acute and subacute managed care, assisted living and health care systems. As a result of this transaction, TCEP, which has been building companies in partnership with management for almost 25 years, acquired a controlling interest in CCRx.

CCRx serves more than 10,000 long-term-care beds in Pennsylvania and Maryland and nearly 10,000 prison beds in the mid-Atlantic region. Sales have grown to more than \$50,000,000 annually, with a customer retention rate of more than 95 percent. During each of the last two years, CCRx was recognized as one of Central Pennsylvania's Top fastest-growing companies.

"CCRx is a significant player in the Mid-Atlantic States, and Thoma Cressey looks forward to providing capital and support to help continue the company's impressive record of achievement and growth," says Peter Ehrich, vice president, Thoma Cressey Equity Partners.

TCEP's investment will increase PHI's capital reserves by approximately 70 percent. PHI will continue to be a minority shareholder of CCRx and play a part in the company's development. Legg Mason acted as an advisor to PHI on this transaction.

"The relationship with Thoma Cressey enables CCRx to keep its outstanding management and operational teams intact, preserve the excellent CCRx service model and build on the historical strengths of the organization. I believe it will be important to our customers to know that this change will be transparent and that they will continue to value their contact people within our organization," says Thomas Trite, chief executive officer, CCRx.

"The partnership between CCRx and Thoma Cressey offers an exceptional opportunity to support PHI's charitable mission and to continue to serve the long-term-care industry with the high-quality services that have been the driving forces behind the success of CCRx," says Stephen Proctor, chief executive officer, PHI.

"Thoma Cressey's investment in CCRx fits our model of working proactively with exceptional management teams to build leading healthcare businesses," says David Mayer, partner, Thoma Cressey Equity Partners.

### **About CCRx**

Founded in 1996 as a for-profit institutional pharmacy provider based in Newport, Pa., PHI acquired a majority interest in CCRx in 1998. PHI's interest in the institutional pharmacy business was spurred by several pressing needs, including a change in the Medicare reimbursement methodology for long-term-care providers. PHI's major objectives in acquiring CCRx included the need to reduce error rates, improve quality of service and create a straightforward competitive pricing model that was transparent to all customers. PHI also wanted to create and sustain a combination of high-quality service and competitive pricing with a level of integrity consistent with PHI's historical values as a church-related, not-for-profit provider.

## About TCEP

Through its seven funds, TCEP has invested more than \$2.0 billion in more than 80 transactions across a wide range of industries. With offices in Boston, Chicago and San Francisco, TCEP currently manages more than \$1.0 billion in private equity capital. In addition to healthcare, the firm focuses on investments in business services, software and consumer-related businesses. Investors in TCEP funds include some of the leading government and corporate pension plans, financial institutions, university endowments and national foundations. More information about TCEP can be found at [www.thomacressey.com](http://www.thomacressey.com).