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PHOENIX CHILDREN'S HOSPITAL CHARTS COURSE FOR THE FUTURE

***Central Campus Expansion, NICU Renovation and New Urgent Care Centers
To Help the Hospital Serve a Burgeoning Population of Children***

PHOENIX (Oct. 12, 2006) – Phoenix Children's Hospital will undergo a \$450 million, multi-year expansion of its Thomas Road campus to serve what is projected to become one of the largest pediatric markets in the nation.

The expansion will bring the total number of patient beds at the Hospital to 513 from 299 by 2030. As part of the project, the Hospital will build larger diagnostic, treatment and surgical facilities, a new outpatient building, an education and conference center, and a new main entrance/lobby.

"We not only will add capacity, but also create a completely family-centered environment that aids in the care and healing of our community's sickest children," said Bob Meyer, the Hospital's president and CEO.

At a news conference this morning, Meyer advised that the expansion is critical to keeping pace with growth in the Valley and throughout the state. Figures from the Maricopa Association of Governments show that in Maricopa County, the number of children is expected to swell to 1.5 million by 2030, compared to 900,000 today.

"This growth is placing greater demands on all hospitals, but particularly on Phoenix Children's Hospital," he said. "Truly, a crisis in pediatric health care is coming."

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Aside from the facility expansion, Phoenix Children's Hospital is addressing the need for additional medical services through a \$23 million renovation of its neonatal intensive care unit on the campus of Banner Good Samaritan Regional Medical Center. The nursery will expand to 38,000 square feet – four times its current size – and will include 76 private patient rooms, making it one of the largest and most advanced facilities of its kind when complete in January 2008.

The Hospital also will open a network of ambulatory clinics and urgent care centers in high-growth areas of the Valley. The first 30,000-square-foot clinic, north of U.S. 60 at Southern Avenue and Higley Road in Mesa, will break ground in mid-2007 and will be followed by construction of additional centers in the West and Northwest Valleys. The centers will complement pediatric services in their communities with comprehensive sub-specialty care on weekdays and urgent care in the evenings and on weekends.

Phoenix Mayor Phil Gordon believes the expansion is a milestone in the development of the Hospital and the community. "Phoenix is a world-class city, and this assures us that our children's hospital will continue to provide world-class medical care to a rapidly growing population of kids."

Gordon said there would be economic benefits, too: the expansion will create approximately 600 new jobs, increasing the Hospital's total workforce by nearly 30 percent.

The first phase of the project is under way, and an architect will be selected by the end of the year. Funding for Phase I also is in place, and the remainder will come from Hospital operations, the Hospital's Foundation, outside financing and other sources, as needed, Meyer said.

He noted that the expansion is part of a master plan developed by the Hospital's leadership and endorsed by the local medical community. The plan includes continued recruitment of physicians, development of clinical practices, and partnerships with local and national research organizations to uncover breakthroughs in children's medicine "and ensure a long and healthy future for our patients," he said.

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