

Memo



June 21, 2007

To: Forum Health Community
From: Keith T. Ghezzi, M.D., President and CEO
Subject: Moody's Report

Moody's Investor Services, a firm that advises investors on developments at Forum Health, issued a report today that praises improvements in our operating performance but cautions about the lack of an agreement so far with the Youngstown General Duty Nurses/Ohio Nurses Association.

The report says Forum "continues to show progress on improving operations," but it also cites "uncertainty" about the status of negotiations with YGDNA/ONA. As a result, Moody's is again placing Forum on "watch list" status as a caution to investors. The overall rating it places on the quality of our \$175 million in debt remains unchanged.

Moody's and other ratings services regularly review our performance, and today's report does not affect our strategy of attracting new investment in Forum. It does underscore the importance of our current labor talks in helping to secure a robust future for Forum Health.

Negotiations between Forum and YGDNA/ONA are continuing, with the help of an independent federal mediator, and we will work diligently to reach an agreement before the current contract expires on July 19.

For a link to the full Moody's report, go to our web site: www.forumhealth.org and click on the Open Forum button.

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