



Bank of America Merrill Lynch Healthcare Conference

May 11, 2010



2010 Health Care Conference

Bank of America
Merrill Lynch 

Forward-looking Statements

Certain statements contained in this presentation constitute forward-looking statements. Such forward-looking statements are based on management's current expectations and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results to be materially different from those expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and regionally; industry capacity; demographic changes; changes in, or the failure to comply with, laws and governmental regulations; the ability to enter into managed care provider arrangements on acceptable terms; changes in Medicare and Medicaid payments or reimbursement, including those resulting from a shift from traditional reimbursement to managed care plans; liability and other claims asserted against the Company; competition, including the Company's failure to attract patients to its hospitals; the loss of any significant customers; technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, health care; a shortage of raw materials, a breakdown in the distribution process or other factors that may increase the Company's cost of supplies; changes in business strategy or development plans; the ability to attract and retain qualified personnel, including physicians, nurses and other health care professionals, including the impact on the Company's labor expenses resulting from a shortage of nurses or other health care professionals; the significant indebtedness of the Company; the availability of suitable acquisition opportunities and the length of time it takes to accomplish acquisitions; the Company's ability to integrate new businesses with its existing operations; and the availability and terms of capital to fund the expansion of the Company's business, including the acquisition of additional facilities. Certain additional risks and uncertainties are discussed in the Company's filings with the Securities and Exchange Commission, including the Company's annual report on Form 10-K and quarterly reports on Form 10-Q. Do not rely on any forward-looking statement, as we cannot predict or control many of the factors that ultimately may affect our ability to achieve the results estimated. We make no promise to update any forward-looking statement, whether as a result of changes in underlying factors, new information, future events or otherwise.

Non-GAAP Information

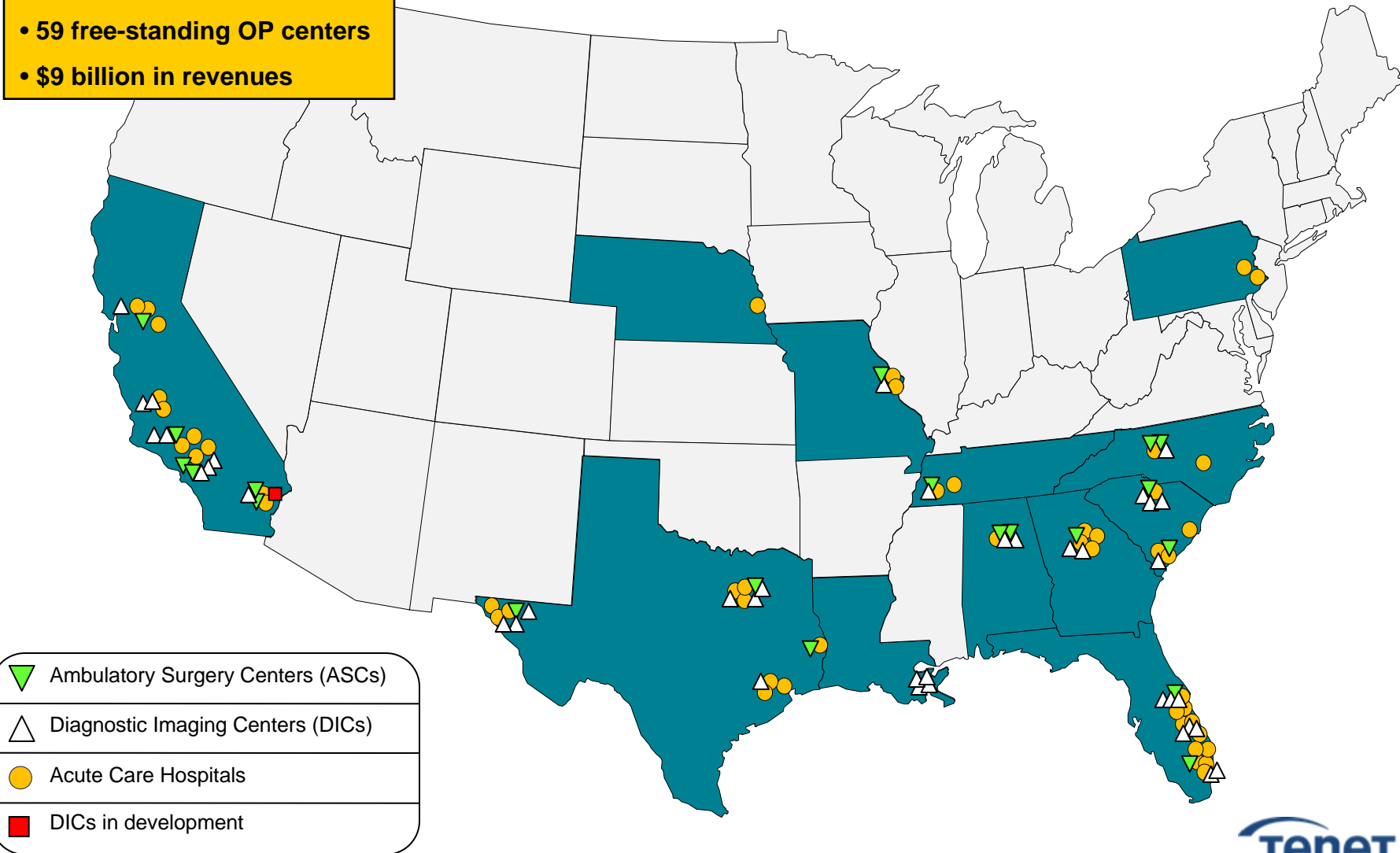
This document includes certain financial measures such as adjusted EBITDA, which are not calculated in accordance with Generally Accepted Accounting Principles (GAAP). Management recommends that you focus on the GAAP numbers as the best indicator of financial performance. These alternative measures are provided only as a supplement to aid in analysis of the Company.

Reconciliation between non-GAAP measures and related GAAP measures can be found in our Q1'10 quarterly earnings release issued on May 4, 2010.



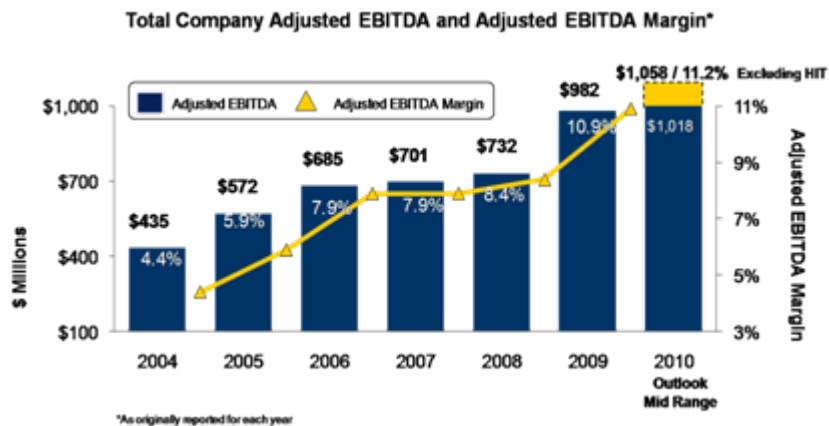
Where our hospitals and outpatient centers are located

- 49 acute care hospitals
- 59 free-standing OP centers
- \$9 billion in revenues

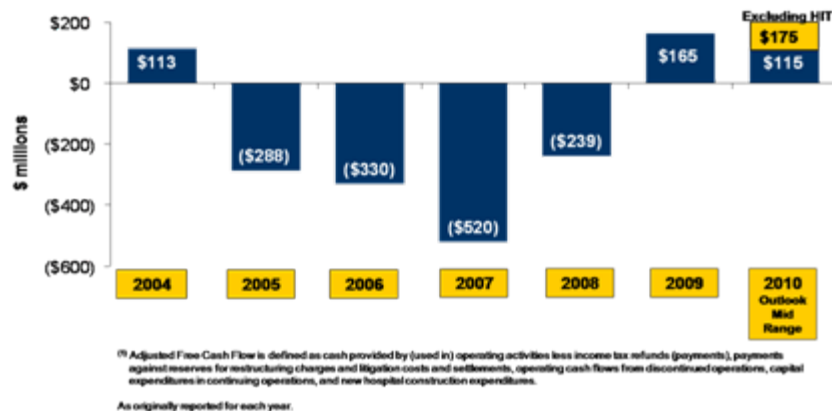


Earnings, cash flow and balance sheet all strengthened

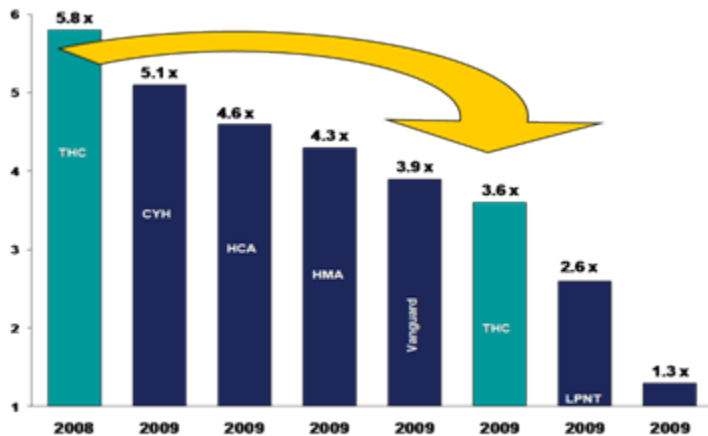
Adjusted EBITDA shows attractive trend



Adjusted Free Cash Flow has strengthened⁽¹⁾

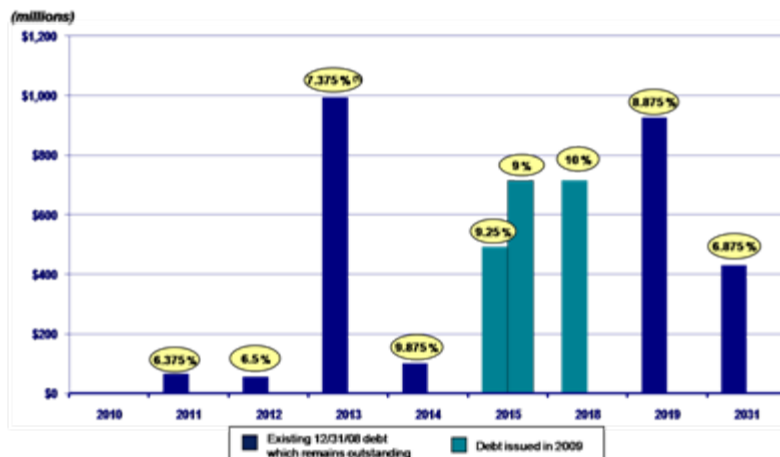


Improved THC leverage ratio⁽¹⁾



⁽¹⁾ Debt less cash and cash equivalents divided by LTM adjusted EBITDA.

Near-term debt maturities extended



⁽¹⁾ Effective 5/2/2009 Tenet entered into an interest rate swap agreement that converts our 7.375% senior notes due 2013 to a variable interest rate based on the one-month LIBOR plus a spread of 5.46%. The interest rate swap was terminated on November 12, 2009.

Q1'10 Highlights

- Admissions down 2.0%; revenues up 3.4%; adjusted EBITDA up 7.2%
- Adjusted EBITDA greater than in any first quarter since 2003; achieved with half the number of hospitals
- 12.7% adjusted EBITDA margin, highest quarterly margin in seven years
- Solid cost efficiencies
 - Labor trends have improved
 - Turnover improved 12%
 - Contract labor and overtime costs down 36% and 2%, respectively
 - Medical malpractice expense down 48%
 - 3.5% increase in controllable operating expense PAPD
- Leverage ratio reduced from 5.8x (12/31/08) to 3.7x (3/31/10)
- Bad debt expense ratio increase of just 10 basis points from Q4'09
- \$589 million in cash and cash equivalents as of 3/31/10
- Outlook very realistic; cost conservative

* All percentage changes compare Q1'10 to Q1'09 unless otherwise noted.



Sources of margin expansion

- Outpatient growth earns higher margins
 - Organic and inorganic growth in outpatient
- Incremental volumes can leverage existing excess capacity
- Operating leverage enhanced through strong cost discipline
- Cost savings generated from Medicare Performance Initiative (MPI)
- 2010 challenges expected to subside:
 - Commercial enrollment should improve in recovery
 - Bad debt mitigated by economic recovery
 - HIT: front-loaded expenses/ back-loaded incentives and operational benefits
- Expect to benefit from coverage expansion under healthcare reform



tenet