



Tenet Healthcare Corporation

***Credit Suisse Healthcare
Conference***

November 10, 2011

Forward-looking statements



Certain statements contained in this presentation constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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: the passage of health care reform legislation and the enactment of additional federal and state health care reform; other changes in federal, state and local laws and regulations affecting the health care industry; general economic and business conditions, both nationally and regionally; 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; liability and other claims asserted against the Company; competition, including the Company’s ability to attract patients to its hospitals; technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, health care; changes in business strategy or development plans; the ability to attract and retain qualified personnel, including physicians, nurses and other health care professionals, and the impact on the Company’s labor expenses resulting from a shortage of nurses or other health care professionals; the indebtedness of the Company; the Company’s ability to integrate new businesses with its existing operations; the availability and terms of capital to fund the expansion of the Company’s business, including the acquisition of additional facilities; the creditworthiness of counterparties to the Company’s business transactions; adverse fluctuations in interest rates and other risks related to interest rate swaps or any other hedging activities the Company undertakes; the ability to continue to expand and realize earnings contributions from the Company’s Conifer revenue cycle management and patient communication businesses; and its ability to identify and execute on measures designed to save or control costs or streamline operations. 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. The Company specifically disclaims any obligation 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 presentation includes certain financial measures, such as adjusted EBITDA, that 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 at the end of this presentation.

This reprint is not intended as and should not be interpreted as a current reconfirmation of those forward-looking statements.

Acute Care Hospitals ⁽¹⁾	50	2011 Extending Strong Growth Trend <ul style="list-style-type: none"> ▪ EBITDA Outlook Range of \$1,175mm - \$1,275mm <ul style="list-style-type: none"> ▪ 12% EBITDA growth over 2010 to lower end of range ▪ CFFO Outlook growth of 10-35% ▪ Volume growth building momentum
Beds ⁽¹⁾	13,500	
Employees	57,000	
US Coverage ⁽¹⁾	11 states	
Inpatient Admissions ⁽²⁾	515,000+	
Outpatient Visits ⁽²⁾	4mm	
Revenue ⁽²⁾	\$9.5 bn	Corporate Governance <ul style="list-style-type: none"> ▪ Independent Chairman of the Board ▪ 9 out of 10 board members are independent ▪ Diversified Board experience in public sector, healthcare, accounting and finance, technology and manufacturing
Equity Market Value ⁽³⁾	\$2.7 bn	
Enterprise Value ⁽⁴⁾	\$6.6 bn	
Net Debt	\$3.9 bn	

1. Continuing operations as of September 30, 2011.

2. LTM continuing operations as of September 30, 2011.

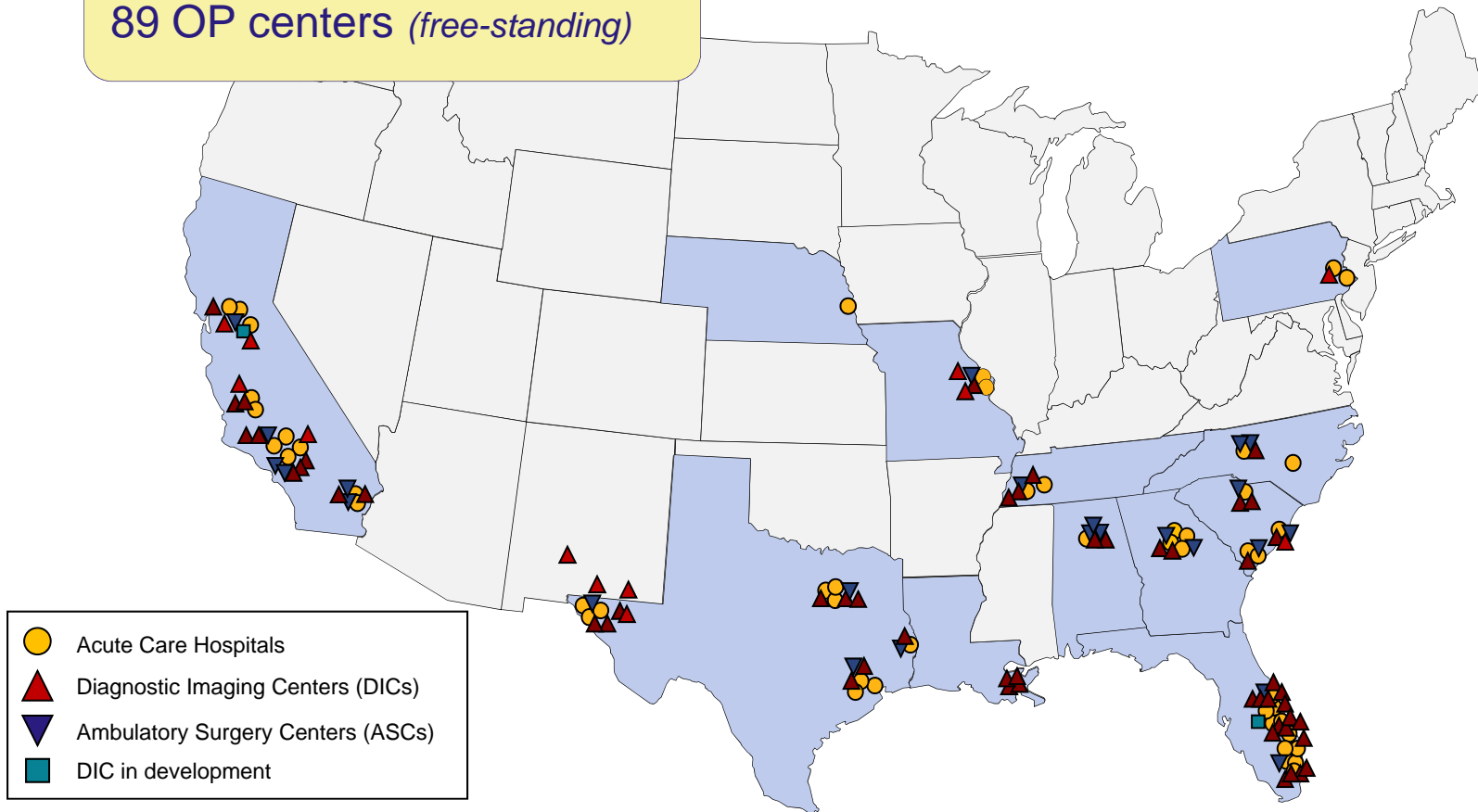
3. Based on THC share price of \$5.00.

4. \$2.7 billion equity value (includes mandatory convertible) plus \$4.1 billion in debt less \$0.2 billion in cash, as of September 30, 2011.

High growth, sunbelt markets



50 acute care hospitals
89 OP centers (*free-standing*)



Diversified asset portfolio in attractive markets

Compelling investment potential



Track record of superior growth

Proven strategies for further growth

Upside potential from economic cycle

Upside from Affordable Care Act

Strong cash flow growth expectation

**Attractive
Investment
Value**

*Gap between Tenet's current multiple and industry's is worth > \$2.00/share
> 40% premium to current trading range*

Tenet has outperformed its peers

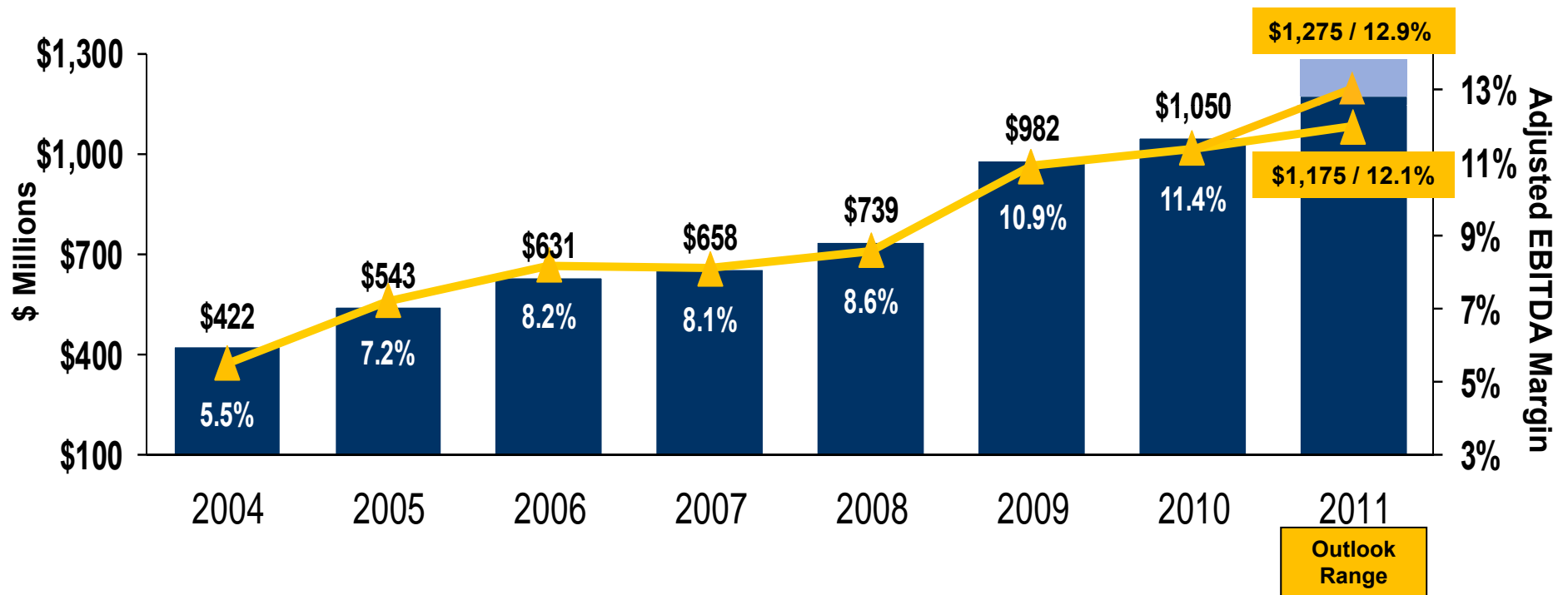


Percentage of quarters since Q1'07 where Tenet's same-hospital growth met or exceeded its peers:



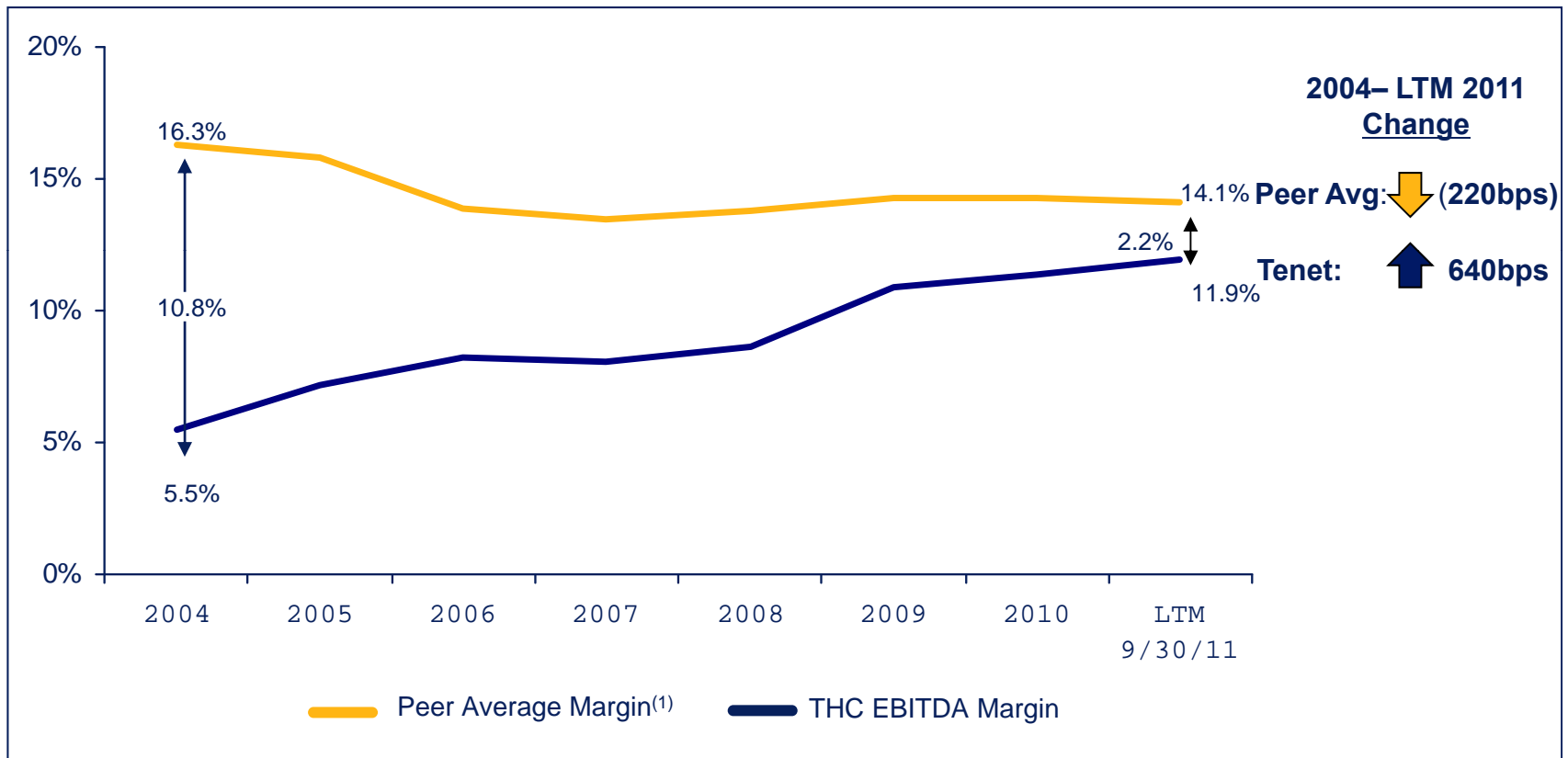
	CHS	HCA Hospital Corporation of America	HMA	LIFEPOINT HOSPITALS, INC.	UHS Universal Health Services	Peer Average
Admissions Growth	79%	47%	58%	68%	58%	63%
EBITDA Growth	58%	68%	63%	58%	47%	58%

Adjusted EBITDA⁽¹⁾ shows attractive growth trend



1. Data reflects the results of our existing 49 hospitals.

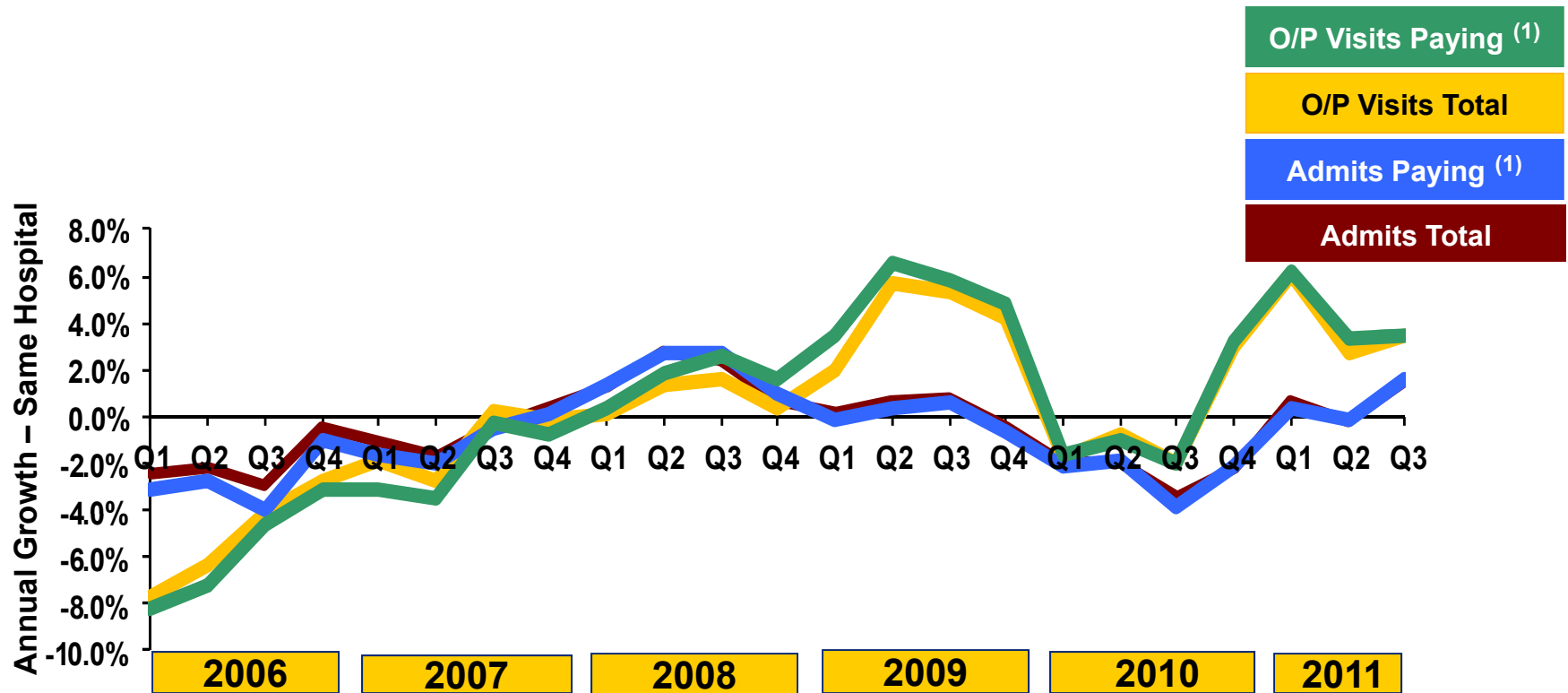
Tenet's consistent EBITDA improvement relative to peers has narrowed the margin gap



Tenet is on track to exceed current industry average margins

1. Peer Average EBITDA margin of Community Health Systems, Hospital Corporation of America, Health Management Associates, LifePoint, Universal Health Services and Vanguard Health Systems. Last 12 months as of 9/30/11.

Volumes: admissions and O/P visits growing



(1) Paying admissions/visits are defined as total admissions/visits less charity and uninsured admissions/visits.

Earnings drivers advanced in Q3'11



1 Outpatient

- 10 outpatient acquisitions completed in to date in 2011
- Remain on track for 15-25 outpatient acquisitions in 2011

2 Conifer

- Conifer added 26 new clients in 2011
 - 9 in Revenue Cycle
 - 17 in Patient Communications
- More than 200 clients across Revenue Cycle, Patient Communications and Cap Management

3 MPI

- MPI *reduced* supply costs by 1.9% PAPD (Q3'11 versus Q3'10)
 - Expect to outperform initially projected cost savings of \$50m in 2011
 - Expect \$80mm of incremental savings in 2012

4 Health IT

- Health IT captured \$50mm in government incentives in 1H'11
 - Expect an incremental \$15mm in Q4'11

5 Bad Debt

- Bad debt ratio declined to 8.2% in Q3'11 from 8.3% in Q3'10

6 Operating Leverage

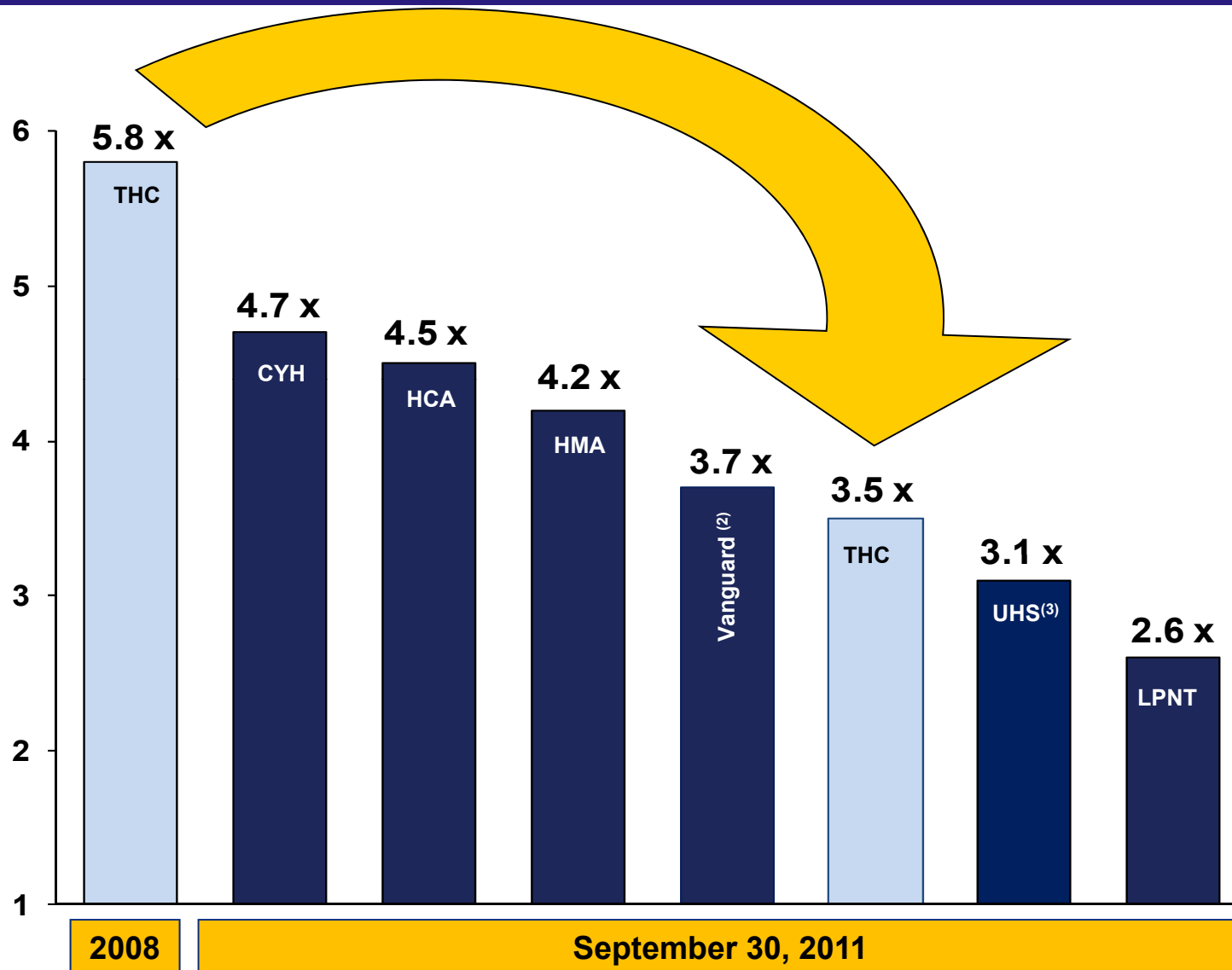
- Driven by volume growth
 - Moderation in rate of decline in commercial admissions, and positive growth in commercial outpatient visits
 - Innovations like ACO in northern California expected to contribute to meeting growth objectives

7 Affordable Care Act

- Reimbursement cuts from early stage implementation of Affordable Care Act offset by cost efficiencies and commercial pricing increases
- Potential sequestration effect of 2% reduction already partially offset by 1% annual update for FY2012

Poised for additional value creation in 2012 and beyond

Leverage ratio⁽¹⁾

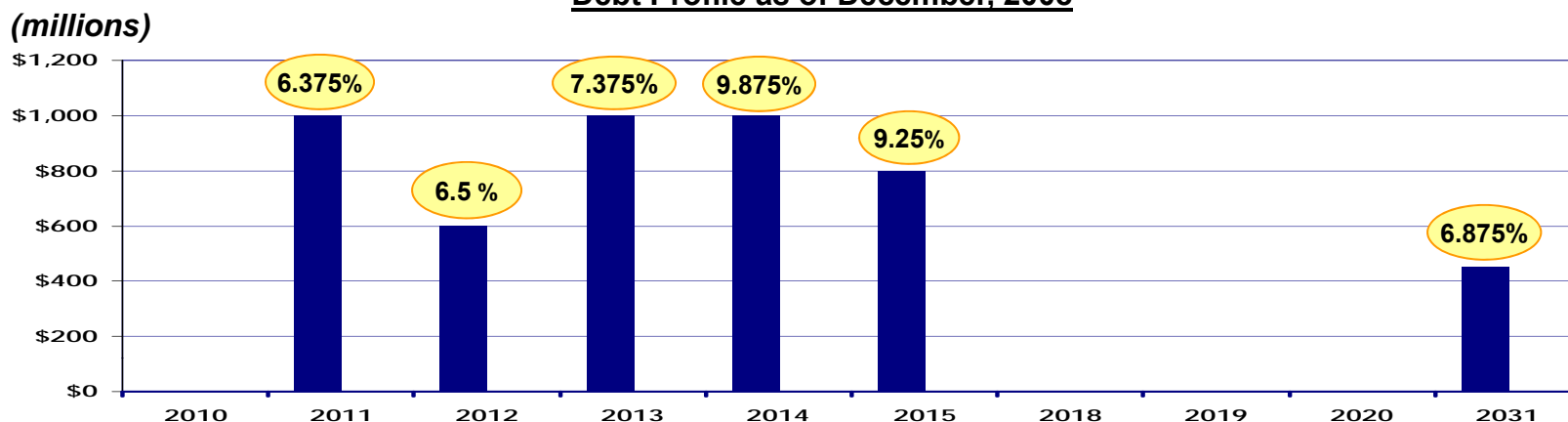


(1) Total debt less Cash and Cash Equivalents / LTM EBITDA (2) Vanguard adjusted for recent major acquisition. (3) UHS adjusted for the Psychiatric Solutions acquisition.

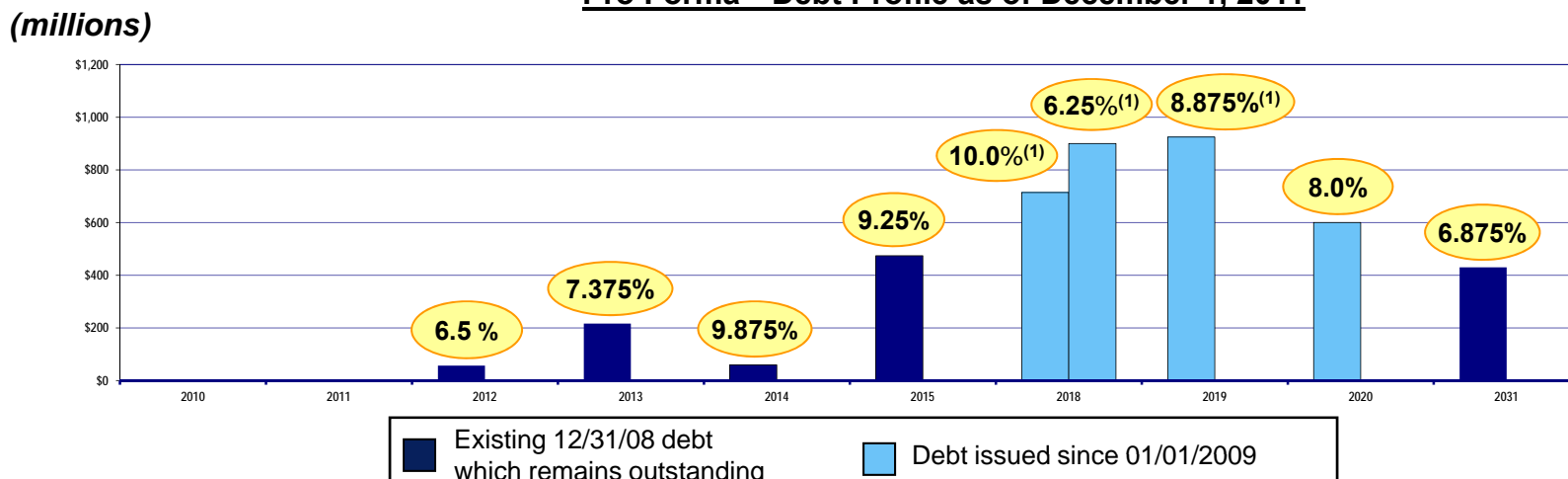
Near-term debt maturities extended



Debt Profile as of December, 2008



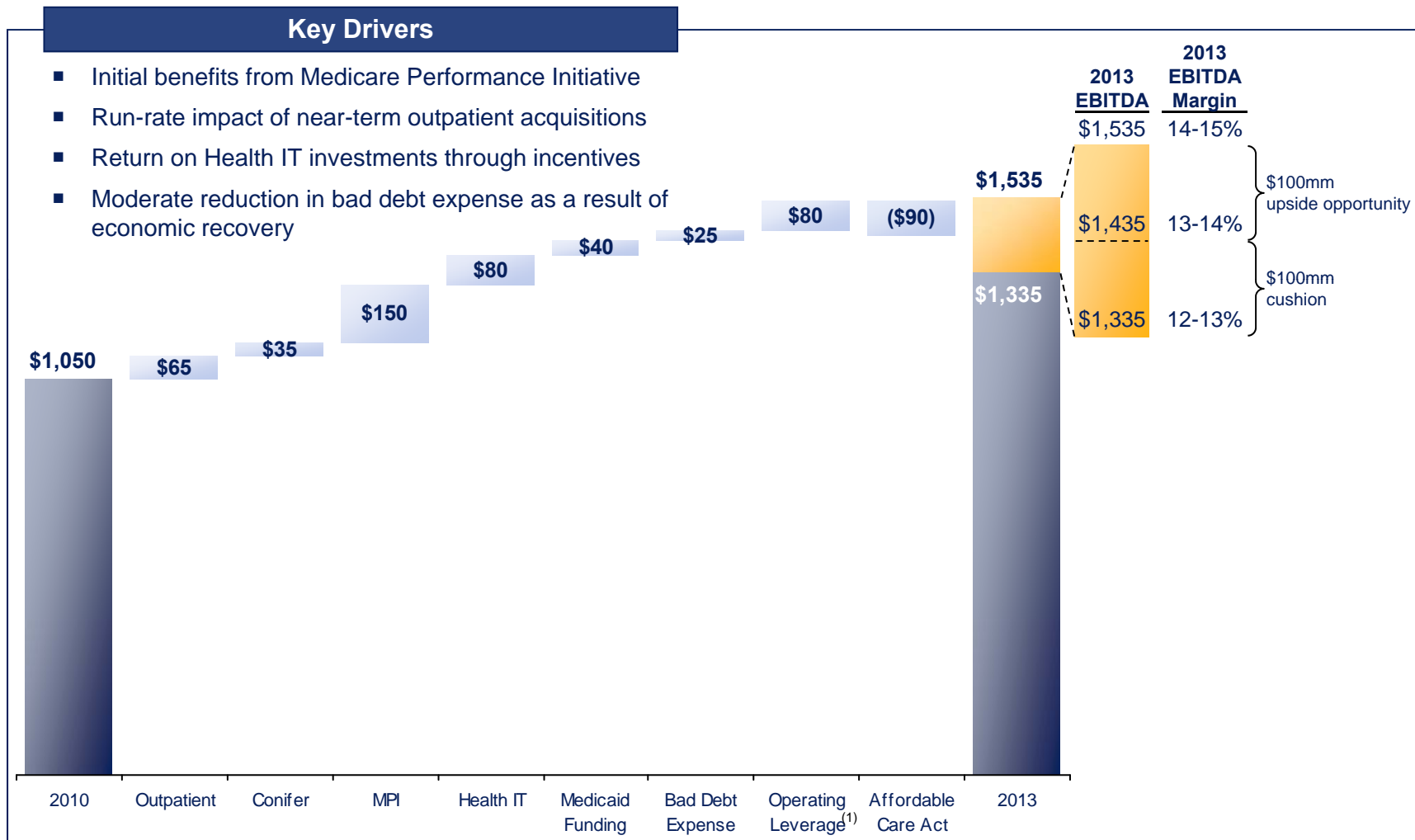
Pro Forma⁽²⁾ Debt Profile as of December 1, 2011



(1) Secured Debt

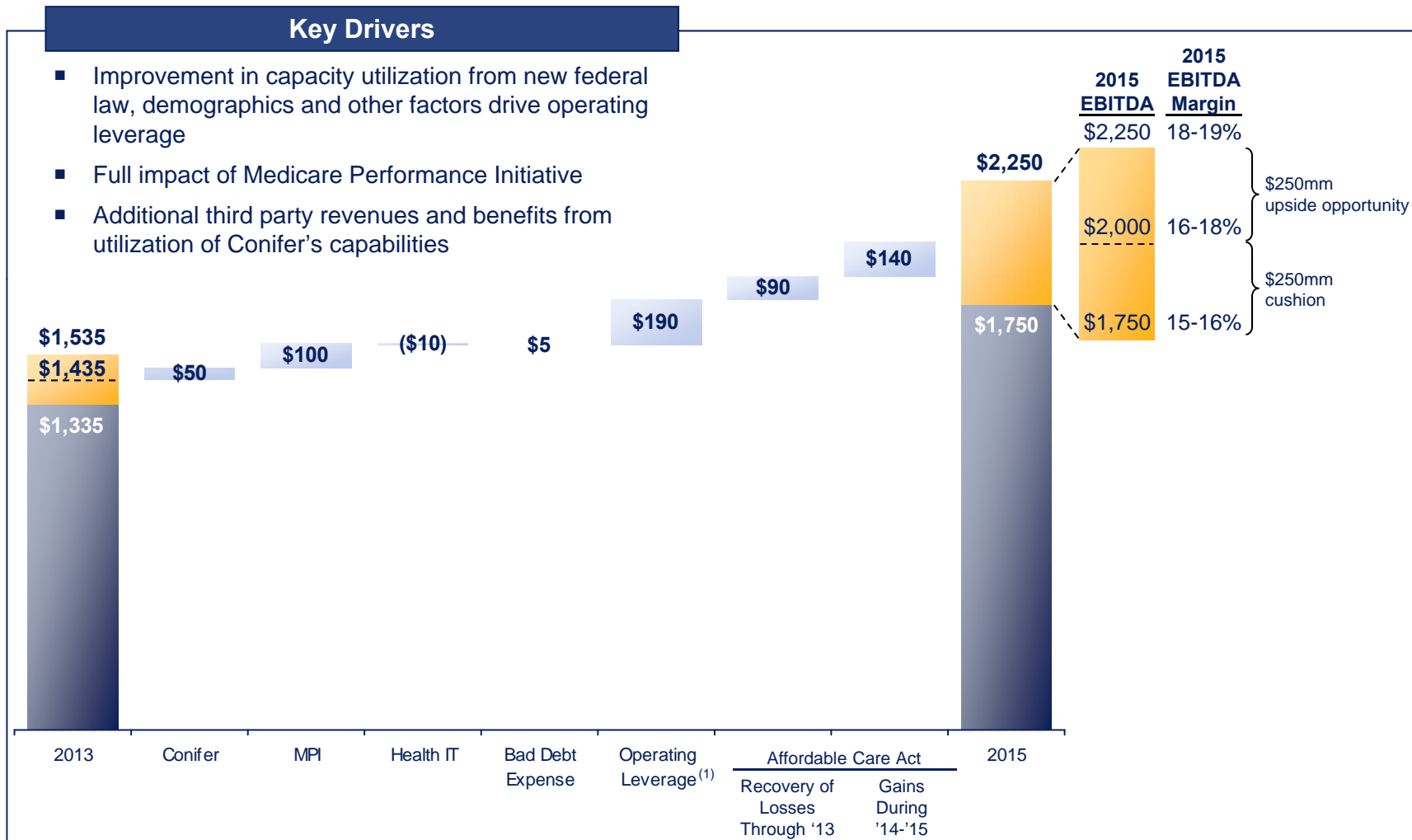
(2) Pro Forma debt profile includes the \$900M 6.25% Sr. Secured Debt Offering and \$714M Sr. Secured Debt Tender announced 11/04/2011 and repayment of 6.375% Sr. Unsecured Debt maturing 12/01/2011.

EBITDA walk forward (2010–2013)



1. Operating Leverage is driven by the combination of assumptions on volumes, pricing and cost drivers.

EBITDA walk forward (2013–2015)



1. Operating Leverage is driven by the combination of assumptions on volumes, pricing and cost drivers.

Adjusted EBITDA expected to grow to \$1,750B - \$2,250B in 2015 ⁽¹⁾

Key considerations:

- ❑ Volumes:
 - Admissions growth: 4% aggregate growth from 2010 to 2015
 - Outpatient acquisitions only assumed through 2012, representing a sub-set of the current pipeline
- ❑ Pricing:
 - Medicare reimbursement assumed negative update in 2012, actual is a positive 100bp
 - Commercial pricing growth slows to 5% CAGR beginning in 2013
- ❑ Revenues: 4-6% aggregate CAGR
- ❑ Costs:
 - MPI achieves \$50mm annual declines in operating expense ... opportunity is in excess of that with \$80mm expected in 2012
 - Operating leverage improves cost metrics
- ❑ Bad debt assumes collection rates only recover to pre-recession levels

(1) Outlook details provided in Tenet's January 11, 2011 presentation, available at Tenet's web site: www.tenethealth.com.

Strength across key performance metrics:

Volume Growth Strong

- 1.6% growth in paying admissions, 1.5% in total admissions ⁽¹⁾
 - Commercial admissions decline smallest in more than 3 years
- 3.4% growth in total and paying outpatient visits
- 2.3% adjusted admissions growth
- 3.2% surgery growth

Commercial Pricing Strong

- 2011 increases sustaining 2010's strong growth

Cost Efficiency Strong

- MPI exceeding \$50mm cost savings objective for 2011

Acuity Up in All Payer Classes Except Medicare FFS

- Acuity increases in commercial continue favorable long-term trend

⁽¹⁾ Same hospital

Q4'11 EBITDA Walk Forward from Q3'11



	EBITDA [*] (\$mm)	Comments
Q3'11 Adjusted EBITDA	195	
California Provider Fee	26	Net proceeds from program covering Q1'11 and Q2'11
HIT Incentive Payment	15	Medicare and Medicaid incentives for meaningful use
Higher discount rate for valuing projected liabilities	22	\$16mm favorable variance to impact in Q3'11 Plus – Potential \$6mm lift from current 7 year Treasury rate
Cost Efficiencies	20	As cited in September 12, 2011 press release
Medicare pricing	5	1% increase effective October 1, 2011
Bad debt reduction	12	Favorable impact of expected reduction in AR days
Sub-Total	100	
Seasonal volume growth + Resolution of old accounts and commercial and government reimbursement disputes	≥ 29	
Total - EBITDA Increment: Q3'11 to Q4'11	≥ 129	
Q4'11 Adjusted EBITDA Outlook	≥ 324	Lower end of 2011 Outlook range of \$1.175 - 1.275 B

* Estimated effects on Q4'11 Adjusted EBITDA

Why Tenet deserves a higher multiple



Track record of high growth	16% EBITDA CAGR - 7 years <i>(Same hospital)</i>
Consistent performance	7 years of consecutive EBITDA growth
Beats earnings guidance	15% average EBITDA “beat” in '09 and '10; Raised 2011 Outlook in May
Minimal cash taxes	\$2.2 billion NOL
Proven growth strategies	MPI, TGI, PRP, HIT
Transparent disclosure	An industry leader in disclosure
Diverse earnings drivers	Hospitals, OP Centers, Conifer
Demographics drive growth	Sun Belt’s aging baby boomers
> \$2 share price discount – <u>a full turn below industry multiple</u>	

Reconciliation of EBITDA



Adjusted EBITDA, a non-GAAP term, is defined by the Company as net income (loss) attributable to Tenet Healthcare Corporation common shareholders before (1) cumulative effect of changes in accounting principle, net of tax, (2) net income attributable to noncontrolling interests, (3) preferred stock dividends, (4) income (loss) from discontinued operations, net of tax, (5) income tax (expense) benefit, (6) investment earnings (loss), (7) gain (loss) from early extinguishment of debt, (8) net gain (loss) on sales of investments, (9) interest expense, (10) litigation and investigation (costs) benefit, net of insurance recoveries, (11) hurricane insurance recoveries, net of costs, (12) impairment of long-lived assets and goodwill and restructuring charges, net of insurance recoveries, and (13) depreciation and amortization. The Company's Adjusted EBITDA may not be comparable to EBITDA reported by other companies.

The Company provides this information as a supplement to GAAP information to assist itself and investors in understanding the impact of various items on its financial statements, some of which are recurring or involve cash payments. The Company uses this information in its analysis of the performance of its business excluding items that it does not consider as relevant in the performance of its hospitals in continuing operations. Adjusted EBITDA is not a measure of liquidity, but is a measure of operating performance that management uses in its business as an alternative to net income (loss) attributable to Tenet Healthcare Corporation common shareholders. Because Adjusted EBITDA excludes many items that are included in our financial statements, it does not provide a complete measure of our operating performance. Accordingly, investors are encouraged to use GAAP measures when evaluating the Company's financial performance.

The reconciliation of net income (loss) attributable to Tenet Healthcare Corporation common shareholders, the most comparable GAAP term, to Adjusted EBITDA, is set forth below.

	Dollars in Millions							Low		High		Low		High	
	2004	2005	2006	2007	2008	2009	2010	2011	2011	2013	2013	2015	2015		
Net Income (Loss) Attributable to Common Shareholders	\$ (2,806)	\$ (724)	\$ (803)	\$ (89)	\$ 25	\$ 181	\$ 1,119	\$ 166	\$ 249	\$ 318	\$ 428	\$ 627	\$ 929		
Less:															
Net income (loss) from noncontrolling interests	3	(2)	(7)	(5)	(7)	(10)	(9)	(15)	(10)	(15)	(10)	(15)	(10)		
Preferred stock dividends	0	0	0	0	0	(6)	(24)	(24)	(24)	0	0	0	0		
Income (loss) from cumulative effect of accounting change	0	(16)	2	0	0	0	0	0	0	0	0	0	0		
Income (loss) from discontinued operations, net of tax	(1,037)	(425)	32	(49)	(47)	(31)	17	(10)	(5)	0	0	0	0		
Income (loss) from continuing operations	(1,772)	(281)	(830)	(35)	79	228	1,135	215	288	333	438	642	939		
Income tax benefit (expense)	(300)	82	258	61	25	23	977	(110)	(157)	(222)	(292)	(428)	(626)		
Income (loss) from continuing operations, before income taxes	(1,472)	(363)	(1,088)	(96)	54	205	158	325	445	555	730	1,070	1,565		
Net gain on sales of investments	7	4	5	0	139	15	0	0	0	0	0	0	0		
Investment earnings	20	59	62	47	22	0	5	0	0	0	0	0	0		
Interest expense	(333)	(403)	(408)	(419)	(418)	(445)	(424)	(395)	(375)	(390)	(340)	(290)	(170)		
Net gain (loss) from extinguishment of long-term debt	(13)	(15)	0	0	0	97	(57)	0	0	0	(45)	0	(75)		
Operating income (loss)	(1,153)	(8)	(747)	276	311	538	634	720	820	945	1,115	1,360	1,810		
Litigation and investigation costs	(74)	(212)	(766)	(13)	(41)	(31)	(12)	(30)	(25)	0	0	0	0		
Hurricane insurance recoveries, net of costs	0	(7)	14	3	0	0	0	0	0	0	0	0	0		
Impairment of long-lived assets and goodwill, and restructuring charges	(1,208)	(29)	(312)	(36)	(16)	(27)	(10)	(25)	(20)	0	0	0	0		
Depreciation and amortization	(293)	(303)	(314)	(336)	(371)	(386)	(394)	(400)	(410)	(390)	(420)	(390)	(440)		
Adjusted EBITDA	\$ 422	\$ 543	\$ 631	\$ 658	\$ 739	\$ 982	\$ 1,050	\$ 1,175	\$ 1,275	\$ 1,335	\$ 1,535	\$ 1,750	\$ 2,250		
EPS - Continuing Ops - reported	(\$3.81)	(\$0.60)	(\$1.76)	(\$0.08)	\$0.15	\$0.43	\$2.01	\$0.36	\$0.51	\$0.61	\$0.82	\$1.16	\$1.72		
EPS - Continuing Ops - normalized, excluding unusual items	\$0.17	\$0.30	\$0.39	\$0.39	\$0.44	\$0.15	\$0.21	\$0.40	\$0.53	\$0.61	\$0.87	\$1.16	\$1.81		