



Q4'08

Earnings Call

February 24, 2009

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 including 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 Q4'08 quarterly earnings release issued on February 24, 2009.



Trevor Fetter

**President &
Chief Executive Officer**

Favorable operating trends

Volumes

- **1.2% admissions growth** (2008 versus 2007, same-hospital)
- **0.1% decline in outpatient visits** (2008 versus 2007, same-hospital)
- **4th consecutive quarter of paying admissions growth** (Q1'08-Q4'08, same-hospital)
 - **0.1% growth in paying admissions** (Q4'08 versus Q4'07, same-hospital)
- **3rd consecutive quarter of paying outpatient visit growth** (same-hospital)
 - **0.9% increase in paying outpatient visits** (Q4'08 versus Q4'07, same-hospital)

Commercial Managed Care

- **6.6% increase in commercial managed care revenues** (same-hospital)
 - **Commercial managed care admissions declined 3.0%** (Q4'08 versus Q4'07, same-hospital)
 - **Commercial outpatient visits declined 0.2%** (Q4'08 versus Q4'07, same-hospital)

Adjusted EBITDA

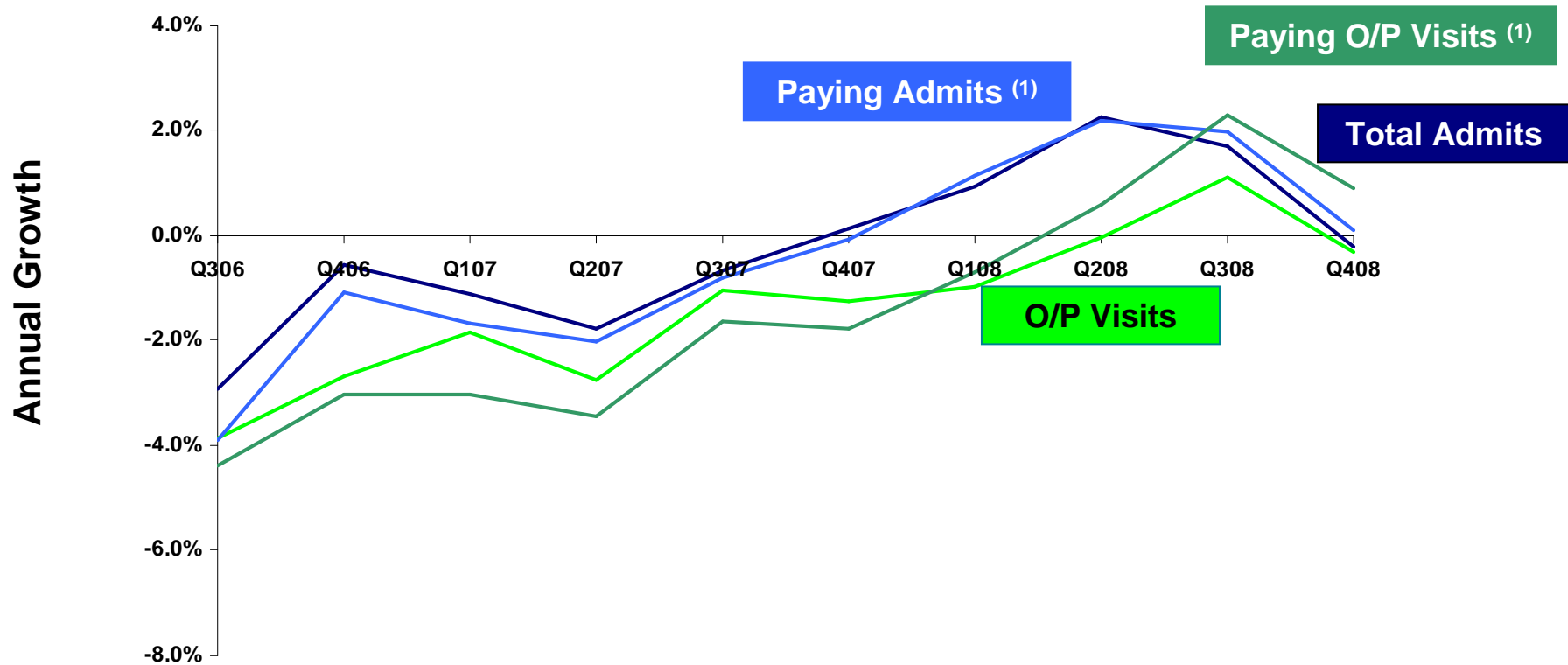
- **11.4% increase in adjusted EBITDA** (2008 versus 2007)
- **27.6% increase in Q4 adjusted EBITDA, increased \$43 million** (Q4'08 versus Q4'07)
 - **9.1% adjusted EBITDA margin** (Q4'08)

Free Cash Flow

- **Cash consumption reduced by 55%** (2008 versus 2007)
 - **\$239mm cash use in 2008, versus \$535mm in 2007**

Two-year volume trends remain positive ... even with Q4'08 softening

(same-hospital)



(1) Paying volumes are defined as total volumes less charity and uninsured volumes.

Progress in critical areas

PRP



Significant contribution to volume growth

**Outpatient
Volumes**



Volumes have stabilized

TGI



**Volume growth directed to most
attractive service lines**

C2Q



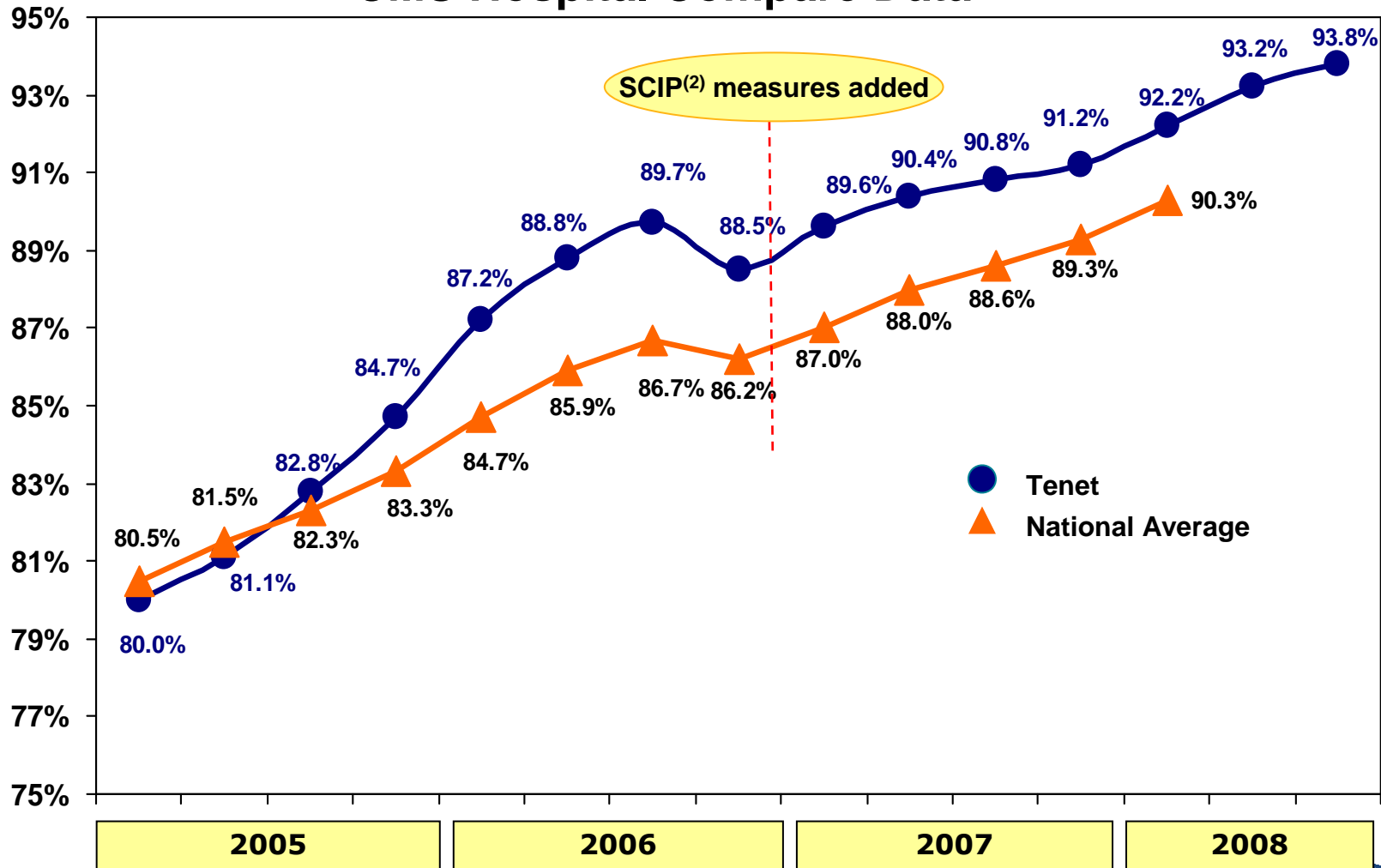
**Quality investments enhanced hospitals'
value propositions**

- COE designations from commercial payers
- P4P

C2Q

Quality differentiates Tenet's value proposition

CMS Hospital Compare Data⁽¹⁾



(1) Measures are for 4 trailing quarters. Data reflects latest available.
(2) Surgical Care Improvement Project (Infection Control).



Non-Financial Performance Metrics

Clinical Quality

- All-time high on CMS measures
- Internal metrics evidence continued advances
 - Evidence-based medicine protocols
 - Infection rates
 - Compliance with admissions standards

Employee Satisfaction

- Total employee turnover improved by 20%
- Virtually no voluntary hospital CEO turnover

Physician and patient satisfaction scores continue to strengthen



- 2.9% increase in physician satisfaction (2008 versus 2007)
 - Physician satisfaction increased from 72% to 81% (Oct '05 versus Q4'08)



- 1.1% increase in patient satisfaction (2008 versus 2007)

Current macroeconomic challenges

- Unemployment
 - Some of 2008's commercially insured patients may become part of 2009's uninsured
 - Migrate from best-paying to worst-paying status
- Declining household income and wealth
 - Risk of collection rate deterioration
 - Declining utilization of healthcare services
- Rising credit costs and declining credit availability

Solid metrics despite economic environment

(same-hospital, Q4'08 versus Q4'07)



0.1% increase in paying admissions



0.9% increase in paying outpatient visits



2.5% increase in managed care admissions



3.0% decline in commercial managed care admissions



2.3% increase in commercial admissions in TGI service lines



Pricing increase remain solid



0.8% increase in controllable operating expenses



110 basis point increase in bad debt expense



170 basis point increase in adjusted EBITDA margin

2009 Outlook

- Unusually complex array of uncertainties
 - Volume growth
 - Payer and patient mix
 - Bad debt expense
- Adjusted EBITDA outlook: \$735 – \$800 million
 - Flat to up 9.3% versus 2008
- Capex economies available to support interim free cash flow objectives



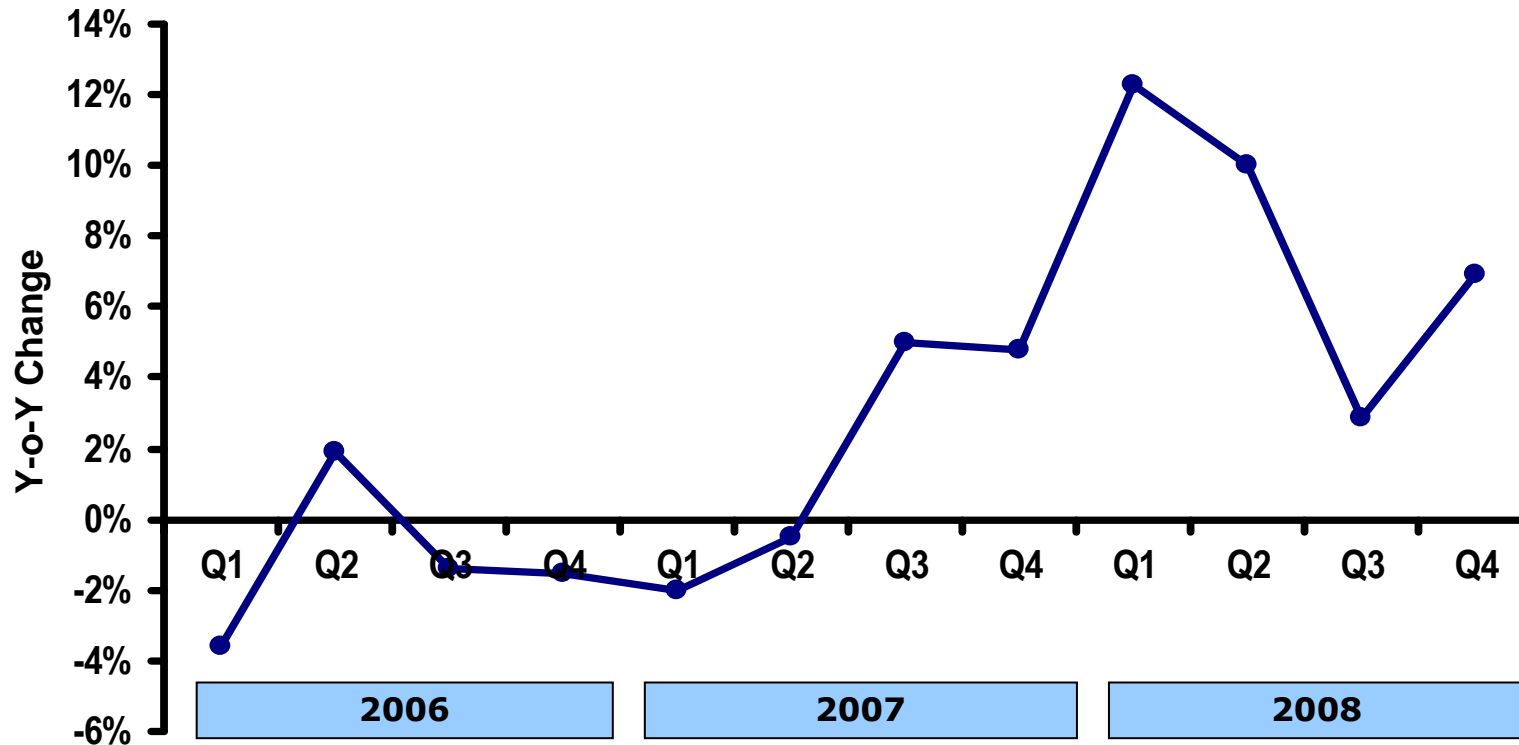
Stephen L. Newman, M.D.

Chief Operating Officer

TGI

Percentage change in commercial admissions in seven TGI service lines⁽¹⁾ exceeds percentage change in non-TGI commercial admissions

(same hospital)



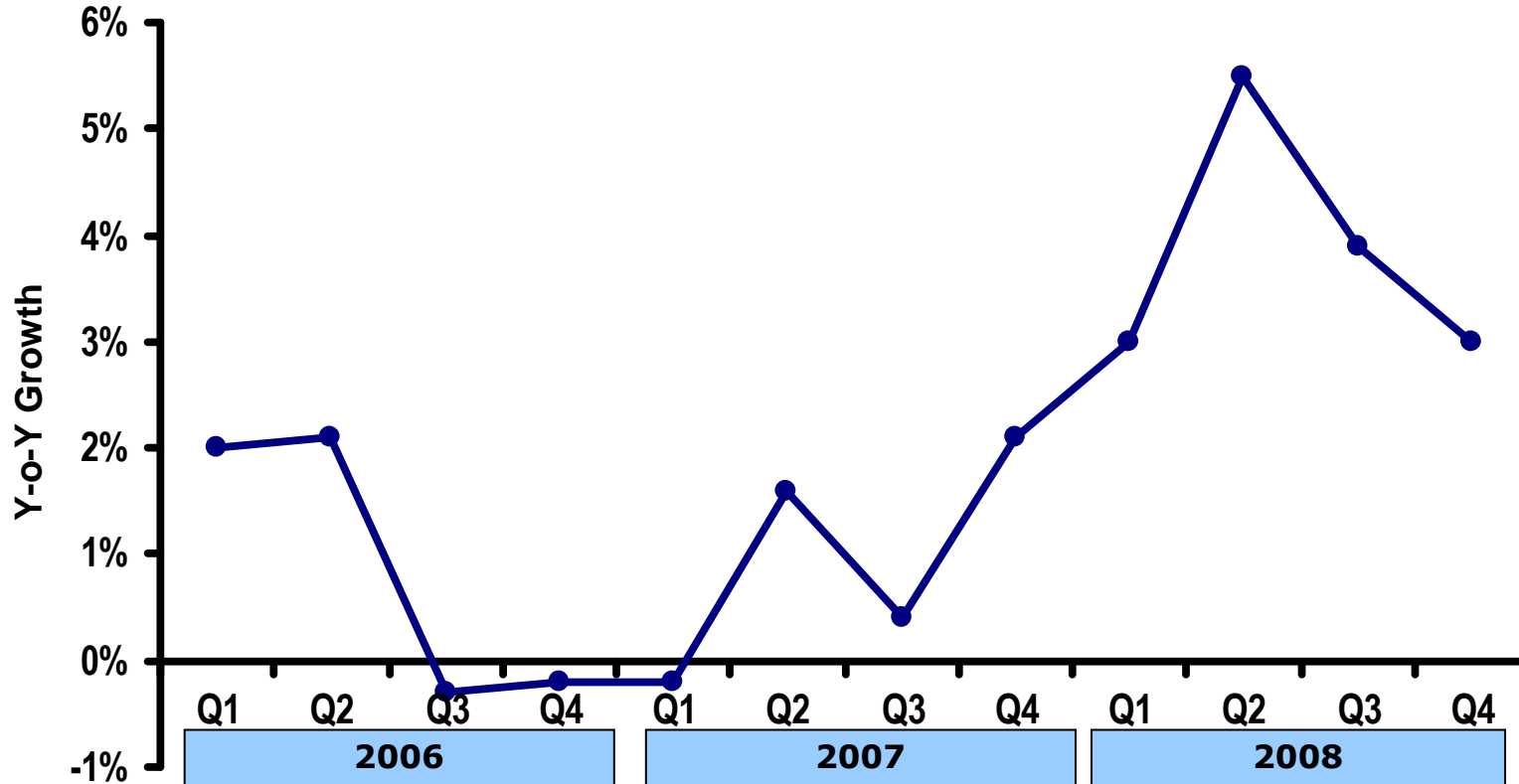
	Q1' 06	Q2' 06	Q3' 06	Q4' 06	Q1' 07	Q2, 07	Q3, 07	Q4, 07	Q1' 08	Q2' 08	Q3' 08	Q4' 08
TGI Growth (%)	(7.2)	(4.3)	(6.8)	(4.2)	(4.2)	(1.4)	3.4	2.0	5.8	6.0	(1.2)	2.3
Non-TGI Growth (%)	(3.6)	(6.2)	(5.4)	(2.7)	(2.2)	(0.9)	(1.6)	(2.8)	(6.5)	(4.0)	(4.1)	(4.6)
Delta (%)	(3.6)	1.9	(1.4)	(1.5)	(2.0)	(0.5)	5.0	4.8	12.3	10.0	2.9	6.9
Total Growth (%)	(4.4)	(5.8)	(5.7)	(3.0)	(2.7)	(1.0)	(0.4)	(1.8)	(3.8)	(1.7)	(3.4)	(3.0)

(1) Includes: general surgery, major trauma, neonatal, neurological medicine, neurosurgery, open heart and orthopedic surgery.

TGI

Percentage change in paying admissions in seven TGI service lines⁽¹⁾ exceeds percentage in non-TGI paying admissions

(same hospital)



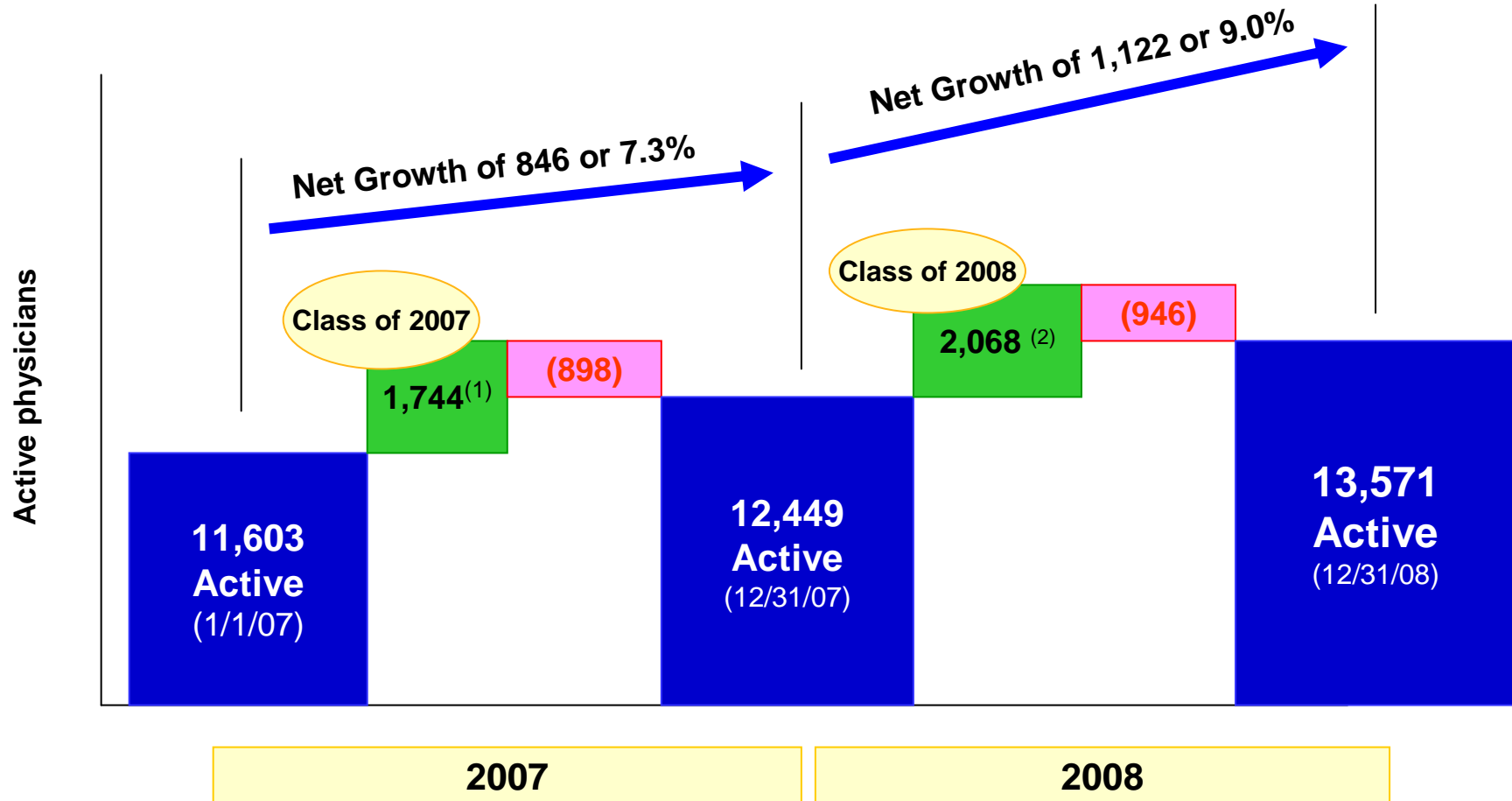
	Q1' 06	Q2' 06	Q3' 06	Q4' 06	Q1' 07	Q2, 07	Q3, 07	Q4, 07	Q1' 08	Q2' 08	Q3' 08	Q4' 08
TGI Growth (%)	(1.7)	(1.1)	(4.1)	(1.2)	(1.8)	(3.3)	(0.5)	1.6	3.5	6.5	5.1	2.5
Non-TGI Growth (%)	(3.7)	(3.2)	(3.8)	(1.0)	(1.6)	(1.7)	(0.9)	(0.5)	0.5	1.0	1.2	(0.5)
Delta (%)	2.0	2.1	(0.3)	(0.2)	(0.2)	(1.6)	0.4	2.1	3.0	5.5	3.9	3.0
Total Growth (%)	(3.3)	(2.8)	(3.9)	(1.1)	(1.7)	(2.0)	(0.8)	(0.1)	1.1	2.2	2.0	0.1

(1) Includes: general surgery, major trauma, neonatal, neurological medicine, neurosurgery, open heart and orthopedic surgery.



PRP

17.0% net growth in active physicians since Jan 1, 2007



(1) Includes 166 physicians with existing privileges at other Tenet hospitals, primarily in El Paso
(2) Includes 103 physicians with existing privileges at other Tenet hospitals, primarily in El Paso



Physician Relationship Program: Volume Growth from the “Class of 2007”

- Class of 2007’s referral volume during 2008:
 - 45,000 admissions, or 26 admissions per each of the Class of 2007’s 1,744 physicians⁽¹⁾
 - 275,000 outpatient visits, or 158 per “Class of 2007” physician
- Class of 2008 referral volume is ramping faster than the Class of 2007 at a comparable point in the Tenet relationship
 - Strong referral volume from the Class of 2008 provides compelling evidence of our enhanced capabilities in PRP targeting for physician recruitment and redirection.

(1) Includes 166 physicians with existing privileges at another Tenet hospital, primarily in El Paso.



Biggs C. Porter
Chief Financial Officer

2008 Adjusted EBITDA

- \$732mm – up \$75mm, or 11.4%, over 2007's \$657mm
- Overcame loss of \$54mm in Medicaid funding in Georgia, Florida, and North Carolina
 - Normalized for loss of this Medicaid funding, operating improvement was:
 - \$129mm increase in adjusted EBITDA, excluding \$54mm loss of Medicaid funding
 - 19.6% normalized growth, 2008 compared to 2007

Q4'08 Highlights

Revenues

- **4.9% increase in net operating revenues** (same-hospital)
- **6.6% increase in commercial managed care revenues** (same-hospital)
 - **Commercial managed care admissions declined 3.0%** (same-hospital)
 - **Commercial outpatient visits declined 0.2%** (same-hospital)

Operating Efficiency

- **0.8% increase in controllable costs per adjusted patient day** (same-hospital)
- **0.8% increase in SW&B expense per adjusted patient day** (same-hospital)
- **50% decline in malpractice expense**
 - 21% decline in malpractice expense (2008 versus 2007)

Bad Debt

- **7.5% bad debt ratio, improved from 7.6% in Q3'08**
 - 5.9% decline in uninsured admissions (same-hospital, Q4'08 versus Q4'07)
 - 10.8% decline in uninsured outpatient visits (same-hospital, Q4'08 versus Q4'07)
- **37% of dollars collected at front-end of patient contact, up from 29% in Q4'07**
- **Collection rates (total) declined to 33 percent from combined uninsured and balance-after**
 - Q3'08 collection rate of 33%
 - Q4'07 collection rate of 35%

Cash

- **\$507mm cash at 12/31/08**

Note Exchange Offer ⁽¹⁾

- \$1.6 billion in near-term maturities
 - \$1.0B on 12/01/11 - \$915mm, or 91%, elected to participate ⁽¹⁾
 - \$0.6B on 6/01/12 - \$484mm, or 81%, elected to participate ⁽¹⁾
- New maturities:
 - \$700mm maturing 5/01/15
 - \$700mm maturing 5/01/18
- \$170mm to \$190mm⁽²⁾ anticipated gain on retirement of existing notes
 - Corresponding discount on the new notes will be amortized as interest expense over the term of the notes
- 2009 interest payments and interest expense:
 - \$22mm expected increase in 2009 cash interest payments;
 - \$36mm expected increase in 2009 cash interest expense (interest expense excluding discount amortization)
 - \$50mm-\$60mm expected increase in 2009 reported interest expense
- Annualized interest payments and interest expense:
 - \$43mm cash interest payments
 - \$60mm-\$70mm total interest expense

⁽¹⁾ Based on bonds tendered as of early tender date (2/18/09).

⁽²⁾ Actual gain will be based on market prices.

2009 Outlook – Adjusted EBITDA

		2009 Outlook	2008 Actual
Admissions - growth ⁽¹⁾	(%)	0.0 – 1.0	1.2
Outpatient visits – growth ⁽¹⁾	(%)	0.0 – 1.0	(0.1)
Net operating revenues – growth	(%)	4.0 – 6.0	6.1
Net operating revenues	(\$Bil)	9.0 – 9.2	8.7
Controllable operating expenses PAPD – Growth	(%)	2.0 – 3.0	2.7
Controllable operating expenses	(\$Bil)	7.5 – 7.6	7.3
Bad debt ratio	(%)	8.3 – 9.3	7.3
Bad debt expense	(\$mm)	750 – 850	632
Adjusted EBITDA ⁽²⁾	(\$mm)	735 – 800	732
Depreciation and Amortization	(\$mm)	400 – 420	373
Interest Expense, Net	(\$mm)	450 – 470	402
Loss from continuing operations before income taxes ⁽²⁾	(\$mm)	(135) – (70)	(43)
Net loss from cont. ops. (2009 normalized at 37.1% tax rate) ⁽²⁾	(\$mm)	(85) – (44)	(39)
E.P.S. (2009 normalized at 37.1% tax rate, continuing operations) ⁽²⁾	(\$)	(0.18) – (0.09)	(0.08)

(1) Same-hospital annual growth versus prior year

(2) Excludes impairments, restructuring charges, litigation costs, net gains (losses) on sales of investments, and net gain related to debt exchange

2009 Adjusted EBITDA Walk-Forward

(Continuing operations)

Line #	(\$mm)	Revenue	Cost	Adjusted EBITDA
1	2008	8,663	(7,931)	732
2	Volume – assuming constant mix ^(a)	61	(37)	24
3	– impact from adverse mix shift	(37)	(6)	(43)
4	Pricing – Base Line Increase ^(b)	303	(28)	275
5	- Managed Care ^(c)	43	-	43
6	Costs – Base Line Inflation ^(d)	-	(298)	(298)
7	- Cost Reduction Initiatives ^(e)	-	150	150
8	Bad Debt – impact of rate differential only ^(f)	-	(110)	(110)
9	Other ^(g)	57	(30)	27
10	Total – Upper End of Adjusted EBITDA Range	9,090	(8,290)	800
11	Allowance for Risk ^(h)			(65)
12	Total – Lower End of Adjusted EBITDA Range			735

(a) Assumes admissions growth of 0.8% and outpatient visit growth of 0.5%, using 2008 average pricing. Margin assumption on incremental revenues 40%.

(b) Base line pricing increases of 3.5%. This assumption is before discrete initiatives valued in this analysis.

(c) Rate parity price increases in existing contracts and anticipated future increases plus \$7mm from P4P payments.

(d) Inflation rate of 4.0% reflects normal merit increases, union contract adjustments, supply cost increases and other items before discrete initiatives valued in this analysis.

(e) Full year impact of cost initiatives initiated in late 2008; malpractice reductions; plus original \$29mm in 2008's estimates as previously disclosed

(f) Assumes 2009 bad debt ratio of approximately 8.5%, a 90 basis point increase over our Q4'07 bad debt ratio of 7.6%. Bad debt ratio was 7.3% in 2008.

(g) Includes impact of Sierra Providence East Medical Center (El Paso) and Coastal Carolina Hospital.

(h) Various risks including volume growth, volume mix, and bad debt create at least \$65 million in uncertainties for 2009 performance.

This schedule is not intended to provide a series of spot estimates or line item guidance. Other combinations of line item performance could produce the same or higher or lower results.



Cash Initiatives and Divestitures

(\$mm)

- \$129 . . . Cash generated in 2007
- \$307 . . . Cash generated in 2008:
 - \$144 Broadlane investment sale
 - \$ 60 Redding insurance settlements *(not included in earlier expectations)*
 - \$ 50 Hospital sales (San Dimas, Garden Grove, Encino & Tarzana)
 - \$ 53 Other

- \$245 USC sale (excluding working capital)
- \$63 - \$98 Other in 2009
- \$615 - \$650 . . . Sub-total estimate for 2008 - 2009 time period ⁽¹⁾
- \$140 - \$180 . . . Estimate for MOBs in 2009 - 2010
(not included in 2009 year-end Cash and Cash Equivalents estimate of \$450 to \$550 on slide 25)
- \$755 – \$830 . . . Revised total estimate ⁽¹⁾ (Initial estimate was \$750 - \$950)

⁽¹⁾ Above estimates exclude \$62 - \$85 California wage and hour settlements, but these settlements are included in the year-end 2009 Outlook for cash.

2009 Cash Walk Forward (\$mm)

	Low	High
2009 EBITDA	735	800
Add Back: Stock Compensation Charges	20	25
Changes in Cash from Operating Assets and Liabilities	(115)	(70)
Interest Payments	(400)	(440)
Adjusted Net Cash Provided by Operating Activities – Cont. Ops.	240	315
Capital Expenditures – Cont. Ops.	(400)	(450)
Adjusted Free Cash Flow – Cont. Ops.	(160)	(135)
Income Tax Refunds	15	25
Payments against Reserves for Restructuring Charges, Litigation Costs and Settlements	(190)	(170)
Net Cash Provided (Used In) Operating Activities from Disc. Ops.	(10)	10
Investing Activities, Reserve Fund, Divestitures and Other	308	343
Net Financing Activities	(20)	(30)
Net Increase (Decrease) in Cash and Cash Equivalents	(57)	43
Cash and Cash Equivalents December 31, 2008	507	
Cash and Cash Equivalents December 31, 2009	450	550