



Q3'09
Earnings Call

November 3, 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 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 Q3'09 quarterly earnings release issued on November 3, 2009.



Trevor Fetter

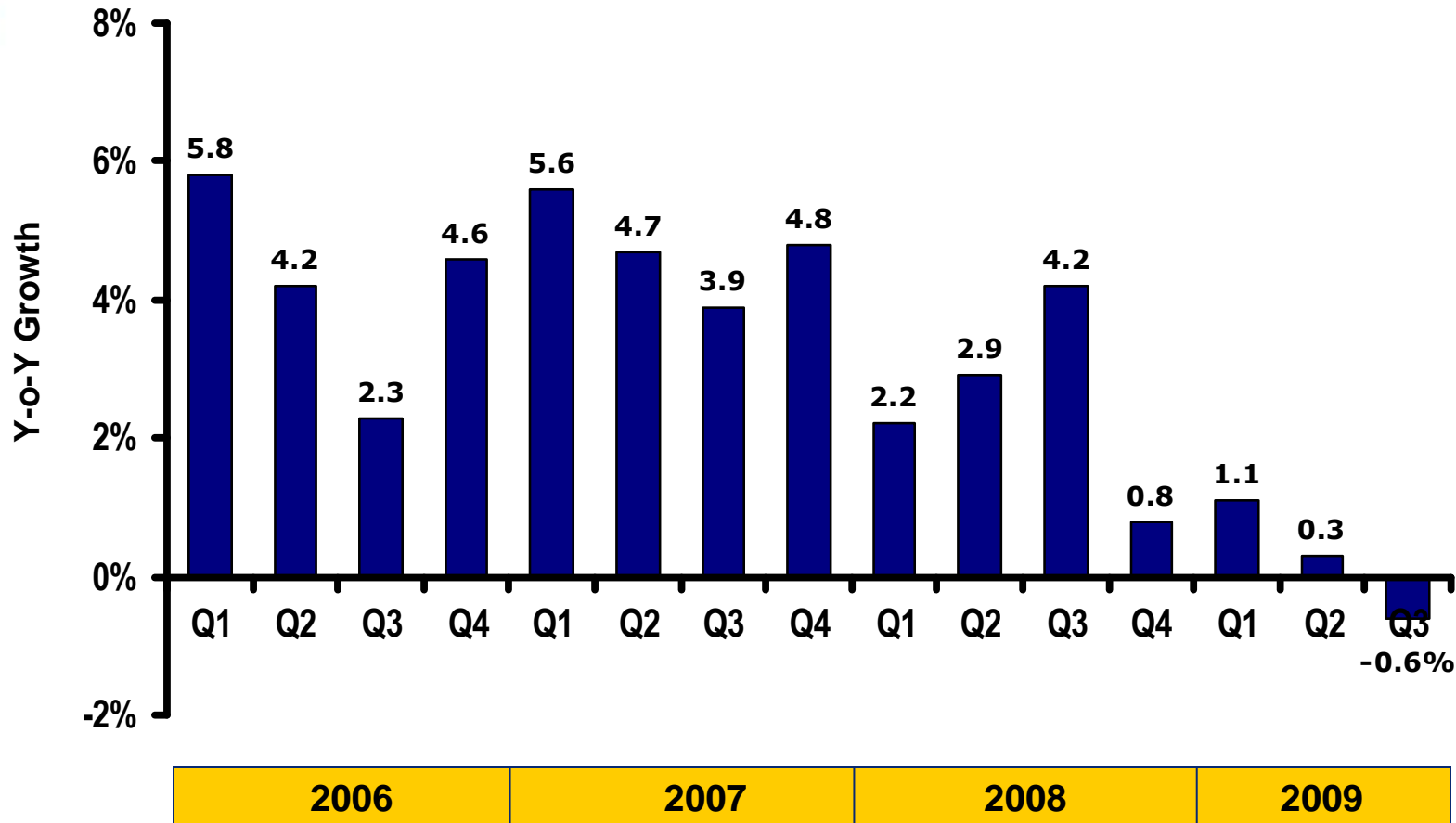
**President &
Chief Executive Officer**

Q3'09 Highlights

- 50% growth in adjusted EBITDA for 2nd consecutive quarter ⁽¹⁾
- 5.7% growth in net operating revenues ⁽¹⁾
- 0.6% decline in controllable costs PAPD _(same-hospital)
- Outlook range raised by \$25mm to \$925mm to \$975mm
 - \$764mm YTD adjusted EBITDA
- 2009 Y-T-D performance supported by:
 - Solid revenue growth
 - Excellent cost control
 - Pricing growth in-line with our objectives
 - Admissions stabilizing
 - Outpatient volume growth remains strong
 - Bad debt less than initially anticipated

Cost control has been excellent

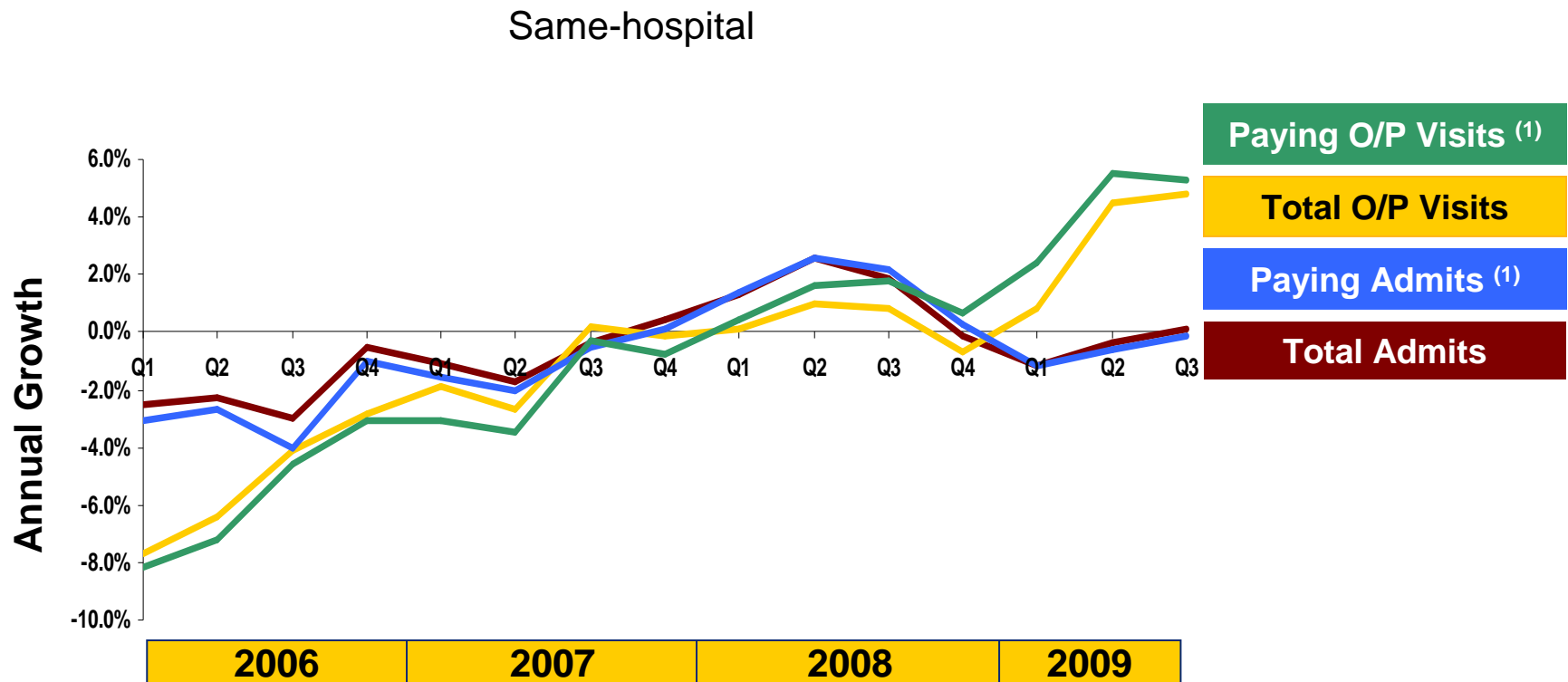
Controllable Expenses⁽¹⁾ per Adjusted Patient Day



(1) Same-hospital controllable expenses are defined as SWB, supplies, and other operating expenses.



Volume growth trends are favorable



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

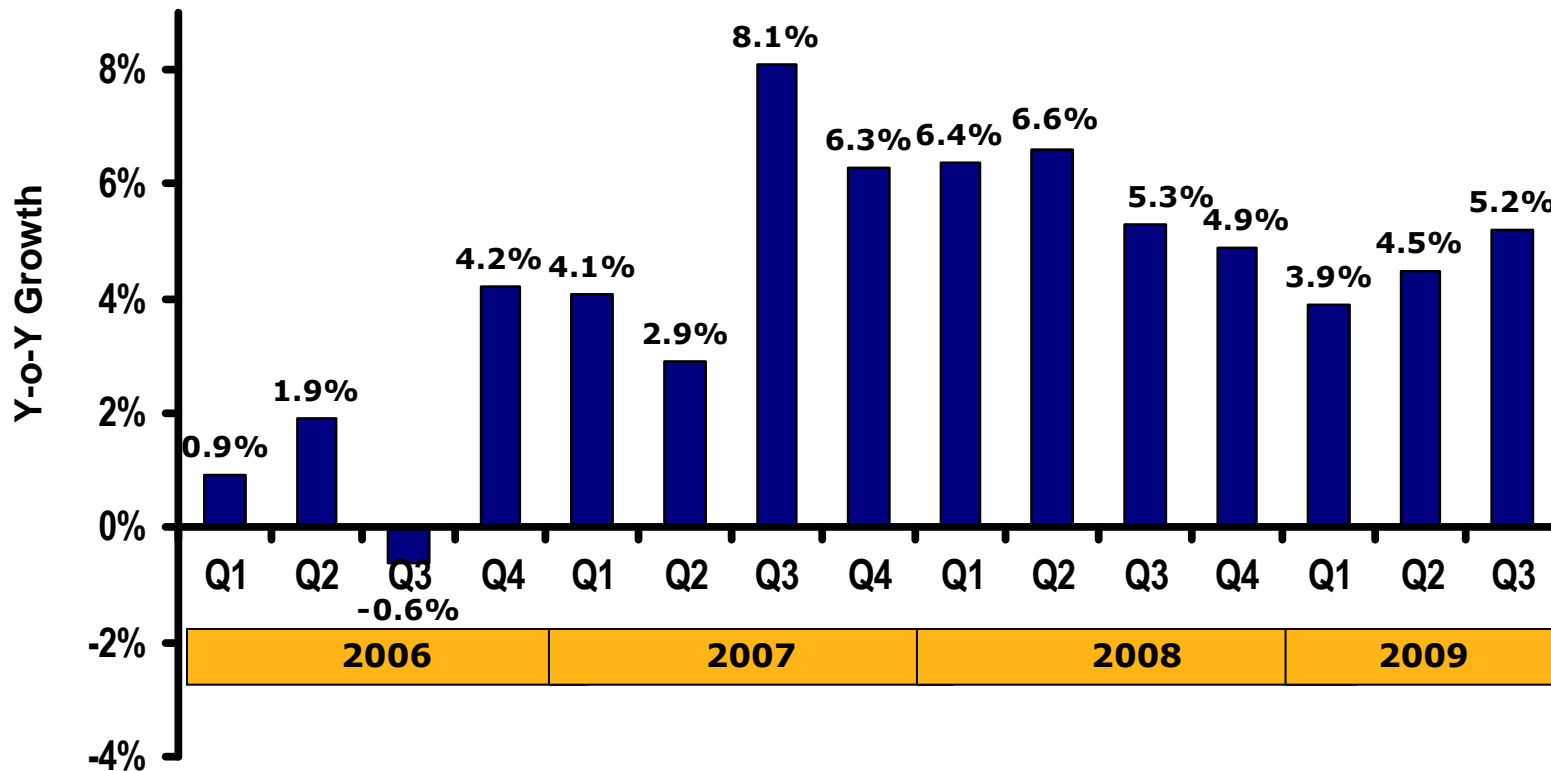


Outpatient visits continue to set the pace for volume growth

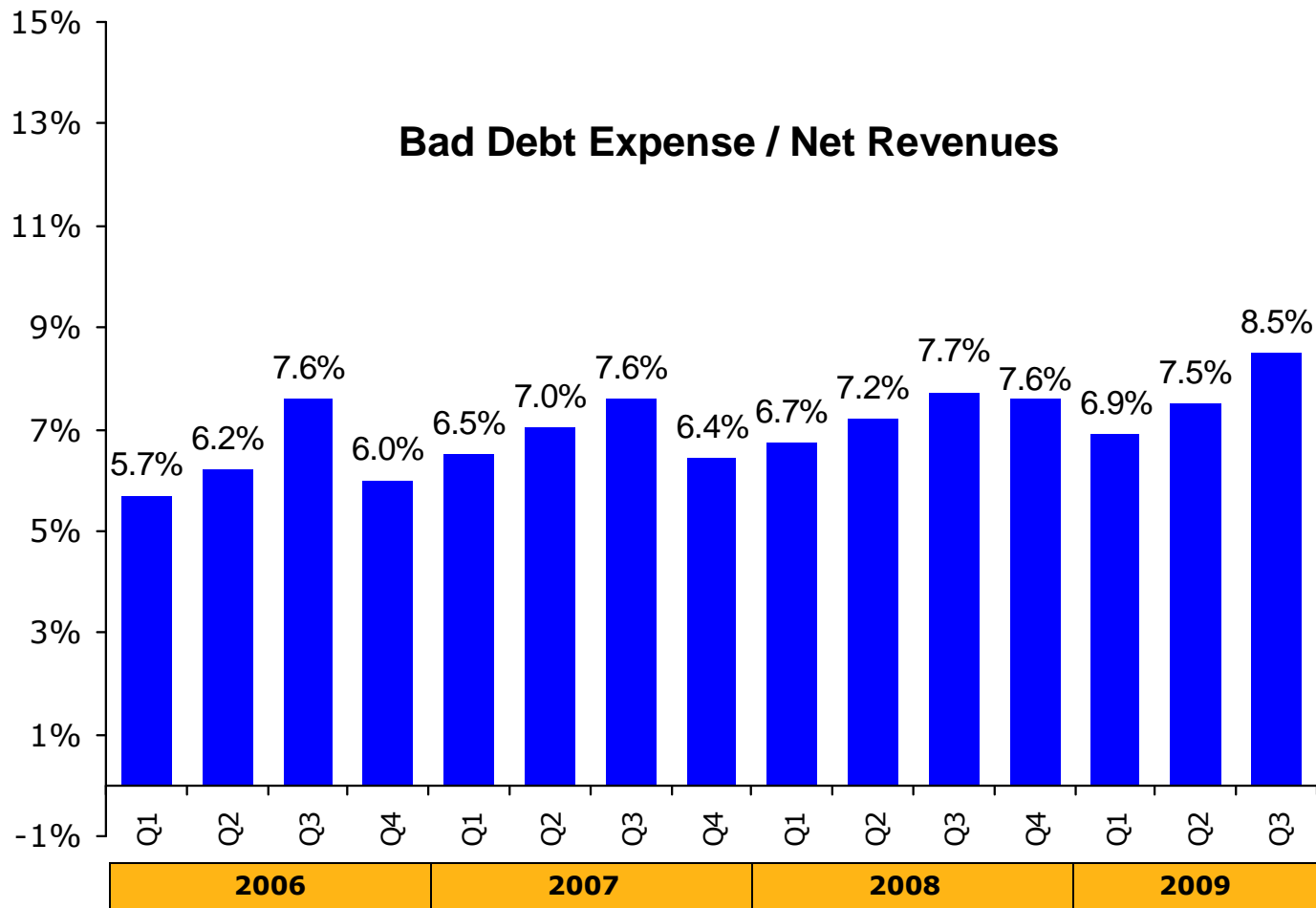
- 4.8% increase in outpatient visits (same-hospital, Q3'09 vs Q3'08)
 - 5.3% growth including Sierra Providence East (El Paso) in both quarters
- Commercial outpatient visits flat
- 4.4% growth in outpatient surgeries
- Outpatient growth driven by multiple factors:
 - Capex focused on outpatient
 - Newly added physician relationships show initial growth on the OP side
 - Dedicated PRP reps focused on outpatient business
 - Competition becoming less aggressive in OP
- OP's wider margins contributed to Q3's margin expansion

Net revenue growth despite weak economy

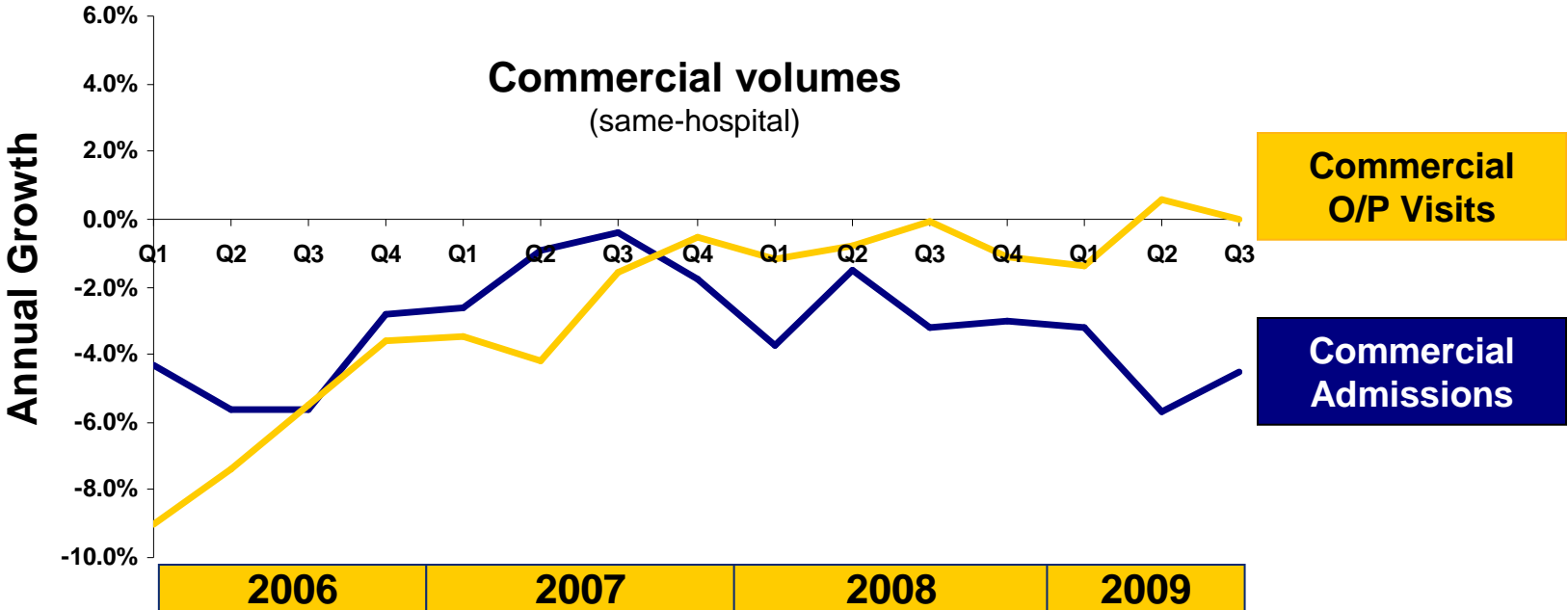
Same-hospital



Bad debt increase remains manageable

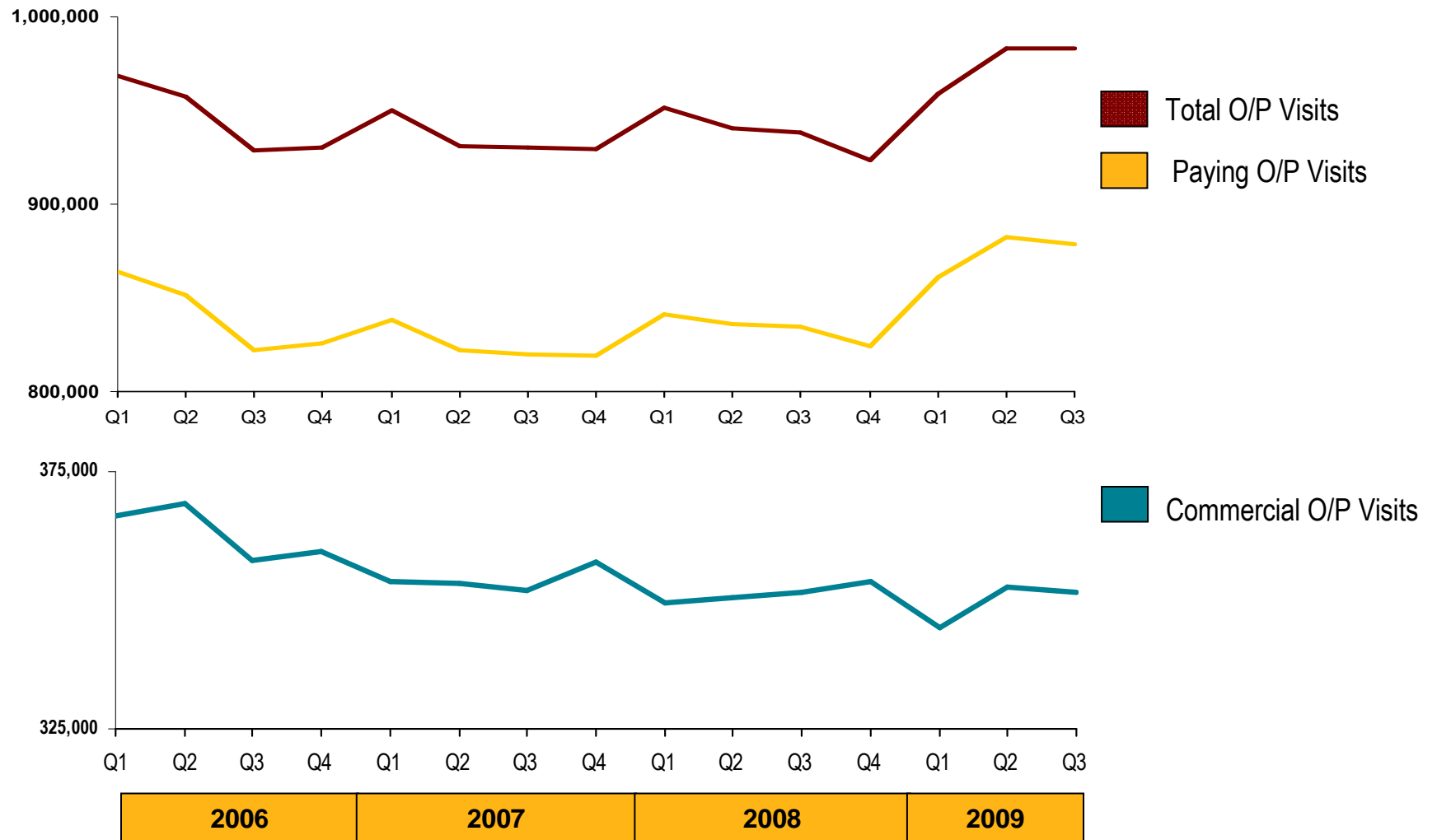


Commercial managed care volumes: Stable OP, but commercial admissions remain soft

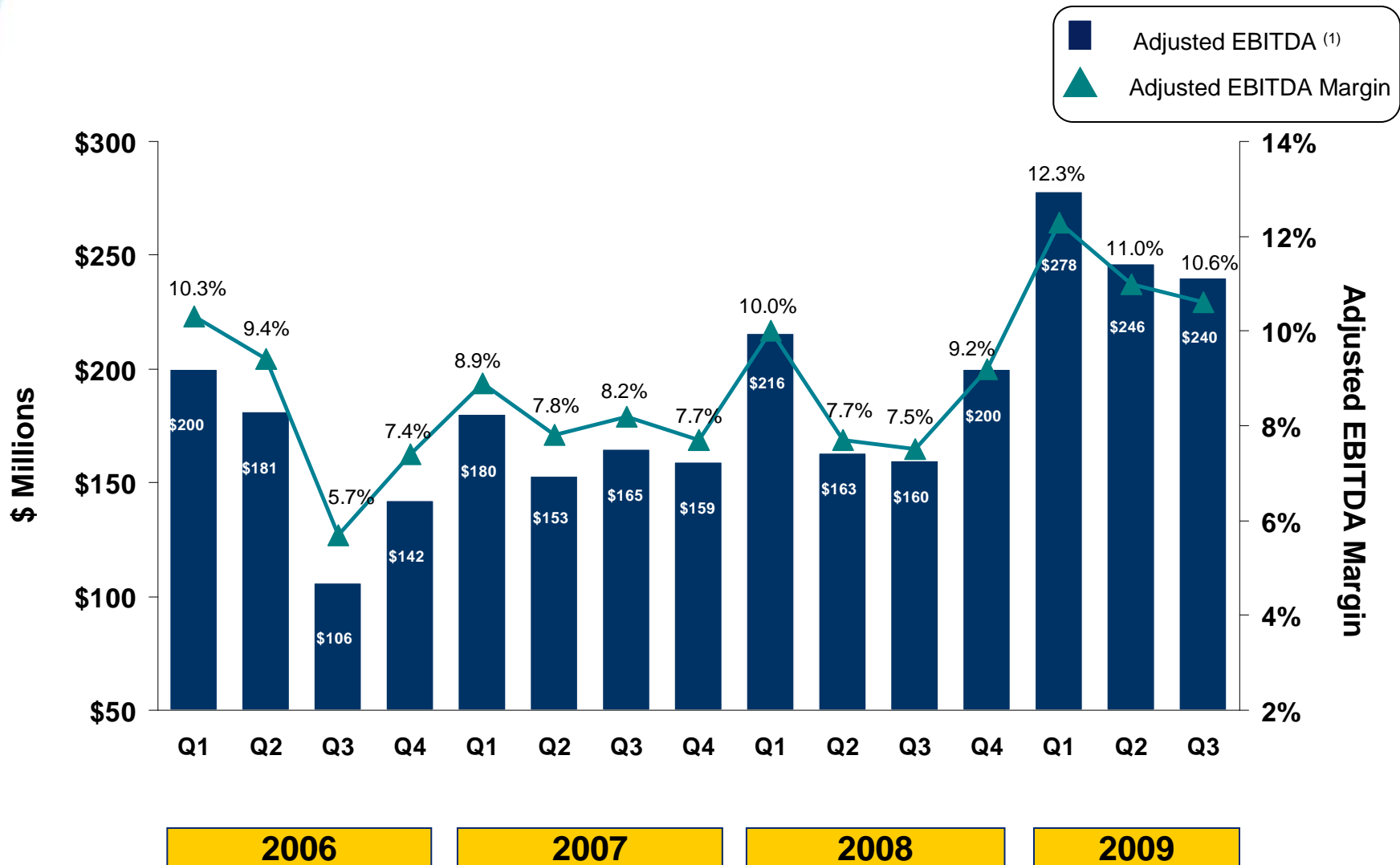


Outpatient volumes are establishing solid growth patterns

Same-hospital



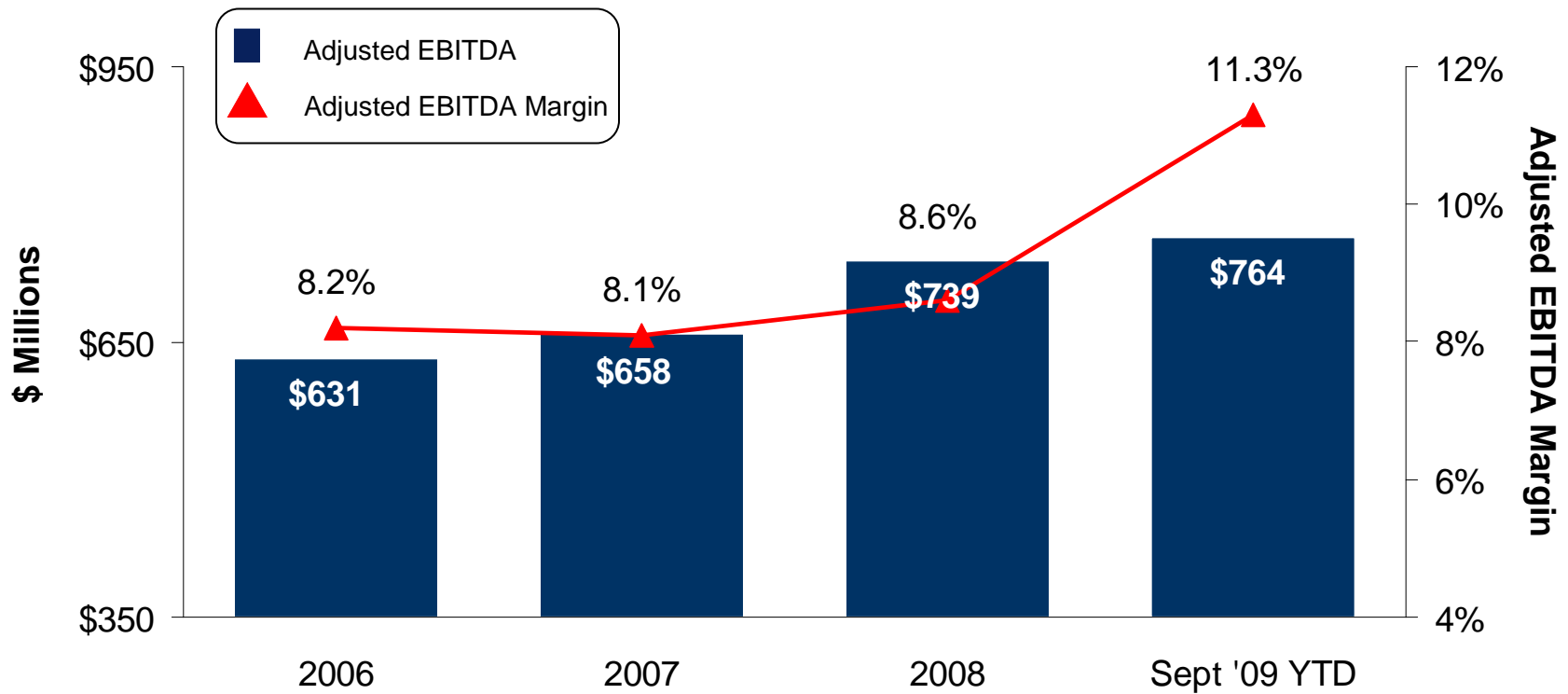
Adjusted EBITDA margin widened by 310bp from Q3'08



(1) Total company

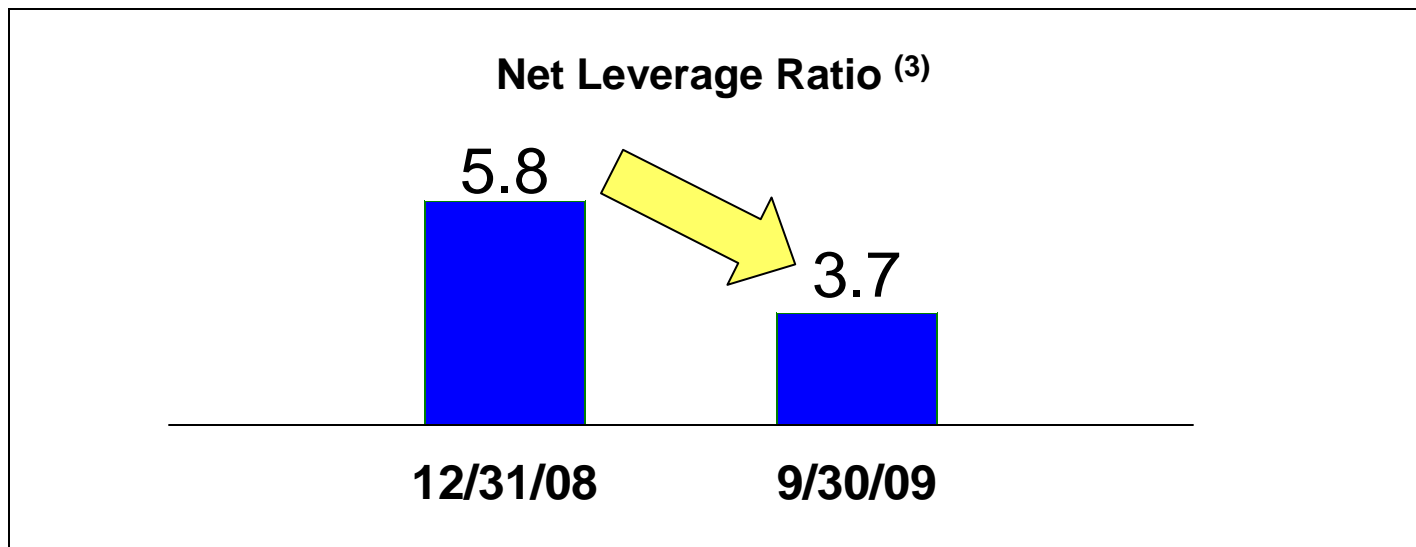
Adjusted EBITDA building an attractive multi-year growth trend

Total Company Adjusted EBITDA and Adjusted EBITDA Margin



Balance Sheet De-Risking

- 2011s and 2012s effectively moved out to 2015 and 2018 (Q1'09 transaction)
- 2014s effectively moved to 2019 (Q2'09 transaction)
- Next meaningful debt maturity is in 2013 ⁽¹⁾
- \$345mm mandatory convertible preferred stock issued (Q3'09 transaction)
 - Proceeds used for debt repurchase ⁽²⁾

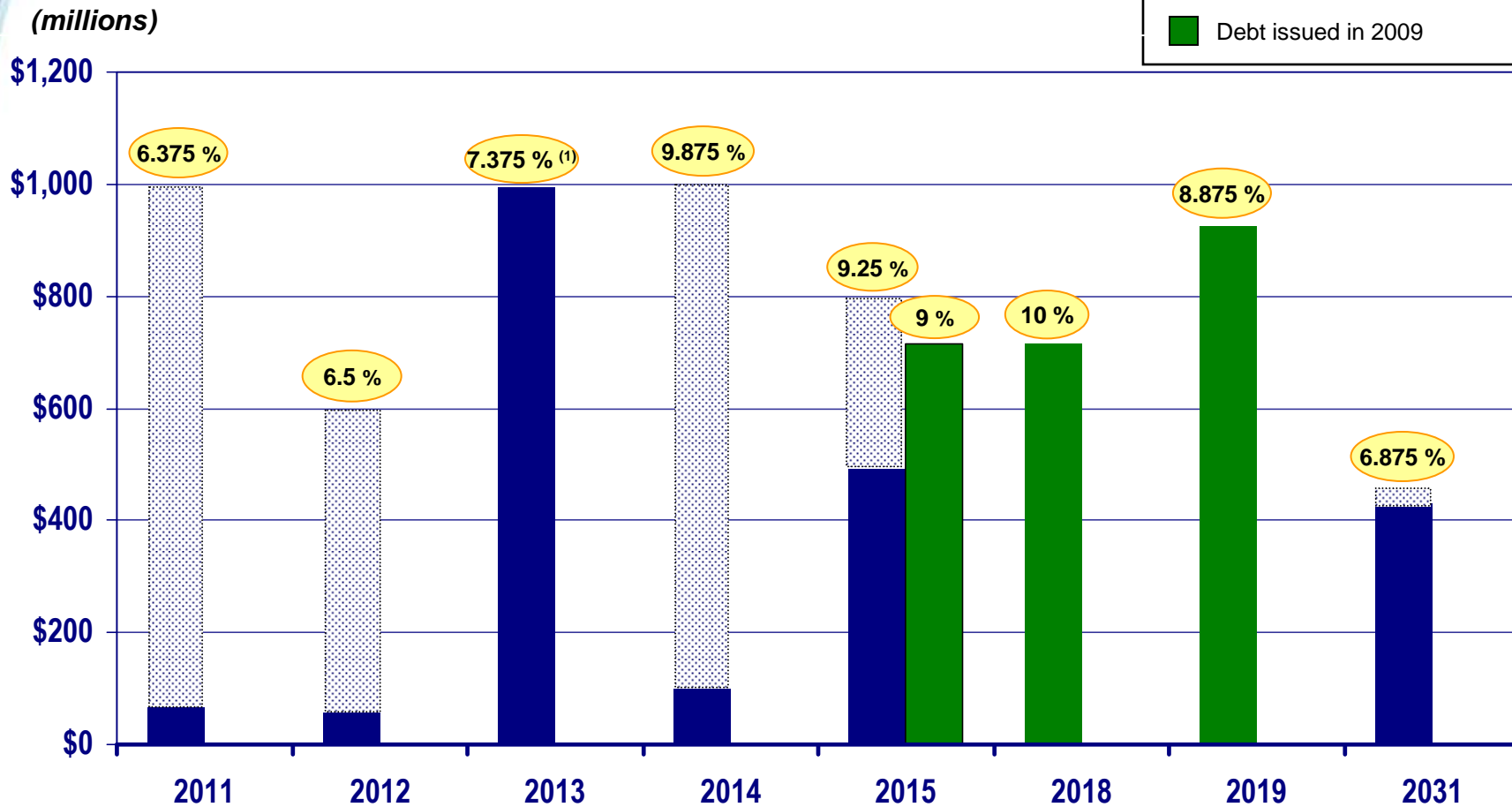


(1) \$1.0 billion matures on 2/1/13, \$67mm maturing in 2011; \$57mm maturing in 2012.

(2) \$308mm of 2015 9.25% coupon debt repurchased in Q3'09.

(3) "Net Leverage Ratio" defined as ratio of net debt (debt less cash and cash equivalents) to trailing 12 month 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%.



Q3'09 Summary

- Positive earnings momentum building towards \$925mm to \$975mm adjusted EBITDA outlook range for 2009
- Strong cost culture in place
- Pricing gains reflect competitive strength of THC hospitals
- Total admissions growth turned positive
 - Commercial admissions decline moderated relative to Q2'09
- Outpatient growth trend maintained
- Bad debt has remained manageable



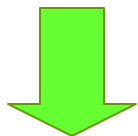
Stephen L. Newman, M.D.

Chief Operating Officer

Strong cost culture



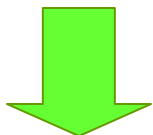
Exceeded \$188mm of gross cost savings objective for 2009



0.3% *decline* in SW&B per adjusted patient day (same-hospital)



27% decline in employee turnover



29% decline in registered nurse turnover

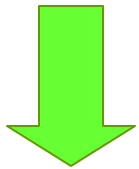


31% decline in overtime and contract labor expense (\$23mm)



190bp decline in SW&B as % net revenue (42.2% in Q3'09 vs. 44.1% in Q3'08)

Strong cost culture . . . (continued)



40bp decline in supply expense % net revenue (17.2% Q3'09 vs. 17.6% Q3'08)
... despite 2.2% increase in total surgeries and 4.4% growth in OP surgeries



MPI Phase One roll-out to 8 hospitals

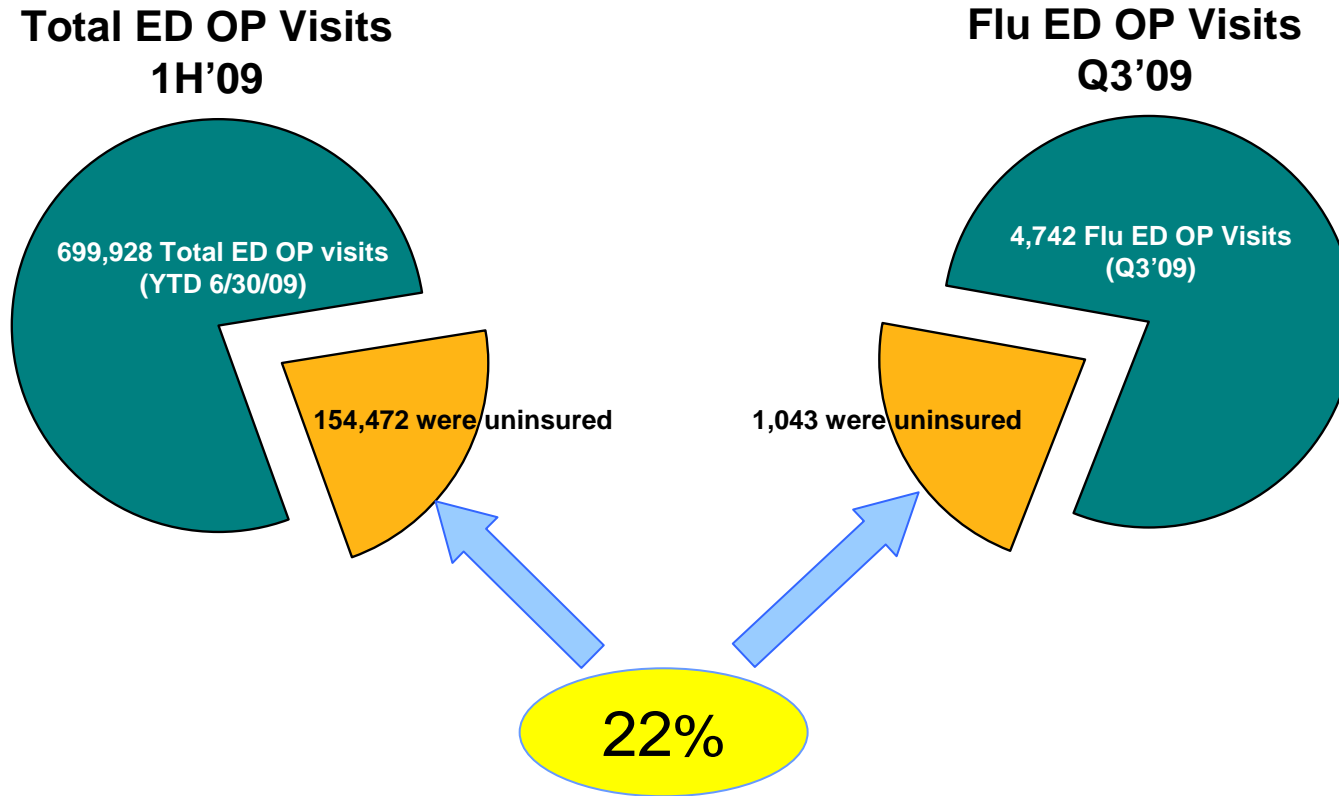


13% decline in malpractice expense (\$4mm – Q3'09 versus Q3'08)



0.6% decline in controllable operating expenses PAPD (same-hospital, Q3'09 v Q3'08)

Flu-related ED OP visits in Q3'09 were largely insured patients . . . No change from typical ED patient population

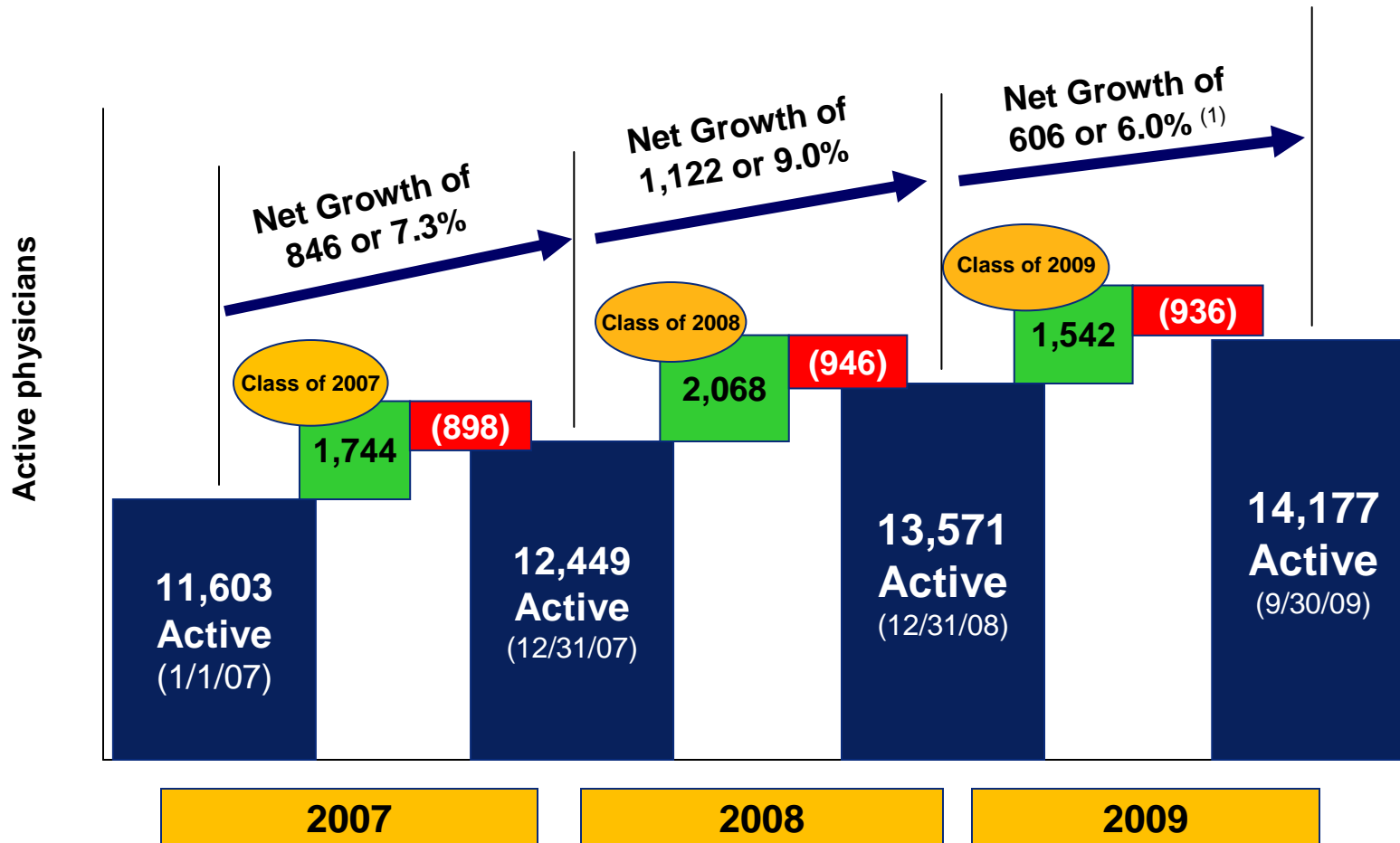


Percentage of uninsured ED OP patients is identical (22%):

- Q3'09 flu-related ED OP visits
- Compared to:
 - 1H'09 total population of ED OP visits

Physician recruitment success provides foundation for future volume growth

22.2% net growth in active physicians since Jan. 1, 2007



⁽¹⁾ Net growth in active physicians 12/31/08 to 9/30/09 is 606; growth rate of 6.0% annualizes YTD net increase.



Biggs C. Porter
Chief Financial Officer

Pricing growth remains strong



3.7% increase in net patient revenue per admission



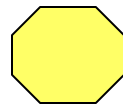
2.7% increase in net outpatient revenue per visit



4.2% increase in commercial managed care revenues, despite . . .



4.5% decline in commercial managed care admissions



Flat commercial managed care OP visits

Bad debt remains manageable



\$28mm increase in bad debt expense (Q3'09 over Q3'08, same-hospital)

**P&L driver is the cost of providing care for charity and uninsured patients, net of collections, . . .
. . . Not the reported bad debt expense**

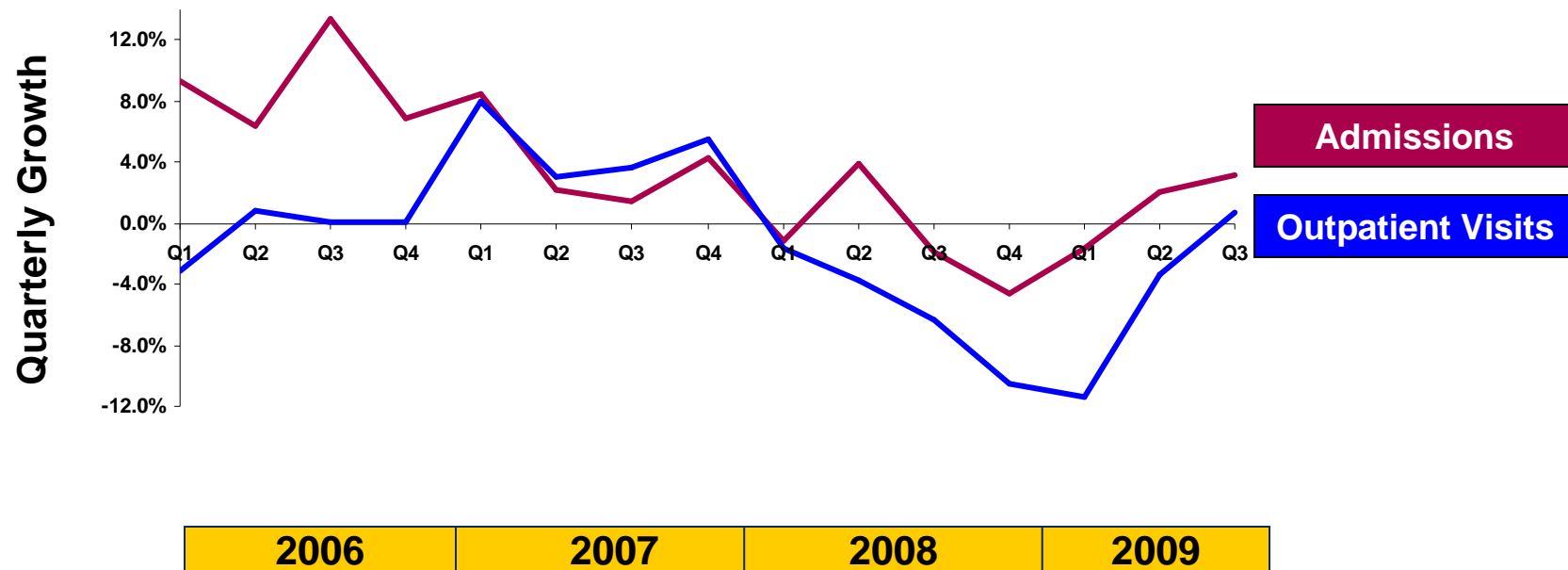


\$12mm increase cost of care⁽¹⁾, net of collections, for uninsured and charity
(Q3'09 over Q3'08)

(1) Fully burdened cost, excluding depreciation

Charity + Uninsured volumes have begun to grow but remain manageable

Same-hospital



2009 Outlook Assumptions

		Revised Assumptions	Prior Assumptions (9/14/09)
Admissions - growth ⁽¹⁾	(%)	n/c	(0.5) – 0.5
Outpatient visits – growth ⁽¹⁾	(%)	n/c	2.5 – 4.0
Net operating revenues – growth	(%)	n/c	4.5 – 6.0
Net operating revenues	(\$Bil)	n/c ⁽²⁾	9.0 – 9.1
Controllable operating expenses	(\$Bil)	n/c	7.35 – 7.45
Bad debt ratio	(%)	n/c	7.8 – 8.3
Bad debt expense	(\$mm)	n/c	700 – 750
Adjusted EBITDA ⁽³⁾	(\$mm)	925 – 975	900 – 950
Depreciation and Amortization	(\$mm)	n/c	400 – 420
Interest Expense, Net	(\$mm)	n/c	460 – 445
Income from continuing operations before income taxes ⁽³⁾	(\$mm)	65 – 110	40 – 85
Net income from cont. ops. (normalized at 37.1% tax rate) ⁽³⁾	(\$mm)	41 – 69	25 – 53
Preferred stock dividends	(\$mm)	(6)	n/a
Net income attributable to noncontrolling interests	(\$mm)	n/c	(8) - (13)
Net income attributable to common shareholders	(\$mm)	27 – 50	17 - 40
E.P.S. (normalized at 37.1% tax rate, continuing operations) ⁽²⁾	(\$)	0.05 – 0.10	0.04 – 0.08

(1) Same-hospital annual growth versus prior year

(2) Revenue assumption increased by \$25mm, but this increase was insufficiently large to be visible given rounding of assumptions to nearest \$100mm

(3) Excludes impairments, restructuring charges, litigation costs, net gains (losses) on sales of investments, and net gain on early extinguishment of debt

2009 adjusted EBITDA walk-forward

(Continuing operations)

Revised Outlook - Nov. 3, 2009

Line #	(\$mm)	Revenue	Bad Debt Expense	Control Cost	Adjusted EBITDA	Change	Prior Outlook (09/09)
1	2008 ^(a)	8,585	(628)	(7,218)	739	-	739
2	Volume – assuming constant mix ^(b)	65	(5)	(35)	25	-	9
3	– impact from adverse mix shift	(37)	(2)	-	(39)	-	(39)
4	Pricing – Base Line Increase/Adj ^(c)	317	(28)	-	289	25	264
5	- Managed Care ^(d)	49		-	49	-	49
6	Costs – Base Line Inflation ^(e)	-		(253)	(253)	-	(253)
7	- Cost Reduction Initiatives ^(f)	-		188	188	-	188
8	Bad Debt – impact of rate differential only ^(g)	-	(50)	-	(50)	-	(50)
9	Other ^(h)	57	(7)	(23)	27	-	27
10	Total – Upper End of Adjusted EBITDA Range	9,036	(720)	(7,341)	975	25	950
11	Allowance for Risk ⁽ⁱ⁾				(50)	-	(50)
12	Total – Lower End of Adjusted EBITDA Range				925	25	900

(a) 2008 financials restated for NorthShore Regional Medical Center reclassification to discontinued operations

(b) Assumes admissions growth of 0.2% and outpatient visit growth of 3.7%, using 2008 average pricing. Margin assumption on incremental revenues 40%.

(c) Base line pricing increases of approximately 3.5% and certain PYCA/Settlement activity. This assumption before discrete initiatives valued in this analysis.

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

(e) Inflation rate of 3.5% reflects normal merit increases, union contract adjustments, supply cost increases and other items before discrete initiatives valued in this analysis.

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

(g) Assumes 2009 bad debt ratio of approximately 7.9%, a 30 basis point increase over our Q4'08 bad debt ratio of 7.6%. Bad debt ratio was 7.3% in 2008.

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

(i) Various risks including volume growth, volume mix, and bad debt create at least \$50 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.



2009 Cash Walk Forward

(\$mm)

Revised

Prior

Low High Change Low High

	Low	High	Change	Low	High
2009 EBITDA	925	975	25	900	950
Add Back: Stock Compensation Charges	20	25	-	20	25
Changes in Cash from Operating Assets and Liabilities	(120)	(100)	-	(120)	(100)
Interest Payments	(420)	(435)	-	(420)	(435)
Adjusted Net Cash Provided by Operating Activities – Cont. Ops.	405	465	25	380	440
Capital Expenditures – Cont. Ops.	(425)	(400)	-	(425)	(400)
Adjusted Free Cash Flow – Cont. Ops.	(20)	65	25	(45)	40
Income Tax Refunds	15	25	-	15	25
Payments against Reserves for Restructuring Charges, Litigation Costs and Settlements	(195)	(185)	-	(195)	(185)
Net Cash Provided by (Used In) Operating Activities from Disc. Ops.	28	38	-	28	38
Investing Activities, Reserve Fund, Divestitures and Other	320	330	-	320	330
Net Financing Activities	(130)	(120)	-	(130)	(120)
Net Increase (Decrease) in Cash and Cash Equivalents	18	153	25	(7)	128
Cash and Cash Equivalents December 31, 2008	507		-	507	
Cash and Cash Equivalents December 31, 2009	525	660	25	500	635

Sept 30 – Dec 31, 2009 - - Cash Walk Forward

(\$mm)

Low

High

	Low	High
EBITDA Outlook (Q4'09)	161	211
Add Back: Stock Compensation Charges	2	7
Changes in Cash from Operating Assets and Liabilities	(81)	(61)
Interest Payments	(80)	(95)
Adjusted Net Cash Provided by Operating Activities – Cont. Ops.	2	62
Capital Expenditures – Cont. Ops.	(161)	(136)
Adjusted Free Cash Flow – Cont. Ops.	(159)	(74)
Income Tax Refunds (Payments)	-	10
Payments against Reserves for Restructuring Charges, Litigation Costs and Settlements	(30)	(20)
Net Cash Provided by Operating Activities from Disc. Ops.	(3)	7
Investing Activities, Reserve Fund, Divestitures and Other	1	11
Net Financing Activities	(15)	(5)
Net Decrease in Cash and Cash Equivalents	(206)	(71)
Cash and Cash Equivalents September 30, 2009	731	
Cash and Cash Equivalents December 31, 2009	525	660

October⁽¹⁾ volume growth⁽²⁾



0.9% increase in total admissions



0.3% increase in paying admissions



5.9% decrease in commercial managed care admissions



9.4% increase in uninsured + charity admissions

(1) Volume data for first four full 7-day weeks of Oct. 2009 (Oct. 1 – Oct 28), same-hospital (Q3'09 vs Q3'08)

(2) Outpatient visit data is not yet available

Summary

- Strong Q3'09 performance:
 - Solid revenue growth
 - Excellent cost control
 - Strong cash flow
 - Outpatient volume acceleration has mitigated revenue impact of softer commercial admissions
 - Bad debt pressures have been manageable
- Further upside potential if stability in:
 - Bad debt
 - Payer mix
 - State government reimbursement
- Confident in our strategies