

newsrelease



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Tenet Responds to Lawsuit Filed by USC

DALLAS – Aug. 25, 2006 – Tenet Healthcare Corporation (NYSE: THC) today issued the following statement in response to a civil lawsuit filed in Los Angeles Superior Court by the University of Southern California. The lawsuit seeks to terminate the partnership between USC and Tenet, the operator of USC University Hospital, a 269-bed acute care hospital located in Los Angeles.

“The partnership between USC and Tenet is more than 20 years old, and USC University Hospital has been very successful both clinically and financially for both partners. In fact, USC University Hospital has ranked among the "Best Hospitals in America" as ranked by *US News & World Report* every year since 2003.

“It is unfortunate that the University has chosen to file this lawsuit and launch a high-profile publicity campaign around it, rather than resolving whatever issues it has with Tenet collaboratively and within the arbitration provisions of our long-term agreement.

“Tenet built the hospital in 1991; the company owns this hospital and has an agreement with the Keck School of Medicine at USC to operate the facility and the related USC Norris Cancer Hospital. The company pays a ground lease fee to the University, which owns the underlying real estate near downtown Los Angeles.

“Tenet has devoted considerable management time and resources to working closely with the University to build a world-class academic medical center. Over the past five years, Tenet has invested \$229 million in the USC Health Sciences Campus. In 2003, it also purchased the nearby 60-bed USC Kenneth Norris Jr. Cancer Hospital from USC at the University's request. Tenet's recent capital investments include robotic and minimally invasive surgical equipment, advanced imaging equipment – which includes state-of-the art 3T MRI capability and cardiac laser equipment -- and a \$150-million new patient tower scheduled to open early next year. In addition, Tenet has supplied millions of dollars through the years as general support of the University's mission.

“The company believes this lawsuit and the publicity generated by the University may be a negotiating tactic to secure additional capital from Tenet. A lawyer representing USC has pro-actively sought out the news media to complain that Tenet "backed away" from a \$100-million capital commitment in a "negotiation" this week. This is false; there was no such negotiation.

“Tenet is dismayed that the University filed this lawsuit and hired an outside public relations firm to generate publicity about it without first attempting to reach a satisfactory resolution to the capital issue. Tenet and the University have shared a collaborative and friendly relationship.

“Tenet is committed to restoring an amicable relationship with the University and to resolving this matter in a fair and equitable manner. But no resolution will include a sale or transfer of this hospital. USC University Hospital is a core asset of the company and a highly valued member of the Tenet family.”

Tenet Healthcare Corporation, through its subsidiaries, owns and operates acute care hospitals and related health care services. Tenet's hospitals aim to provide the best possible care to every patient who comes through their doors, with a clear focus on quality and service. Tenet can be found on the World Wide Web at www.tenethealth.com.