

newsrelease



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Tenet Reports Strongest Volume Growth in Four Years for Quarter Ended June 30, 2008

Highlights:

- ◆ 1.9 percent increase in same-hospital admissions
- ◆ 0.4 percent growth in same-hospital paying outpatient visits
- ◆ 2.3 percent growth in same-hospital surgeries
- ◆ 7.5 percent increase in same-hospital commercial managed care revenues
- ◆ \$171 million in same-hospital adjusted EBITDA, an increase of 9.6 percent
- ◆ \$42 million in adjusted free cash flow from continuing operations
- ◆ \$102 million in capital expenditures in continuing operations
- ◆ \$352 million in cash and equivalents at June 30, 2008, up \$74 million from March 31, 2008

DALLAS – August 5, 2008 – Tenet Healthcare Corporation (NYSE:THC) today reported a net loss of \$15 million, or \$0.03 per share, for its second quarter of 2008, compared to a net loss of \$30 million, or \$0.06 per share, for its second quarter of 2007. Adjusted EBITDA, defined below, for the second quarter of 2008 was \$163 million, an increase of 4.5 percent, as compared to \$156 million for the second quarter of 2007. Adjusted EBITDA for the second quarter of 2008 excluded \$12 million of EBITDA from USC University Hospital, which was moved to discontinued operations, and two other hospitals that were divested during the quarter. The exclusion of USC University Hospital from continuing operations and the impact of a \$16 million adverse prior year cost report adjustment related to a pending CMS decision in connection with GME FTE limits and related reimbursement at one of our hospitals reduced continuing operations earnings per share by \$0.03 per share.

“I am very pleased with our core, same-hospital growth in admissions as well as the increase in outpatient visits by paying patients,” said Trevor Fetter, president and chief executive officer. “Not only is this the best performance we’ve had in the last four years, it continues an improving trend and demonstrates the increasing effectiveness of our strategies around quality, targeted service lines, and physician relationships.”

“Same-hospital commercial managed care admissions were up 1.3 percent in the eight service lines representing the primary focus of our Targeted Growth Initiative,” said Stephen L. Newman, M.D., chief operating officer. “This growth was aided by net expansion of our active medical staff, which grew by 354 physicians in the second quarter, including 119 physicians at our new hospital in El Paso. We expect the increasing number of physicians on the medical staffs of our hospitals will prove to be a robust leading indicator

of our ability to sustain our positive trend in volumes. Pricing increases were also strong in the quarter, with same-hospital net operating revenues from commercial payers growing by 7.5 percent.”

“We produced \$42 million in adjusted free cash flow from continuing operations in the quarter,” said Biggs C. Porter, chief financial officer. “We are substantively unchanged in our outlook for 2008, adjusting it only for the reclassification of USC to discontinued operations. We are also maintaining our \$1 billion 2009 objective for adjusted EBITDA despite the sales of USC, our interest in Broadlane, and other assets. These asset dispositions have an offsetting positive impact on shareholder value resulting from the reduction in net debt.”

Adjusted EBITDA

Adjusted EBITDA, defined below, was \$163 million, or a margin of 7.6 percent of net operating revenues, in the second quarter of 2008. This represents an increase of \$7 million, or 4.5 percent, from \$156 million in the second quarter of 2007, and a margin decline of 20 basis points as compared to an adjusted EBITDA margin of 7.8 percent in the second quarter of 2007. Adjusted EBITDA was \$379 million for the first six months of 2008 as compared to \$337 million for the first six months of 2007, an increase of \$42 million, or 12.5 percent.

Same-hospital adjusted EBITDA, defined below, was \$171 million in the second quarter of 2008, an increase of \$15 million, or 9.6 percent, from the \$156 million in the second quarter of 2007. Same-hospital adjusted EBITDA margin increased by 30 basis points to 8.1 percent in the second quarter of 2008 as compared to a same-hospital adjusted EBITDA margin of 7.8 percent in the second quarter of 2007.

The two leased hospitals that remain in continuing operations but whose leases will not be renewed reported breakeven adjusted EBITDA in both the second quarters of 2008 and 2007. The results from these two hospitals have been excluded from the calculation of adjusted EBITDA as well as same-hospital adjusted EBITDA. These two hospitals are our Irvine Regional Hospital and Medical Center and Community Hospital of Los Gatos. The leases on these hospitals expire in February and May 2009, respectively. The results from these two hospitals will be excluded from the calculation of adjusted EBITDA in future quarters as well.

Adjusted EBITDA is a non-GAAP term defined by the Company as net income (loss) before: (1) the cumulative effect of changes in accounting principle, net of tax; (2) income (loss) from discontinued operations, net of tax; (3) income (loss) from leased hospitals whose leases will not be renewed; (4) income tax (expense) benefit; (5) net gains (losses) on sales of investments; (6) minority interests; (7) investment earnings; (8) interest expense; (9) litigation and investigation (costs) benefit; (10) hurricane insurance recoveries, net of costs; (11) impairment of long-lived assets and goodwill and restructuring charges, net of insurance recoveries; (12) amortization; and (13) depreciation. A reconciliation of net income (loss) to “adjusted EBITDA” is provided in Table #1 at the end of this release.

Same-Hospital Data

Same-hospital data excludes the impact of two hospitals: (1) Coastal Carolina Medical Center, which we acquired on June 30, 2007; and (2) Sierra Providence East Medical Center, in El Paso, which opened on May 21, 2008. Same-hospital data is the primary form of tabular data presentation in the narrative sections of this document.

Total-hospital data, including the contribution of Coastal Carolina Medical Center and Sierra Providence East Medical Center, is provided in the tabular presentation of data at the end of this document. As a result of this approach, certain amounts in the narrative section of this document will not tie to amounts in the condensed consolidated statement of operations.

At June 30, 2008, there were 52 hospitals in total-hospital continuing operations, a net decline of two hospitals from the 54 hospitals reported in total-hospital continuing operations at March 31, 2008. This change reflects the addition of Sierra Providence East Medical Center in El Paso, the sale of two hospitals, Garden Grove Hospital and Medical Center and San Dimas Community Hospital, both in California, and their reclassification into discontinued operations, and the reclassification of USC University Hospital into discontinued operations as a result of the anticipated divestiture of this hospital.

Continuing operations, both total-hospital and same-hospital, include the results from Irvine Regional Hospital and Medical Center and Community Hospital of Los Gatos. We previously announced our intent not to renew those leases. These two hospitals will remain in continuing operations until their respective leases expire.

Admissions, Patient Days and Surgeries

| Admissions, Patient Days and Surgeries | Same-Hospital Continuing Operations | | |
|---|-------------------------------------|---------|----------------------|
| | Q2'08 | Q2'07 | Change (%) |
| Commercial Managed Care Admissions | 37,381 | 38,229 | (2.2) |
| Governmental Managed Care Admissions | 27,685 | 23,864 | 16.0 |
| Medicare Admissions | 40,600 | 40,991 | (1.0) |
| Medicaid Admissions | 15,867 | 16,252 | (2.4) |
| Uninsured Admissions | 5,979 | 5,724 | 4.5 |
| Charity Care Admissions | 2,497 | 2,479 | 0.7 |
| Other Admissions | 3,439 | 3,389 | 1.5 |
| Total Admissions | 133,448 | 130,928 | 1.9 |
| Admissions excluding Charity + Uninsured | 124,972 | 122,725 | 1.8 |
| Charity Admissions + Uninsured Admissions | 8,476 | 8,203 | 3.3 |
| Admissions through Emergency Department | 74,025 | 72,143 | 2.6 |
| Commercial Managed Care Admits / Total Admits (%) | 28.0 | 29.2 | (1.2) ^(a) |
| Emergency Department Admissions / Total Admits (%) | 55.5 | 55.1 | 0.4 ^(a) |
| Uninsured Admissions / Total Admissions (%) | 4.5 | 4.4 | 0.1 ^(a) |
| Charity Admissions / Total Admissions (%) | 1.9 | 1.9 | - ^(a) |
| Surgeries – Inpatient | 40,267 | 39,901 | 0.9 |
| Surgeries – Outpatient | 53,386 | 51,613 | 3.4 |
| Surgeries – Total | 93,653 | 91,514 | 2.3 |
| Patient Days – Total | 657,451 | 649,207 | 1.3 |
| Adjusted Patient Days ^(b) | 949,829 | 930,147 | 2.1 |
| Patient Days – Commercial Managed Care | 148,419 | 153,096 | (3.1) |
| Average Length of Stay (days) | 4.9 | 5.0 | (0.1) ^(a) |
| Adjusted Patient Admissions ^(b) | 194,104 | 188,775 | 2.8 |
| (a) This change is the difference between the Q2'08 and Q2'07 amounts shown | | | |
| (b) “Adjusted Patient Days / Admissions” represents actual patient days / admissions adjusted to include outpatient services by multiplying actual patient days / admissions by the sum of gross inpatient revenues and outpatient revenues and dividing the results by gross inpatient revenues. | | | |

All regions achieved admissions growth of 2.5 percent, or better, with the exception of our Southern States Region, which experienced an admissions decline of 1.4 percent in the second quarter of 2008. Florida's admissions growth was particularly strong with admissions increasing by 3.0 percent. Growth was also strong in Philadelphia with admissions increasing by 5.1 percent in the second quarter.

Outpatient Visits

| Outpatient Visits | Same-Hospital Continuing Operations | | |
|---|--|---------|----------------------|
| | Q2'08 | Q2'07 | Change (%) |
| Total OP Visits | 959,839 | 962,420 | (0.3) |
| Uninsured OP Visits | 100,733 | 104,486 | (3.6) |
| Uninsured OP Visits / Total OP Visits (%) | 10.5 | 10.9 | (0.4) ^(a) |
| Charity Care OP Visits | 4,857 | 6,886 | (29.5) |
| Charity Care OP Visits / Total OP Visits (%) | 0.5 | 0.7 | (0.2) ^(a) |
| OP Visits excluding Charity and Uninsured | 854,249 | 851,048 | 0.4 |
| OP Surgery Visits | 53,386 | 51,613 | 3.4 |
| Commercial Managed Care OP Visits | 359,823 | 366,512 | (1.8) |
| Commercial OP Visits / Total Visits (%) | 37.5 | 38.1 | (0.6) ^(a) |
| (a) This change is the difference between the Q2'08 and Q2'07 amounts shown | | | |

Excluding uninsured and charity outpatient visits, outpatient visits increased by 0.4 percent in the second quarter of 2008 as compared to the second quarter of 2007. Our growth in outpatient visits continues to be adversely impacted by increasing competition from physician-owned entities providing outpatient services. Approximately half the large 29.5 percent decline in charity visits is attributable to the recent expansion of a county government clinic near one of our hospitals.

Imaging visits declined by 7,361, or 3.1 percent, more than fully accounting for the total decline of 2,581 outpatient visits. This was largely the result of volume losses to a growing number of competing retail imaging centers.

The 3.4 percent increase in outpatient surgery volume included a 28 percent increase in volumes at our freestanding ambulatory surgery centers.

Revenues

| Revenues (\$ in millions) | Same-Hospital Continuing Operations | | |
|---|--|-------|----------------------|
| | Q2'08 | Q2'07 | Change (%) |
| Net Operating Revenues | 2,175 | 2,054 | 5.9 |
| Net Patient Revenue from Commercial Managed Care | 886 | 824 | 7.5 |
| Revenues from the Uninsured | 159 | 156 | 1.9 |
| Charity Care Gross Charges ^(a) | 145 | 150 | (3.3) |
| Provision for Doubtful Accounts ("Bad Debt") | 153 | 142 | 7.7 |
| Uncompensated Care ^(b) | 298 | 292 | 2.1 |
| Uncompensated Care / (Net Operating Revenues plus Charity Care Gross Charges) ^(b) (%) | 12.8 | 13.2 | (0.4) ^(c) |
| (a) Charity Care Gross Charges are not included in Net Operating Revenues | | | |
| (b) "Uncompensated Care" is a non-GAAP measure defined as Charity Care Gross Charges plus Provision for Doubtful Accounts | | | |
| (c) This change is the difference between the Q2'08 and Q2'07 amounts shown | | | |

Net operating revenues for the second quarter of 2008 were adversely impacted by a \$22 million change in prior year cost report and valuation allowance adjustments resulting from the net impact of unfavorable cost report adjustments of \$9 million in the second quarter of 2008 compared to favorable cost report adjustments of \$13 million in the second quarter of 2007. The principal reason for the net negative cost report adjustments in the second quarter of 2008 was a \$16 million adverse adjustment related to a pending CMS decision in connection

with GME FTE limits and related reimbursement at one of our hospitals. We are pursuing a reversal of CMS's position on this matter. Excluding these cost report adjustments from both quarters, same-hospital net operating revenues would have increased by \$143 million, or 7.0 percent, from the second quarter of 2007 to the second quarter of 2008.

Pricing

| Pricing (\$) | Same-Hospital Continuing Operations | | |
|--|--|--------|------------|
| | Q2'08 | Q2'07 | Change (%) |
| Net Inpatient Revenue per Admission | 10,753 | 10,502 | 2.4 |
| Net Inpatient Revenue per Patient Day | 2,183 | 2,118 | 3.1 |
| Net Outpatient Revenue per Visit | 694 | 635 | 9.3 |
| Net Patient Revenue per Adjusted Patient Admission | 10,824 | 10,520 | 2.9 |
| Net Patient Revenue per Adjusted Patient Day | 2,212 | 2,135 | 3.6 |
| Managed Care: Net Inpatient Revenue per Admission | 11,414 | 10,805 | 5.6 |
| Managed Care: Net Outpatient Revenue per Visit | 810 | 742 | 9.2 |

Pricing improvement was evident across all key metrics, primarily reflecting the improved terms of our commercial managed care contracts. Inpatient pricing in the second quarter of 2008 was adversely affected by the \$16 million adverse adjustment that, as described above, is related to a pending CMS decision in connection with GME FTE limits and related reimbursement at one of our hospitals.

Outpatient pricing outpaced the growth in inpatient pricing due to an improving mix of procedures performed in our outpatient facilities.

Controllable Operating Expenses

| Controllable Operating Expenses | | Same-Hospital Continuing Operations | | |
|--|--------|--|-------|------------|
| | | Q2'08 | Q2'07 | Change (%) |
| Salaries, Wages & Benefits | (\$mm) | 959 | 913 | 5.0 |
| Supplies | (\$mm) | 390 | 359 | 8.6 |
| Other Operating Expenses | (\$mm) | 502 | 484 | 3.7 |
| Total Controllable Operating Expenses | (\$mm) | 1,851 | 1,756 | 5.4 |
| Rent / Lease Expense ^(a) | (\$mm) | 38 | 38 | - |
| Unit Cost Statistics | | | | |
| Salaries, Wages & Benefits per Adjusted Patient Day | (\$) | 1,010 | 982 | 2.9 |
| Supplies per Adjusted Patient Day | (\$) | 411 | 386 | 6.5 |
| Other Operating Expenses per Adjusted Patient Day | (\$) | 528 | 520 | 1.5 |
| Total Controllable Operating Expenses per Adjusted Patient Day | (\$) | 1,949 | 1,888 | 3.2 |

^(a) Included in Other Operating Expenses

On a per adjusted patient day basis, the 3.2 percent increase in controllable operating expenses is within our outlook of 3.0 to 3.5 percent for 2008.

On a per adjusted patient day basis, salaries, wages and benefits increased 2.9 percent in the second quarter of 2008 as compared to the second quarter of 2007. This increase is primarily due to merit increases for our employees, increased annual incentive compensation costs and increased health benefits costs, partially offset by a decline in full-time employee headcount and contract labor expense, and improved workers' compensation loss experience.

Supplies expense per adjusted patient day increased by 6.5 percent in the second quarter of 2008 as compared to the second quarter of 2007. The increase in supplies expense is primarily due to the increased number of surgeries as well as higher costs for implants and pacemakers, reflecting both technology improvements and inflationary price increases. The increase in supplies expense was partially offset by lower cardiovascular and pharmaceutical supply costs, resulting from a decline in cardiovascular procedures and our initiatives to use more cost-effective pharmaceuticals. The increase in supplies expense is offset by revenue growth, including pass-through payments we receive from certain payers.

“Other Operating Expenses” per adjusted patient day increased by 1.5 percent in the second quarter of 2008 as compared to the second quarter of 2007. The increase is primarily due to the higher physician fees and contracted services, partially offset by lower information systems implementation costs, lower malpractice expense, and increased volume levels. Growth in our patient volumes reduces other operating expenses on a per adjusted patient day basis as a result of fixed costs in this expense category that do not fluctuate with changes in our patient volumes such as utilities, property taxes, rent, certain information technology costs and certain contracted services.

The “Other Operating Expenses” line item includes malpractice expense which was \$39 million in the second quarter of 2008 compared to \$45 million in the second quarter of 2007. This decrease is primarily attributable to improved claims experience partially offset by \$3 million of incremental expenses related to a lower interest rate environment that increased the discounted present value of projected future liabilities.

Provision for Doubtful Accounts

| Bad Debt | Same-Hospital Continuing Operations | | |
|---|--|-------|--------------------|
| | Q2'08 | Q2'07 | Change (%) |
| Provision for Doubtful Accounts (“Bad Debt”) (\$mm) | 153 | 142 | 7.7 |
| Bad Debt / Net Operating Revenues (%) | 7.0 | 6.9 | 0.1 ^(a) |
| Collection Rate from Self-Pay (%) | 36 | 35 | 1.0 ^(a) |
| Collection Rate from Managed Care Payers (%) | 98 | 98 | - ^(a) |
| (a) This change is the difference between the Q2'08 and Q2'07 amounts shown | | | |

Our provision for doubtful accounts increased primarily due to higher uninsured revenues, pricing increases and improved charge capture in our emergency departments. The adverse impact from these pressures on our bad debt expense were partially mitigated by higher collections at point-of-service and improved collection trends primarily related to self-pay accounts.

Accounts Receivable

Consolidated accounts receivable were \$1.450 billion at June 30, 2008, and \$1.468 billion at March 31, 2008. Accounts receivable days outstanding from continuing operations were 53 days at June 30, 2008, flat compared to March 31, 2008 and December 31, 2007.

Cash Flow

Cash and cash equivalents were \$352 million at June 30, 2008, an increase of \$74 million from \$278 million at March 31, 2008. Adjusted Free Cash Flow, defined below, was positive \$39 million in the second quarter of 2008 compared to negative \$6 million in the second quarter of 2007.

Adjusted Free Cash Flow, a non-GAAP term, is defined by the Company as cash flows provided by (used in) operating activities less capital expenditures in continuing operations, new and replacement hospital

construction expenditures, income tax refunds (payments), net cash provided by operating activities from discontinued operations, cash flows from hospitals whose leases will not be renewed, and payments against reserves for restructuring charges and litigation costs and settlements. The reconciliation of net cash provided by (used in) operating activities, the most comparable GAAP term, to Adjusted Free Cash Flow is provided in Table #2 at the end of this release.

Significant cash receipts and disbursements in the second quarter of 2008 included:

- (1) \$60 million in proceeds from the sale of facilities and other assets related to discontinued operations;
- (2) Capital expenditures of \$110 million, consisting of \$102 million in continuing operations and \$8 million in discontinued operations;
- (3) \$70 million in interest payments;
- (4) \$22 million in principal payments (excluding interest of \$2 million) related to the Company's 2006 civil settlement with the federal government;
- (5) Net income tax payments of \$4 million; and,
- (6) \$3 million payment to acquire a surgery center now affiliated with the Company's John F. Kennedy Memorial Hospital in California.

Net cash provided by operating activities was \$123 million in the second quarter of 2008 as compared to \$285 million in the second quarter of 2007, a decline of \$162 million. Factors contributing to the decline in cash provided by operating activities in the second quarter of 2008 compared to the second quarter of 2007 include the following:

- (1) Net income tax refunds of \$169 million were received in the second quarter of 2007 compared to payments of \$4 million in the second quarter of 2008;
- (2) Payments of \$24 million (\$22 million in principal and \$2 million in interest) in the second quarter of 2008 related to our 2006 civil settlement with the federal government. No payments related to this settlement were required in the second quarter of 2007; and,
- (3) \$31 million of additional cash flows related to enhanced management of our accounts payable.

Outlook for 2008 and 2009

Tenet's outlook for 2008 is substantively unchanged. However, we are updating the range of our 2008 adjusted EBITDA outlook for continuing operations only for the reclassification of the earnings of USC University Hospital to discontinued operations. Accordingly, the underlying performance of the hospitals in continuing operations is expected to remain the same as was reflected in the prior expressed outlook for 2008 adjusted EBITDA of \$775 million to \$850 million. After reflecting the reclassification of USC, the revised 2008 outlook for adjusted EBITDA for continuing operations is \$750 million to \$825 million, and the range for net loss is \$120 million to \$20 million. There is a parallel change in the 2008 outlook for adjusted cash flow from operations from the prior range of \$400 million to \$500 million to the revised 2008 outlook range of \$375 million to \$475 million. Tenet is maintaining its 2009 objective of \$1 billion in adjusted EBITDA and approximately breakeven adjusted free cash flow.

A reconciliation of outlook adjusted EBITDA to net loss for the year ending December 31, 2008 is provided in Table #3; and a reconciliation of outlook adjusted net cash provided by operating activities, and outlook adjusted free cash flow from continuing operations to outlook net cash provided by operating activities for the year ending December 31, 2008 is provided in Table #4 at the end of this document.

Management's Webcast Discussion of Second Quarter Results

Tenet management will discuss second quarter 2008 results on a webcast scheduled to begin at 9:30 AM (ET) on August 5, 2008. This webcast may be accessed through Tenet website at www.tenethealth.com. A set of slides which may be referred to during management's remarks will be posted to the Company's website at approximately 7:30 AM (ET).

Tenet Healthcare Corporation, through its subsidiaries, owns and operates acute care hospitals and related ancillary health care businesses, which include ambulatory surgery centers and diagnostic imaging centers. Tenet is committed to providing high quality care to patients in the communities we serve. Tenet can be found on the World Wide Web at www.tenethealth.com.

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Some of the statements in this release may constitute forward-looking statements. Such forward-looking statements are based on our current expectations and could be affected by numerous factors and are subject to various risks and uncertainties discussed in our filings with the Securities and Exchange Commission, including our annual report on Form 10-K for the year ended Dec. 31, 2007, our quarterly reports on Form 10-Q, and periodic reports on Form 8-K. 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.

TENET HEALTHCARE CORPORATION
CONSOLIDATED OPERATIONS DATA
(Unaudited)

(Dollars in millions except per share amounts)

| | <i>Three Months Ended June 30,</i> | | | | <i>Change</i> |
|--|------------------------------------|---------------|------------------|---------------|---------------|
| | <i>2008</i> | <i>%</i> | <i>2007</i> | <i>%</i> | |
| Net operating revenues | \$ 2,184 | 100.0% | \$ 2,054 | 100.0% | 6.3% |
| Operating expenses: | | | | | |
| Salaries, wages and benefits | (967) | (44.3%) | (913) | (44.4%) | 5.9% |
| Supplies | (392) | (17.9%) | (359) | (17.5%) | 9.2% |
| Provision for doubtful accounts | (154) | (7.1%) | (142) | (6.9%) | 8.5% |
| Other operating expenses, net | (508) | (23.3%) | (484) | (23.6%) | 5.0% |
| Depreciation | (85) | (3.9%) | (77) | (3.7%) | 10.4% |
| Amortization | (10) | (0.4%) | (8) | (0.4%) | 25.0% |
| Impairment of long-lived assets and goodwill, and restructuring charges | (2) | (0.1%) | (8) | (0.4%) | |
| Litigation and investigation (costs) benefit | (3) | (0.1%) | 1 | —% | |
| Operating income | 63 | 2.9% | 64 | 3.1 % | |
| Interest expense | (102) | | (105) | | |
| Investment earnings | 4 | | 15 | | |
| Minority interests | — | | (1) | | |
| Loss from continuing operations, before income taxes | (35) | | (27) | | |
| Income tax benefit | 16 | | 3 | | |
| Loss from continuing operations, before discontinued operations | (19) | | (24) | | |
| Discontinued operations: | | | | | |
| Income (loss) from operations | 6 | | (4) | | |
| Impairment of long-lived assets and goodwill, and restructuring charges | (7) | | (3) | | |
| Net gain on sales of facilities | 8 | | 2 | | |
| Income tax expense | (3) | | (1) | | |
| Income (loss) from discontinued operations, net of tax | 4 | | (6) | | |
| Net loss | \$ (15) | | \$ (30) | | |
| Earnings (loss) per share | | | | | |
| Basic and diluted: | | | | | |
| Continuing operations | \$ (0.04) | | \$ (0.05) | | |
| Discontinued operations | 0.01 | | (0.01) | | |
| | <u>\$ (0.03)</u> | | <u>\$ (0.06)</u> | | |
| Weighted average shares and dilutive securities outstanding (in thousands): | 476,308 | | 473,212 | | |

TENET HEALTHCARE CORPORATION
CONSOLIDATED OPERATIONS DATA
(Unaudited)

(Dollars in millions except per share amounts)

| | <i>Six Months Ended June 30,</i> | | | | <i>Change</i> |
|--|----------------------------------|---------------|-----------------|---------------|---------------|
| | <i>2008</i> | <i>%</i> | <i>2007</i> | <i>%</i> | |
| Net operating revenues | \$ 4,419 | 100.0% | \$ 4,155 | 100.0% | 6.4% |
| Operating expenses: | | | | | |
| Salaries, wages and benefits | (1,947) | (44.1%) | (1,853) | (44.6%) | 5.1% |
| Supplies | (780) | (17.7%) | (726) | (17.5%) | 7.4% |
| Provision for doubtful accounts | (302) | (6.8%) | (276) | (6.6%) | 9.4% |
| Other operating expenses, net | (1,005) | (22.7%) | (959) | (23.1%) | 4.8% |
| Depreciation | (168) | (3.8%) | (154) | (3.7%) | 9.1% |
| Amortization | (19) | (0.4%) | (16) | (0.4%) | 18.8% |
| Impairment of long-lived assets and goodwill, and restructuring charges | (3) | (0.1%) | (11) | (0.2%) | |
| Litigation and investigation (costs) benefit | (50) | (1.1%) | 2 | — | |
| Operating income | 145 | 3.3% | 162 | 3.9% | |
| Interest expense | (206) | | (210) | | |
| Investment earnings | 9 | | 26 | | |
| Minority interests | (1) | | (3) | | |
| Loss from continuing operations, before income taxes | (53) | | (25) | | |
| Income tax benefit | 14 | | 94 | | |
| Income (loss) from continuing operations, before discontinued operations | (39) | | 69 | | |
| Discontinued operations: | | | | | |
| Income (loss) from operations | 6 | | (26) | | |
| Impairment of long-lived assets and goodwill, and restructuring charges | (17) | | (12) | | |
| Net gain on sales of facilities | 8 | | 1 | | |
| Income tax (expense) benefit | (4) | | 13 | | |
| Loss from discontinued operations, net of tax | (7) | | (24) | | |
| Net income (loss) | \$ (46) | | \$ 45 | | |
| Earnings (loss) per share | | | | | |
| Basic and diluted: | | | | | |
| Continuing operations | \$ (0.09) | | \$ 0.14 | | |
| Discontinued operations | (0.01) | | (0.05) | | |
| | <u>\$ (0.10)</u> | | <u>\$ 0.09</u> | | |
| Weighted average shares and dilutive securities outstanding (in thousands): | 475,687 | | 474,514 | | |

TENET HEALTHCARE CORPORATION
BALANCE SHEET DATA
(Unaudited)

| <i>(Dollars in millions)</i> | ASSETS | <u>June 30, 2008</u> | <u>December 31, 2007</u> |
|---|---|--------------------------|------------------------------|
| Current assets: | | | |
| | Cash and cash equivalents | \$ 352 | \$ 572 |
| | Investments in marketable debt securities | 8 | 20 |
| | Accounts receivable, less allowance for doubtful accounts | 1,450 | 1,385 |
| | Inventories of supplies, at cost | 170 | 183 |
| | Income tax receivable | 29 | 7 |
| | Deferred income taxes | 118 | 87 |
| | Assets held for sale | 385 | 51 |
| | Other current assets | 266 | 255 |
| | Total current assets | 2,778 | 2,560 |
| | Investments and other assets | 271 | 288 |
| | Property and equipment, at cost, less accumulated depreciation and amortization | 4,274 | 4,645 |
| | Goodwill | 610 | 607 |
| | Other intangible assets, at cost, less accumulated amortization | 310 | 293 |
| | Total assets | \$ 8,243 | \$ 8,393 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| | Current portion of long-term debt | \$ 2 | \$ 1 |
| | Accounts payable | 643 | 780 |
| | Accrued compensation and benefits | 338 | 393 |
| | Professional and general liability reserves | 150 | 161 |
| | Accrued interest payable | 125 | 126 |
| | Accrued legal settlement costs | 167 | 119 |
| | Other current liabilities | 548 | 468 |
| | Total current liabilities | 1,973 | 2,048 |
| | Long-term debt, net of current portion | 4,775 | 4,771 |
| | Professional and general liability reserves | 547 | 555 |
| | Accrued legal settlement costs | 118 | 163 |
| | Other long-term liabilities and minority interests | 654 | 683 |
| | Deferred income taxes | 147 | 119 |
| | Total liabilities | 8,214 | 8,339 |
| | Commitments and contingencies | | |
| Shareholders' equity: | | | |
| | Common stock | 26 | 26 |
| | Additional paid-in capital | 4,431 | 4,412 |
| | Accumulated other comprehensive loss | (26) | (28) |
| | Accumulated deficit | (2,923) | (2,877) |
| | Less common stock in treasury, at cost | (1,479) | (1,479) |
| | Total shareholders' equity | 29 | 54 |
| | Total liabilities and shareholders' equity | \$ 8,243 | \$ 8,393 |

TENET HEALTHCARE CORPORATION
CASH FLOW DATA
(Unaudited)

(Dollars in millions)

| | <i>Six Months Ended June 30,</i> | |
|---|--------------------------------------|---------------|
| | <u>2008</u> | <u>2007</u> |
| Net income (loss) | \$ (46) | \$ 45 |
| Adjustments to reconcile net income (loss) to net cash from operating activities: | | |
| Depreciation and amortization | 187 | 170 |
| Provision for doubtful accounts | 302 | 276 |
| Deferred income tax expense | 16 | 1 |
| Stock-based compensation expense | 20 | 21 |
| Impairment of long-lived assets and goodwill, and restructuring charges | 3 | 11 |
| Litigation and investigation costs (benefit) | 50 | (2) |
| Pre-tax loss from discontinued operations | 3 | 37 |
| Other items, net | (3) | (12) |
| Changes in cash from changes in operating assets and liabilities: | | |
| Accounts receivable | (360) | (299) |
| Inventories and other current assets | 15 | 5 |
| Income taxes | (29) | 60 |
| Accounts payable, accrued expenses and other current liabilities | (89) | (200) |
| Other long-term liabilities | (25) | 15 |
| Payments against reserves for restructuring charges and litigation costs and settlements | (56) | (28) |
| Net cash provided by operating activities from discontinued operations, excluding income taxes | 2 | 31 |
| Net cash provided by (used in) operating activities | (10) | 131 |
| Cash flows from investing activities: | | |
| Purchases of property and equipment: | | |
| Continuing operations | (233) | (217) |
| Discontinued operations | (10) | (18) |
| Construction of new and replacement hospitals | (56) | (27) |
| Purchase of business | (3) | (36) |
| Proceeds from sales of facilities and other assets – discontinued operations | 83 | 53 |
| Proceeds from sales of marketable securities, long-term investments and other assets | 14 | 442 |
| Purchases of marketable securities | (8) | (434) |
| Other items, net | 2 | (4) |
| Net cash used in investing activities | (211) | (241) |
| Cash flows from financing activities: | | |
| Repayments of borrowings | (1) | — |
| Other items, net | 2 | 1 |
| Net cash provided by financing activities | 1 | 1 |
| Net decrease in cash and cash equivalents | (220) | (109) |
| Cash and cash equivalents at beginning of period | 572 | 784 |
| Cash and cash equivalents at end of period | \$ 352 | \$ 675 |
| Supplemental disclosures: | | |
| Interest paid, net of capitalized interest | \$ (195) | \$ (191) |
| Income tax (payments) refunds, net | \$ (3) | \$ 168 |

TENET HEALTHCARE CORPORATION
 SELECTED STATISTICS – CONTINUING SAME HOSPITALS
 (Unaudited)

(Dollars in millions except per patient day, per admission and per visit amounts)

| | <u>Three Months Ended June 30,</u> | | | <u>Six Months Ended June 30,</u> | | | |
|--|------------------------------------|-------------|---------------|----------------------------------|-------------|---------------|---|
| | <u>2008</u> | <u>2007</u> | <u>Change</u> | <u>2008</u> | <u>2007</u> | <u>Change</u> | |
| Net inpatient revenues | \$ 1,435 | \$ 1,375 | 4.4% | \$ 2,949 | \$ 2,801 | 5.3% | |
| Net outpatient revenues | \$ 666 | \$ 611 | 9.0% | \$ 1,309 | \$ 1,209 | 8.3% | |
| Number of general hospitals (at end of period) | 50 | 50 | — | 50 | 50 | — | * |
| Licensed beds (at end of period) | 13,713 | 13,736 | (0.2%) | 13,713 | 13,736 | (0.2%) | |
| Average licensed beds | 13,715 | 13,746 | (0.2%) | 13,725 | 13,742 | (0.1%) | |
| Utilization of licensed beds | 52.7% | 51.9% | 0.8% | 54.7% | 54.3% | 0.4% | * |
| Patient days | 657,451 | 649,207 | 1.3% | 1,366,298 | 1,349,698 | 1.2% | |
| Adjusted patient days | 949,829 | 930,147 | 2.1% | 1,947,225 | 1,908,454 | 2.0% | |
| Net inpatient revenue per patient day | \$ 2,183 | \$ 2,118 | 3.1% | \$ 2,158 | \$ 2,075 | 4.0% | |
| Admissions | 133,448 | 130,928 | 1.9% | 273,703 | 270,001 | 1.4% | |
| Adjusted patient admissions | 194,104 | 188,775 | 2.8% | 392,589 | 384,030 | 2.2% | |
| Net inpatient revenue per admission | \$ 10,753 | \$ 10,502 | 2.4% | \$ 10,774 | \$ 10,374 | 3.9% | |
| Average length of stay (days) | 4.9 | 5.0 | (0.1%) | 5.0 | 5.0 | — | * |
| Surgeries | 93,653 | 91,514 | 2.3% | 183,925 | 183,299 | 0.3% | |
| Net outpatient revenue per visit | \$ 694 | \$ 635 | 9.3% | \$ 678 | \$ 622 | 9.0% | |
| Outpatient visits | 959,839 | 962,420 | (0.3%) | 1,931,709 | 1,943,714 | (0.6%) | |
| Sources of net patient revenue | | | | | | | |
| Medicare | 24.8% | 25.0% | (0.2%) | 25.4% | 26.2% | (0.8%) | * |
| Medicaid | 8.2% | 9.3% | (1.1%) | 8.3% | 8.2% | 0.1% | * |
| Managed care governmental | 13.2% | 11.3% | 1.9% | 13.4% | 12.0% | 1.4% | * |
| Managed care commercial | 42.2% | 41.5% | 0.7% | 41.3% | 41.4% | (0.1%) | * |
| Indemnity, self-pay and other | 11.6% | 12.9% | (1.3%) | 11.6% | 12.2% | (0.6%) | * |

* This change is the difference between the 2008 and 2007 amounts shown

TENET HEALTHCARE CORPORATION
SELECTED STATISTICS – CONTINUING TOTAL HOSPITALS
(Unaudited)

(Dollars in millions except per patient day, per admission and per visit amounts)

| | <u>Three Months Ended June 30,</u> | | | <u>Six Months Ended June 30,</u> | | | |
|--|------------------------------------|-------------|---------------|----------------------------------|-------------|---------------|---|
| | <u>2008</u> | <u>2007</u> | <u>Change</u> | <u>2008</u> | <u>2007</u> | <u>Change</u> | |
| Net inpatient revenues | \$ 1,439 | \$ 1,375 | 4.7% | \$ 2,955 | \$ 2,801 | 5.5% | |
| Net outpatient revenues | \$ 670 | \$ 611 | 9.7% | \$ 1,316 | \$ 1,209 | 8.9% | |
| Number of general hospitals (at end of period) | 52 | 51 | 1 | 52 | 51 | 1 | * |
| Licensed beds (at end of period) | 13,864 | 13,777 | 0.6% | 13,864 | 13,777 | 0.6% | |
| Average licensed beds | 13,829 | 13,760 | 0.5% | 13,803 | 13,749 | 0.4% | |
| Utilization of licensed beds | 52.4% | 51.8% | 0.6% | 54.5% | 54.2% | 0.3% | * |
| Patient days | 659,534 | 649,207 | 1.6% | 1,369,843 | 1,349,698 | 1.5% | |
| Adjusted patient days | 955,538 | 930,147 | 2.7% | 1,957,182 | 1,908,454 | 2.6% | |
| Net inpatient revenue per patient day | \$ 2,182 | \$ 2,118 | 3.0% | \$ 2,157 | \$ 2,075 | 4.0% | |
| Admissions | 133,983 | 130,928 | 2.3% | 274,580 | 270,001 | 1.7% | |
| Adjusted patient admissions | 195,522 | 188,775 | 3.6% | 395,000 | 384,030 | 2.9% | |
| Net inpatient revenue per admission | \$ 10,740 | \$ 10,502 | 2.3% | \$ 10,762 | \$ 10,374 | 3.7% | |
| Average length of stay (days) | 4.9 | 5.0 | (0.1) | 5.0 | 5.0 | — | * |
| Surgeries | 93,970 | 91,514 | 2.7% | 184,483 | 183,299 | 0.6% | |
| Net outpatient revenue per visit | \$ 689 | \$ 635 | 8.5% | \$ 674 | \$ 622 | 8.4% | |
| Outpatient visits | 972,261 | 962,420 | 1.0% | 1,953,945 | 1,943,714 | 0.5% | |
| Sources of net patient revenue | | | | | | | |
| Medicare | 24.8% | 25.0% | (0.2%) | 25.4% | 26.2% | (0.8%) | * |
| Medicaid | 8.2% | 9.3% | (1.1%) | 8.3% | 8.2% | 0.1% | * |
| Managed care governmental | 13.2% | 11.3% | 1.9% | 13.3% | 12.0% | 1.3% | * |
| Managed care commercial | 42.1% | 41.5% | 0.6% | 41.3% | 41.4% | (0.1%) | * |
| Indemnity, self-pay and other | 11.7% | 12.9% | (1.2%) | 11.7% | 12.2% | (0.5%) | * |

* This change is the difference between the 2008 and 2007 amounts shown

TENET HEALTHCARE CORPORATION
CONSOLIDATED OPERATIONS DATA
Calendar Year 2008 by Quarter
(Unaudited)

| <i>(Dollars in millions except per share amounts)</i> | Three Months Ended | | Six Months Ended 6/30/08 |
|--|---------------------------|------------------|---|
| | 3/31/08 | 6/30/08 | |
| Net operating revenues | \$ 2,235 | \$ 2,184 | \$ 4,419 |
| Operating expenses: | | | |
| Salaries, wages and benefits | (980) | (967) | (1,947) |
| Supplies | (388) | (392) | (780) |
| Provision for doubtful accounts | (148) | (154) | (302) |
| Other operating expenses, net | (497) | (508) | (1,005) |
| Depreciation | (83) | (85) | (168) |
| Amortization | (9) | (10) | (19) |
| Impairment of long-lived assets and goodwill, and restructuring charges | (1) | (2) | (3) |
| Litigation and investigation (costs) benefit | (47) | (3) | (50) |
| Operating income | 82 | 63 | 145 |
| Interest expense | (104) | (102) | (206) |
| Investment earnings | 5 | 4 | 9 |
| Minority interests | (1) | — | (1) |
| Loss from continuing operations, before income taxes | (18) | (35) | (53) |
| Income tax (expense) benefit | (2) | 16 | 14 |
| Loss from continuing operations, before discontinued operations | (20) | (19) | (39) |
| Discontinued operations: | | | |
| Income from operations | — | 6 | 6 |
| Impairment of long-lived assets and goodwill, and restructuring charges | (10) | (7) | (17) |
| Net gain on sales of facilities | — | 8 | 8 |
| Income tax expense | (1) | (3) | (4) |
| Income (loss) from discontinued operations, net of tax | (11) | 4 | (7) |
| Net loss | \$ (31) | \$ (15) | \$ (46) |
| Earnings (loss) per share | | | |
| Basic and diluted: | | | |
| Continuing operations | \$ (0.04) | \$ (0.04) | \$ (0.09) |
| Discontinued operations | (0.02) | 0.01 | (0.01) |
| | \$ (0.06) | \$ (0.03) | \$ (0.10) |
| Weighted average shares and dilutive securities outstanding (in thousands): | 475,066 | 476,308 | 475,687 |

TENET HEALTHCARE CORPORATION
 SELECTED STATISTICS – CONTINUING SAME HOSPITALS
 Calendar Year 2008 by Quarter
 (Unaudited)

| <i>(Dollars in millions except per patient day, per admission and per visit amounts)</i> | <i>Three Months Ended</i> | | <i>Six Months Ended 6/30/08</i> |
|--|---------------------------|----------------|---|
| | <i>3/31/08</i> | <i>6/30/08</i> | |
| Net inpatient revenues | \$ 1,514 | \$ 1,435 | \$ 2,949 |
| Net outpatient revenues | \$ 643 | \$ 666 | \$ 1,309 |
| Number of general hospitals (at end of period) | 50 | 50 | 50 |
| Licensed beds (at end of period) | 13,716 | 13,713 | 13,713 |
| Average licensed beds | 13,735 | 13,715 | 13,725 |
| Utilization of licensed beds | 56.7% | 52.7% | 54.7% |
| Patient days | 708,847 | 657,451 | 1,366,298 |
| Adjusted patient days | 997,396 | 949,829 | 1,947,225 |
| Net inpatient revenue per patient day | \$ 2,136 | \$ 2,183 | \$ 2,158 |
| Admissions | 140,255 | 133,448 | 273,703 |
| Adjusted patient admissions | 198,485 | 194,104 | 392,589 |
| Net inpatient revenue per admission | \$ 10,795 | \$ 10,753 | \$ 10,774 |
| Average length of stay (days) | 5.1 | 4.9 | 5.0 |
| Surgeries | 90,272 | 93,653 | 183,925 |
| Net outpatient revenue per visit | \$ 662 | \$ 694 | \$ 678 |
| Outpatient visits | 971,870 | 959,839 | 1,931,709 |
| Sources of net patient revenue | | | |
| Medicare | 26.0% | 24.8% | 25.4% |
| Medicaid | 8.3% | 8.2% | 8.3% |
| Managed care governmental | 13.5% | 13.2% | 13.4% |
| Managed care commercial | 40.5% | 42.2% | 41.3% |
| Indemnity, self-pay and other | 11.7% | 11.6% | 11.6% |

TENET HEALTHCARE CORPORATION
CONSOLIDATED OPERATIONS DATA
Calendar Year 2007 by Quarter
(Unaudited)

(Dollars in millions except per share amounts)

| | <i>Three Months Ended</i> | | | | <i>Year Ended</i> |
|--|---------------------------|------------------|------------------|------------------|-------------------|
| | <u>3/31/07</u> | <u>6/30/07</u> | <u>9/30/07</u> | <u>12/31/07</u> | <u>12/31/07</u> |
| Net operating revenues | \$ 2,101 | \$ 2,054 | \$ 2,093 | \$ 2,127 | \$ 8,375 |
| Operating expenses: | | | | | |
| Salaries, wages and benefits | (940) | (913) | (930) | (971) | (3,754) |
| Supplies | (367) | (359) | (356) | (375) | (1,457) |
| Provision for doubtful accounts | (134) | (142) | (158) | (133) | (567) |
| Other operating expenses, net | (475) | (484) | (483) | (492) | (1,934) |
| Depreciation | (77) | (77) | (78) | (80) | (312) |
| Amortization | (8) | (8) | (7) | (8) | (31) |
| Impairment of long-lived assets and goodwill, and restructuring charges | (3) | (8) | (13) | (35) | (59) |
| Hurricane insurance recoveries, net of costs | — | — | — | 3 | 3 |
| Litigation and investigation (costs) benefit | 1 | 1 | (3) | (12) | (13) |
| Operating income | 98 | 64 | 65 | 24 | 251 |
| Interest expense | (105) | (105) | (105) | (104) | (419) |
| Investment earnings | 11 | 15 | 10 | 11 | 47 |
| Minority interests | (2) | (1) | (1) | — | (4) |
| Income (loss) from continuing operations, before income taxes | 2 | (27) | (31) | (69) | (125) |
| Income tax (expense) benefit | 91 | 3 | (10) | (20) | 64 |
| Income (loss) from continuing operations, before discontinued operations | 93 | (24) | (41) | (89) | (61) |
| Discontinued operations: | | | | | |
| Income (loss) from operations | (22) | (4) | (5) | 28 | (3) |
| Impairment of long-lived assets and goodwill, and restructuring charges | (9) | (3) | (6) | (13) | (31) |
| Net gain (loss) on sales of facilities | (1) | 2 | (5) | (4) | (8) |
| Income tax (expense) benefit | 14 | (1) | (2) | 3 | 14 |
| Income (loss) from discontinued operations, net of tax | (18) | (6) | (18) | 14 | (28) |
| Net income (loss) | \$ 75 | \$ (30) | \$ (59) | \$ (75) | \$ (89) |
| Earnings (loss) per share | | | | | |
| Basic and diluted: | | | | | |
| Continuing operations | \$ 0.20 | \$ (0.05) | \$ (0.08) | \$ (0.19) | \$ (0.13) |
| Discontinued operations | (0.04) | (0.01) | (0.04) | 0.03 | (0.06) |
| | <u>\$ 0.16</u> | <u>\$ (0.06)</u> | <u>\$ (0.12)</u> | <u>\$ (0.16)</u> | <u>\$ (0.19)</u> |
| Weighted average shares and dilutive securities outstanding (in thousands): | 474,326 | 473,212 | 473,984 | 474,286 | 473,405 |

TENET HEALTHCARE CORPORATION
 SELECTED STATISTICS – CONTINUING SAME HOSPITALS
 Calendar Year 2007 by Quarter
 (Unaudited)

(Dollars in millions except per patient day, per admission and per visit amounts)

| | <i>Three Months Ended</i> | | | | <i>Year Ended</i> |
|--|---------------------------|----------------|----------------|-----------------|-------------------|
| | <u>3/31/07</u> | <u>6/30/07</u> | <u>9/30/07</u> | <u>12/31/07</u> | <u>12/31/07</u> |
| Net inpatient revenues | \$ 1,426 | \$ 1,375 | \$ 1,395 | \$ 1,427 | \$ 5,623 |
| Net outpatient revenues | \$ 598 | \$ 611 | \$ 617 | \$ 619 | \$ 2,445 |
| Number of general hospitals (at end of period) | 50 | 50 | 50 | 50 | 50 |
| Licensed beds (at end of period) | 13,743 | 13,736 | 13,743 | 13,773 | 13,773 |
| Average licensed beds | 13,736 | 13,746 | 13,743 | 13,773 | 13,750 |
| Utilization of licensed beds | 56.7% | 51.9% | 50.9% | 51.8% | 52.8% |
| Patient days | 700,491 | 649,207 | 643,501 | 655,790 | 2,648,989 |
| Adjusted patient days | 978,307 | 930,147 | 922,970 | 934,607 | 3,766,031 |
| Net inpatient revenue per patient day | \$ 2,036 | \$ 2,118 | \$ 2,168 | \$ 2,176 | \$ 2,123 |
| Admissions | 139,073 | 130,928 | 130,909 | 134,088 | 534,998 |
| Adjusted patient admissions | 195,255 | 188,775 | 189,094 | 192,463 | 765,587 |
| Net inpatient revenue per admission | \$ 10,254 | \$ 10,502 | \$ 10,656 | \$ 10,642 | \$ 10,510 |
| Average length of stay (days) | 5.0 | 5.0 | 4.9 | 4.9 | 5.0 |
| Surgeries | 91,785 | 91,514 | 92,489 | 91,567 | 367,355 |
| Net outpatient revenue per visit | \$ 609 | \$ 635 | \$ 650 | \$ 652 | \$ 636 |
| Outpatient visits | 981,294 | 962,420 | 949,485 | 948,865 | 3,842,064 |
| Sources of net patient revenue | | | | | |
| Medicare | 27.3% | 25.0% | 25.1% | 25.4% | 25.7% |
| Medicaid | 7.1% | 9.3% | 9.3% | 8.7% | 8.6% |
| Managed care governmental | 12.7% | 11.3% | 11.5% | 12.9% | 12.1% |
| Managed care commercial | 41.3% | 41.5% | 41.8% | 41.3% | 41.5% |
| Indemnity, self-pay and other | 11.6% | 12.9% | 12.3% | 11.7% | 12.1% |

(1) Reconciliation of Adjusted EBITDA

Adjusted EBITDA, a non-GAAP term, is defined by the Company as net income (loss) before (1) cumulative effect of change in accounting principle, net of tax, (2) income (loss) from discontinued operations, net of tax, (3) income (loss) from leased hospitals whose leases will not be renewed, (4) income tax (expense) benefit, (5) net gains (losses) on sales of investments (6) minority interests, (7) investment earnings, (8) interest expense, (9) litigation and investigation (costs) benefit, (10) hurricane insurance recoveries, net of costs, (11) impairment of long-lived assets and goodwill and restructuring charges, (12) amortization, and (13) depreciation. 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). 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), the most comparable GAAP term, to Adjusted EBITDA, is set forth in the first table below for the three and six months ended June 30, 2008 and 2007.

(2) Adjusted Free Cash Flow

Adjusted Free Cash Flow, a non-GAAP term, is defined by the Company as cash flows provided by (used in) operating activities less capital expenditures in continuing operations; new and replacement hospital construction expenditures; income tax refunds (payments), net; net cash provided by operating activities from discontinued operations; adjusted free cash flow from leased hospitals whose leases will not be renewed; and payments against reserves for restructuring charges and litigation costs and settlements. The Company believes the use of Adjusted Free Cash Flow is meaningful, as the use of this financial measure provides the Company and the users of its financial statements with supplemental information about the impact on the Company's cash flows from the items specified above. 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 cash flows, some of which are recurring. The Company uses this information in its analysis of its cash flows excluding items that it does not consider relevant to the liquidity of its hospitals in continuing operations going forward. Adjusted Free Cash Flow is a measure of liquidity that management uses in its business as an alternative to net cash provided by (used in) operating activities. Because Adjusted Free Cash Flow excludes many items that are included in our financial statements, it does not provide a complete measure of our liquidity. Accordingly, investors are encouraged to use GAAP measures when evaluating the Company's financial performance or liquidity. The reconciliation of net cash provided by (used in) operating activities, the most comparable GAAP term, to Adjusted Free Cash Flow is set forth in the second table below for the three and six months ended June 30, 2008 and 2007.

TENET HEALTHCARE CORPORATION
Additional Supplemental Non-GAAP Disclosures

Table #1 - Reconciliation of Adjusted EBITDA

(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------------|----------------|---------------------------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| <i>(Dollars in millions)</i> | | | | |
| Net income (loss) | \$ (15) | \$ (30) | \$ (46) | \$ 45 |
| Less: Income (loss) from discontinued operations, net of tax | 4 | (6) | (7) | (24) |
| Income (loss) from continuing operations | (19) | (24) | (39) | 69 |
| Income tax benefit | 16 | 3 | 14 | 94 |
| Minority interests | — | (1) | (1) | (3) |
| Investment earnings | 4 | 15 | 9 | 26 |
| Interest expense | (102) | (105) | (206) | (210) |
| Operating income | 63 | 64 | 145 | 162 |
| Litigation and investigation (costs) benefit | (3) | 1 | (50) | 2 |
| Impairment of long-lived assets and goodwill and restructuring charges | (2) | (8) | (3) | (11) |
| Amortization | (10) | (8) | (19) | (16) |
| Depreciation | (85) | (77) | (168) | (154) |
| Adjusted EBITDA – continuing operations | 163 | 156 | 385 | 341 |
| Less: Income from hospitals whose leases will not be renewed | — | — | 6 | 4 |
| Adjusted EBITDA | \$ 163 | \$ 156 | \$ 379 | \$ 337 |
| Net operating revenues | \$2,184 | \$2,054 | \$4,419 | \$4,155 |
| Less: Net operating revenues from hospitals whose leases will not be renewed | 51 | 52 | 109 | 105 |
| Adjusted net operating revenues | \$2,133 | \$2,002 | \$4,310 | \$4,050 |
| Adjusted EBITDA as % of adjusted net operating revenues (Adjusted EBITDA margin) | 7.6% | 7.8% | 8.8% | 8.3% |

Additional Supplemental Non-GAAP Disclosures

Table #2 - Reconciliation of Adjusted Free Cash Flow

(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------------|---------------|---------------------------------|-----------------|
| | 2008 | 2007 | 2008 | 2007 |
| <i>(Dollars in millions)</i> | | | | |
| Net cash provided by (used in) operating activities | \$ 123 | \$ 285 | \$ (10) | \$ 131 |
| Less: | | | | |
| Income tax (payments) refunds, net | (4) | 169 | (3) | 168 |
| Payments against reserves for restructuring charges and litigation costs and settlements | (28) | (20) | (56) | (28) |
| Net cash provided by operating activities from discontinued operations | 11 | 5 | 2 | 31 |
| Adjusted net cash provided by (used in) operating activities – continuing operations | 144 | 131 | 47 | (40) |
| Purchases of property and equipment – continuing operations | (75) | (122) | (233) | (217) |
| Construction of new and replacement hospitals | (27) | (16) | (56) | (27) |
| Adjusted free cash flow – continuing operations | 42 | (7) | (242) | (284) |
| Less free cash flow from hospitals whose leases will not be renewed | 3 | (1) | 3 | — |
| Adjusted free cash flow | \$ 39 | \$ (6) | \$ (245) | \$ (284) |

TENET HEALTHCARE CORPORATION
Additional Supplemental Non-GAAP Disclosures

**Table #3 - Reconciliation of Outlook Adjusted EBITDA to
Outlook Net Loss for Year Ending December 31, 2008**

(Unaudited)

(Dollars in millions)

| | <u>Low</u> | <u>High</u> |
|---|---------------|---------------|
| Net loss | \$ (120) | \$ (20) |
| Less: Loss from discontinued operations, net of tax | (25) | - |
| Loss from continuing operations | (95) | (20) |
| Income tax benefit | 5 | 5 |
| Income (loss) from continuing operations, before income taxes | (100) | (25) |
| Interest expense, net | (400) | (400) |
| Operating income | 300 | 375 |
| Litigation and investigation costs | (50) | (50) |
| Depreciation and amortization | (400) | (400) |
| Adjusted EBITDA | <u>\$ 750</u> | <u>\$ 825</u> |

**Table #4 - Reconciliation of Outlook Adjusted Free Cash Flow
for the Year Ending December 31, 2008**

(Unaudited)

(Dollars in millions)

| | <u>Low</u> | <u>High</u> |
|--|-----------------|-----------------|
| Net cash provided by operating activities | \$ 175 | \$ 300 |
| Less: | | |
| Income tax payments, net | (45) | (45) |
| Payments against reserves for restructuring charges and litigation costs and settlements | (100) | (100) |
| Net cash used in operating activities from discontinued operations | (55) | (30) |
| Adjusted net cash provided by operating activities – continuing operations | <u>375</u> | <u>475</u> |
| Purchases of property and equipment – continuing operations | (508) | (558) |
| Construction of new and replacement hospitals | (82) | (82) |
| Adjusted free cash flow – continuing operations | <u>\$ (215)</u> | <u>\$ (165)</u> |