

newsrelease



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Tenet Resolves Litigation with HCP

Settlement agreement ends dispute with hospital lessor, HCP, Inc.

Tenet will continue to operate four hospitals leased from HCP

Leases at two HCP-owned hospitals will not be renewed

DALLAS – July 1, 2008 – Tenet Healthcare Corporation (NYSE: THC) announced it has reached a settlement with HCP, Inc. (NYSE: HCP), a real estate investment trust based in Long Beach, Calif., that owns seven hospitals leased by Tenet subsidiaries. The agreement will resolve the pending litigation and arbitration proceedings between the two companies, continue or extend the operating leases at four hospitals, and provide notice of non-renewal at two hospitals.

As part of the HCP settlement, a Tenet subsidiary has entered into a definitive agreement with Providence Health & Services – California regarding the 245-bed Tarzana campus of Encino-Tarzana Regional Medical Center in the Los Angeles area. The Tarzana campus is owned by HCP, however, under terms of the agreement, a Tenet subsidiary will acquire the hospital from HCP and simultaneously sell it to Providence Health.

“We are pleased we can bring resolution to the HCP issues,” said Trevor Fetter, Tenet’s chief executive officer and president. “The sale of the Tarzana campus has been four years in the making, and

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we now have successfully reached an agreement with a qualified operator to continue the important mission of this hospital. The completion of these divestitures and those announced earlier this month will conclude our divestitures in California. We look forward to growing our services and making investments in our remaining hospitals in the state.”

Providence Health is a not-for-profit health care organization with 25 hospitals in five states – Alaska, California, Montana, Oregon and Washington. Providence Health's California region operates four acute care medical centers in Los Angeles County, as well as more than a dozen outpatient centers, four skilled nursing facilities and a medical foundation. Providence Health has agreed it will continue to operate the Tarzana campus as an acute care hospital and maintain its emergency department.

Providence Health also intends to offer employment to substantially all employees in good standing.

Also, as part of the settlement with HCP, Tenet will continue or extend the leases at four hospitals and will not renew the leases at two other hospitals. The HCP-owned hospitals that Tenet will continue to lease and their expiration dates are:

- Frye Regional Medical Center, a 355-bed acute care hospital located in Hickory, N.C.; lease renewed through February 2014 with options to renew through 2039.
- North Fulton Regional Hospital, a 202-bed acute care hospital located in Roswell, Ga.; lease renewed through February 2014 with options to renew through 2039.
- NorthShore Regional Medical Center, a 165-bed acute care hospital located in Slidell, La.; lease expires May 2010 with options to renew through 2040.
- Palm Beach Gardens Medical Center, a 199-bed acute care hospital located in Palm Beach Gardens, Fla.; lease renewed through February 2014 with options to renew through 2039.

The hospitals owned by HCP with leases that will not be renewed are:

- Community Hospital of Los Gatos, a 143-bed acute care hospital located in Los Gatos, Calif.; lease expires May 2009.
- Irvine Regional Hospital and Medical Center, a 176-bed acute care hospital located in Irvine, Calif.; lease expires February 2009.

Stephen L. Newman, M.D., Tenet’s chief operating officer, said, “The age of the physical plant and the requisite capital improvements was a factor in the decision not to renew the lease at Los Gatos, and over the years the economic terms of our lease created barriers to our success at Irvine. Tenet is

giving advance notice of its intentions, so that we can work with HCP to transition Irvine and Los Gatos to new operators as soon as they are identified.”

Newman continued, “California remains an important market for us. We have accelerated the implementation of our targeted growth initiatives and are expanding our outpatient footprint there. We remain committed to our core facilities and the communities they serve.”

The definitive agreements are subject to customary regulatory approvals, and the sales are expected to be completed during the third quarter. Financial terms were not disclosed. These transactions will not affect the range of Tenet's outlook for 2008 and 2009 operating results or cash flow.

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 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.