

newsrelease



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Tenet Announces Quarter-to-Date Patient Admissions Data and Reconfirms Adjusted EBITDA Outlook for 2009

DALLAS – June 1, 2009 – Tenet Healthcare Corporation (NYSE: THC) announced today that its aggregate patient admission trends in the month of May were largely in-line with April's trends and that outpatient visits had increased considerably through April, the most recent date for which consolidated same store outpatient visit information is available. These trends include a continued decline in commercial managed care admissions consistent with the decline in April, but as previously reported, commercial outpatient visits through April were stronger than expected and substantially flat over the same period last year. Government inpatient and outpatient volume trends have strengthened, and the recent trend of declining uninsured and charity volumes has continued, although the rate of decline has slowed compared to the rate of decline in the second half of 2008.

Based on these results, the Company reconfirmed its 2009 outlook for adjusted EBITDA in the range of \$760 million to \$825 million while indicating a growing level of confidence toward the higher end of that range. Based on the payer and volume mix experienced year to date, the Company has adjusted the volume and controllable cost assumptions supporting its outlook, but these changed assumptions are offsetting and have no net impact on its outlook for 2009 adjusted EBITDA. These new assumptions are shown in Table #2, below.

The assumptions include a decrease in 2009 outlook range for revenues of approximately \$100 million and a decrease in 2009 outlook range for controllable operating expenses of approximately \$100 million. These changes are related to revised volume assumptions reflecting lower assumed admissions growth in 2009 but stronger growth in outpatient visits. A reconciliation of outlook 2009 adjusted EBITDA, a non-GAAP term defined below, to outlook 2009 net income (loss) attributable to shareholders is provided in Table #3 of this release.

“Our quarter-to-date admissions trends for the second quarter are extending the pattern we saw in April. In the aggregate, our admissions are holding up quite well, and the softness in commercial admissions has been significantly offset by strong growth in outpatient paying volumes,” said Trevor Fetter, president and chief executive officer.

Through the first eight full weeks of the second quarter, total admissions were substantially flat with a decline of 0.6 percent, admissions from government payers increased by 1.5 percent and total paying admissions were substantially flat with a decline of 0.5 percent compared to the same period in 2008. Commercial admissions

declined by 7.0 percent and the sum of charity and uninsured admissions declined by 0.8 percent, compared to the same period in 2008. (Quarter-to-date volume data is summarized in Table #1, below.)

In April 2009, total outpatient visits increased by 3.5 percent, government payer outpatient visits increased 7.7 percent, and total paying visits increased by 4.2 percent, compared to April of 2008. Commercial outpatient visits were substantially flat in April 2009 compared to April 2008, with a decline of 0.5 percent and uninsured and charity outpatient visits declined by 2.2 percent. Mr. Fetter said, “Without changing any of our prior conservatism with respect to the effects of the economy, in particular our assumptions regarding bad debt expense, we are increasingly confident in our ability to perform well in this challenging environment.” (Data comparing April of 2009 volumes to April of 2008 volumes are summarized in Table #1, below.)

Outpatient visit data for May 2009 for the Company’s freestanding centers and clinics are not available until month end books are closed for those entities in early June. Until that data become available we cannot provide aggregate outpatient visit data for the month of May 2009.

Table #1 – Volume Growth

2009 <i>(Growth Rate %)</i>	Q1'09 ⁽¹⁾	April 2009	May 1 – May 28 ⁽²⁾	Quarter-to-Date Apr 1 – May 26 ⁽²⁾
Commercial				
IP Admissions	(2.0)	(6.9)	(7.6)	(7.0)
OP Visits	(0.4)	(0.5)	n/a	n/a
Government				
IP admissions	0.9	1.0	1.4	1.5
OP Visits	6.9	7.7	n/a	n/a
Paying Volumes				
IP Admissions	(0.1)	(0.7)	(0.9)	(0.5)
OP Visits	3.4	4.2	n/a	n/a
Uninsured + Charity				
IP Admissions	(0.7)	(0.7)	(0.7)	(0.8)
OP Visits	(10.4)	(2.2)	n/a	n/a
Total				
IP Admissions	(0.1)	(0.7)	(0.9)	(0.6)
OP Visits	1.8	3.5	n/a	n/a

⁽¹⁾ Adjusted for “Leap Year Effect” in 2009 as compared to full quarter data for the first quarter of 2008.

⁽²⁾ Time periods chosen to represent complete 7 day periods for comparability between 2008 and 2009.

n/a = Current outpatient information is not available until books are closed on Tenet’s freestanding centers and clinics

Adjusted EBITDA is a non-GAAP term defined by the Company as net income (loss) attributable to shareholders before: (1) the cumulative effect of changes in accounting principle, net of tax; (2) net income attributable to noncontrolling interests; (3) income (loss) from discontinued operations, net of tax; (4) income tax (expense) benefit; (5) net gains (losses) on sales of investments; (6) investment earnings; (7) gain from early extinguishment of debt; (8) interest expense; (9) litigation and investigation (costs) benefit, net of insurance recoveries; (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.

Table #2 – Outlook Assumptions

		2009 Outlook			2008 Actual
		Revised 6/1/09	Revised 5/5/09	2/24/09	
Admissions Growth ⁽¹⁾	(%)	(1.0) - 0.0	n/c	0.0 - 1.0	1.2
Outpatient Visit Growth ⁽¹⁾	(%)	1.5 - 3.0	n/c	0.0 - 1.0	(0.1)
Net Operating Revenues Growth ⁽¹⁾	(%)	3.0 - 5.0	n/c	4.0 - 6.0	6.1
Net Operating Revenues	(\$ Bil)	8.9 - 9.1	n/c	9.0 - 9.2	8.7
Controllable Operating Expense PAPD Growth	(%)	1.0 - 2.0	n/c	2.0 - 3.0	2.7
Controllable Operating Expense	(\$ Bil)	7.4 - 7.5	n/c	7.5 - 7.6	7.3
Bad Debt Ratio	(%)	n/c	n/c	8.3 - 9.3	7.3
Bad Debt Expense	(\$mm)	n/c	n/c	750 - 850	632
Adjusted EBITDA ⁽²⁾	(\$mm)	n/c	760 - 825	735 - 800	732
Depreciation and Amortization	(\$mm)	n/c	n/c	400 - 420	373
Interest Expense, Net	(\$mm)	n/c	460 - 445	470 - 450	402
Loss from continuing operations before income taxes ⁽²⁾	(\$mm)	n/c	(100) - (40)	(135) - (70)	(43)
Net loss from cont. ops. (2009 normalized at 37.1% tax rate) ⁽²⁾	(\$mm)	n/c	(63) - (25)	(85) - (44)	(39)
E.P.S. (2009 normalized at 37.1% tax rate, continuing ops) ⁽²⁾	(\$)	n/c	(0.13)-(0.05)	(0.18)-(0.09)	(0.08)

⁽¹⁾ same-hospital growth compared to prior year

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

“n/c” indicates “no change”

Table #3 - Reconciliation of Outlook Adjusted EBITDA to Outlook Net Income (Loss) Attributable to Tenet Healthcare Corporation Shareholders for Year Ending December 31, 2009

(\$mm)	Low	High
Net income (loss) attributable to Tenet Healthcare Corporation shareholders	(50)	80
Less:		
Net income attributable to noncontrolling interests	(5)	(10)
Income (loss) from discontinued operations, net of tax	(10)	10
Income (loss) from continuing operations	(35)	80
Income tax expense	(15)	(25)
Income (loss) from continuing operations, before income taxes	(20)	105
Gains (losses) on sales of investments	(20)	20
Interest expense (net)	(460)	(445)
Gain from early extinguishment of debt	134	134
Operating income	326	396
Litigation and investigation costs	(24)	(4)
Impairment of long-lived assets and goodwill, and restructuring charges	(10)	(5)
Depreciation and amortization	(400)	(420)
Adjusted EBITDA	760	825
Net operating revenues	8,900	9,100
Adjusted EBITDA margin (Adjusted EBITDA as % of net operating revenues)	8.5	9.1

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’s hospitals and related health care facilities are committed to providing high quality care to patients in the communities we serve. For more information, please visit 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, 2008, 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.