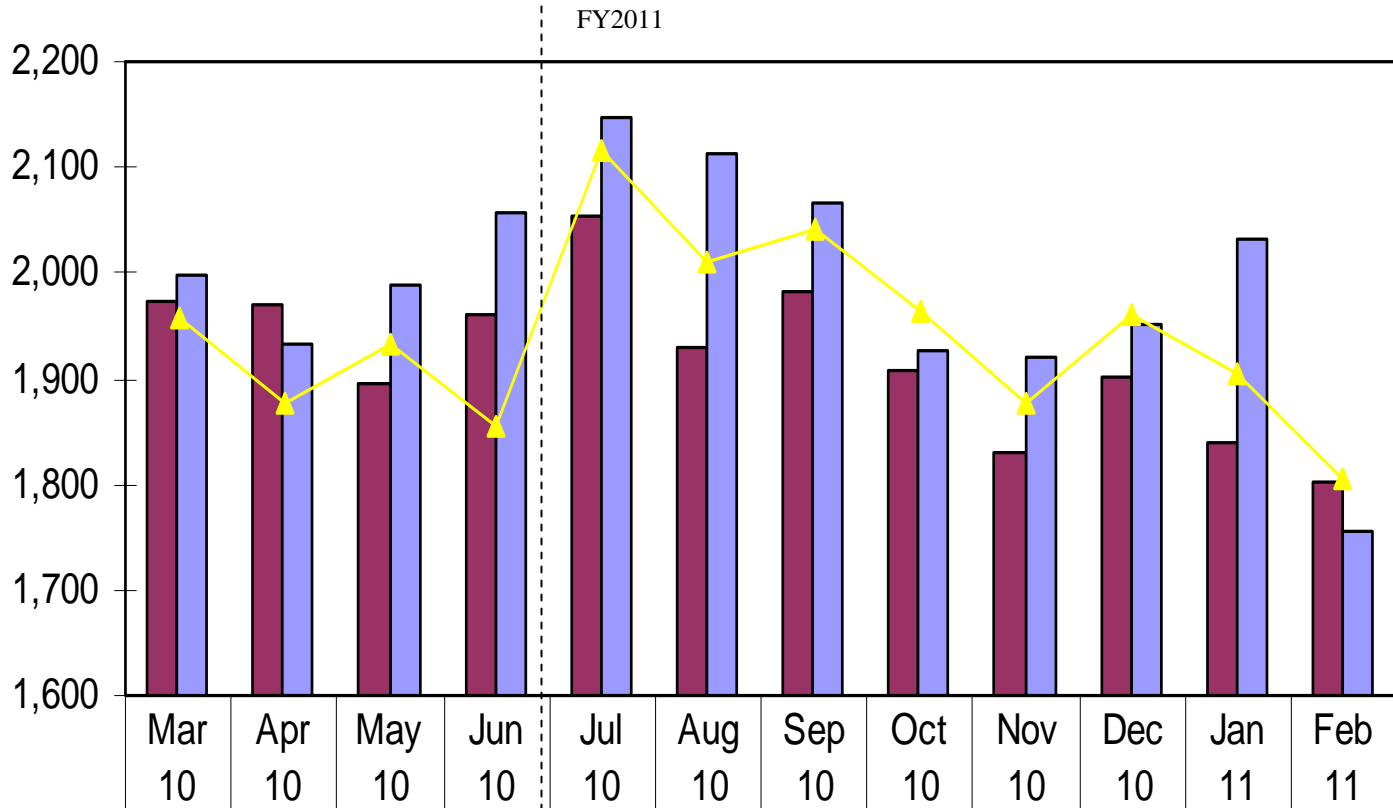


SUMMARY OF OPERATING RESULTS

February 28, 2011



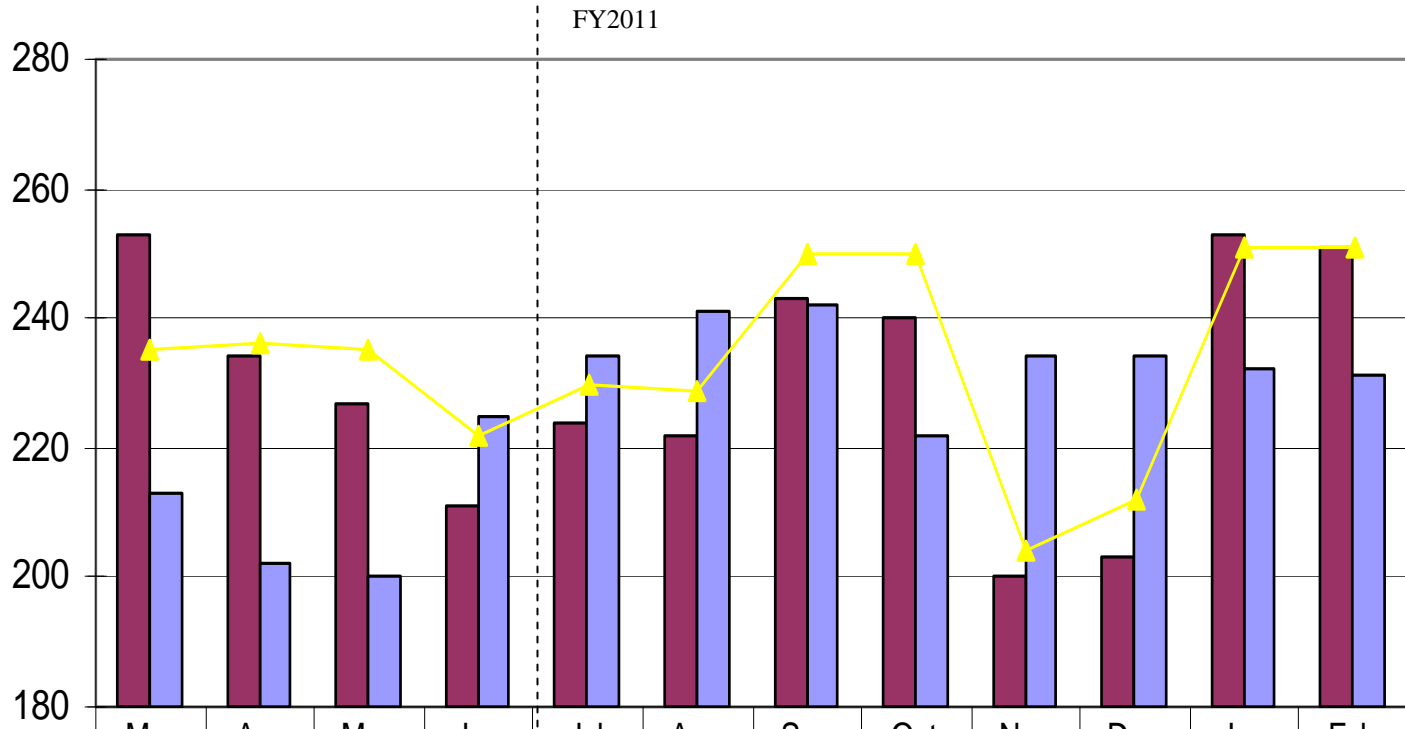
Adult Admissions (rolling 12 months)



 Prior Actual	1,973	1,970	1,895	1,960	2,055	1,931	1,981	1,908	1,829	1,901	1,840	1,803
 Current Actual	1,999	1,932	1,989	2,057	2,147	2,112	2,067	1,926	1,919	1,951	2,031	1,754
 Current Budget	1,957	1,876	1,933	1,856	2,115	2,010	2,041	1,963	1,876	1,962	1,904	1,804

YTD	15,248
	15,907
	15,675

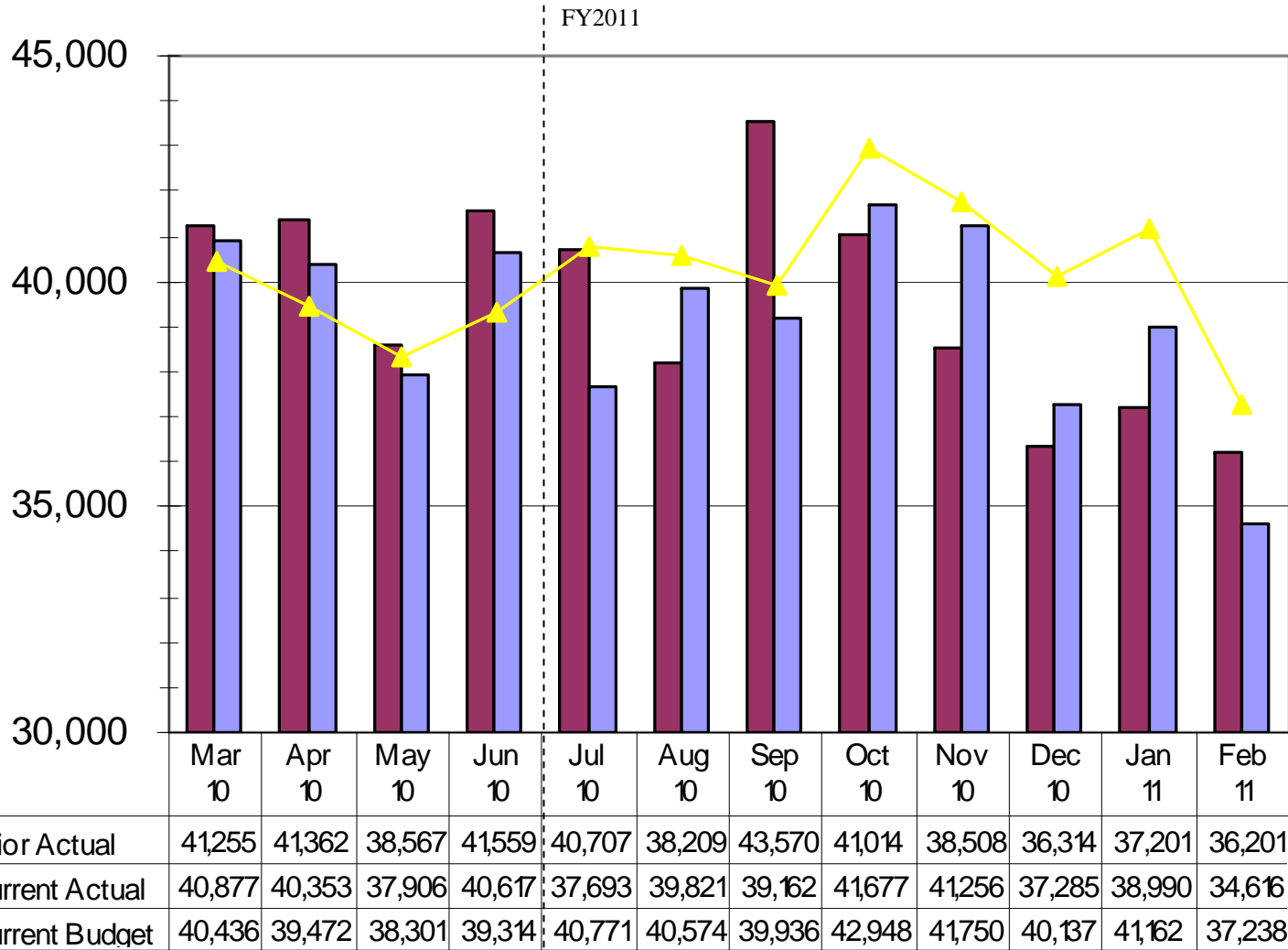
Pediatric Admissions (rolling 12 months)



	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11
■ Prior Actual	253	234	227	211	224	222	243	240	200	203	253	251
■ Current Actual	213	202	200	225	234	241	242	222	234	234	232	231
▲ Current Budget	235	236	235	222	230	229	250	250	204	212	251	251

YTD
1,836
1,870
1,877

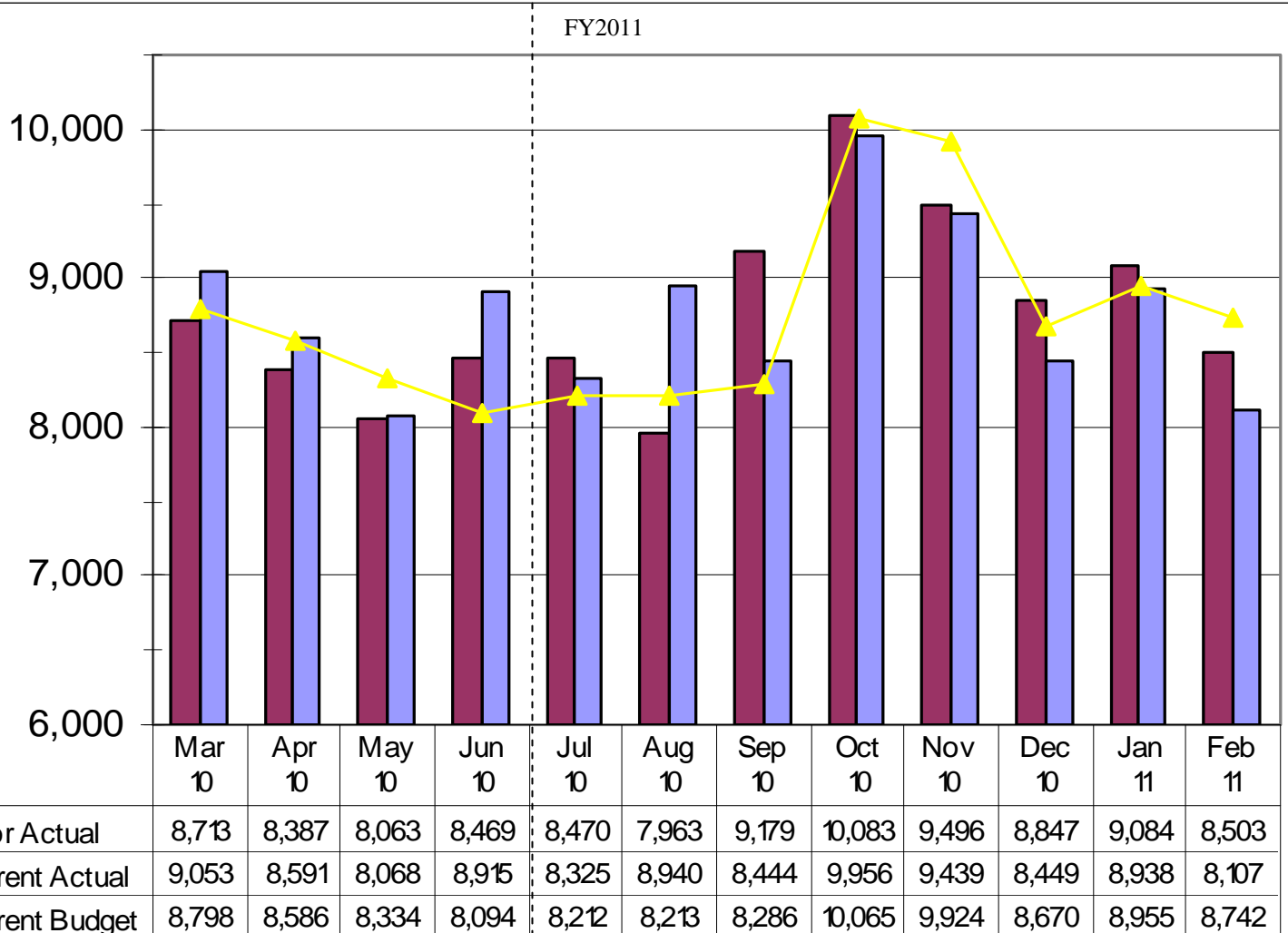
Adult Clinic Visits (rolling 12 months)



YTD
311,724
310,500
324,516

Pediatric Clinic Visits

(rolling 12 months)



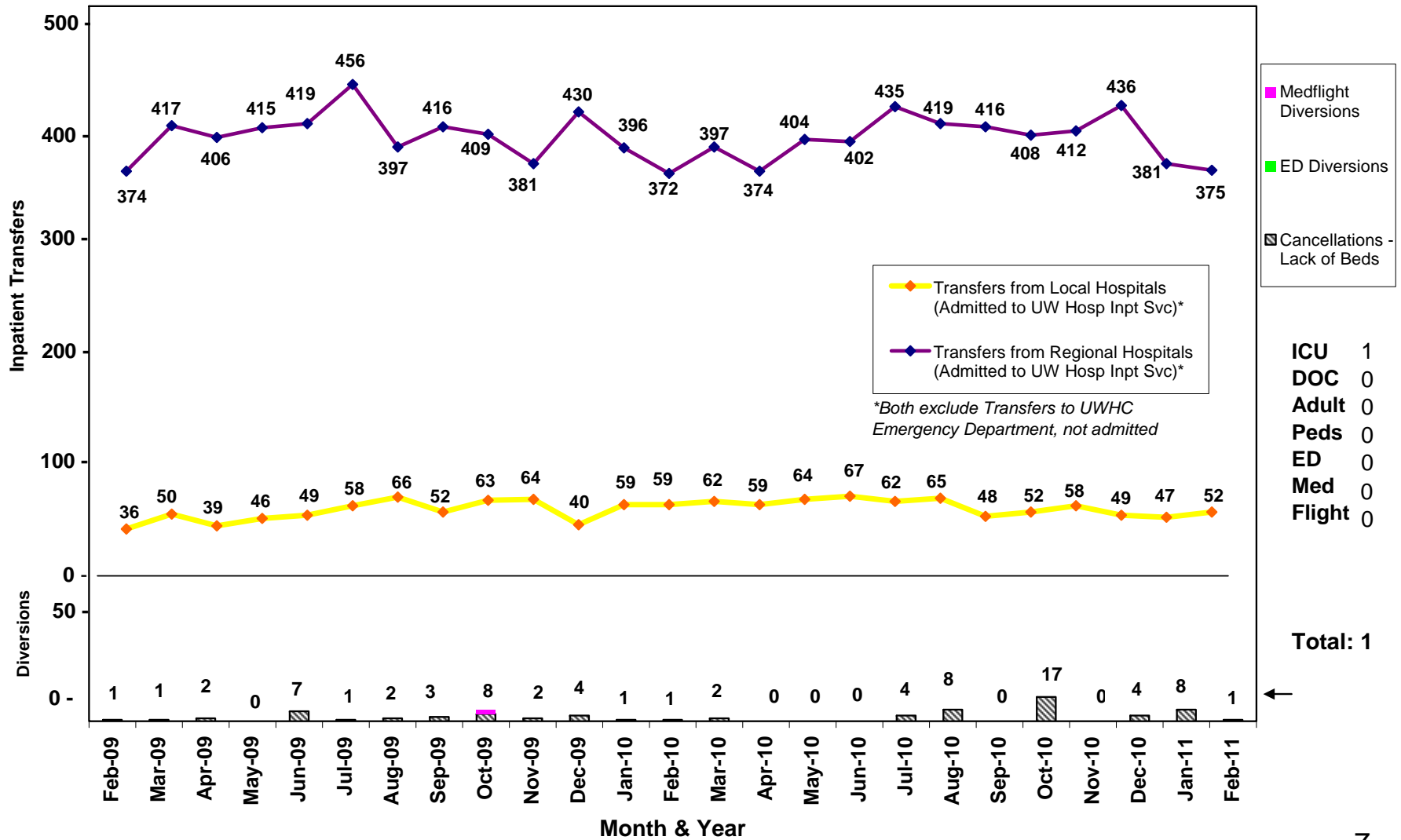
YTD
71,625
70,598
71,067

Other Key Ancillary Service Activity Indicators

Month of February 2011

			% Variances		
	Actual 2011	Budget 2011	Actual 2010	Actual to Budget	2011 to 2010
Inpatient Gross Revenues	\$ 83,345,991	\$ 89,959,992	\$ 81,180,843	-7.4%	2.7%
Outpatient Gross Revenues	\$ 77,546,799	\$ 78,484,237	\$ 73,099,946	-1.2%	6.1%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	901	904	856	-0.3%	5.3%
Outpatient	641	590	628	8.6%	2.1%
AFCH	387	371	371	4.3%	4.3%
Subtotal	1,929	1,865	1,855	3.4%	4.0%
Misc./Out of OR	230	190	249	21.1%	-7.6%
Total Surgical Procedures	2,159	2,055	2,104	5.1%	2.6%
Transplants					
Cadaver	22	30	20	-26.7%	10.0%
Living	6	7	6	-14.3%	0.0%
Total	28	37	26	-24.3%	7.7%
Emergency Room Visits	3,311	3,188	3,249	3.9%	1.9%
Radiology Procedures:					
MRI	2,034	2,196	2,237	-7.4%	-9.1%
CT Scans	4,163	4,561	4,233	-8.7%	-1.7%
Other	16,720	17,977	17,781	-7.0%	-6.0%
Total Radiology Procedures	22,917	24,734	24,251	-7.3%	-5.5%
Radiotherapy Procedures	2,522	2,764	2,943	-8.8%	-14.3%

Regional Hospital Transfers and Diversions & Cancelled Hospital Transfers Due to Lack of Beds



ICU 1
DOC 0
Adult 0
Peds 0
ED 0
Med 0
Flight 0

Total: 1

Summary of Operating Results

Month of February 2011

	Actual February 2011	Budget February 2011	Variance Favorable (Unfavorable)	% Variance	Actual February 2010
Operating Revenue	\$ 76,095,980	\$ 80,229,983	\$ (4,134,003)	-5.2%	\$ 77,654,277
Operating Expenses:					
Salary & Fringe Benefits	41,671,199	42,033,564	362,365	0.9%	40,862,769
Supplies & Other expenses	35,137,813	35,409,383	271,570	0.8%	33,938,568
Total Operating Expenses	<u>76,809,012</u>	<u>77,442,947</u>	<u>633,935</u>	0.8%	<u>74,801,337</u>
Income from Operations <i>(Operating Margin)</i>	\$ (713,032)	\$ 2,787,036	\$ (3,500,068)	-125.6%	\$ 2,852,940
Non-Operating Income	1,365,257	553,504	811,753	146.7%	522,955
Net Income <i>(Total Margin)</i>	<u>\$ 652,225</u>	<u>\$ 3,340,540</u>	<u>\$ (2,688,315)</u>	-80.5%	<u>\$ 3,375,895</u>

Non-Operating Income (Loss)

Month of February 2011

	Actual February 2011	Budget February 2011	Variance Favorable (Unfavorable)	% Variance	Actual February 2010
Investment Income & Other Non-Operating Income	\$ 384,618	\$ 574,499	\$ (189,881)	-33.1%	\$ 526,712
Fair Value Gain/Loss on Investments	210,911	-	210,911	100.0%	385,859
Fair Value Gain/Loss on Swap Agreements	348,622	-	348,622	100.0%	(582,341)
Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	37,500	38,356	(856)	-2.2%	(3,725)
Wisconsin Dialysis	24,847	3,452	21,395	> 100%	(40,521)
UHC/Unity	229,168	46,027	183,141	> 100%	181,045
UHC/e-Care	(35,000)	(77,326)	42,326	54.7%	(79,299)
Madison Surgery Center	272,281	123,660	148,621	> 100%	155,438
Madison United Healthcare Linen	(16,040)	3,836	(19,876)	> -100%	4,285
Madison Environmental Resourcing	(6,721)	1,000	(7,721)	> -100%	(24,498)
Generations Fertility Care	(84,929)	(160,000)	75,071	46.9%	-
Total	\$ 1,365,257	\$ 553,504	\$ 811,753	146.7%	\$ 522,955

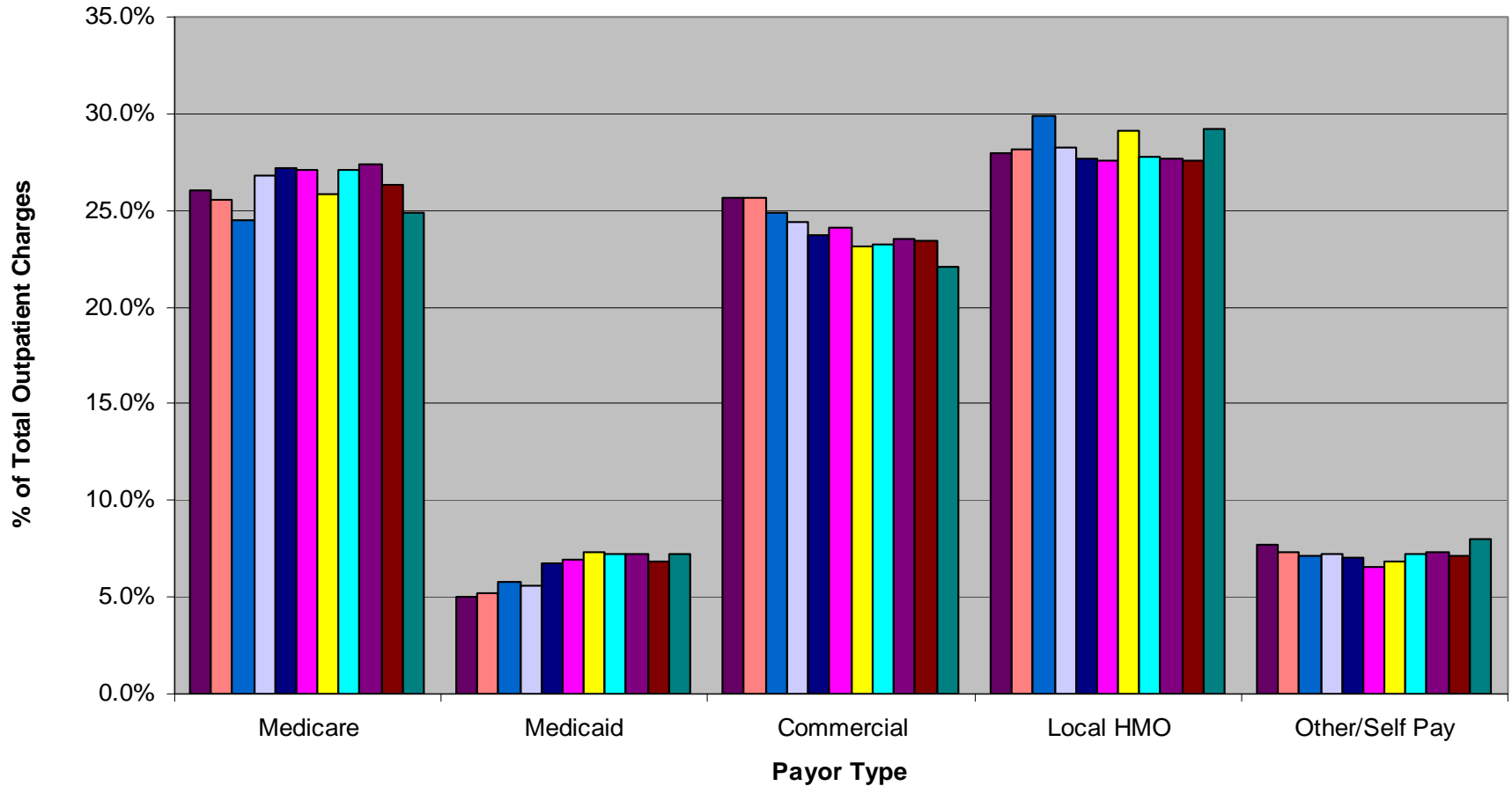
Other Key Ancillary Service Activity Indicators

Eight Months Ended February 28, 2011

			% Variances		
	Actual FY '11	Budget FY '11	Actual FY '10	Actual to Budget	FY 11 to FY 10
Inpatient Gross Revenues	\$ 769,999,015	\$ 771,795,468	\$ 702,516,934	-0.2%	9.6%
Outpatient Gross Revenues	\$ 671,430,688	\$ 660,617,461	\$ 602,605,511	1.6%	11.4%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	7,931	7,406	7,292	7.1%	8.8%
Outpatient	5,321	4,836	4,849	10.0%	9.7%
AFCH	3,278	3,040	2,989	7.8%	9.7%
Subtotal	16,530	15,282	15,130	8.2%	9.3%
Misc./Out of OR	1,836	1,570	1,860	16.9%	-1.3%
Total	18,366	16,852	16,990	9.0%	8.1%
Transplants					
Cadaver	237	264	246	-10.2%	-3.7%
Living	58	59	60	-1.7%	-3.3%
Total	295	323	306	-8.7%	-3.6%
Emergency Room Visits	28,761	26,838	28,511	7.2%	0.9%
Radiology Procedures:					
MRI	18,096	18,498	18,293	-2.2%	-1.1%
CT Scans	38,331	38,679	37,580	-0.9%	2.0%
Other	152,207	152,509	149,171	-0.2%	2.0%
Total Radiology Procedures	208,634	209,686	205,044	-0.5%	1.8%
Radiotherapy Procedures	21,139	23,103	23,587	-8.5%	-10.4%

In Patient Charges Payor Mix

FY 2009 - FY 2011 3rd Quarter Projected



Summary of Operating Results

Eight Months Ended February 28, 2011
(000) Omitted

	Actual FY '11	Budget FY '11	Actual FY '10	% Variances	
				Actual to Budget	FY 11 to FY 10
Operating Revenue	\$684,250	\$678,241	\$652,453	0.9%	4.9%
Operating Expenses:					
Salary & Fringe Benefits	353,533	352,639	340,109	-0.3%	3.9%
Supplies & Other expenses	291,193	291,857	280,383	0.2%	3.9%
Total Operating Expenses	644,726	644,496	620,492	0.0%	3.9%
Income from Operations (Operating Margin of 5.8%)	\$ 39,524	\$ 33,745	\$ 31,961	17.1%	23.7%
Non-Operating Income	21,911	5,831	14,920	275.8%	46.9%
Net Income	\$61,435	\$39,576	\$46,881	55.2%	31.0%

Non-Operating Income (Loss)

Eight Months Ended February 28, 2011

(000) Omitted

	Actual FY '11	Budget FY '11	Actual FY '10	% Variances	
				Actual to Budget	FY 11 to FY 10
Investment Income & Other Non-Operating Income	\$ 7,749	\$ 4,986	\$ 5,329	55.4%	45.4%
Fair Value Gain (Loss) on Investments	7,381	0	5,732	100.0%	28.8%
Fair Value Gain (Loss) on Swap agreements	3,162	0	(179)	100.0%	> 100%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	697	333	483	> 100%	44.3%
Wisconsin Dialysis	152	30	(32)	> 100%	> 100%
UHC/Unity	2,369	399	2,951	> 100%	-19.7%
UHC/e-Care	(595)	(671)	(624)	11.3%	4.6%
Madison Surgery Center	1,205	1,073	1,152	12.3%	4.6%
Madison United Healthcare Linen	198	33	96	> 100%	> 100%
Madison Environmental Resourcing	19	8	12	> 100%	58.3%
Generations Fertility Care	(426)	(360)	-	-18.3%	> -100%
Total	\$ 21,911	\$ 5,831	\$ 14,920	275.7%	46.9%

Performance Ratios

	Industry Comparisons						
	Favorable Direction	FY 11	Budget or Target	S&P 500 "A" Rated	Moody's "A" Rated	Fitch "A" Rated	UWHCA Bond Covenant
Operating Margin	↑	5.8%	5.0%	2.9%	3.0%	3.0%	
Total Margin **	↑	7.3%	5.8%	3.0%	5.1%	3.5%	
Days Cash on Hand *	↑	191	161	193	170	184	90, 75 & 45
Days in Accounts Receivable	↓	45	48	46	46	45	
Debt Service Coverage Ratio **	↑	7.2	6.6	3.3	4.6	3.0	2.0, 1.25 & 1.0
Long Term Debt to Capitalization	↓	28.0%	28.0%	34.3%	38.9%	42.1%	65%
Operating Cash Flow	↑	11.0%	10.5%	10.0%	9.9%	9.4%	
Cash-to-Debt	↑	203.2%	181.1%	137.2%	117.6%	105.5%	

* Days Cash on Hand calculated as a rolling 12 month average

** Excludes unrealized gain/loss on investments

Accounts Receivable Monitoring Program

	Net Accounts Receivable	Net Days Revenue Outstanding
February 10	116,658,208	45
March 10	110,644,198	42
April 10	108,732,093	40
May 10	112,092,854	41
June 10	123,872,679	45
July 10	132,736,256	48
August 10	134,925,121	46
September 10	136,464,752	48
October 10	134,925,285	48
November 10	125,470,874	45
December 10	119,859,156	44
January 11	128,139,016	47
February 11	117,739,968	45

Comparison of Charity Care & Bad Debt Expense

	FY 11 Actual	FY 11 Budget	Variance	% Variance	FY 10 Actual	Variance	% Variance
Charity	\$ 29,963,184	\$ 35,810,323	\$ (5,847,139)	-16.3%	\$ 31,551,249	\$ (1,588,065)	-5.0%
% of Revenue	2.08%	2.50%			2.42%		
Bad Debt	22,567,173	21,365,563	1,201,610	5.6%	20,753,605	\$1,813,568	8.7%
% of Revenue	1.57%	1.50%			1.59%		
Total	\$ 52,530,357	\$ 57,175,886	\$ (4,645,529)	-8.1%	\$ 52,304,854	\$ 225,503	0.4%
Gross Revenue	\$ 1,441,429,703	\$ 1,432,412,929	\$ 9,016,774	0.6%	\$ 1,305,122,445	\$ 136,307,258	10.4%
Total Bad Debt & Charity as % of Revenue	3.6%	4.0%			4.0%		

EBITDA Compared to Debt Service & Capital Expenditures

(000) Omitted

	Actual	Budget
<u>Cash Provided:</u>		
Net Income prior to Fair Value gains/losses	\$50,892	\$39,576
Market Value Gain/(Loss) on Unrestricted Investments	7,381	0
Fair Value Gain/(Loss) on Swap Agreements	3,162	0
Depreciation	30,415	31,965
Interest Expense	5,228	5,544
EBITDA	\$ 97,078	\$ 77,085
<u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u>		
Capital Expenditures	(20,654)	(33,800)
Est Annual Debt Service	(7,651)	(7,733)
Capital Contribution to UW for Capital Expenditures	(2,500)	(2,500)
Decrease (increase) in Working Capital	11,481	(3,933)
Total (Used) Provided	(\$19,324)	(\$47,966)
Cash Available for Temporary Investment and Future Capital Expenditures	\$ 77,754	\$ 29,119

Summary of Changes in Net Assets

Eight Months Ended February 28, 2011

Net assets at beginning of period	<u>\$573,923,452</u>
Net income	50,891,078
Fair value of investments	7,381,499
Fair value of swap agreements	3,162,292
Capital grants, gifts and donations	2,499,618
Additions to permanent gift endowments	627,040
Payments to UW School of Medicine and Public Health for capital expenditure support	(2,500,000)
Increase in net assets	<u>\$62,061,527</u>
Net assets at end of period	<u><u>\$635,984,979</u></u>

Comparison to Local Competitors February, 2011 vs. 2010

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
% Change in Admissions				
Current Month	(3.4)%	(5.6)%	0.3%	(2.9)%
3 Month Rolling Average	2.9%	(4.1)%	(1.0)%	(0.3)%
12 Month Rolling Average	3.0%	(1.8)%	(7.7)%	(1.9)%
% Change in Average Daily Census				
Current Month	(1.5)%	(4.9)%	0.6%	(1.7)%
3 Month Rolling Average	0.1%	(6.4)%	0.4%	(1.5)%
12 Month Rolling Average	(0.3)%	(1.9)%	(3.6)%	(1.7)%

UWHC Investment Balances & Returns

<u>Account</u>	<u>February Market Value Balances</u>	<u>Investment Allocation</u>	<u>February YTD Investment Return</u>	<u>Benchmark</u>
Operating Account and Commercial Paper				
US Bank	\$ 107,828,328	22.0%	0.11%	0.00% (A)
Intermediate Bond Fund				
USBank/Baird	\$ 128,751,936	26.3%	1.91%	1.65% (D)
Capital Replacement Fund				
Account - UW Foundation	\$ 156,257,388	31.9%	0.28%	0.27% (B)
Endowment Fund - Equity Securities				
UW Foundation	\$96,710,451	19.8%	13.49%	26.74% (C)
Total Unrestricted Funds	<u>\$ 489,548,103</u>	<u>100.0%</u>		

(A) Average Financial and Non-Financial Commercial Paper less

(B) Average 1 Month LIBOR

(C) Average S & P 500 Index

(D) Barclays Capital Intermediate Gov/Credit-YTD