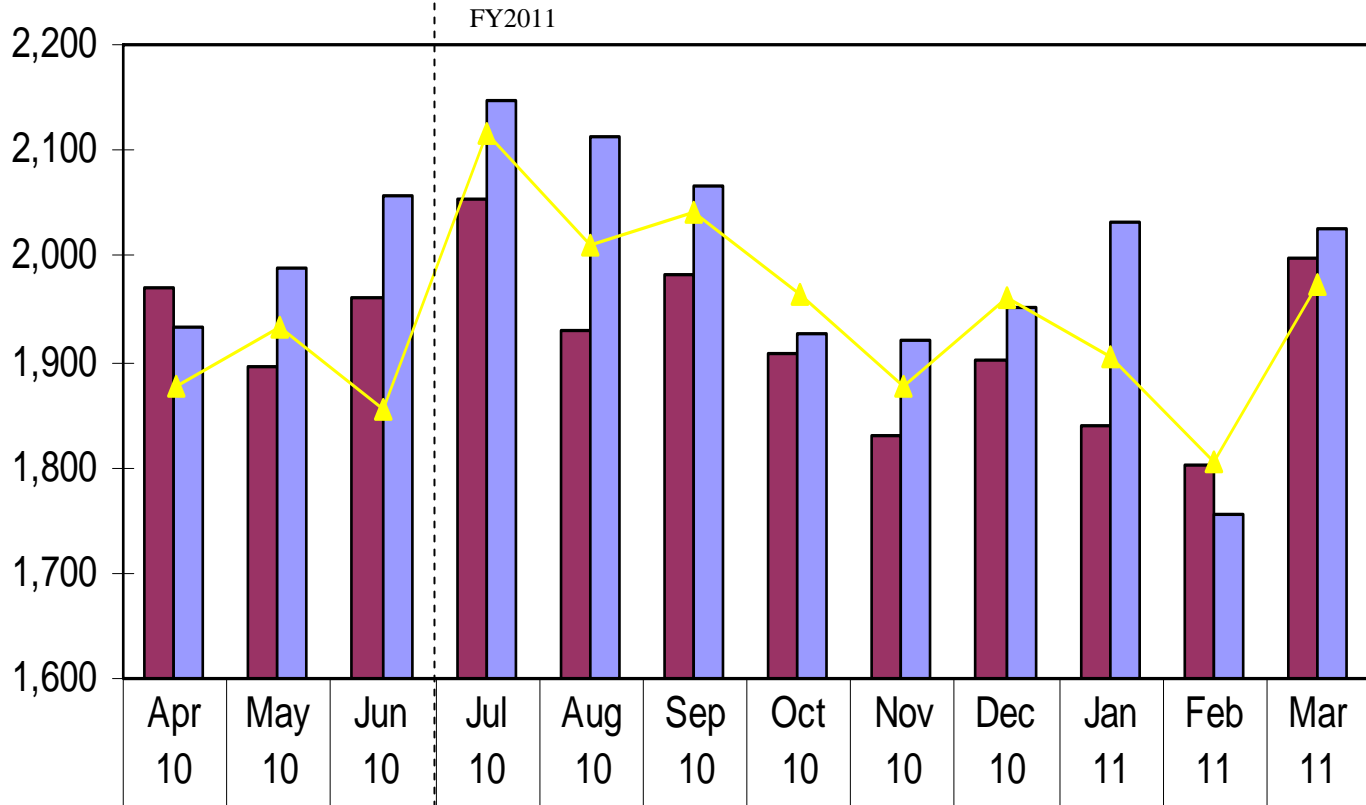


SUMMARY OF OPERATING RESULTS

March 31, 2011



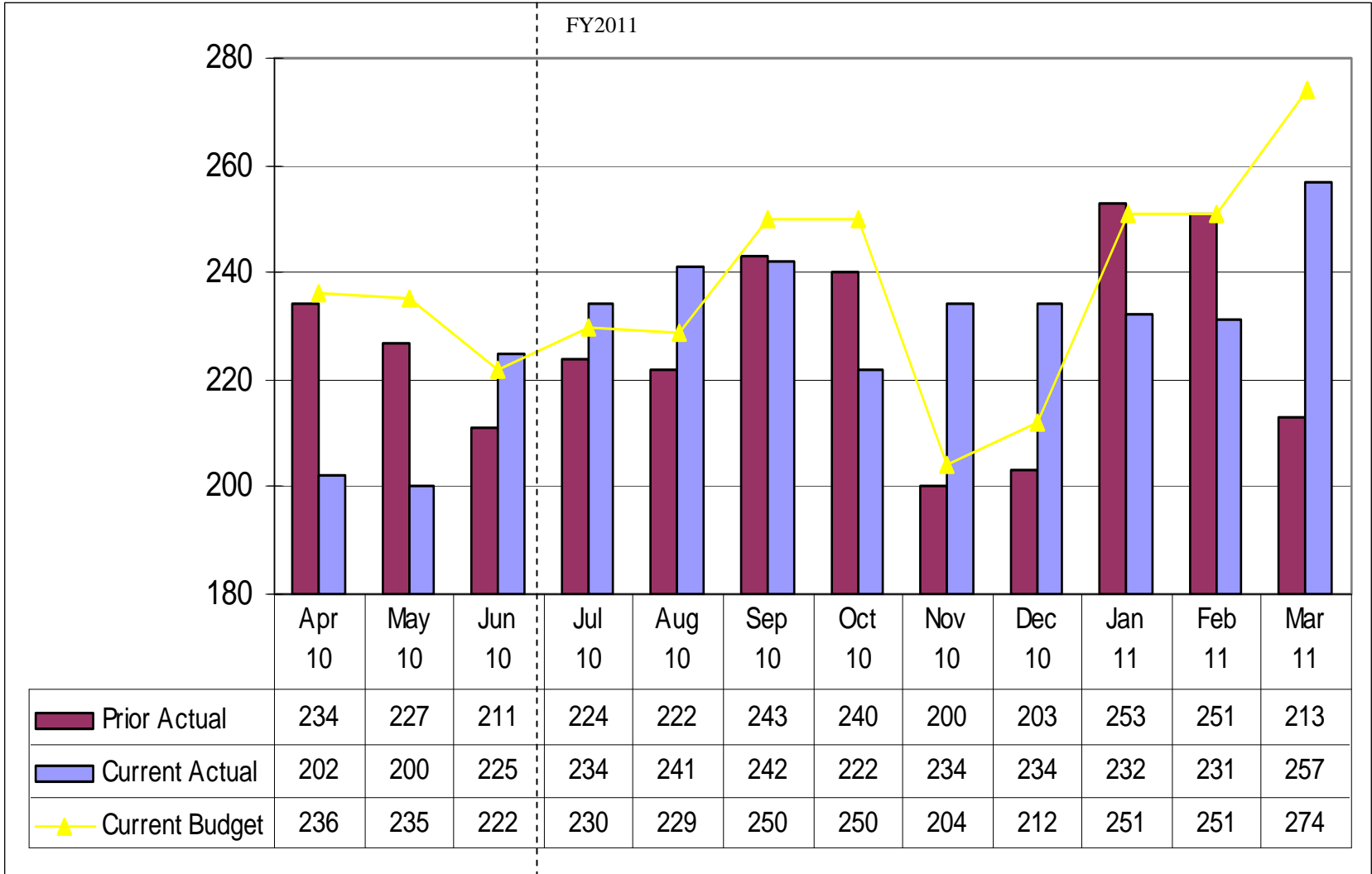
Adult Admissions (rolling 12 months)



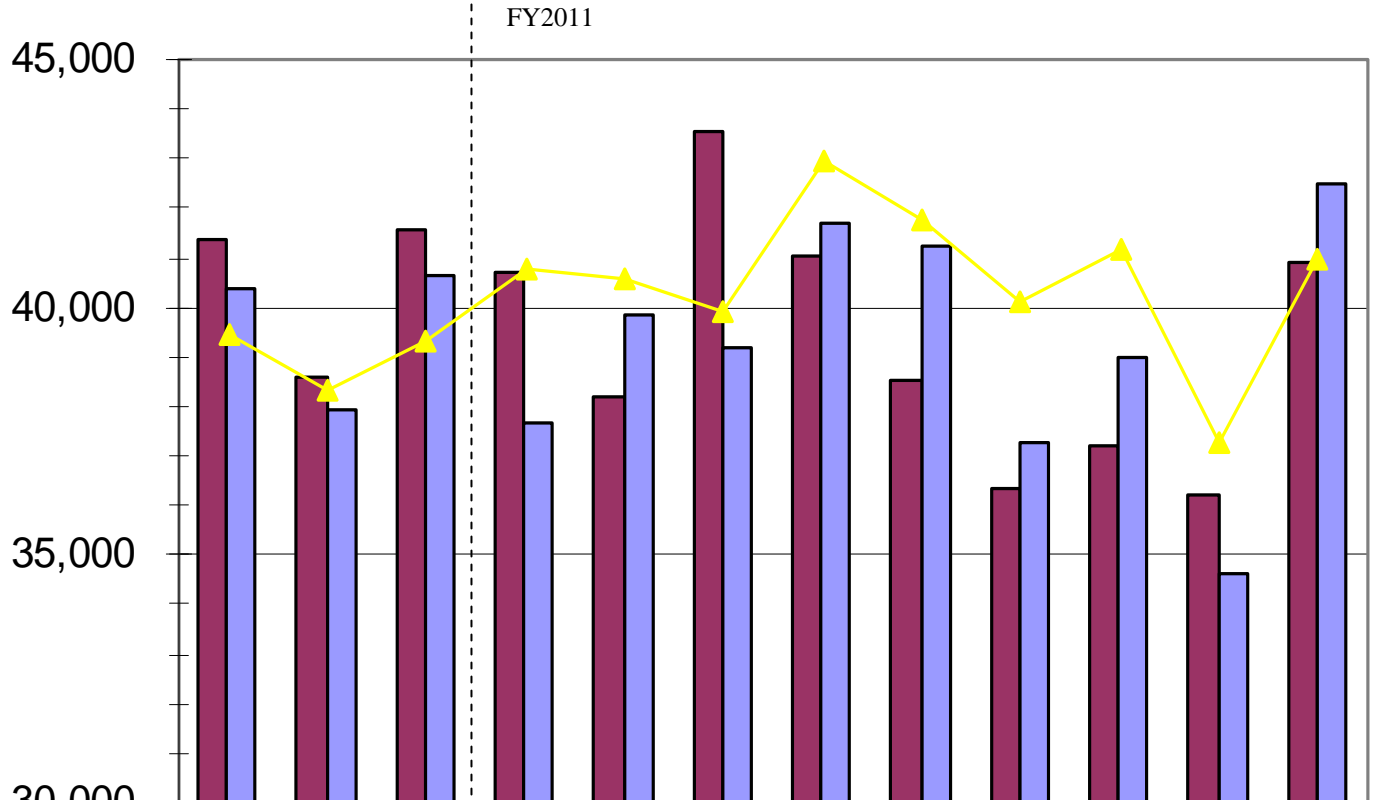
 Prior Actual	1,970	1,895	1,960	2,055	1,931	1,981	1,908	1,829	1,901	1,840	1,803	1,999
 Current Actual	1,932	1,989	2,057	2,147	2,112	2,067	1,926	1,919	1,951	2,031	1,754	2,025
 Current Budget	1,876	1,933	1,856	2,115	2,010	2,041	1,963	1,876	1,962	1,904	1,804	1,972

YTD	17,247
	17,932
	17,647

Pediatric Admissions (rolling 12 months)



Adult Clinic Visits (rolling 12 months)



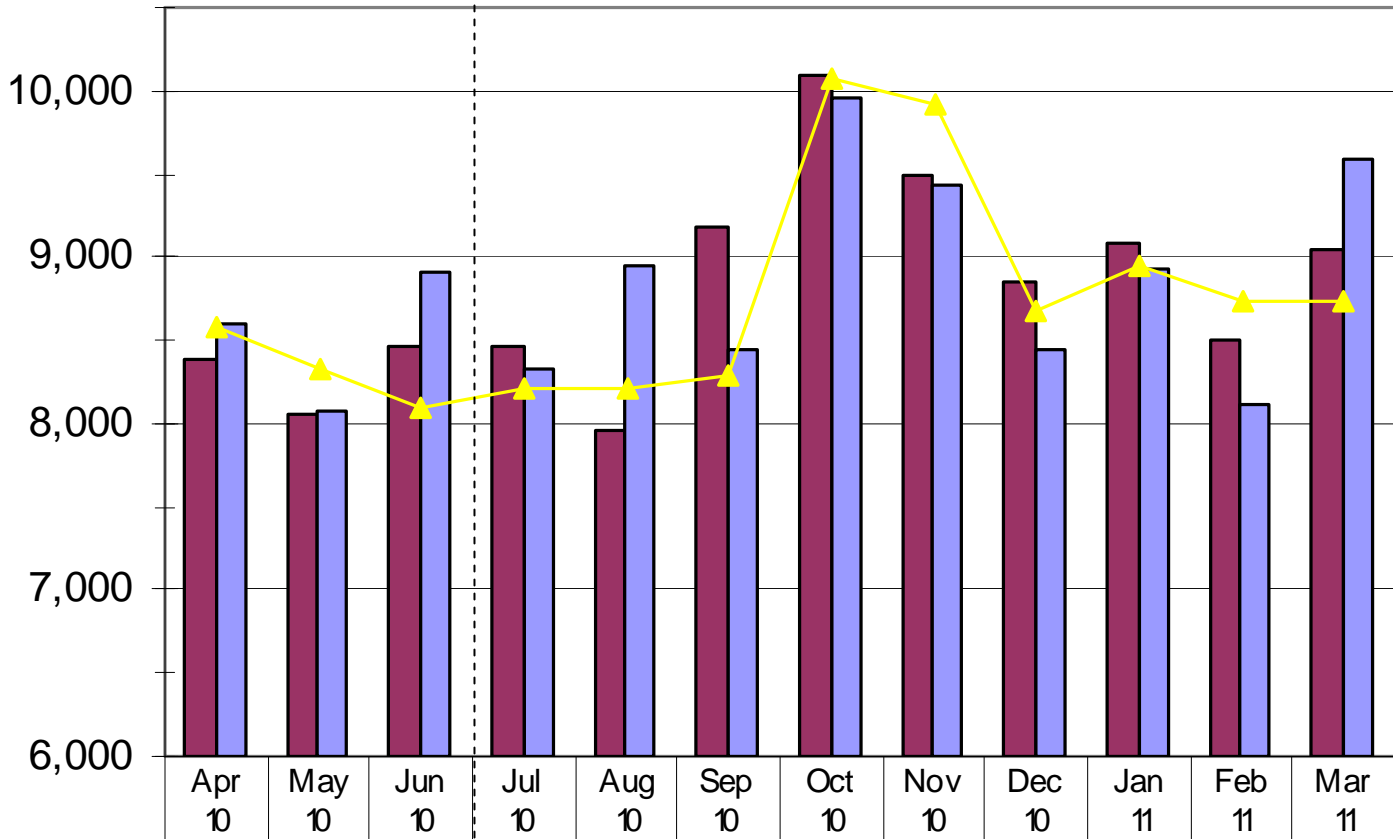
	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11
■ Prior Actual	41,362	38,567	41,559	40,707	38,209	43,570	41,014	38,508	36,314	37,201	36,201	40,877
■ Current Actual	40,353	37,906	40,617	37,693	39,821	39,162	41,677	41,256	37,285	38,990	34,616	42,485
▲ Current Budget	39,472	38,301	39,314	40,771	40,574	39,936	42,948	41,750	40,137	41,162	37,238	40,964

YTD
352,601
352,985
365,480

Pediatric Clinic Visits

(rolling 12 months)

FY2011



 Prior Actual	8,387	8,063	8,469	8,470	7,963	9,179	10,083	9,496	8,847	9,084	8,503	9,053
 Current Actual	8,591	8,068	8,915	8,325	8,940	8,444	9,956	9,439	8,449	8,938	8,107	9,597
 Current Budget	8,586	8,334	8,094	8,212	8,213	8,286	10,065	9,924	8,670	8,955	8,742	8,739

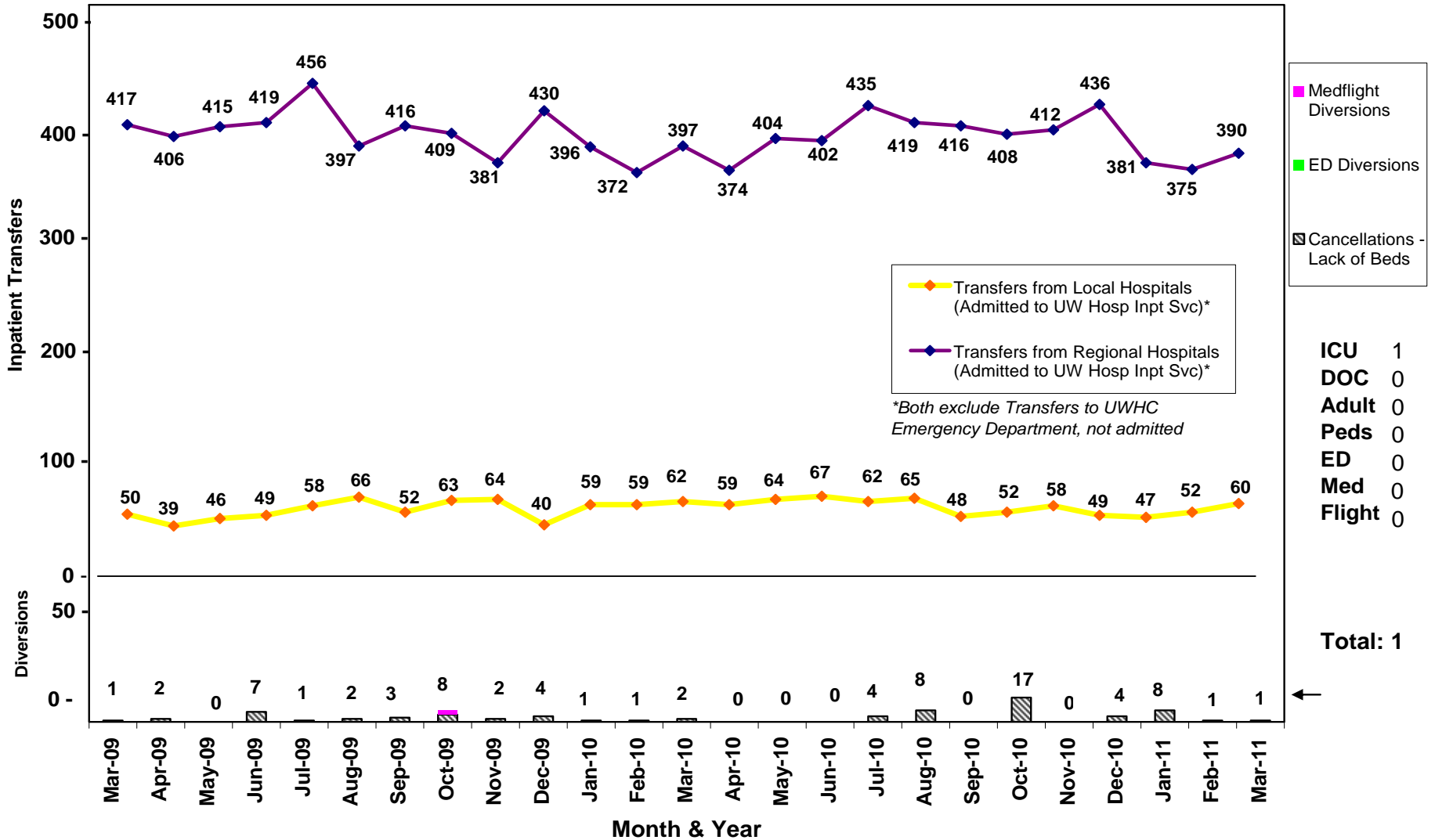
YTD
80,678
80,195
79,806

Other Key Ancillary Service Activity Indicators

Month of March 2011

	Actual 2011	Budget 2011	Actual 2010	% Variances Actual to Budget	2011 to 2010
Inpatient Gross Revenues	\$ 98,611,377	\$ 101,829,428	\$ 87,284,775	-3.2%	13.0%
Outpatient Gross Revenues	\$ 93,412,964	\$ 88,842,423	\$ 83,162,432	5.1%	12.3%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	994	1,048	952	-5.2%	4.4%
Outpatient	756	678	684	11.5%	10.5%
AFCH	460	426	467	8.0%	-1.5%
Subtotal	2,210	2,152	2,103	2.7%	5.1%
Misc./Out of OR	244	210	237	16.2%	3.0%
Total Surgical Procedures	2,454	2,362	2,340	3.9%	4.9%
Transplants					
Cadaver	24	35	26	-31.4%	-7.7%
Living	5	7	7	-28.6%	-28.6%
Total	29	42	33	-31.0%	-12.1%
Emergency Room Visits	3,829	3,481	3,416	10.0%	12.1%
Radiology Procedures:					
MRI	2,541	2,506	2,386	1.4%	6.5%
CT Scans	4,731	5,221	4,844	-9.4%	-2.3%
Other	20,161	20,609	19,411	-2.2%	3.9%
Total Radiology Procedures	27,433	28,336	26,641	-3.2%	3.0%
Radiotherapy Procedures	3,042	3,170	3,306	-4.0%	-8.0%

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



Summary of Operating Results

Month of March 2011

	Actual March 2011	Budget March 2011	Variance Favorable (Unfavorable)	% Variance	Actual March 2010
Operating Revenue	\$ 92,585,514	\$ 90,332,438	\$ 2,253,076	2.5%	\$ 85,195,429
Operating Expenses:					
Salary & Fringe Benefits	45,917,651	46,123,422	205,771	0.4%	44,236,988
Supplies & Other expenses	38,945,270	37,247,490	(1,697,780)	-4.6%	36,298,642
Total Operating Expenses	84,862,921	83,370,912	(1,492,009)	-1.8%	80,535,630
Income from Operations <i>(Operating Margin)</i>	\$ 7,722,593	\$ 6,961,526	\$ 761,067	10.9%	\$ 4,659,799
Non-Operating Income	1,896,937	554,844	1,342,093	241.9%	2,573,821
Net Income <i>(Total Margin)</i>	\$ 9,619,530	\$ 7,516,370	\$ 2,103,160	28.0%	\$ 7,233,620

Non-Operating Income (Loss)

Month of March 2011

	Actual March 2011	Budget March 2011	Variance Favorable (Unfavorable)	% Variance	Actual March 2010
Investment Income & Other Non-Operating Income	\$ 826,251	\$ 636,052	\$ 190,199	29.9%	\$ 766,471
Fair Value Gain/Loss on Investments	444,762	-	444,762	100.0%	776,758
Fair Value Gain/Loss on Swap Agreements	240,542	-	240,542	100.0%	780,069
Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	40,000	42,465	(2,465)	-5.8%	49,355
Wisconsin Dialysis	9,533	3,822	5,711	> 100%	(9,311)
UHC/Unity	238,162	50,959	187,203	> 100%	107,150
UHC/e-Care	(60,516)	(85,611)	25,095	29.3%	(72,569)
Madison Surgery Center	223,438	136,910	86,528	63.2%	175,282
Madison United Healthcare Linen	(2,607)	4,247	(6,854)	> -100%	14,069
Madison Environmental Resourcing	3,686	1,000	2,686	> 100%	(13,453)
Generations Fertility Care	(66,314)	(160,000)	93,686	58.6%	-
AFCH at Watertown Memorial	-	(75,000)	75,000	> 100%	-
Total	\$ 1,896,937	\$ 554,844	\$ 1,342,093	241.9%	\$ 2,573,821

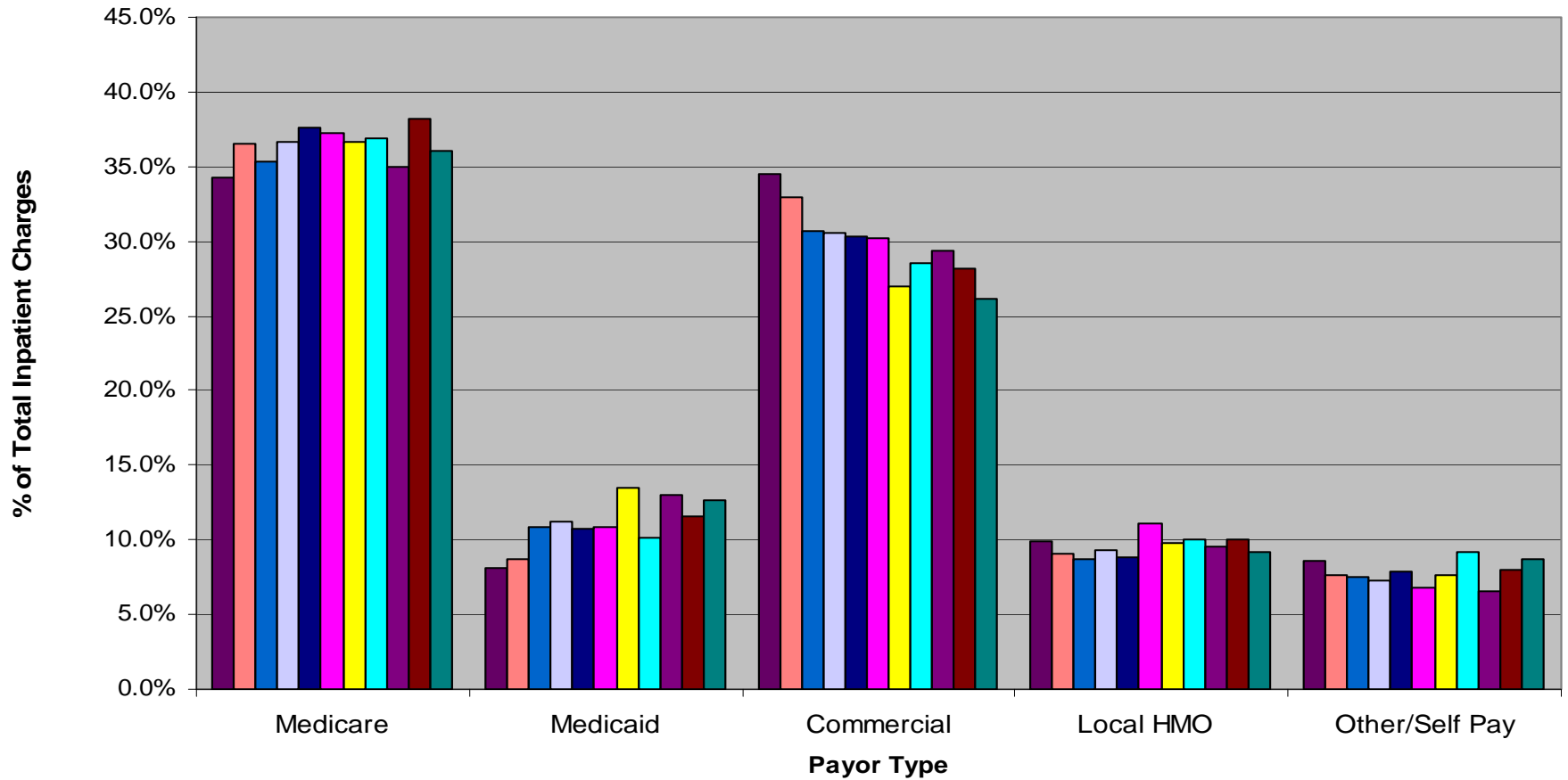
Other Key Ancillary Service Activity Indicators

Nine Months Ended March 31, 2011

			% Variances		
	Actual FY '11	Budget FY '11	Actual FY '10	Actual to Budget	FY 11 to FY 10
Inpatient Gross Revenues	\$ 868,610,393	\$ 873,624,896	\$ 789,801,709	-0.6%	10.0%
Outpatient Gross Revenues	\$ 764,843,652	\$ 749,459,884	\$ 685,767,943	2.1%	11.5%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	8,925	8,454	8,244	5.6%	8.3%
Outpatient	6,077	5,514	5,533	10.2%	9.8%
AFCH	3,738	3,466	3,456	7.8%	8.2%
Subtotal	18,740	17,434	17,233	7.5%	8.7%
Misc./Out of OR	2,080	1,780	2,097	16.9%	-0.8%
Total	20,820	19,214	19,330	8.4%	7.7%
Transplants					
Cadaver	261	299	272	-12.7%	-4.0%
Living	63	66	67	-4.5%	-6.0%
Total	324	365	339	-11.2%	-4.4%
Emergency Room Visits	32,590	30,319	31,927	7.5%	2.1%
Radiology Procedures:					
MRI	20,637	21,004	20,679	-1.7%	-0.2%
CT Scans	43,062	43,900	42,424	-1.9%	1.5%
Other	172,368	173,118	168,582	-0.4%	2.2%
Total Radiology Procedures	236,067	238,022	231,685	-0.8%	1.9%
Radiotherapy Procedures	24,181	26,273	26,893	-8.0%	-10.1%

In Patient Charges Payor Mix

FY 2009 - FY 2011 3rd Quarter



Summary of Operating Results

Nine Months Ended March 31, 2011
(000) Omitted

	Actual FY '11	Budget FY '11	Actual FY '10	% Variances	
				Actual to Budget	FY 11 to FY 10
Operating Revenue	\$776,836	\$768,573	\$737,649	1.1%	5.3%
Operating Expenses:					
Salary & Fringe Benefits	399,451	398,763	384,346	-0.2%	3.9%
Supplies & Other expenses	<u>330,138</u>	<u>329,104</u>	<u>316,683</u>	-0.3%	4.2%
Total Operating Expenses	<u>729,589</u>	<u>727,867</u>	<u>701,029</u>	-0.2%	4.1%
Income from Operations <i>(Operating Margin of 6.1%)</i>	\$ 47,247	\$ 40,706	\$ 36,620	16.1%	29.0%
Non-Operating Income	23,807	6,387	17,495	272.7%	36.1%
Net Income	<u>\$71,054</u>	<u>\$47,093</u>	<u>\$54,115</u>	50.9%	31.3%

Non-Operating Income (Loss)

Nine Months Ended March 31, 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	\$ 8,575	\$ 5,623	\$ 6,096	52.5%	40.7%
Fair Value Gain (Loss) on Investments	7,826	-	6,508	100.0%	20.3%
Fair Value Gain (Loss) on Swap agreements	3,403	-	602	100.0%	> 100%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	737	375	533	96.5%	38.3%
Wisconsin Dialysis	162	34	(41)	> 100%	> 100%
UHC/Unity	2,607	450	3,058	> 100%	-14.7%
UHC/e-Care	(656)	(757)	(697)	13.3%	5.9%
Madison Surgery Center	1,428	1,210	1,328	18.0%	7.5%
Madison United Healthcare Linen	195	38	110	> 100%	77.3%
Madison Environmental Resourcing	22	9	(2)	> 100%	> 100%
Generations Fertility Care	(492)	(520)	-	5.4%	> -100%
AFCH at Watertown Memorial	-	(75)	-	> 100%	0.0%
Total	\$ 23,807	\$ 6,387	\$ 17,495	272.7%	36.1%

Performance Ratios

	Industry Comparisons						UWHCA Bond Covenant
	Favorable Direction	FY 11	Budget or Target	S&P 500 "A" Rated	Moodys "A" Rated	Fitch "A" Rated	
Operating Margin	↑	6.1%	5.3%	2.9%	3.0%	3.0%	
Total Margin **	↑	7.6%	6.1%	3.0%	5.1%	3.5%	
Days Cash on Hand *	↑	194	161	193	170	184	90, 75 & 45
Days in Accounts Receivable	↓	41	48	46	46	45	
Debt Service Coverage Ratio **	↑	7.4	6.8	3.3	4.6	3.0	2.0, 1.25 & 1.0
Long Term Debt to Capitalization	↓	27.0%	28.0%	34.3%	38.9%	42.1%	65%
Operating Cash Flow	↑	11.2%	10.5%	10.0%	9.9%	9.4%	
Cash-to-Debt	↑	207.4%	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
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
March 11	114,394,570	41

Comparison of Charity Care & Bad Debt Expense

	FY 11 Actual	FY 11 Budget	Variance	% Variance	FY 10 Actual	Variance	% Variance
Charity	\$ 35,464,988	\$ 40,577,120	\$ (5,112,132)	-12.6%	\$ 36,446,982	\$ (981,994)	-2.7%
% of Revenue	2.17%	2.50%			2.47%		
Bad Debt	23,299,527	24,243,063	(943,536)	-3.9%	22,005,148	\$1,294,379	5.9%
% of Revenue	1.43%	1.50%			1.49%		
Total	\$ 58,764,515	\$ 64,820,183	\$ (6,055,668)	-9.3%	\$ 58,452,130	\$ 312,385	0.5%
Gross Revenue	\$ 1,633,454,045	\$ 1,623,084,780	\$ 10,369,265	0.6%	\$ 1,475,569,653	\$ 157,884,392	10.7%
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	\$59,825	\$47,093
Market Value Gain/(Loss) on Unrestricted Investments	7,826	0
Fair Value Gain/(Loss) on Swap Agreements	3,403	0
Depreciation	34,234	36,053
Interest Expense	5,872	6,231
EBITDA	\$ 111,160	\$ 89,377
 <u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u>		
Capital Expenditures	(24,939)	(38,025)
Est Annual Debt Service	(8,399)	(8,700)
Capital Contribution to UW for Capital Expenditures	(2,500)	(2,500)
Decrease (increase) in Working Capital	13,780	(4,425)
Total (Used) Provided	(\$22,058)	(\$53,650)
 Cash Available for Temporary Investment and Future Capital Expenditures	\$ 89,102	\$ 35,727

Summary of Changes in Net Assets

Nine Months Ended March 31, 2011

Net assets at beginning of period	<u>\$573,923,452</u>
Net income	59,825,305
Fair value of investments	7,826,261
Fair value of swap agreements	3,402,833
Capital grants, gifts and donations	2,669,756
Additions to permanent gift endowments	627,420
Payments to UW School of Medicine and Public Health for capital expenditure support	(2,500,000)
Increase in net assets	<u>\$71,851,575</u>
Net assets at end of period	<u><u>\$645,775,027</u></u>

Comparison to Local Competitors

March, 2011 vs. 2010

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
% Change in Admissions				
Current Month	3.2%	5.2%	2.7%	3.6%
3 Month Rolling Average	2.7%	(1.2)%	2.1%	1.4%
12 Month Rolling Average	3.4%	(1.0)%	(6.5)%	(1.1)%
% Change in Average Daily Census				
Current Month	(1.2)%	7.7%	4.7%	2.7%
3 Month Rolling Average	(0.4)%	(1.7)%	2.3%	0.1%
12 Month Rolling Average	(0.1)%	(0.3)%	(2.6)%	(0.9)%

UWHC Investment Balances & Returns

<u>Account</u>	<u>March Market Value Balances</u>	<u>Investment Allocation</u>	<u>March YTD Investment Return</u>	<u>Benchmark</u>
Operating Account and Commercial Paper				
US Bank	\$ 116,739,361	23.4%	0.11%	-0.01% (A)
Intermediate Bond Fund				
USBank/ Baird	\$ 128,780,657	25.8%	1.92%	1.63% (D)
Capital Replacement Fund				
Account - UW Foundation	\$ 156,290,267	31.3%	0.28%	0.27% (B)
Endowment Fund - Equity Securities				
UW Foundation	<u>\$97,724,587</u>	<u>19.6%</u>	14.50%	29.27% (C)
Total Unrestricted Funds	<u><u>\$ 499,534,872</u></u>	<u><u>100.0%</u></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