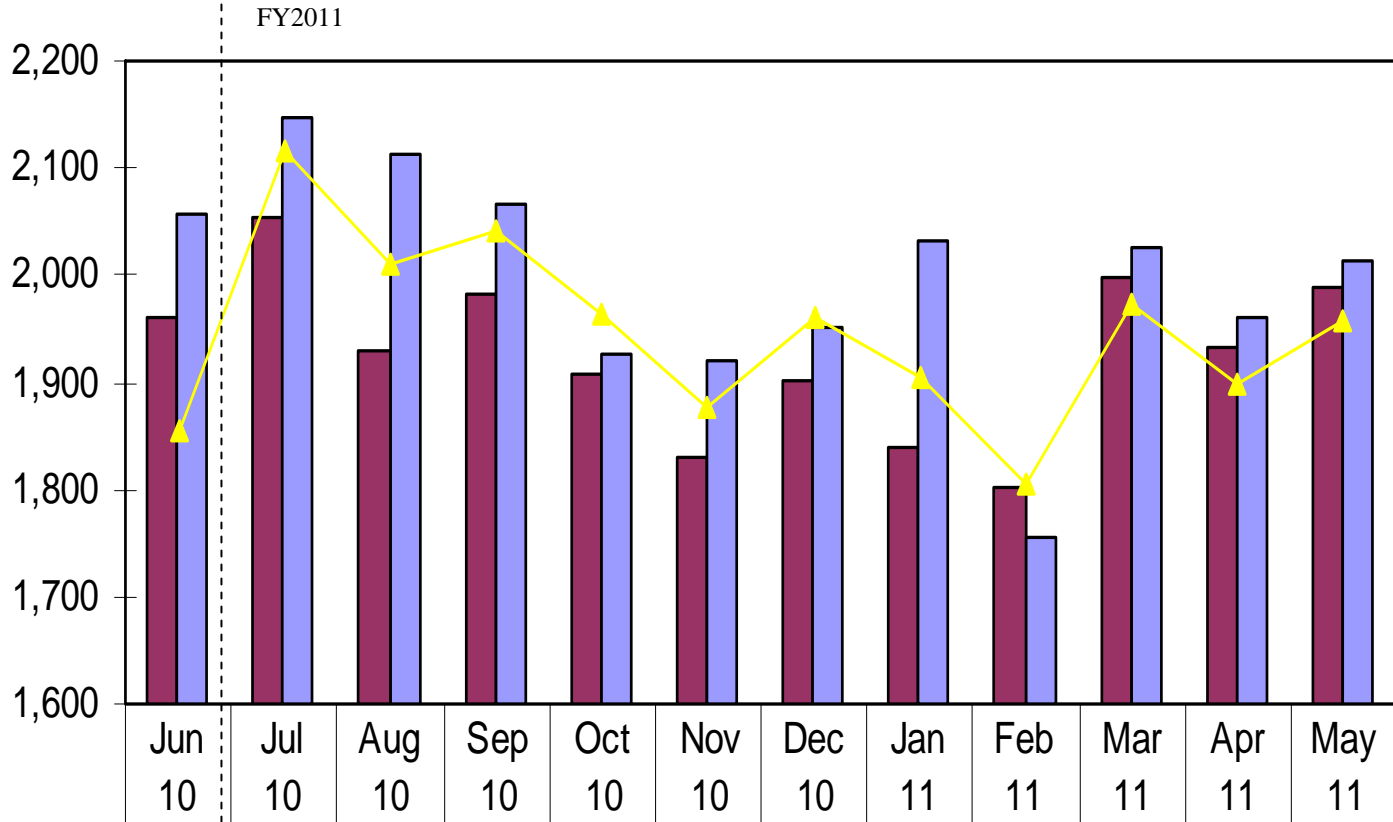


SUMMARY OF OPERATING RESULTS

May 31, 2011



Adult Admissions (rolling 12 months)

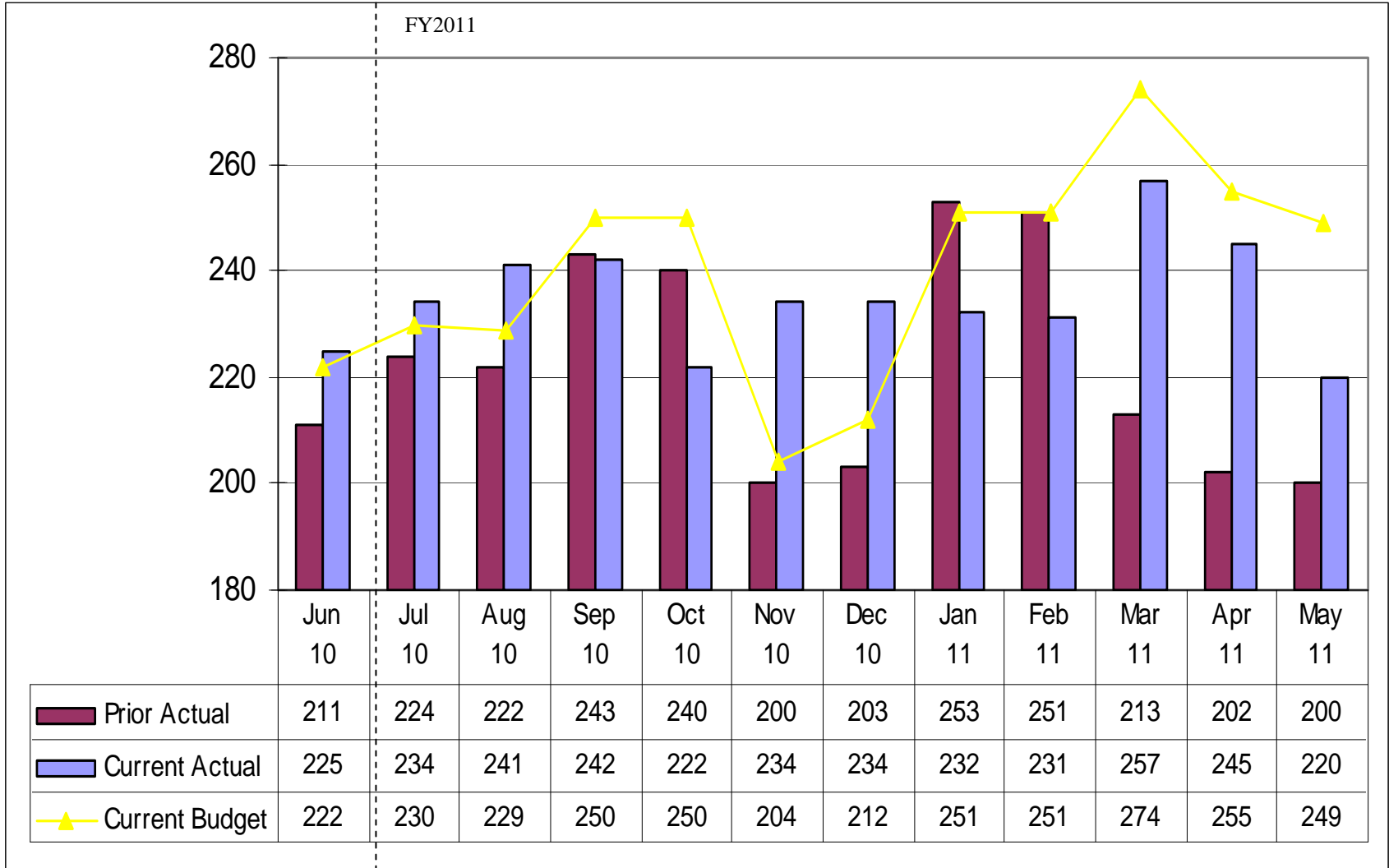


Prior Actual	1,960	2,055	1,931	1,981	1,908	1,829	1,901	1,840	1,803	1,999	1,932	1,989
Current Actual	2,057	2,147	2,112	2,067	1,926	1,919	1,951	2,031	1,754	2,025	1,962	2,015
Current Budget	1,856	2,115	2,010	2,041	1,963	1,876	1,962	1,904	1,804	1,972	1,900	1,956

YTD	21,168
	21,909
	21,503

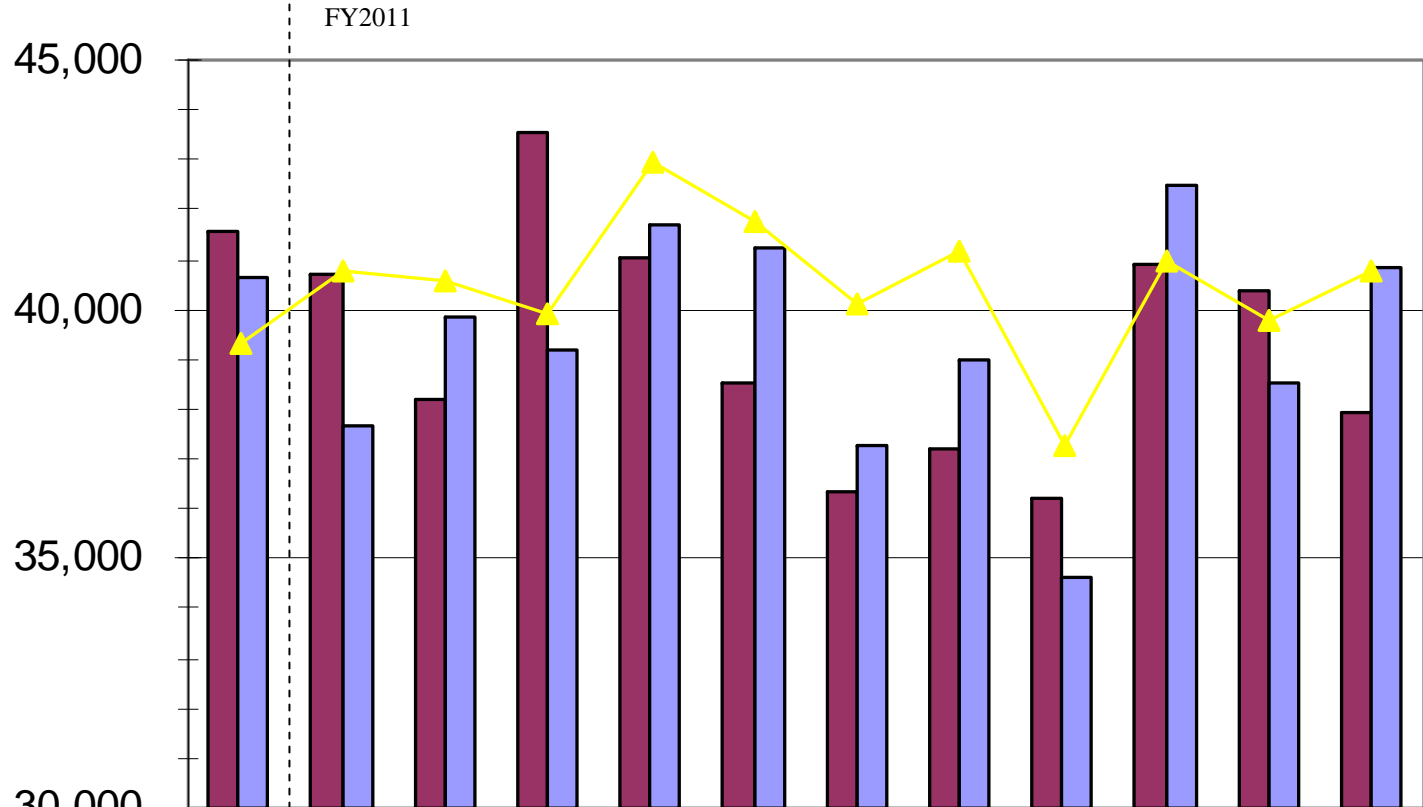
Pediatric Admissions

(rolling 12 months)



YTD
2,451
2,592
2,655

Adult Clinic Visits (rolling 12 months)

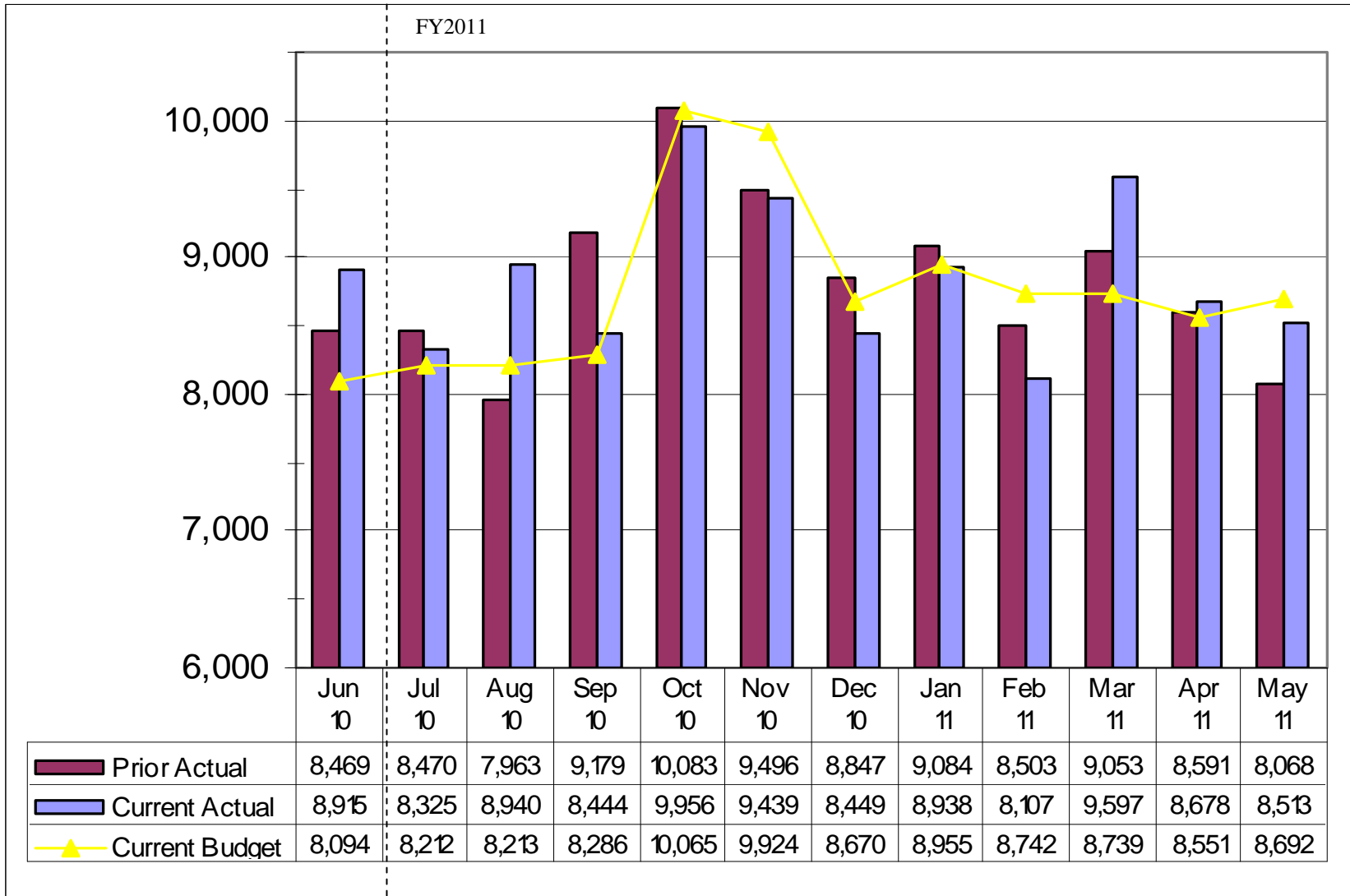


	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11
■ Prior Actual	41,559	40,707	38,209	43,570	41,014	38,508	36,314	37,201	36,201	40,877	40,353	37,906
■ Current Actual	40,617	37,693	39,821	39,162	41,677	41,256	37,285	38,990	34,616	42,485	38,550	40,849
▲ Current Budget	39,314	40,771	40,574	39,936	42,948	41,750	40,137	41,162	37,238	40,964	39,812	40,744

YTD
430,860
432,384
446,036

Pediatric Clinic Visits

(rolling 12 months)



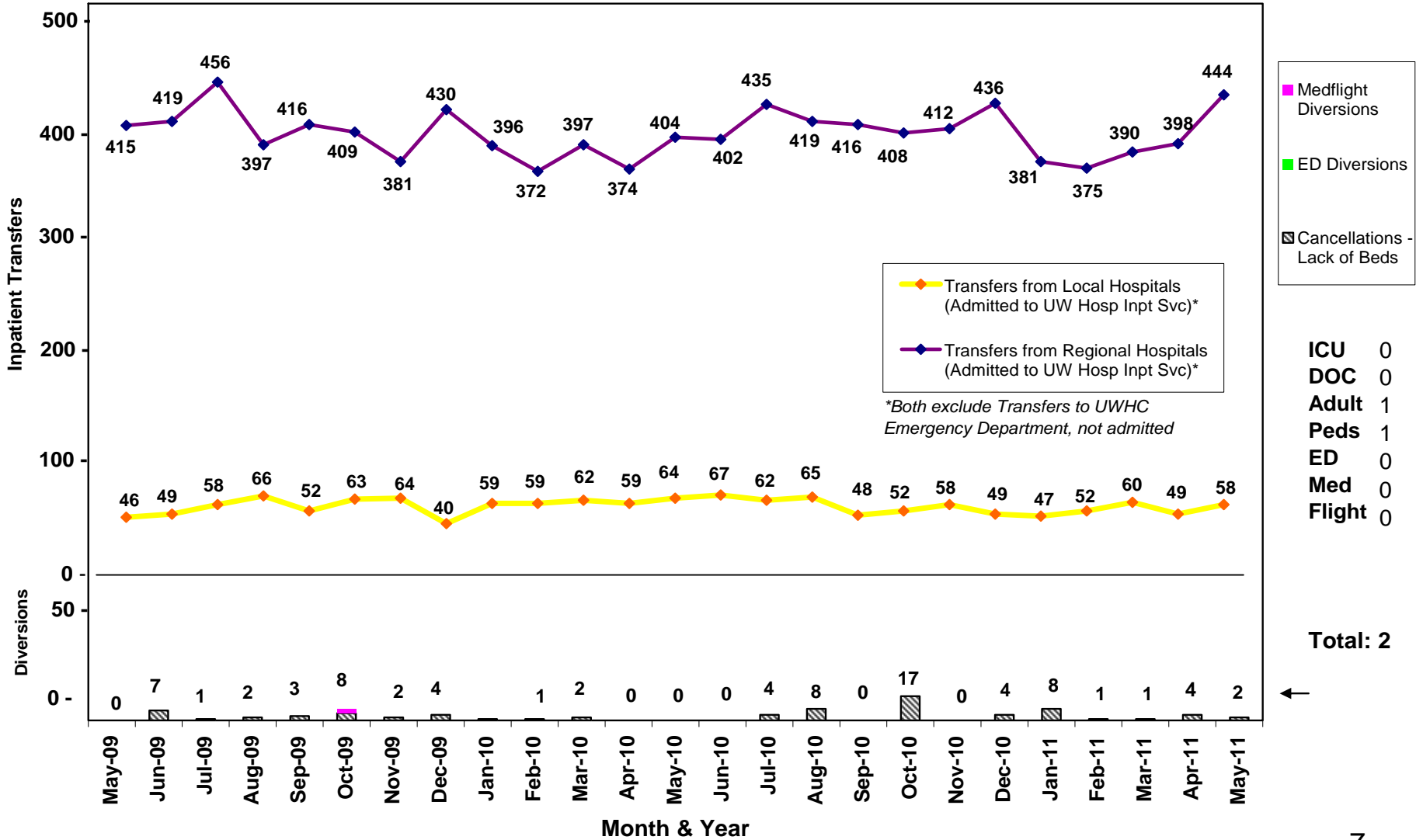
YTD
97,337
97,386
97,049

Other Key Ancillary Service Activity Indicators

Month of May 2011

	Actual 2011	Budget 2011	Actual 2010	% Variances Actual to Budget	2011 to 2010
Inpatient Gross Revenues	\$ 98,393,959	\$ 99,068,391	\$ 88,040,904	-0.7%	11.8%
Outpatient Gross Revenues	\$ 89,305,285	\$ 83,416,582	\$ 74,849,934	7.1%	19.3%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	997	946	947	5.4%	5.3%
Outpatient	715	619	661	15.5%	8.2%
AFCH	439	389	382	12.9%	14.9%
Subtotal	2,151	1,954	1,990	10.1%	8.1%
Misc./Out of OR	266	203	235	31.0%	13.2%
Total Surgical Procedures	2,417	2,157	2,225	12.1%	8.6%
Transplants					
Cadaver	48	35	36	37.1%	33.3%
Living	12	8	6	50.0%	100.0%
Total	60	43	42	39.5%	42.9%
Emergency Room Visits	3,800	3,562	3,701	6.7%	2.7%
Radiology Procedures:					
MRI	2,495	2,336	2,117	6.8%	17.9%
CT Scans	4,899	4,936	4,747	-0.7%	3.2%
Other	19,532	19,427	18,454	0.5%	5.8%
Total Radiology Procedures	26,926	26,699	25,318	0.9%	6.4%
Radiotherapy Procedures	2,764	2,910	2,699	-5.0%	2.4%

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



Summary of Operating Results

Month of May 2011

	Actual May 2011	Budget May 2011	Variance Favorable (Unfavorable)	% Variance	Actual May 2010
Operating Revenue	\$ 94,171,336	\$ 86,715,697	\$ 7,455,639	8.6%	\$ 79,872,343
Operating Expenses:					
Salary & Fringe Benefits	46,329,587	46,569,325	239,738	0.5%	44,027,537
Supplies & Other expenses	40,225,009	36,920,330	(3,304,679)	-9.0%	34,186,190
Total Operating Expenses	<u>86,554,596</u>	<u>83,489,655</u>	<u>(3,064,941)</u>	-3.7%	<u>78,213,727</u>
Income from Operations (Operating Margin)	\$ 7,616,740	\$ 3,226,042	\$ 4,390,698	136.1%	\$ 1,658,616
Non-Operating Income	564,999	554,843	10,156	1.8%	(2,822,438)
Net Income (Total Margin)	<u>\$ 8,181,739</u>	<u>\$ 3,780,885</u>	<u>\$ 4,400,854</u>	116.4%	<u>\$ (1,163,822)</u>

Non-Operating Income (Loss)

Month of May 2011

	Actual May 2011	Budget May 2011	Variance Favorable (Unfavorable)	% Variance	Actual May 2010
Investment Income & Other Non-Operating Income	\$ 1,019,321	\$ 636,051	\$ 383,270	60.3%	\$ 628,702
Fair Value Gain/Loss on Investments	63,408	-	63,408	100.0%	(2,282,053)
Fair Value Gain/Loss on Swap Agreements	(1,127,189)	-	(1,127,189)	-100.0%	(1,425,514)
Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	30,580	42,465	(11,885)	-28.0%	25,000
Wisconsin Dialysis	67,937	3,822	64,115	> 100%	(12,361)
UHC/Unity	335,783	50,959	284,824	> 100%	224,633
UHC/e-Care	(49,000)	(85,611)	36,611	42.8%	(84,000)
Madison Surgery Center	173,485	136,910	36,575	26.7%	121,911
Madison United Healthcare Linen	1,397	4,247	(2,850)	-67.1%	(23,345)
Madison Environmental Resourcing	3,537	1,000	2,537	> 100%	4,589
Generations Fertility Care	45,740	(160,000)	205,740	> 100%	-
AFCH at Watertown Memorial	-	(75,000)	75,000	100.0%	-
Total	\$ 564,999	\$ 554,843	\$ 10,156	1.8%	\$ (2,822,438)

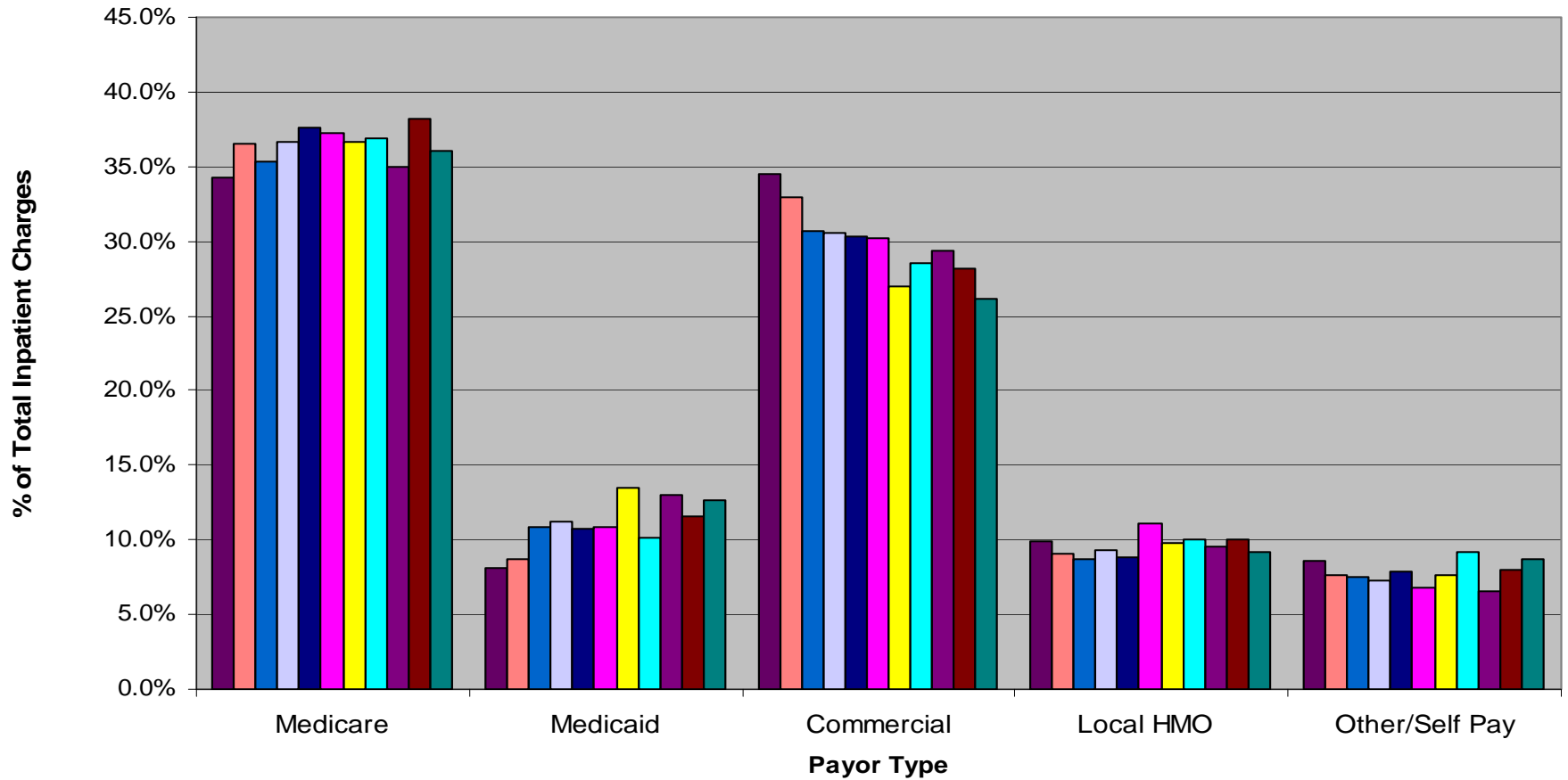
Other Key Ancillary Service Activity Indicators

Eleven Months Ended May 31, 2011

			% Variances		
	Actual FY '11	Budget FY '11	Actual FY '10	Actual to Budget	FY 11 to FY 10
Inpatient Gross Revenues	\$ 1,062,295,965	\$ 1,069,806,111	\$ 963,626,957	-0.7%	10.2%
Outpatient Gross Revenues	\$ 940,494,883	\$ 915,926,182	\$ 841,019,477	2.7%	11.8%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	10,876	10,346	10,154	5.1%	7.1%
Outpatient	7,489	6,752	6,888	10.9%	8.7%
AFCH	4,643	4,244	4,256	9.4%	9.1%
Subtotal	23,008	21,342	21,298	7.8%	8.0%
Misc./Out of OR	2,576	2,186	2,602	17.8%	-1.0%
Total	25,584	23,528	23,900	8.7%	7.0%
Transplants					
Cadaver	329	368	330	-10.6%	-0.3%
Living	82	81	81	1.2%	1.2%
Total	411	449	411	-8.5%	0.0%
Emergency Room Visits	40,047	37,269	38,956	7.5%	2.8%
Radiology Procedures:					
MRI	25,476	25,672	25,110	-0.8%	1.5%
CT Scans	52,641	53,711	51,791	-2.0%	1.6%
Other	210,567	211,778	206,503	-0.6%	2.0%
Total Radiology Procedures	288,684	291,161	283,404	-0.9%	1.9%
Radiotherapy Procedures	29,838	32,089	32,485	-7.0%	-8.1%

In Patient Charges Payor Mix

FY 2009 - FY 2011 3rd Quarter



Summary of Operating Results

Eleven Months Ended May 31, 2011

(000) Omitted

	Actual FY '11	Budget FY '11	Actual FY '10	% Variances	
				Actual to Budget	FY 11 to FY 10
Operating Revenue	\$957,173	\$940,977	\$902,552	1.7%	6.1%
Operating Expenses:					
Salary & Fringe Benefits	490,311	490,088	470,237	0.0%	4.3%
Supplies & Other expenses	407,329	402,767	387,556	-1.1%	5.1%
Total Operating Expenses	897,640	892,855	857,793	-0.5%	4.6%
Income from Operations (Operating Margin of 6.0%)	\$ 59,533	\$ 48,122	\$ 44,759	23.7%	33.0%
Non-Operating Income	29,506	7,471	16,278	294.9%	81.3%
Net Income	\$89,039	\$55,593	\$61,037	60.2%	45.9%

Non-Operating Income (Loss)

Eleven Months Ended May 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	\$ 10,462	\$ 6,873	\$ 7,320	52.2%	42.9%
Fair Value Gain (Loss) on Investments	12,746	-	5,597	100.0%	> 100%
Fair Value Gain (Loss) on Swap agreements	1,330	-	(1,822)	100.0%	> 100%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	821	459	686	78.9%	19.7%
Wisconsin Dialysis	273	41	23	> 100%	> 100%
UHC/Unity	2,950	551	3,621	> 100%	-18.5%
UHC/e-Care	(753)	(925)	(848)	18.6%	11.2%
Madison Surgery Center	2,012	1,480	1,589	35.9%	26.6%
Madison United Healthcare Linen	209	46	102	> 100%	> 100%
Madison Environmental Resourcing	30	11	10	> 100%	> 100%
Generations Fertility Care	(465)	(840)	-	44.6%	> -100%
AFCH at Watertown Memorial	(109)	(225)	-	51.6%	> -100%
Total	\$ 29,506	\$ 7,471	\$ 16,278	294.9%	81.3%

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 Covenants
Operating Margin	↑	6.2%	5.1%	2.9%	3.0%	3.0%	
Total Margin **	↑	7.7%	5.9%	3.0%	5.1%	3.5%	
Days Cash on Hand *	↑	204	161	193	170	184	90, 75 & 45
Days in Accounts Receivable	↓	39	48	46	46	45	
Debt Service Coverage Ratio **	↑	7.5	6.7	3.3	4.6	3.0	1.25 & 1.0
Long Term Debt to Capitalization	↓	26.0%	28.0%	34.3%	38.9%	42.1%	65%
Operating Cash Flow	↑	11.4%	10.5%	10.0%	9.9%	9.4%	
Cash-to-Debt	↑	225.4%	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
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
April 11	112,755,932	40
May 11	113,154,847	39

Comparison of Charity Care & Bad Debt Expense

	FY 11 Actual	FY 11 Budget	Variance	% Variance	FY 10 Actual	Variance	% Variance
Charity	\$ 40,663,051	\$ 49,643,307	\$ (8,980,256)	-18.1%	\$ 42,365,075	\$ (1,702,024)	-4.0%
% of Revenue	2.03%	2.50%			2.35%		
Bad Debt	25,842,984	29,671,944	(3,828,960)	-12.9%	25,209,910	\$633,074	2.5%
% of Revenue	1.29%	1.50%			1.40%		
Total	\$ 66,506,035	\$ 79,315,252	\$ (12,809,217)	-16.1%	\$ 67,574,985	\$ (1,068,950)	-1.6%
Gross Revenue	\$ 2,002,790,848	\$ 1,985,732,293	\$ 17,058,555	0.9%	\$ 1,804,646,434	\$ 198,144,414	11.0%
Total Bad Debt & Charity as % of Revenue	3.3%	4.0%			3.7%		

EBITDA Compared to Debt Service & Capital Expenditures

(000) Omitted

	Actual	Budget
<u>Cash Provided:</u>		
Net Income, excluding Fair Value gains/losses	\$74,963	\$55,593
Depreciation	41,976	44,146
Interest Expense	7,193	7,566
EBITDA	\$ 124,132	\$ 107,305
<u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u>		
Capital Expenditures	(32,355)	(46,475)
Est Annual Debt Service	(14,893)	(16,633)
Capital Contribution to UW for Capital Expenditures	(2,500)	(2,500)
Decrease (increase) in Working Capital	27,318	(5,408)
Total (Used) Provided	(\$22,430)	(\$71,016)
Cash Available for Temporary Investment and Future Capital Expenditures	\$ 101,702	\$ 36,289

Summary of Changes in Net Assets

Eleven Months Ended May 31, 2011

Net assets at beginning of period	<u>\$573,923,452</u>
Net income	74,962,718
Fair value of investments	12,746,414
Fair value of swap agreements	1,330,029
Capital grants, gifts and donations	2,961,497
Additions to permanent gift endowments	643,548
Payments to UW School of Medicine and Public Health for capital expenditure support	(2,500,000)
Increase in net assets	<u>\$90,144,206</u>
Net assets at end of period	<u><u>\$664,067,658</u></u>

Comparison to Local Competitors

May, 2011 vs. 2010

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
% Change in Admissions				
Current Month	2.1%	(2.1)%	10.9%	3.7%
3 Month Rolling Average	2.9%	(0.4)%	5.3%	2.7%
12 Month Rolling Average	3.9%	(1.8)%	(3.3)%	(0.1)%
% Change in Average Daily Census				
Current Month	(1.0)%	3.5%	10.3%	3.5%
3 Month Rolling Average	0.1%	5.6%	6.3%	3.3%
12 Month Rolling Average	0.5%	0.8%	0.7%	0.6%

UWHC Investment Balances & Returns

<u>Account</u>	<u>May Market Value Balances</u>	<u>Investment Allocation</u>	<u>May YTD Investment Return</u>	<u>Benchmark</u>
Operating Account and Commercial Paper				
US Bank	\$ 139,929,694	26.4%	0.10%	-0.04% (A)
Intermediate Bond Fund				
USBank/ Baird	\$ 131,963,432	24.9%	4.35%	3.90% (D)
Capital Replacement Fund				
Account - UW Foundation	\$ 156,345,487	29.5%	0.27%	0.26% (B)
Endowment Fund - Equity Securities				
UW Foundation	<u>\$101,089,662</u>	<u>19.1%</u>	17.86%	27.54% (C)
Total Unrestricted Funds	<u><u>\$ 529,328,275</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