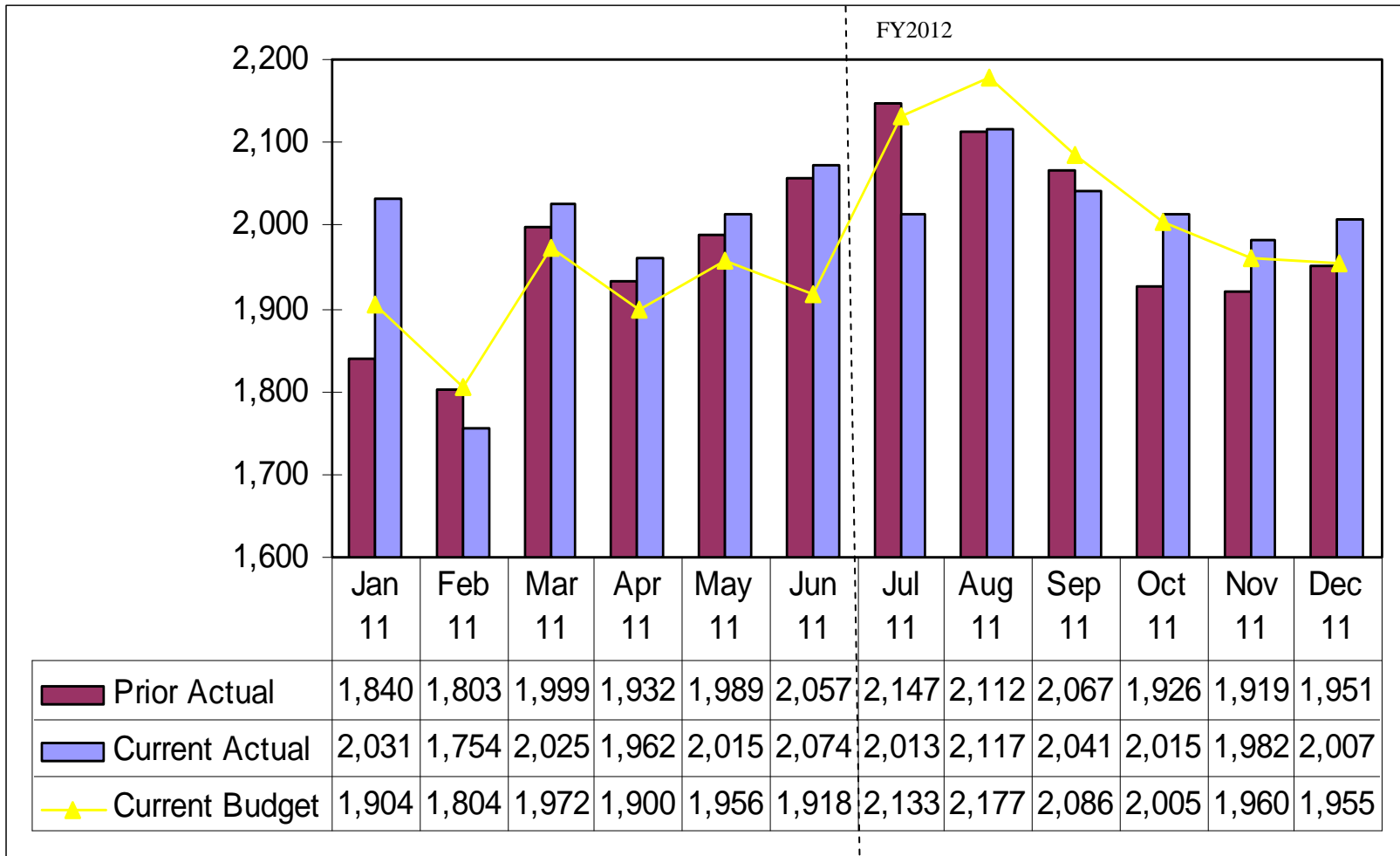


SUMMARY OF OPERATING RESULTS

December 31, 2011

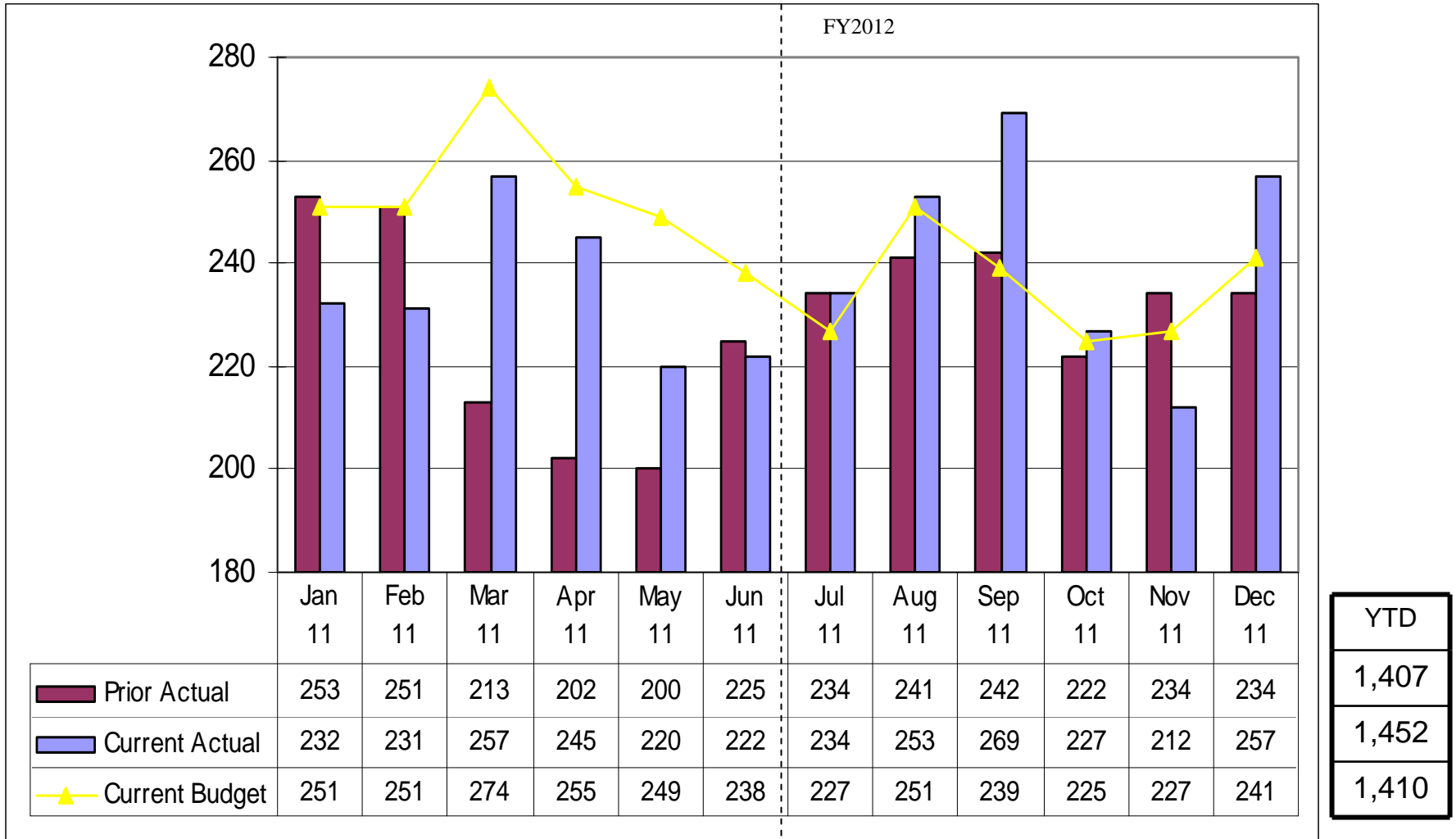


Adult Admissions (rolling 12 months)

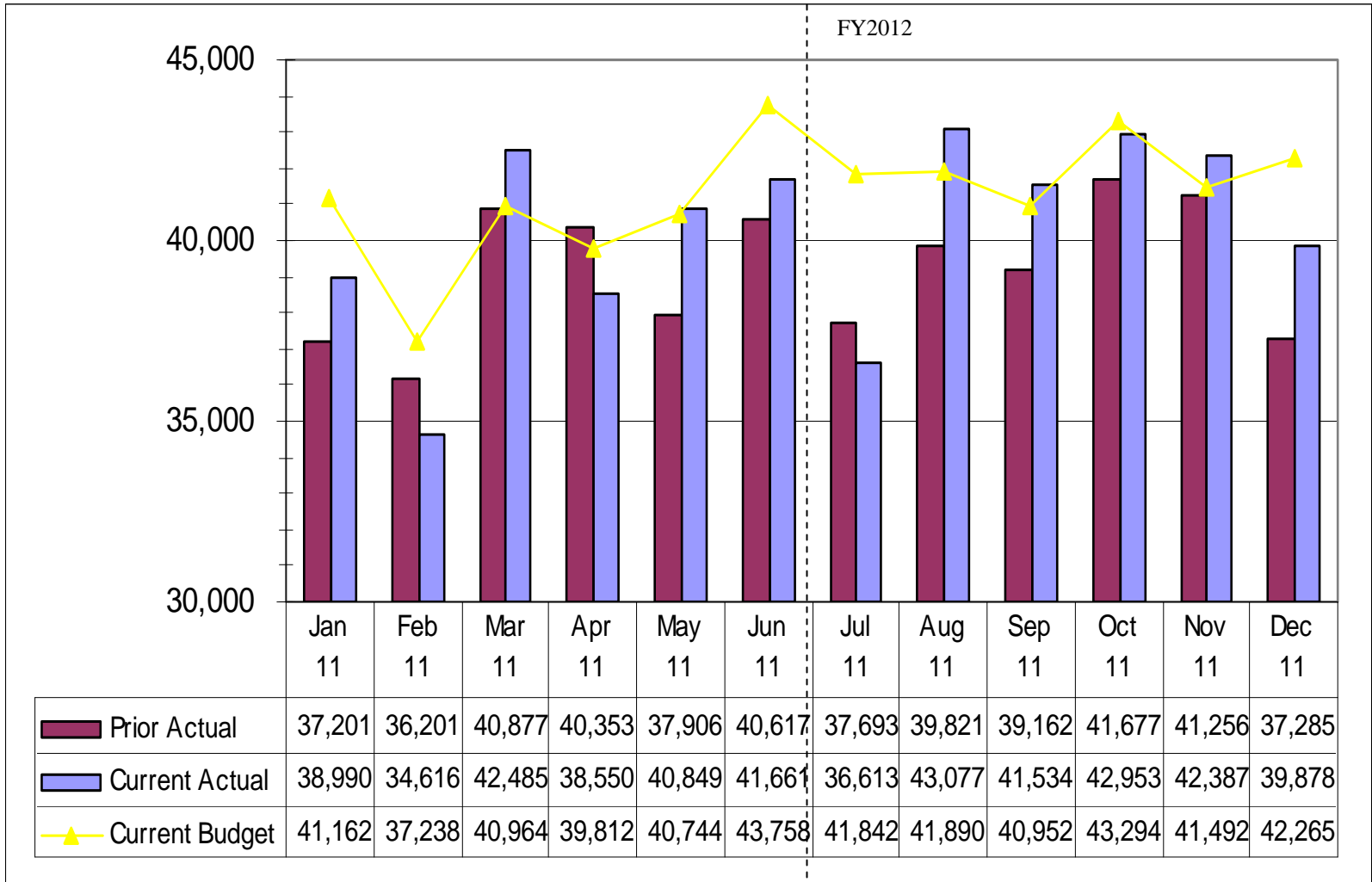


Pediatric Admissions

(rolling 12 months)

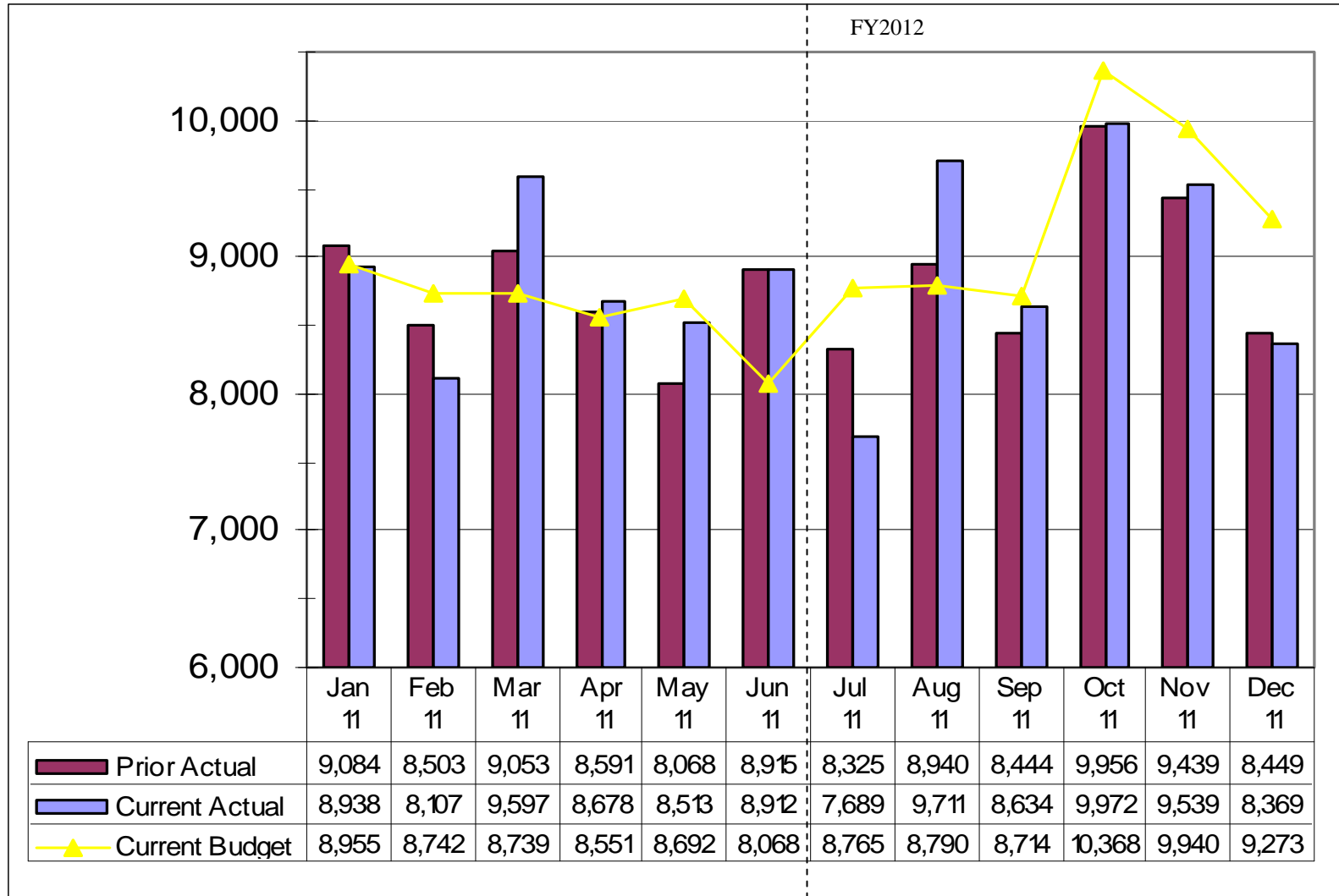


Adult Clinic Visits (rolling 12 months)



Pediatric Clinic Visits

(rolling 12 months)

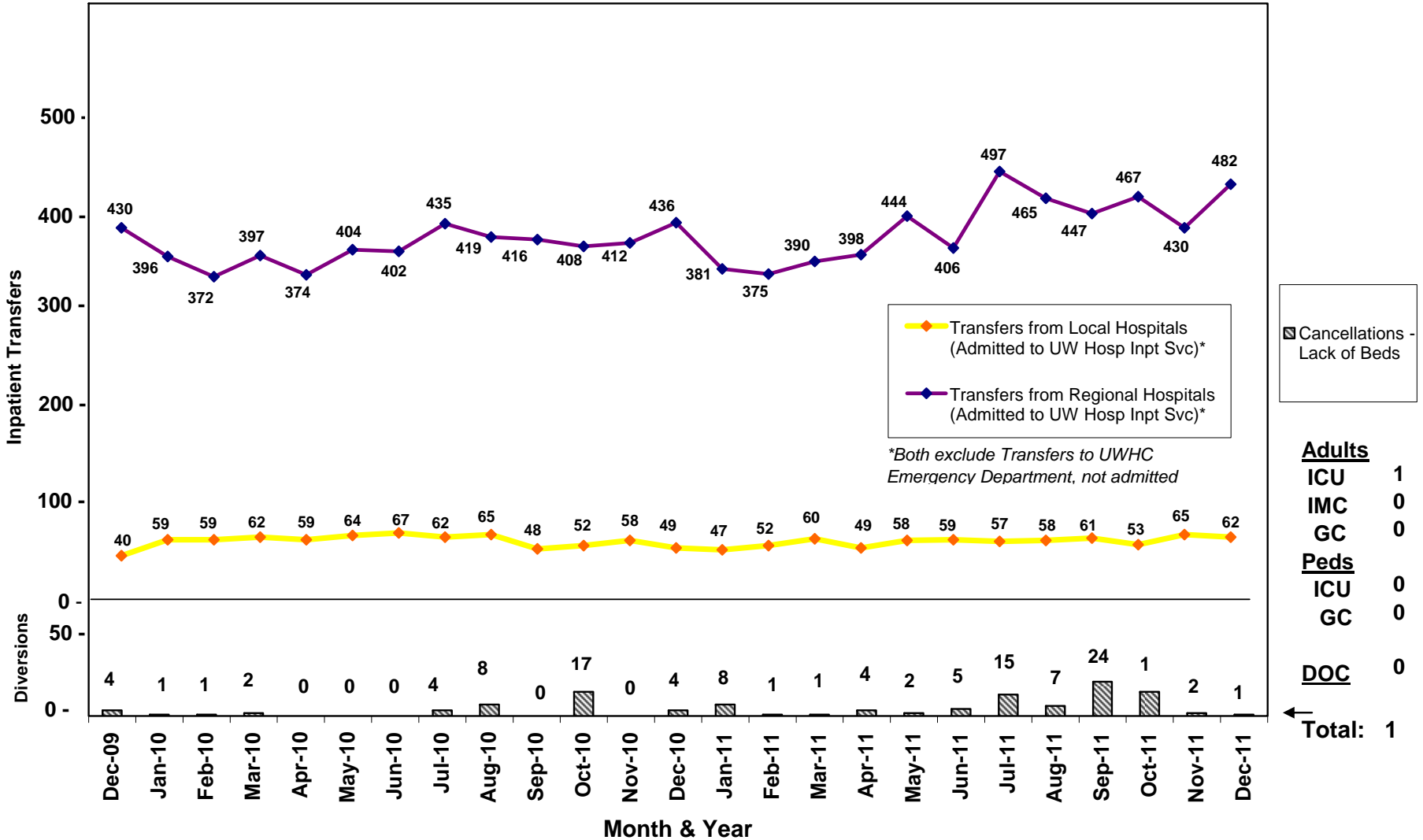


Other Key Ancillary Service Activity Indicators

Month of December 2011

	Actual 2011	Budget 2011	Actual 2010	% Variances Actual to Budget	2011 to 2010
Inpatient Gross Revenues	\$ 108,132,645	\$ 103,620,113	\$ 95,143,821	4.4%	13.7%
Outpatient Gross Revenues	\$ 100,718,879	\$ 93,514,739	\$ 85,855,262	7.7%	17.3%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	1,073	1,017	1,035	5.5%	3.7%
Outpatient	743	687	713	8.2%	4.2%
AFCH	440	418	437	5.3%	0.7%
Subtotal	2,256	2,122	2,185	6.3%	3.2%
Misc./Out of OR	285	238	211	19.7%	35.1%
Total Surgical Procedures	2,541	2,360	2,396	7.7%	6.1%
Transplants					
Deceased Donor	23	29	27	-20.7%	-14.8%
Living	9	8	10	12.5%	-10.0%
Total	32	37	37	-13.5%	-13.5%
Emergency Room Visits	3,745	3,664	3,493	2.2%	7.2%
Radiology Procedures:					
MRI	2,349	2,320	2,321	1.3%	1.2%
CT Scans	5,319	4,827	4,683	10.2%	13.6%
Other	20,510	19,435	18,420	5.5%	11.3%
Total Radiology Procedures	28,178	26,582	25,424	6.0%	10.8%
Radiotherapy Procedures	3,153	2,823	2,406	11.7%	31.0%

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



Summary of Operating Results

Month of December 2011

	Actual December 2011	Budget December 2011	Variance Favorable (Unfavorable)	% Variance	Actual December 2010
Operating Revenue	\$ 97,914,770	\$ 90,094,054	\$ 7,820,716	8.7%	\$ 88,163,243
Operating Expenses:					
Salary & Fringe Benefits	47,921,062	48,166,915	245,853	0.5%	44,436,894
Supplies & Other expenses	40,364,592	39,106,652	(1,257,940)	-3.2%	37,865,100
Total Operating Expenses	88,285,654	87,273,567	(1,012,087)	-1.2%	82,301,994
Income from Operations (Operating Margin)	\$ 9,629,116	\$ 2,820,487	\$ 6,808,629	241.4%	\$ 5,861,249
Non-Operating Income/(Loss or Expense)	(1,470,768)	(2,825,556)	1,354,788	47.9%	4,961,786
Net Income/ Loss (Total Margin)	\$ 8,158,348	\$ (5,069)	\$ 8,163,417	> 100%	\$ 10,823,035

Non Operating Income (Loss)

Month of December 2011

	Actual December 2011	Budget December 2011	Variance Favorable (Unfavorable)	% Variance	Actual December 2010
Investment Income & Other Non-Operating Income	\$ 1,673,156	\$ 925,415	\$ 747,741	80.8%	\$ 1,008,743
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(3,847,796)	(3,900,000)	52,204	1.3%	-
Fair Value Gain/Loss on Investments	1,144,522	-	1,144,522	100.0%	1,295,688
Fair Value Gain/Loss on Swap Agreements	(697,023)	-	(697,023)	-100.0%	2,423,639
Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	54,528	103,757	(49,229)	-47.4%	131,605
Wisconsin Dialysis	77,507	10,587	66,920	> 100%	33,881
UHC/Unity	79,639	(9,740)	89,379	> 100%	(119,778)
UHC/e-Care	(110,940)	(36,209)	(74,731)	> -100%	(28,117)
Madison Surgery Center	153,619	143,015	10,604	7.4%	168,993
Madison United Healthcare Linen	12,027	17	12,010	> 100%	40,349
Madison Environmental Resourcing	1,645	(3,108)	4,753	> 100%	6,783
Generations Fertility Care	(11,652)	(59,290)	47,638	80.3%	-
Total	\$ (1,470,768)	\$ (2,825,556)	\$ 1,354,788	47.9%	\$ 4,961,786

Other Key Ancillary Service Activity Indicators

Six Months Ended December 31, 2011

			% Variances		
	Actual FY '12	Budget FY '12	Actual FY '11	Actual to Budget	FY 12 to FY 11
Inpatient Gross Revenues	\$ 650,252,416	\$ 635,702,983	\$ 588,439,349	2.3%	10.5%
Outpatient Gross Revenues	\$ 592,938,165	\$ 564,105,406	\$ 512,668,852	5.1%	15.7%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	6,418	6,015	6,016	6.7%	6.7%
Outpatient	4,139	4,057	4,014	2.0%	3.1%
AFCH	2,583	2,465	2,484	4.8%	4.0%
Subtotal	13,140	12,537	12,514	4.8%	5.0%
Misc./Out of OR	1,556	1,405	1,362	10.7%	14.2%
Total	14,696	13,942	13,876	5.4%	5.9%
Transplants					
Cadaver	173	190	173	-8.9%	0.0%
Living	56	47	47	19.1%	19.1%
Total	229	237	220	-3.4%	4.1%
Emergency Room Visits	23,059	22,912	21,876	0.6%	5.4%
Radiology Procedures:					
MRI	14,351	14,098	13,881	1.8%	3.4%
CT Scans	31,912	29,488	29,464	8.2%	8.3%
Other	124,886	118,624	116,678	5.3%	7.0%
Total Radiology Procedures	171,149	162,210	160,023	5.5%	7.0%
Radiotherapy Procedures	18,569	17,096	16,080	8.6%	15.5%

Summary of Operating Results

Six Months Ended December 31, 2011

(000) Omitted

	Actual FY '12	Budget FY '12	Actual FY '11	% Variances	
				Actual to Budget	FY 12 to FY 11 to
Operating Revenue	\$575,230	\$548,007	\$523,927	5.0%	9.8%
Operating Expenses:					
Salary & Fringe Benefits	284,797	287,143	265,726	0.8%	-7.2%
Supplies & Other expenses	235,396	231,402	220,047	-1.7%	-7.0%
Total Operating Expenses	520,193	518,545	485,773	-0.3%	-7.1%
Income from Operations (Operating Margin of 9.6%)	\$ 55,037	\$ 29,462	\$ 38,154	86.8%	44.2%
Non-Operating Income/(Loss or Expense)	(8,502)	(63)	15,444	> - 100%	> - 100%
Net Income	\$46,535	\$29,399	\$53,598	58.3%	-13.2%

Non-Operating Income (Loss)

Six Months Ended December 31, 2011

(000) Omitted

	Actual FY '12	Budget FY '12	Actual FY '11	% Variances	
				Actual to Budget	FY 12 to FY 11
Investment Income & Other Non-Operating Income	\$ 8,687	\$ 5,552	\$ 6,444	56.5%	34.8%
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(6,448)	(6,500)	(2,500)	0.8%	> -100%
Fair Value Gain (Loss) on Investments	(5,529)	-	6,210	-100.0%	> -100%
Fair Value Gain (Loss) on Swap agreements	(6,068)	-	2,228	-100.0%	> -100%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	312	616	612	-49.4%	-49.0%
Wisconsin Dialysis	389	63	84	> 100%	> 100%
UHC/Unity	(378)	(58)	1,954	> -100%	> -100%
UHC/e-Care	(416)	(215)	(535)	-93.5%	22.2%
Madison Surgery Center	1,101	849	754	29.7%	46.0%
Madison United Healthcare Linen	144	-	170	100.0%	-15.3%
Madison Environmental Resourcing	8	(18)	23	> 100%	-65.2%
Generations Fertility Care	(304)	(352)	-	13.6%	-100.0%
Total	\$ (8,502)	\$ (63)	\$ 15,444	> -100%	> -100%

Performance Ratios

	Industry Comparisons						
	Favorable Direction	FY 12	Budget or Target	S&P 500 "A" Rated	Moody's "A" Rated	Fitch "A" Rated	UWHCA Bond Covenant
Operating Margin	↑	9.6%	5.4%	2.8%	2.6%	2.6%	
Total Margin **	↑	10.1%	5.4%	4.6%	5.3%	4.1%	
Days Cash on Hand *	↑	200	183	202	180	194	90, 75 & 45
Days in Accounts Receivable	↓	48	48	44	44	44	
Debt Service Coverage Ratio **	↑	9.5	6.3	4.2	4.6	2.9	2.0, 1.25 & 1.0
Long Term Debt to Capitalization	↓	25.0%	24.0%	32.6%	38.6%	41.9%	65%
Operating Cash Flow	↑	14.0%	10.2%	10.1%	10.0%	11.0%	
Cash-to-Debt	↑	235.9%	223.5%	145.2%	127.3%	113.8%	

* 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
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
June 11	125,692,595	43
July 11	132,783,942	45
August 11	138,635,907	45
September 11	143,462,902	47
October 11	143,334,591	46
November 11	149,398,672	49
December 11	146,725,562	48

Comparison of Charity Care & Bad Debt Expense

	FY 12 Actual	FY 12 Budget	Variance	% Variance	FY 11 Actual	Variance	% Variance
Charity	\$ 18,577,345	\$ 29,995,210	\$ (11,417,865)	-38.1%	\$ 22,624,141	\$ (4,046,796)	-17.9%
% of Revenue	1.49%	2.50%			2.05%		
Bad Debt	30,804,741	17,996,713	12,808,028	71.2%	20,328,800	\$10,475,941	51.5%
% of Revenue	2.48%	1.50%			1.85%		
Total	\$ 49,382,086	\$ 47,991,923	\$ 1,390,163	2.9%	\$ 42,952,941	\$ 6,429,145	15.0%
Gross Revenue	\$ 1,243,190,582	\$ 1,199,808,390	\$ 43,382,192	3.6%	\$ 1,101,108,201	\$ 142,082,381	12.9%
Total Bad Debt & Charity as % of Revenue	4.0%	4.0%			3.9%		

EBITDA Compared to Debt Service & Capital Expenditures

(000) Omitted

	Actual	Budget
<u>Cash Provided:</u>		
Net Income, excluding Fair Value gains/losses & payment to UWSMPH for capital expenditure support	\$64,580	\$35,899
Depreciation	21,253	21,874
Interest Expense	4,320	4,361
EBITDA	\$ 90,153	\$ 62,134
 <u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u>		
Capital Expenditures	(21,696)	(37,000)
Est Annual Debt Service	(6,489)	(6,220)
Capital Contribution to UW for Capital Expenditures	(6,448)	(6,500)
Capital Contribution in Joint Ventures	(1,900)	(1,300)
Decrease (increase) in Working Capital	(16,635)	670
Total (Used) Provided	(\$53,168)	(\$50,350)
 Cash Available for Temporary Investment and Future Capital Expenditures	\$ 36,985	\$ 11,784

Summary of Changes in Net Assets

Six Months Ended December 31, 2011

Net assets at beginning of period	<u>\$668,819,748</u>
Net income, excluding fair value gains/losses and payments to UWMSPH for capital expenditure support	64,579,724
Fair value of investments	(5,528,536)
Fair value of swap agreements	(6,068,146)
Payments to UW School of Medicine and Public Health for capital expenditure support	(6,447,796)
Capital grants, gifts and donations	2,958,758
Additions to permanent gift endowments	16,978
Increase in net assets	<u>\$49,510,982</u>
Net assets at end of period	<u><u>\$718,330,730</u></u>

UWHC Investment Balances & Returns

<u>Account</u>	<u>December Market Value Balances</u>	<u>Investment Allocation</u>	<u>December YTD Investment Return</u>	<u>Benchmark</u>
Operating Account and Commercial Paper				
US Bank	\$ 84,178,898	15.3%	0.16%	0.03% (A)
Intermediate Bond Fund				
USBank/ Baird	\$ 214,207,688	39.0%	3.49%	2.37% (B)
Capital Replacement Fund				
Account - UW Foundation	\$ 156,551,395	28.5%	0.23%	0.23% (C)
Endowment Fund - Equity Securities				
UW Foundation	\$94,031,736	17.1%	-5.77%	-8.91% (D)
Total Unrestricted Funds	\$ 548,969,716	100.0%		

(A) 90-day Treasury Bills

(B) Barclays Capital Intermediate Gov/ Credit less fees

(C) Average 1 Month LIBOR

(D) 75% of Russell Global plus 25% of Barclays Global Aggregate Bond less fees