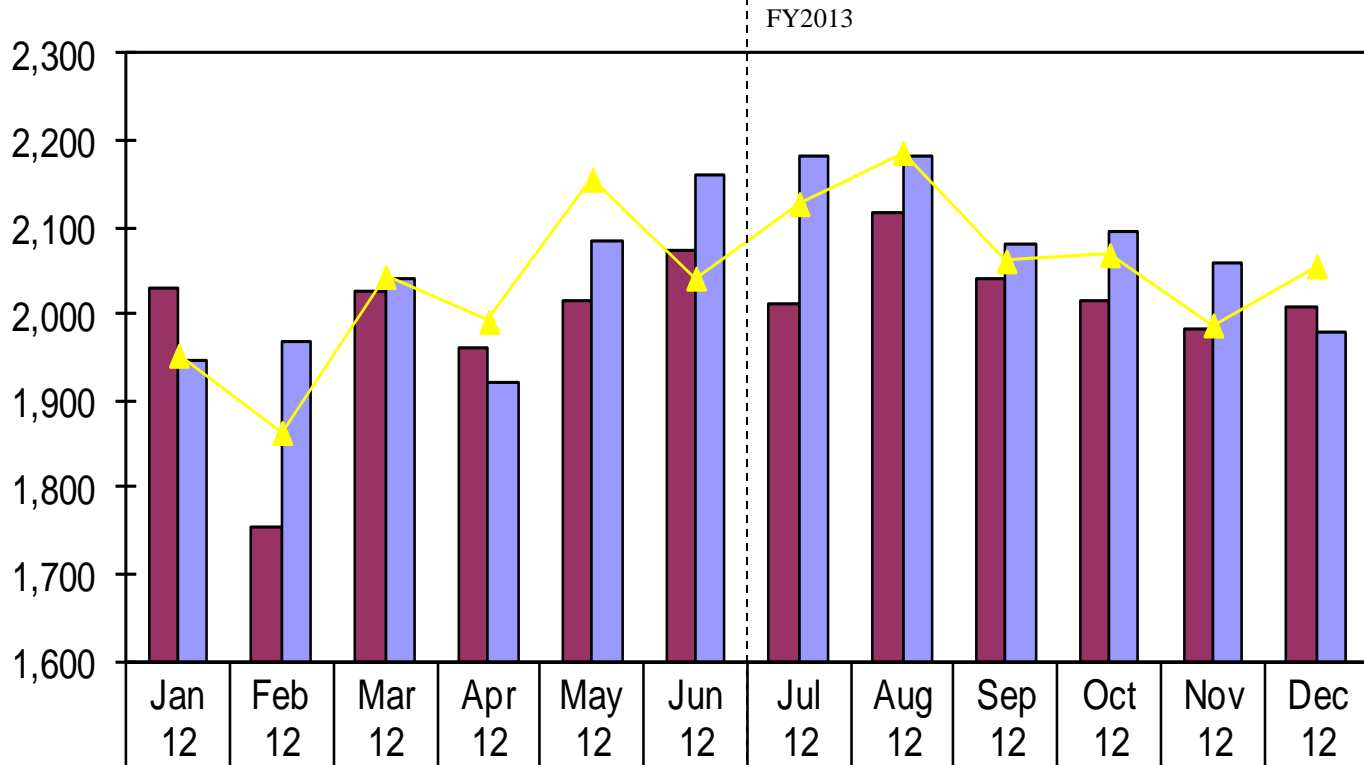


# SUMMARY OF OPERATING RESULTS

December 31, 2012

# Adult Admissions (rolling 12 months)

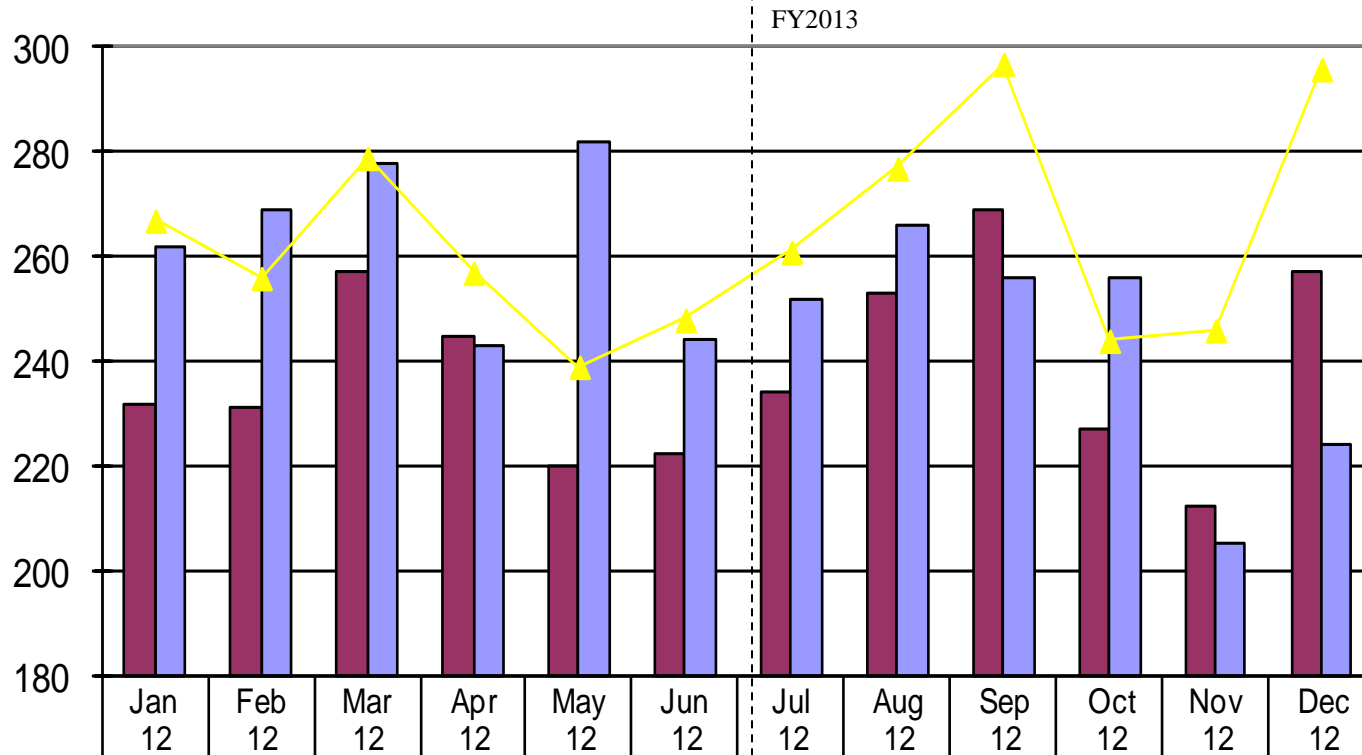


Prior Actual	2,031	1,754	2,025	1,962	2,015	2,074	2,013	2,117	2,041	2,015	1,982	2,007
Current Actual	1,945	1,968	2,041	1,921	2,084	2,161	2,183	2,182	2,082	2,096	2,058	1,979
Current Budget	1,953	1,864	2,044	1,992	2,156	2,042	2,128	2,187	2,062	2,069	1,988	2,056

YTD
12,175
12,580
12,490

# Pediatric Admissions

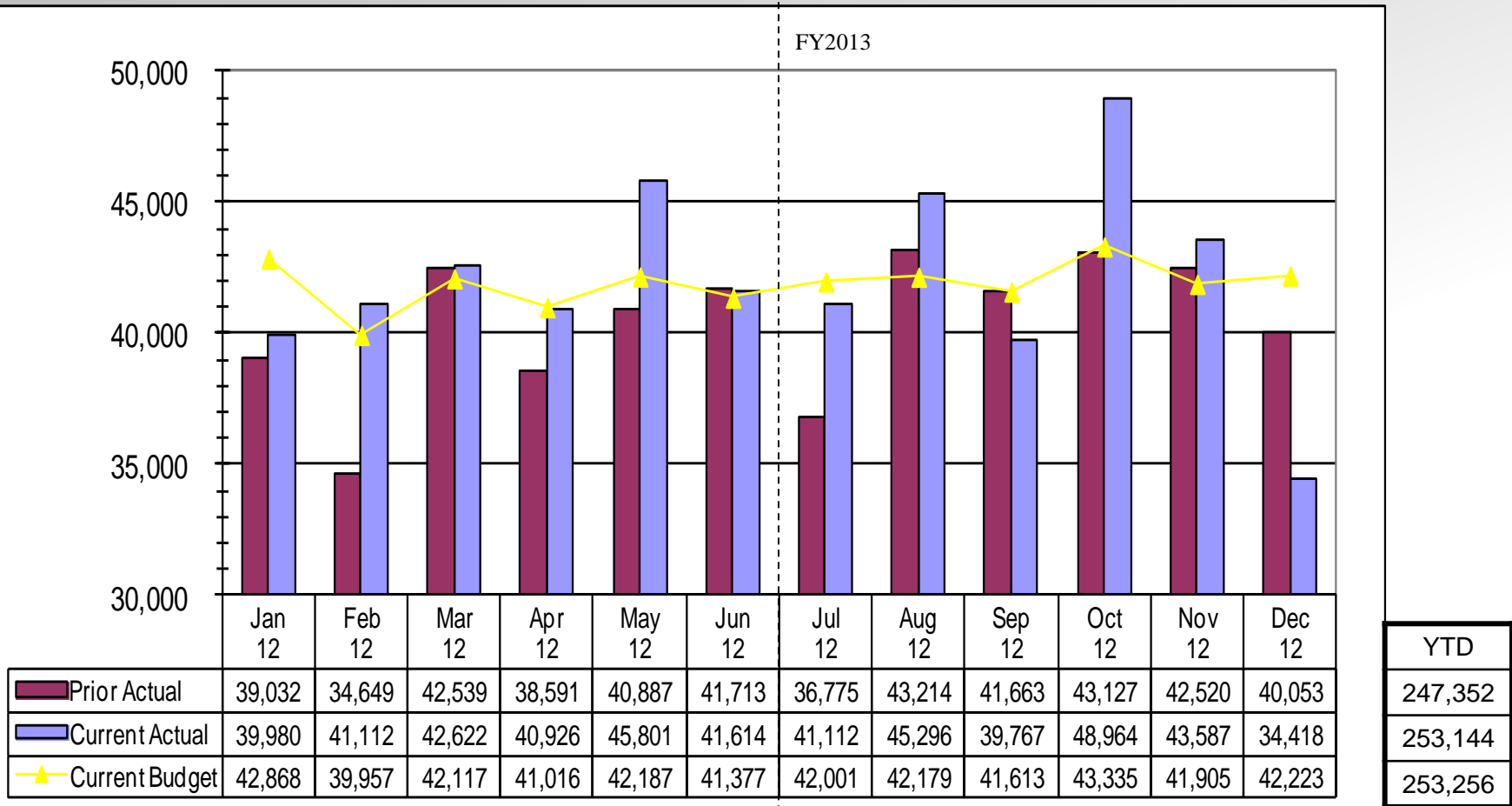
(rolling 12 months)



■ Prior Actual	232	231	257	245	220	222	234	253	269	227	212	257	YTD
■ Current Actual	262	269	278	243	282	244	252	266	256	256	205	224	1,452
▲ Current Budget	267	256	279	257	239	248	261	277	297	244	246	296	1,459
													1,621

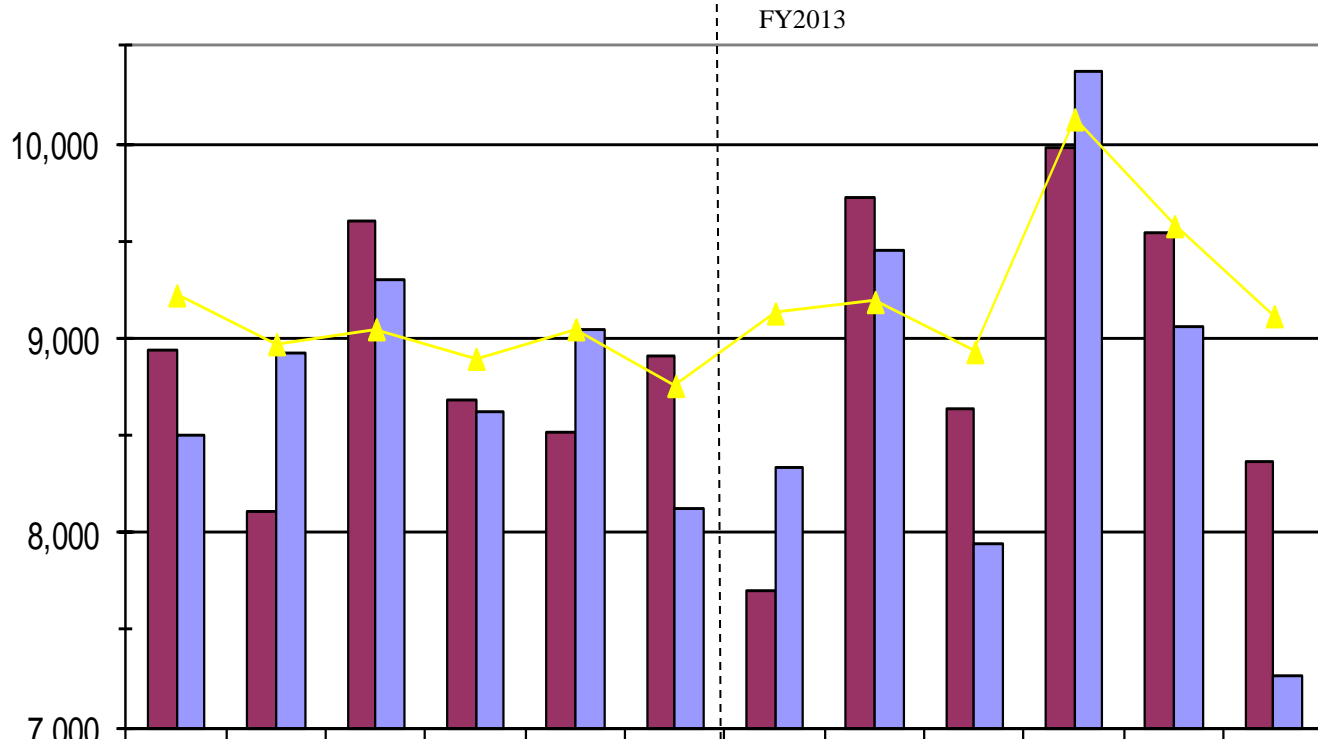
# Adult Clinic Visits

(rolling 12 months)



# Pediatric Clinic Visits

(rolling 12 months)



	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12
■ Prior Actual	8,938	8,107	9,597	8,678	8,513	8,912	7,696	9,722	8,639	9,977	9,539	8,369
■ Current Actual	8,497	8,925	9,301	8,627	9,047	8,122	8,332	9,451	7,938	10,376	9,056	7,261
▲ Current Budget	9,225	8,974	9,051	8,899	9,051	8,759	9,132	9,191	8,933	10,130	9,581	9,118

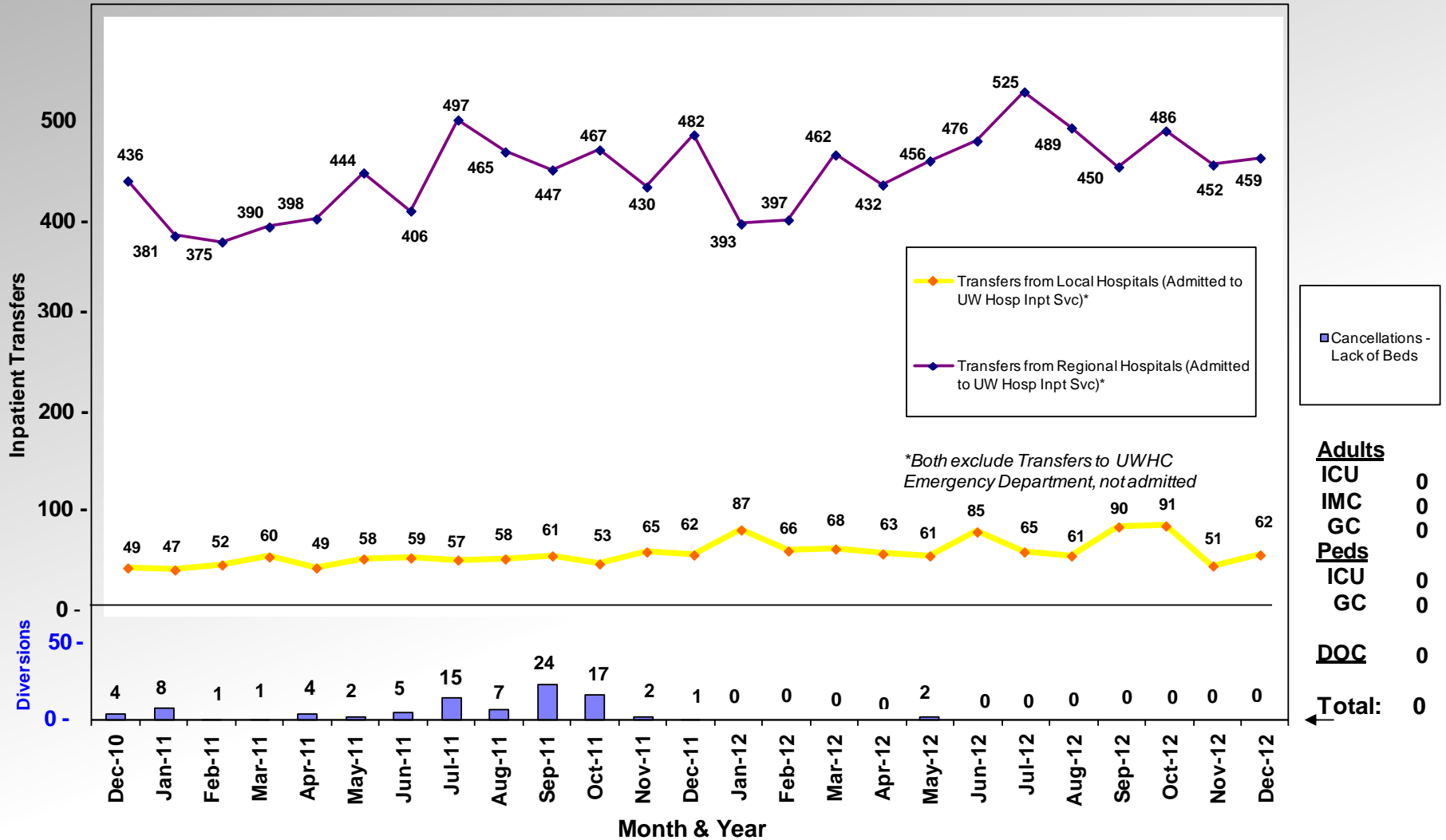
YTD
53,942
52,414
56,085

# Other Key Ancillary Service Activity Indicators

Month of December 2012

	Actual 2012	Budget 2012	Actual 2011	% Variances Actual to Budget	2012 to 2011
<b>Inpatient Gross Revenues</b>	\$ 112,716,015	\$ 111,559,253	\$ 108,132,645	1.0%	4.2%
<b>Outpatient Gross Revenues</b>	\$ 98,954,131	\$ 96,838,259	\$ 100,718,879	2.2%	-1.8%
<b>Surgical Procedures:</b>					
<b>Inpatient (excludes Misc/Out of OR)</b>	1,023	1,031	1,073	-0.8%	-4.7%
<b>Outpatient</b>	666	646	743	3.1%	-10.4%
<b>AFCH</b>	379	406	440	-6.7%	-13.9%
<b>Subtotal</b>	2,068	2,083	2,256	-0.7%	-8.3%
<b>Misc./Out of OR</b>	292	241	285	21.2%	2.5%
<b>Total Surgical Procedures</b>	2,360	2,324	2,541	1.5%	-7.1%
<b>Transplants</b>					
<b>Deceased Donor</b>	30	28	23	7.1%	30.4%
<b>Living</b>	8	9	9	-11.1%	-11.1%
<b>Total</b>	38	37	32	2.7%	18.8%
<b>Cardiology Invasive Lab Procedures</b>					
<b>Cardiovascular Lab</b>	567	504	670	12.5%	-15.4%
<b>Electrophysiology Lab</b>	167	109	146	53.2%	14.4%
<b>Total</b>	734	613	816	19.7%	-10.0%
<b>Emergency Room Visits</b>	3,942	4,114	3,745	-4.2%	5.3%
<b>Radiology Procedures:</b>					
<b>MRI</b>	2,162	2,262	2,349	-4.4%	-8.0%
<b>CT Scans</b>	5,007	4,910	5,319	2.0%	-5.9%
<b>Other</b>	18,626	19,551	20,568	-4.7%	-9.4%
<b>Total Radiology Procedures</b>	25,795	26,723	28,236	-3.5%	-8.6%
<b>Radiation Therapy Procedures</b>	2,880	2,823	3,153	2.0%	-8.7%

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



# Summary of Operating Results

Month of December 2012

	Actual December 2012	Budget December 2012	Variance Favorable (Unfavorable)	% Variance	Actual December 2011
Operating Revenue	\$ 99,080,703	\$ 98,122,616	\$ 958,087	1.0%	\$ 97,914,770
Operating Expenses:					
Salary & Fringe Benefits	49,742,248	50,914,043	1,171,795	2.3%	47,921,062
Supplies & Other expenses	46,238,774	45,538,975	(699,799)	-1.5%	40,364,592
Total Operating Expenses	95,981,022	96,453,018	471,996	0.5%	88,285,654
Income from Operations (Operating Margin)	\$ 3,099,681	\$ 1,669,598	\$ 1,430,083	85.7%	\$ 9,629,116
Non-Operating Income/(Loss or Expense)	3,232,450	1,209,076	2,023,374	>100%	(1,470,768)
Net Income/ Loss (Total Margin)	\$ 6,332,131	\$ 2,878,674	\$ 3,453,457	>100%	\$ 8,158,348



# Non Operating Income (Loss)

Month of December 2012

	Actual December 2012	Budget December 2012	Variance Favorable (Unfavorable)	% Variance	Actual December 2011
Investment Income & Other Non-Operating Income	\$ 1,426,415	\$ 985,485	\$ 440,930	44.7%	\$ 1,673,156
Payment to University of WI School of Medicine and Public Health for capital expenditure support	-	-	-	0.0%	(3,847,796)
Change in Fair Value Gain/Loss on Investments	1,562,195	-	1,562,195	100.0%	1,144,522
Change in Fair Value Gain/Loss on Swap Agreements	599,839	-	599,839	100.0%	(697,023)
<b>Joint Venture Income/Losses:</b>					
Wisconsin Therapies/Chartwell	20,302	36,623	(16,321)	-44.6%	54,528
Wisconsin Dialysis	23,019	38,219	(15,200)	-39.8%	77,507
UHC/Unity	(518,230)	(2,378)	(515,852)	>-100%	79,639
UHC/e-Care	(34,945)	(42,211)	7,266	17.2%	(110,940)
Madison Surgery Center	209,158	239,116	(29,958)	-12.5%	153,619
Madison United Healthcare Linen	(12,805)	-	(12,805)	-100.0%	12,027
Madison Environmental Resourcing	3,172	1,699	1,473	-86.7%	1,645
Generations Fertility Care	(45,670)	(47,477)	1,807	3.8%	(11,652)
<b>Total</b>	<b>\$ 3,232,450</b>	<b>\$ 1,209,076</b>	<b>\$ 2,023,374</b>	<b>&gt;100%</b>	<b>\$ (1,470,768)</b>

# Other Key Ancillary Service Activity Indicators

## Six Months Ended December 31, 2012

			% Variances		
	Actual FY '13	Budget FY '13	Actual FY '12	Actual to Budget	FY 13 to FY 12
<b>Inpatient Gross Revenues</b>	\$ 707,820,722	\$ 703,324,258	\$ 650,252,416	0.6%	8.9%
<b>Outpatient Gross Revenues</b>	\$ 656,799,955	\$ 641,157,742	\$ 592,938,165	2.4%	10.8%
<b>Surgical Procedures:</b>					
<b>Inpatient (excludes Misc/Out of OR)</b>	6,751	6,678	6,418	1.1%	5.2%
<b>Outpatient</b>	4,169	4,180	4,139	-0.3%	0.7%
<b>AFCH</b>	2,561	2,628	2,583	-2.5%	-0.9%
<b>Subtotal</b>	13,481	13,486	13,140	0.0%	2.6%
<b>Misc./Out of OR</b>	1,734	1,563	1,556	10.9%	11.4%
<b>Total</b>	15,215	15,049	14,696	1.1%	3.5%
<b>Transplants</b>					
<b>Cadaver</b>	214	176	173	21.6%	23.7%
<b>Living</b>	48	56	56	-14.3%	-14.3%
<b>Total</b>	262	232	229	12.9%	14.4%
<b>Cardiology Invasive Lab Procedures</b>					
<b>Cardiovascular Lab</b>	3,568	3,394	3,456	5.1%	3.2%
<b>Electrophysiology Lab</b>	949	740	910	28.2%	4.3%
<b>Total</b>	4,517	4,134	4,366	9.3%	3.5%
<b>Emergency Room Visits</b>	23,726	24,418	23,059	-2.8%	2.9%
<b>Radiology Procedures:</b>					
<b>MRI</b>	14,648	14,626	14,351	0.2%	2.1%
<b>CT Scans</b>	32,018	32,450	31,912	-1.3%	0.3%
<b>Other</b>	126,228	128,549	125,248	-1.8%	0.8%
<b>Total Radiology Procedures</b>	172,894	175,625	171,511	-1.6%	0.8%
<b>Radiation Therapy Procedures</b>	19,493	18,691	18,569	4.3%	5.0%

# Summary of Operating Results

Six Months Ended December 31, 2012

(000) Omitted

	Actual FY '13	Budget FY '13	Actual FY '12	% Variances	
				Actual to Budget	FY 13 to FY 12
Operating Revenue	\$640,397	\$618,561	\$575,230	3.5%	11.3%
Operating Expenses:					
Salary & Fringe Benefits	292,030	302,226	284,797	3.4%	-2.5%
Supplies & Other expenses	274,520	271,306	235,396	-1.2%	-16.6%
Total Operating Expenses	566,550	573,532	520,193	1.2%	-8.9%
Income from Operations <i>(Operating Margin of 11.5%)</i>	\$ 73,847	\$ 45,029	\$ 55,037	64.0%	34.2%
Non-Operating Income/(Loss or Expense)	17,624	2,286	(8,502)	>100%	>100%
Net Income	\$91,471	\$47,315	\$46,535	93.3%	96.6%

# Non-Operating Income (Loss)

Six Months Ended December 31, 2012

(000) Omitted

	Actual FY '13	Budget FY '13	Actual FY '12	% Variances	
				Actual to Budget	FY 13 to FY 12
Investment Income & Other Non-Operating Income	\$ 12,107	\$ 5,849	\$ 8,687	>100%	39.4%
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(3,514)	(4,890)	(6,448)	28.1%	45.5%
Change in Fair Value Gain (Loss) on Investments	7,565	-	(5,529)	100.0%	>100%
Change in Fair Value Gain (Loss) on Swap agreements	613	-	(6,068)	100.0%	>100%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	415	218	312	90.4%	33.0%
Wisconsin Dialysis	308	227	389	35.7%	-20.8%
UHC/Unity	(1,053)	(14)	(378)	>-100%	>-100%
UHC/e-Care	(196)	(251)	(416)	21.9%	52.9%
Madison Surgery Center	1,628	1,419	1,101	14.7%	47.9%
Madison United Healthcare Linen	63	-	144	100.0%	-56.3%
Madison Environmental Resourcing	11	10	8	10.0%	37.5%
Generations Fertility Care	(323)	(282)	(304)	-14.5%	-6.3%
<b>Total</b>	<b>\$ 17,624</b>	<b>\$ 2,286</b>	<b>\$ (8,502)</b>	<b>&gt;100%</b>	<b>&gt;100%</b>

# Performance Ratios

	Favorable Direction	FY 13	Budget or Target	Industry Comparisons			UWHCA Bond Covenant
				S&P 500 "A" Rated	Moody's "A" Rated	Fitch "A" Rated	
Operating Margin	↑	11.5%	7.3%	2.8%	2.7%	2.8%	
Total Margin **	↑	12.8%	7.6%	5.2%	5.7%	4.5%	
Days Cash on Hand *	↑	230	201	210	187	191	90
Days in Accounts Receivable	↓	42	45	44	45	44	
Debt Service Coverage Ratio **	↑	12.6	8.2	4.3	4.6	4.1	1.25
Long Term Debt to Capitalization	↓	21.0%	32.0%	32.1%	37.9%	40.7%	65%
Operating Cash Flow	↑	15.7%	11.4%	10.2%	9.8%	9.8%	
Cash-to-Debt	↑	298.5%	153.4%	146.0%	128.4%	116.4%	

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

\*\* Excludes unrealized gain/loss on investments

# Accounts Receivable Monitoring Program

	<b>Net Accounts Receivable</b>	<b>Net Days Revenue Outstanding</b>
December 11	146,725,562	48
January 12	139,900,481	47
February 12	134,929,011	45
March 12	130,269,352	43
April 12	121,953,391	39
May 12	126,177,981	40
June 12	149,863,427	44
July 12	149,854,133	43
August 12	145,041,891	41
September 12	149,307,660	46
October 12	145,739,946	44
November 12	148,992,105	42
December 12	147,177,847	42

# Comparison of Charity Care & Bad Debt Expense

	FY 13 Actual	FY 13 Budget	Variance	% Variance	FY 12 Actual	Variance	% Variance
Charity	\$ 23,446,481	\$ 30,923,086	\$ (7,476,605)	-24.2%	\$ 18,577,345	\$ 4,869,136	26.2%
% of Revenue	1.72%	2.30%			1.49%		
Bad Debt	15,745,924	16,177,719	(431,795)	-2.7%	30,804,741	(\$15,058,817)	-48.9%
% of Revenue	1.15%	1.20%			2.48%		
<b>Total</b>	<b>\$ 39,192,405</b>	<b>\$ 47,100,805</b>	<b>\$ (7,908,400)</b>	<b>-16.8%</b>	<b>\$ 49,382,086</b>	<b>\$ (10,189,681)</b>	<b>-20.6%</b>
Gross Revenue	\$ 1,364,620,677	\$ 1,344,482,000	\$ 20,138,677	1.5%	\$ 1,243,190,582	\$ 121,430,095	9.8%
Total Bad Debt & Charity as % of Revenue	2.9%	3.5%			4.0%		

# EBITDA Compared to Debt Service & Capital Expenditures

(000) Omitted

	Actual	Budget
<b><u>Cash Provided:</u></b>		
Net Income, excluding change in fair value gains/losses & payment to UWSMPH for capital expenditure support	\$86,807	\$52,205
Depreciation	21,425	21,203
Interest Expense	5,410	4,139
<b>EBITDA</b>	<b>\$ 113,642</b>	<b>\$ 77,547</b>
<b><u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u></b>		
Capital Expenditures	(29,106)	(65,900)
Est Annual Debt Service	(6,993)	(5,690)
Capital Contribution to UW for Capital Expenditures	(3,514)	(4,890)
Capital Contribution in Joint Ventures	(3,350)	(2,710)
Decrease (increase) in Working Capital	(10,150)	3,086
<b>Total (Used) Provided</b>	<b>(\$53,113)</b>	<b>(\$76,104)</b>
<b>Cash Available for Temporary Investment and Future Capital Expenditures</b>	<b>\$ 60,529</b>	<b>\$ 1,443</b>



# Summary of Changes in Net Assets

Six Months Ended December 31, 2012

Net assets at beginning of period	<u>\$774,796,822</u>
Net income, excluding change in fair value gains/losses and payments to UWMSPH for capital expenditure support	86,807,781
Change in Fair value of investments	7,564,796
Change in Fair value of swap agreements	612,741
Payments to UW School of Medicine and Public Health for capital expenditure support	(3,514,463)
Capital grants, gifts and donations	1,868,353
Additions to permanent gift endowments	(94,429)
Increase in net assets	<u>\$93,244,779</u>
Net assets at end of period	<u>\$868,041,601</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>
<b>Operating Account and Commercial Paper</b>				
US Bank	\$ 94,220,998	14.0%	0.27%	0.10% <b>(A)</b>
<b>Short Term Bond Fund</b>				
USBank/Nuveen	\$ 92,041,658	13.7%	2.21%	-0.53% <b>(B)</b>
<b>Intermediate Bond Fund</b>				
USBank/Baird	\$ 226,385,944	33.6%	2.61%	0.90% <b>(C)</b>
<b>Capital Replacement Fund</b>				
Account - UW Foundation	\$ 156,920,849	23.3%	0.22%	0.22% <b>(D)</b>
<b>Endowment Fund</b>				
<b>Securities</b>				
UW Foundation	\$104,552,645	15.5%	6.87%	7.77% <b>(E)</b>
<b>Total Unrestricted Funds</b>	<b>\$ 674,122,094</b>	<b>100.0%</b>		

(A) 90-day Treasury Bills

(B) Barclays 1-3 year Gov/ Credit less fees

(C) Barclays Capital Intermediate Gov/ Credit less fees

(D) Average 1 Month LIBOR

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