Q1’15 Review

May 4, 2015

Disclosures / Forward-looking Statements

FORWARD LOOKING STATEMENTS

Certain statements in this presentation constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements are based on management’s current expectations and involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results to be materially different from those expressed or implied by such forward-looking statements, including, among others, changes in laws and regulations affecting the healthcare industry; adverse litigation or regulatory developments; our success in implementing our business development plans and integrating newly acquired businesses; the ability to continue to expand and realize earnings contributions from the revenue cycle management, health care information management, capitation management, and patient communications services businesses under our Conifer Health Solutions subsidiary; our ability to identify and execute on measures designed to save or control costs or streamline operations; and our success in completing recently announced acquisition and disposition transactions. These and other risks and uncertainties are discussed in the Company’s filings with the Securities and Exchange Commission, including the Company’s annual report on Form 10-K and quarterly reports on Form 10-Q. We disclaim any obligation to update any forward-looking statement in this presentation, whether as a result of changes in underlying factors, new information, future events or otherwise.

NON-GAAP FINANCIAL INFORMATION

A reconciliation of Adjusted EBITDA to net income (loss) attributable to Tenet common shareholders is included in the financial tables at the end of the Company’s press release dated May 4, 2015.

Q1'15 Highlights

Solid performance in Q1

- Increased Adjusted EBITDA by 37% from Q1'14
- Continued strong volume performance; significant growth in admissions, outpatient visits, surgeries and ED visits

Optimizing acute care portfolio

- Utilizing partnerships and other models to achieve scale in new and existing markets
- Exiting certain markets and divesting non-core facilities

Accelerating outpatient strategy

- USPI transaction transforms outpatient business, creates leader in ambulatory surgeries with unparalleled partner network and new services platform
- USPI and Aspen transactions on track to close by Q3

Compelling growth at Conifer

- Strong increases in both revenue and EBITDA
- Attracting new clients and industry recognitions

Strategic Transactions

Joint Venture with United Surgical Partners International

- *Tenet, Welsh Carson and USPI to create nation's largest ambulatory surgery platform.*
  - *Tenet to initially own 50.1%; Welsh Carson and other existing shareholders to own the remaining 49.9%.*
  - *Put/call structure provides Tenet a path to own 100% of USPI by 2020.*
- *Accelerates Tenet's strategy to grow ambulatory offerings.*
- *Enhances earnings contribution to Tenet from higher growth, higher margin, capital efficient ambulatory businesses, improving the growth and margin profile of Tenet.*

Acquiring Aspen Healthcare

- *Nine high quality, well capitalized private facilities in the attractive U.K. market.*
- *Poised to benefit from private market growth opportunities and the needs of the NHS.*

Partnership with Baylor Scott & White Health

- *The announced partnership involves five North Texas hospitals:*
  - *Tenet to contribute its four hospitals in the Dallas area and Baylor to contribute its hospital in Garland.*
  - *Each partner will continue to manage their respective facilities.*
  - *Baylor to be the majority owner; Tenet to have a minority ownership position.*
- *Tenet to receive substantial net cash proceeds.*
- *The hospitals will operate under the Baylor Scott & White Health brand and will be governed by a jointly appointed board of managers.*

Portfolio Optimization

- *Birmingham Alabama: JV between Brookwood Medical Center and Baptist Health.*
- *Atlanta and North Carolina: Exploring asset sales and redeploying the capital.*
- *Arizona: JV with Dignity and Ascension for Carondelet.*
- *Hi-Desert Medical Center near Palm Springs, CA: Acquisition via a long-term lease.*

Q1'15 Performance Highlights[1]

EBITDA	○ $529mm in Adjusted EBITDA compared to $387mm in Q1'14, an increase of $142mm. ○ Exceeded the high end of our EBITDA Outlook for Q1'15 of $475-525mm.
Volume Trends Remain Strong	○ 5.9% growth in adjusted admissions: approx. two-thirds is core growth, unrelated to the newly insured. ○ 4.9% growth in admissions. ○ 7.6% growth in outpatient visits; approximately 90% of our outpatient growth was organic. ○ 7.1% growth in surgeries. ○ 7.2 % growth in Emergency Department visits.
Newly Insured Provide a Sustained Tailwind	○ 50% decline in uninsured and charity admits; 10% increase in Medicaid admits in six expansion states. ○ 4,432 same-hospital exchange admissions and 35,737 same-hospital exchange outpatient visits. ○ $35mm of incremental EBITDA, partially offset by a $21mm reduction in Medicare reimbursement.
Revenue and Pricing Enhancements	○ 2.7% increase in net patient revenue per adjusted admission. ○ 3.4% increase in net inpatient revenue per admission. ○ 1.4% increase in net outpatient revenue per visit.
Expense Management On-Target	○ 1.5% increase in selected operating expenses[2] per adjusted admission. ○ Outlook for 2015 assumes selected operating expense growth of 1.5% to 2.5% per adjusted admission.
Bad Debt Ratio Improves	○ 7.6% bad debt ratio, a 120 basis point improvement compared to Q1'14. ○ Uncompensated care expense of 10.8% of revenue, down from 13.3% in Q1'14.
Significant Vanguard Synergies Achieved	○ $35mm in synergies contribution to Q1'15 EBITDA performance, consistent with our expectations. ○ Expect to exceed $200mm high-end of Vanguard synergy range over the long term.
Conifer Sustains Robust Growth	○ $82mm in Adjusted EBITDA compared to $48mm in Q1'14 – 71% growth. ○ ~$10mm of Q1'15 EBITDA due to performance incentives that we do not expect to repeat every quarter. ○ Non-Tenet revenue increased by $37mm or 25.5% since Q1'14. ○ We expect Conifer to deliver at least $260mm of EBITDA in 2015, up from our initial Outlook of $240mm.

(1) All changes in performance metrics are same-hospital continuing operations comparing Q1'15 to Q1'14
(2) Selected operating expenses are defined as the sum of salaries, wages and benefits, supplies and other operating expenses

tenet HEALTH

Uncompensated Care Trends Are Favorable

$ in Millions	Q1’13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15
Bad Debt Expense	$359	$391	$415	$348	$380	$320	$249	$356	$363
Charity Care Write-Offs	$263	$229	$249	$329	$221	$240	$254	$216	$174
Uncompensated Care	$622	$620	$664	$677	$601	$560	$503	$572	$537
Uncompensated Care as a percentage of Adjusted Net Revenue	13.8%	13.6%	14.4%	14.8%	13.3%	12.2%	10.8%	11.3%	10.8%

2015 Outlook Unchanged

Assumptions:	
Admissions Growth[1] *(%)*	1.5 - 2.5
Adjusted Admissions Growth[1] *(%)*	2.5 - 3.5
Exchange Volume Growth[1] *(%)*	60 - 80
Net Revenue per Adjusted Admission Growth[1] *(%)*	1.0 – 2.0
Bad Debt Ratio *(%)*	6.75 - 7.25
Controllable Expenses per Adj Admission Growth[1][2] *(%)*	0 – 1.0
Total Company Expenses per Adj Admission Growth *(%)*	1.5 – 2.5
Key Metrics:	
Net Revenue *($ billion)*	17.4 - 17.7
Adjusted E.P.S.[3] *($)*	1.32 - 2.40
Adjusted EBITDA[3] *($ billion)*	2.05 - 2.15
Adjusted Cash Flow from Operations[3] *($ billion)*	1.15 - 1.25
Capital Expenditures *($ billion)*	0.90 - 1.00
Adjusted Free Cash Flow[3] *($mm)*	150 - 350

(1) Same-hospital
(2) Excludes Conifer, health plans, and hospitals recently acquired or opened
(3) Excludes restructuring charges, acquisition-related costs, litigation costs and settlements, and discontinued operations

Summary

- ✓ *Drove strong financial performance in Q1 that was broad-based across our regions and business lines*
- ✓ *Took significant steps to advance our long-term strategy and capture benefits of powerful trends shaping the healthcare system*
- ✓ *USPI joint venture expected to enhance our earnings contribution from higher growth, higher margin, strong free cash flow generating and more capital-efficient services*
- ✓ *Pursuing partnerships, asset sales and other transactions to sharpen acute care portfolio and optimize market positions*
- ✓ *On track to achieve 2015 financial Outlook*

tenet
HEALTH