

LEGACY HEALTH SYSTEM
CREDIT GROUP
BALANCE SHEET
AS OF MARCH 31, 2009
(Dollars in thousands)

ASSETS

(Unaudited)

CURRENT ASSETS:	
Cash and cash equivalents	\$ 93,246
Short term investments	14,346
Cash and cash equivalents held under securities lending program	2,816
Accounts receivable from patients, net of allowances	148,265
Other receivables	7,118
Inventories	14,065
Prepaid expenses	8,712
Total current assets	<u>288,568</u>
ASSETS WHOSE USE IS LIMITED:	
Community Fund	9,821
Held by Trustee	79,023
Non-current investments restricted for capital acquisitions	5,408
	<u>94,252</u>
OTHER ASSETS:	
Property, plant and equipment, net	646,387
Property held for development or resale	23,524
Investments	284,764
Other assets	16,682
	<u>971,357</u>
INTERCOMPANY RECEIVABLE (PAYABLE):	(1,138)
	<u>\$ 1,353,039</u>

Note 1: The Balance Sheet was prepared in accordance with generally accepted accounting principles except for required consolidation in accordance with clauses (I) and (ii) of section 3.12 (c) of the Master Trust Indenture (Springing) dated as of June 1, 1999, as amended and supplemented. The Credit Group consists of all members of the Obligated Group and Designated Affiliates.

LEGACY HEALTH SYSTEM
CREDIT GROUP
BALANCE SHEET
AS OF MARCH 31, 2009
(Dollars in thousands)

LIABILITIES AND NET ASSETS

	(Unaudited)
CURRENT LIABILITIES:	
Accounts payable	\$ 31,718
Accrued wages, salaries and benefits	67,739
Accrued interest	3,364
Settlements payable to third-party payors, net	2,768
Other current liabilities	25,331
Payable under securities lending program	2,912
Current portion of long-term debt	15,633
Total current liabilities	<u>149,465</u>
 LONG-TERM DEBT, Less Current Portion	 400,416
 OTHER LIABILITIES:	
Estimated general and professional claims liability	31,001
Accrued pension liability	140,193
Other non current liabilities	18,798
Total liabilities	<u>189,992</u>
 MINORITY INTEREST	 -
 NET ASSETS:	
Unrestricted	581,339
Temporarily restricted	20,427
Permanently restricted	11,400
Total Net Assets	<u>613,166</u>
	<u><u>\$ 1,353,039</u></u>

Note 1: The Balance Sheet was prepared in accordance with generally accepted accounting principles except for required consolidation in accordance with clauses (I) and (ii) of section 3.12 (c) of the Master Trust Indenture (Springing) dated as of June 1, 1999, as amended and supplemented. The Credit Group consists of all members of the Obligated Group and Designated Affiliates.

LEGACY HEALTH SYSTEM
CREDIT GROUP
STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED
MARCH 31, 2009
(Dollars in thousands)

	Twelve Months Ended Dec-08 (Unaudited)
Net patient service revenues	\$ 1,158,398
Other revenues	27,655
Total operating revenues	<u>1,186,053</u>
Operating expenses	
Wages & benefits	637,401
Professional fees	189,533
Supplies	40,305
Purchases services	60,684
Utilities, insurance, & other	49,373
Interest & Amortization	85,451
Depreciation	74,352
Provision for doubtful accounts	12,985
Total operating expenses	<u>1,150,084</u>
Income from operations	<u>35,969</u>
Other income (expenses)	
Investment income (loss), net	(110,136)
Other, net	(12,667)
	<u>(122,803)</u>
Revenues less than expenses	<u>(86,834)</u>
Net assets released from restriction used for property, plant and equipment	407
Pension and other postretirement adjustments	(140,405)
Effect of measurement date provision of FASB 158	(3,225)
Other transfers	(3,339)
Decrease in unrestricted net assets	<u>\$ (233,396)</u>

Note 1: The Statement of Operations was prepared in accordance with generally accepted accounting principles except for required consolidation in accordance with clauses (I) and (ii) of section 3.12(c) of the Master Trust Indenture (Springing) dated as of June 1, 1999, as amended and supplemented. The Credit Group consists of all members of the Obligated Group and Designated Affiliates.

LEGACY HEALTH SYSTEM
CREDIT GROUP
STATEMENT OF CHANGES IN NET ASSETS
FOR THE TWELVE MONTHS ENDED
MARCH 31, 2009
(Dollars in thousands)

	Twelve Months Ended <u>03/31/09</u> (unaudited)
Unrestricted net assets:	
Revenues in excess of expenses	\$ (86,834)
Change in net unrealized gain or loss on other than trading securities	
Net assets released from restriction used for property, plant and equipment	407
Pension and other postretirement adjustments	(140,405)
Effect of measurement date provision of FASB 158	(3,225)
Other transfers	<u>(3,340)</u>
Decrease in unrestricted net assets	<u>(233,397)</u>
Temporarily restricted net assets:	
Donor restricted contributions and grants	16,101
Investment income, net	(5,330)
Net assets released from restriction	(16,694)
Other transfers	<u>2813</u>
Decrease in temporarily restricted net assets	<u>(3,110)</u>
Permanently restricted net assets:	
Donor restricted contributions and grants	192
Investment loss, net	(527)
Other transfers	<u>527</u>
Increase in permanently restricted net assets	<u>192</u>
Decrease in net assets	(236,315)
Net assets, beginning of period	<u>849,481</u>
Net assets, end of period	<u><u>\$ 613,166</u></u>

LEGACY HEALTH SYSTEM AND AFFILIATES
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2009
(Dollars in thousands)

<u>ASSETS</u>	<u>3/31/09</u> (unaudited)
CURRENT ASSETS:	
Cash and cash equivalents	\$ 94,207
Short-term investments	14,346
Cash and cash equivalents held under securities lending program	2,816
Accounts receivable from patients, net	149,146
Other receivables	7,482
Inventories	14,210
Prepaid expenses	<u>9,121</u>
Total current assets	291,328
ASSETS LIMITED AS TO USE	
Community health fund	9,821
Held by trustee	79,023
Non-current investments restricted for capital acquisitions	<u>1,608</u>
	90,452
OTHER ASSETS:	
Property, plant and equipment, net	648,667
Noncurrent investments	284,764
Property held for development or sale	23,524
Prepaid pension asset	0
Other assets	<u>22,596</u>
	<u>979,551</u>
	<u><u>\$ 1,361,331</u></u>

LEGACY HEALTH SYSTEM AND AFFILIATES
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2009
(Dollars in thousands)

<u>LIABILITIES AND NET ASSETS</u>	<u>3/31/09</u> (unaudited)
CURRENT LIABILITIES:	
Accounts payable	\$ 30,873
Accrued wages, salaries and benefits	68,006
Accrued interest	3,364
Settlements payable to third-party payors, net	2,768
Other current liabilities	26,829
Payable under securities lending program	2,912
Current portion of long-term debt	<u>15,996</u>
Total current liabilities	150,748
LONG-TERM DEBT, less current portion	401,637
OTHER LIABILITIES:	
Estimated general and professional claims liability	31,381
Accrued pension liability	140,193
Other non current liabilities	<u>18,944</u>
	<u>190,518</u>
Total liabilities	<u>742,903</u>
MINORITY INTERESTS	4,563
NET ASSETS:	
Unrestricted	580,666
Temporarily restricted	21,799
Permanently restricted	<u>11,400</u>
Total net assets	<u>613,865</u>
	<u><u>\$ 1,361,331</u></u>

LEGACY HEALTH SYSTEM AND AFFILIATES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED
MARCH 31, 2009
(Dollars in thousands)

	Twelve Months Ended
	<u>03/31/09</u>
	(unaudited)
Net patient service revenues	\$ 1,159,519
Other revenues	<u>30,134</u>
Total operating revenues	<u>1,189,653</u>
Operating expenses	
Wages & benefits	639,017
Professional fees	40,802
Supplies	189,722
Purchased services	60,893
Utilities, insurance, & other	49,848
Interest & amortization	13,007
Depreciation	85,495
Provision for doubtful accounts	74,370
Total operating expenses	<u>1,153,154</u>
Income from operations	36,499
Other income (expenses)	
Investment income (loss), net	(110,130)
Other, net	<u>(12,864)</u>
	<u>(122,994)</u>
Revenues less than expenses	(86,495)
Net assets released from restriction used for property, plant, and equipment	407
Pension and other post retirement adjustments	(140,405)
Effect of measurement date provision of FASB 158	(3,225)
Other transfers	(3,339)
Decrease in unrestricted net assets	<u>\$ (233,057)</u>

LEGACY HEALTH SYSTEM AND AFFILIATES
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE TWELVE MONTHS ENDED
MARCH 31, 2009
(Dollars in thousands)

	Twelve Months Ended <u>03/31/09</u> (unaudited)
Unrestricted net assets:	
Revenues in excess of expenses	\$ (86,495)
Change in net unrealized gain or loss on other than trading securities	
Net assets released from restriction used for property, plant and equipment	407
Pension and other postretirement adjustments	(140,405)
Effect of measurement date provision of FASB 158	(3,225)
Other transfers	<u>(3,339)</u>
Decrease in unrestricted net assets	<u>(233,057)</u>
Temporarily restricted net assets:	
Donor restricted contributions and grants	16,101
Investment income, net	(5,330)
Net assets released from restriction	(16,694)
Other transfers	<u>2813</u>
Decrease in temporarily restricted net assets	<u>(3,110)</u>
Permanently restricted net assets:	
Donor restricted contributions and grants	192
Investment loss, net	(527)
Other transfers	<u>527</u>
Increase in permanently restricted net assets	<u>192</u>
Decrease in net assets	<u>(235,975)</u>
Net assets, beginning of period	<u>849,840</u>
Net assets, end of period	<u><u>\$ 613,865</u></u>