



*Remarkable People. Remarkable Medicine.*

**FINANCIAL AND STATISTICAL REPORT  
December 31, 2010**

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**NOVANT HEALTH, INC.**  
**COMBINED STATEMENTS OF REVENUES AND EXPENSES**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2010 AND 2009**

	December 31, 2010				December 31, 2009			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
<b>Unrestricted revenues, gains, and other support</b>								
Net patient service revenue	\$ 613,421	\$ 101,103	\$ -	\$ 714,524	\$ 547,427	\$ 193,438	\$ -	\$ 740,865
Premium revenue	-	3,578	-	3,578	-	450	-	450
Other revenue	37,674	5,716	(7,164)	36,226	35,474	19,050	(6,814)	47,710
Total unrestricted revenues, gains, and other support	<u>651,095</u>	<u>110,397</u>	<u>(7,164)</u>	<u>754,328</u>	<u>582,901</u>	<u>212,938</u>	<u>(6,814)</u>	<u>789,025</u>
<b>Expenses</b>								
Salaries and employee benefits	356,879	51,992	(275)	408,596	328,838	92,115	(277)	420,676
Supplies and other	207,753	36,422	(1,867)	242,308	183,097	81,421	(1,795)	262,723
Provision for bad debts	27,169	8,555	-	35,724	24,957	21,773	-	46,730
Total expenses	<u>591,801</u>	<u>96,969</u>	<u>(2,142)</u>	<u>686,628</u>	<u>536,892</u>	<u>195,309</u>	<u>(2,072)</u>	<u>730,129</u>
Operating cash flow	59,294	13,428	(5,022)	67,700	46,009	17,629	(4,742)	58,896
Depreciation and amortization	31,045	13,843	-	44,888	27,475	20,499	-	47,974
Loss on impairment	1,199	14,842	-	16,041	-	-	-	-
(Gain) loss on sale of property	(1,925)	7,209	-	5,284	(3,448)	(137)	-	(3,585)
Interest expense	13,847	8,391	(5,002)	17,236	13,620	9,363	(4,651)	18,332
Operating income (loss)	15,128	(30,857)	(20)	(15,749)	8,362	(12,096)	(91)	(3,825)
<b>Other income (expense)</b>								
Investment income	41,470	13,005	42	54,517	34,547	8,142	75	42,764
Loss on exchange of partnership interest	-	-	-	-	(18,252)	-	-	(18,252)
Income tax benefit	598	1,299	-	1,897	526	3,900	-	4,426
Other, net	-	426	-	426	(3,343)	307	-	(3,036)
<b>Excess (deficit) of revenues over expenses</b>	<u>\$ 57,196</u>	<u>\$ (16,127)</u>	<u>\$ 22</u>	<u>\$ 41,091</u>	<u>\$ 21,840</u>	<u>\$ 253</u>	<u>\$ (16)</u>	<u>\$ 22,077</u>

**NOVANT HEALTH, INC.**  
**COMBINED STATEMENTS OF REVENUES AND EXPENSES**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010 AND 2009**

	December 31, 2010				December 31, 2009			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
<b>Unrestricted revenues, gains, and other support</b>								
Net patient service revenue	\$ 2,495,418	\$ 753,186	\$ -	\$ 3,248,604	\$ 2,366,610	\$ 747,991	\$ -	\$ 3,114,601
Premium revenue	-	4,694	-	4,694	-	1,279	-	1,279
Other revenue	145,193	24,407	(30,683)	138,917	135,639	36,491	(20,239)	151,891
Total unrestricted revenues, gains, and other support	<u>2,640,611</u>	<u>782,287</u>	<u>(30,683)</u>	<u>3,392,215</u>	<u>2,502,249</u>	<u>785,761</u>	<u>(20,239)</u>	<u>3,267,771</u>
<b>Expenses</b>								
Salaries and employee benefits	1,448,877	324,843	(1,103)	1,772,617	1,411,878	320,017	(1,053)	1,730,842
Supplies and other	797,305	309,299	(7,949)	1,098,655	758,114	304,425	(7,521)	1,055,018
Provision for bad debts	102,692	74,993	-	177,685	77,399	69,206	-	146,605
Total expenses	<u>2,348,874</u>	<u>709,135</u>	<u>(9,052)</u>	<u>3,048,957</u>	<u>2,247,391</u>	<u>693,648</u>	<u>(8,574)</u>	<u>2,932,465</u>
Operating cash flow	291,737	73,152	(21,631)	343,258	254,858	92,113	(11,665)	335,306
Depreciation and amortization	125,279	71,244	-	196,523	132,036	74,715	-	206,751
Loss on impairment	1,199	14,842	-	16,041	-	-	-	-
(Gain) loss on sale of property	(8,834)	2,716	-	(6,118)	(11,365)	758	-	(10,607)
Interest expense	58,471	34,060	(21,165)	71,366	47,177	24,363	(11,329)	60,211
Operating income (loss)	<u>115,622</u>	<u>(49,710)</u>	<u>(466)</u>	<u>65,446</u>	<u>87,010</u>	<u>(7,723)</u>	<u>(336)</u>	<u>78,951</u>
<b>Other income (expense)</b>								
Investment income	68,486	21,896	448	90,830	107,282	32,483	300	140,065
Loss on exchange of partnership interest	-	-	-	-	(18,252)	-	-	(18,252)
Income tax benefit	429	1,834	-	2,263	234	4,277	-	4,511
Other, net	(270)	(103)	-	(373)	(3,343)	307	-	(3,036)
Excess (deficit) of revenues over expenses, before loss on defeasance of bonds	<u>184,267</u>	<u>(26,083)</u>	<u>(18)</u>	<u>158,166</u>	<u>172,931</u>	<u>29,344</u>	<u>(36)</u>	<u>202,239</u>
Loss on defeasance of bonds	-	-	-	-	-	(265)	-	(265)
<b>Excess (deficit) of revenues over expenses</b>	<u>\$ 184,267</u>	<u>\$ (26,083)</u>	<u>\$ (18)</u>	<u>\$ 158,166</u>	<u>\$ 172,931</u>	<u>\$ 29,079</u>	<u>\$ (36)</u>	<u>\$ 201,974</u>

**NOVANT HEALTH, INC.**  
**COMBINING BALANCE SHEETS**

<i>(in thousands of dollars)</i>	December 31, 2010				December 31, 2009			
	Combined Group	Unrestricted Affiliates	Eliminations	Total	Combined Group	Unrestricted Affiliates	Eliminations	Total
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	\$ 417,512	\$ 71,885	\$ -	\$ 489,397	\$ 683,242	\$ 85,563	\$ -	\$ 768,805
Accounts receivable, net of allowance for doubtful accounts	305,844	86,484	-	392,328	320,255	105,783	-	426,038
Short-term investments	61,039	19,308	-	80,347	44,207	26,702	-	70,909
Deferred tax asset	153	5,988	-	6,141	3	10,763	-	10,766
Assets held for sale	1,670	7,343	-	9,013	1,793	15,752	-	17,545
Other current assets	93,869	28,098	-	121,967	100,965	25,049	-	126,014
Total current assets	880,087	219,106	-	1,099,193	1,150,465	269,612	-	1,420,077
Assets limited as to use	110,761	78,583	-	189,344	64,306	64,440	-	128,746
Long-term investments	788,015	239,254	-	1,027,269	638,224	192,952	-	831,176
Property and equipment, net	1,231,003	395,545	-	1,626,548	1,194,402	420,865	-	1,615,267
Intangible assets and goodwill, net	30,151	432,081	-	462,232	53,506	436,943	-	490,449
Investments in affiliates	409,681	3,729	(240,348)	173,062	400,467	1,855	(234,217)	168,105
Deferred tax asset	543	2,782	-	3,325	-	-	-	-
Other assets	32,942	7,888	(2,500)	38,330	33,090	8,541	(2,500)	39,131
Total assets	\$ 3,483,183	\$ 1,378,968	\$ (242,848)	\$ 4,619,303	\$ 3,534,460	\$ 1,395,208	\$ (236,717)	\$ 4,692,951
<b>Liabilities and Net Assets</b>								
<b>Current liabilities</b>								
Current portion of long-term debt	\$ 146,824	\$ 8,597	\$ -	\$ 155,421	\$ 466,510	\$ 30,269	\$ -	\$ 496,779
Short-term borrowings	94,962	850	-	95,812	103,606	1,000	-	104,606
Accounts payable	104,981	11,889	-	116,870	101,920	16,927	-	118,847
Accrued liabilities	204,746	71,126	(2,500)	273,372	192,197	61,160	(2,500)	250,857
Estimated third-party payor settlements	5,636	(580)	-	5,056	5,437	(2,240)	-	3,197
Due to related organizations	(418,881)	418,881	-	-	(429,317)	429,317	-	-
Total current liabilities	138,268	510,763	(2,500)	646,531	440,353	536,433	(2,500)	974,286
Long-term debt, net of current portion	1,506,002	196,152	-	1,702,154	1,393,131	194,030	-	1,587,161
Deferred tax liability	-	-	-	-	(386)	694	-	308
Derivative financial instruments	39,800	952	-	40,752	27,037	699	-	27,736
Employee benefits and other liabilities	214,521	63,374	-	277,895	220,985	62,418	-	283,403
Total liabilities	1,898,591	771,241	(2,500)	2,667,332	2,081,120	794,274	(2,500)	2,872,894
<b>Net assets</b>								
Unrestricted	1,584,350	566,085	(240,348)	1,910,087	1,452,872	556,887	(234,217)	1,775,542
Unrestricted - non-controlling	-	7,503	-	7,503	-	9,352	-	9,352
Temporarily restricted	242	25,430	-	25,672	468	26,201	-	26,669
Permanently restricted	-	8,709	-	8,709	-	8,494	-	8,494
Total net assets	1,584,592	607,727	(240,348)	1,951,971	1,453,340	600,934	(234,217)	1,820,057
Total liabilities and net assets	\$ 3,483,183	\$ 1,378,968	\$ (242,848)	\$ 4,619,303	\$ 3,534,460	\$ 1,395,208	\$ (236,717)	\$ 4,692,951

**NOVANT HEALTH, INC.**  
**STATEMENTS OF OPERATING CASH FLOW**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010 AND 2009**

<i>(in thousands of dollars)</i>	<b>December 31, 2010</b>	<b>December 31, 2009</b>
Operating Cash Flow	\$ 343,258	\$ 335,306
Capital Spending	(204,748)	(234,025)
Bond Issuance Drawdowns	130,163	16,200
Reimbursement of Prior Year Capital Spending from Bond Proceeds	83,028	-
Cash Received from Sale of Real Estate	-	120,276
Working Capital Changes	39,367	(52,609)
Draws on Line of Credit	-	103,606
Repayment of Line of Credit	(8,644)	(10,305)
Repayment of Revolving Credit Facility	(450,000)	-
Debt Service	(97,131)	(79,583)
Debt Proceeds	-	449,875
Investment Income	90,830	140,065
Increase/(Decrease) in Cash and Investments	\$ (73,877)	\$ 788,806
Cash and Investments Balance, Beginning of Period	\$ 1,670,890	\$ 882,084
Cash and Investments Balance, End of Period	1,597,013	1,670,890
	\$ (73,877)	\$ 788,806

**NOVANT HEALTH, INC.**  
**COMBINED STATISTICS**  
**FOR THE THREE MONTHS ENDED DECEMBER 31, 2010 AND 2009**

	<b>Presbyterian Hospital</b>	<b>Presbyterian Hospital Matthews</b>	<b>Presbyterian Hospital Huntersville</b>	<b>Presbyterian Orthopedic Hospital</b>	<b>Forsyth Medical Center</b>	<b>Medical Park Hospital</b>	<b>Thomasville Medical Center</b>	<b>Brunswick Community Hospital</b>	<b>Other</b>	<b>Three Months Ended</b>	
										<b>December 31, 2010</b>	<b>December 31, 2009</b>
<b><u>INPATIENT STATISTICS</u></b>											
Average Daily Census	471	89	53	45	619	7	55	31	317	1,687	1,678
Discharges	7,852	2,121	1,368	977	10,066	173	1,116	777	150	24,600	24,392
Average Length of Stay	5.6	3.9	3.6	4.3	5.7	3.7	4.6	3.6	-	5.2	5.4
Patient Days	43,339	8,178	4,895	4,174	56,980	622	5,055	2,825	29,150	155,218	154,362
<b><u>ADJUSTED STATISTICS</u></b>											
Adjusted Patient Days	70,546	18,367	11,514	5,706	86,010	4,665	12,470	7,424	29,150	245,852	243,230
Adjusted Discharges	12,782	4,763	3,218	1,336	15,194	1,297	2,753	2,042	150	43,535	43,162
<b><u>OUTPATIENT STATISTICS</u></b>											
ED Visits	20,343	11,711	8,124	-	24,486	-	8,505	5,433	-	78,602	79,516
Encounters	-	-	-	-	-	-	-	-	896,674	896,674	944,568
Cases	35,582	21,292	13,936	3,152	34,276	3,254	14,592	12,561	-	138,645	137,952
<b><u>SURGERY STATISTICS</u></b>											
IP Surgical Cases	1,657	269	316	822	3,087	113	280	239	-	6,783	6,757
OP Surgical Cases	<u>3,906</u>	<u>1,330</u>	<u>876</u>	<u>1,145</u>	<u>3,471</u>	<u>2,693</u>	<u>790</u>	<u>696</u>	<u>-</u>	<u>14,907</u>	<u>14,721</u>
Total Surgical Cases	5,563	1,599	1,192	1,967	6,558	2,806	1,070	935	-	21,690	21,478
<b><u>OTHER STATISTICS</u></b>											
Total Births	1,375	356	254	-	1,584	-	163	111	-	3,843	3,879
Cath Lab Procedures	4,107	240	-	-	6,773	-	65	-	-	11,185	11,756
Open Heart Surgeries	94	-	-	-	143	-	-	-	-	237	270
Endoscopy Procedures	1,849	490	775	-	1,823	-	305	485	-	5,727	6,301
Radiology Procedures	42,434	24,255	14,679	4,843	67,086	996	8,769	9,964	-	173,026	177,798
Licensed Beds	531	114	60	156	932	22	149	60	351	2,375	2,362
Staffed Beds	531	114	60	80	762	22	94	60	331	2,054	2,074
Occupancy as % of Staffed Bed:	88.7%	78.0%	88.7%	56.7%	81.3%	30.7%	58.5%	51.2%	95.7%	82.1%	80.9%

<sup>1</sup> "Other" includes the following: Presbyterian Regional Healthcare Corporation, Forsyth Medical Group, Triangle Medical Group, Novant Medical Group Carolinas, .NMG Rowan Medical Group, Brunswick Medical Group, Springwood and the Oaks (Novant's two long-term care facilities).

**NOVANT HEALTH, INC.**  
**COMBINED GROUP STATISTICS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010 AND 2009**

	<b>Presbyterian Hospital</b>	<b>Presbyterian Hospital Matthews</b>	<b>Presbyterian Hospital Huntersville</b>	<b>Presbyterian Orthopedic Hospital</b>	<b>Forsyth Medical Center</b>	<b>Medical Park Hospital</b>	<b>Thomasville Medical Center</b>	<b>Brunswick Community Hospital</b>	<b>Other</b>	<b>Twelve Months Ended</b>	
										<b>December 31, 2010</b>	<b>December 31, 2009</b>
<b><u>INPATIENT STATISTICS</u></b>											
Average Daily Census	481	91	56	44	637	8	53	31	317	1,718	1,714
Discharges	30,977	8,735	5,656	3,704	40,241	795	4,235	3,312	636	98,291	97,786
Average Length of Stay	5.7	3.8	3.6	4.4	5.8	3.7	4.5	3.4	-	5.2	5.4
Patient Days	175,709	33,163	20,460	16,188	232,614	2,932	19,235	11,322	115,678	627,301	625,535
<b><u>ADJUSTED STATISTICS</u></b>											
Adjusted Patient Days	283,140	73,784	49,433	22,269	351,028	18,640	48,604	30,511	115,678	993,087	984,154
Adjusted Discharges	49,917	19,434	13,665	5,095	60,726	5,054	10,701	8,925	636	174,153	172,500
<b><u>OUTPATIENT STATISTICS</u></b>											
ED Visits	81,126	47,433	33,417	-	101,221	-	34,231	23,755	-	321,183	324,920
Encounters	-	-	-	-	-	-	-	-	3,580,738	3,580,738	3,849,338
Cases	138,279	84,350	56,635	11,663	140,054	12,792	58,683	53,011	-	555,467	563,707
<b><u>SURGERY STATISTICS</u></b>											
IP Surgical Cases	6,676	1,152	1,276	3,078	12,750	544	1,168	975	-	27,619	26,765
OP Surgical Cases	<u>15,550</u>	<u>5,136</u>	<u>4,075</u>	<u>4,426</u>	<u>13,560</u>	<u>10,608</u>	<u>2,922</u>	<u>2,948</u>	-	<u>59,225</u>	<u>59,193</u>
Total Surgical Cases	22,226	6,288	5,351	7,504	26,310	11,152	4,090	3,923	-	86,844	85,958
<b><u>OTHER STATISTICS</u></b>											
Total Births	5,126	1,454	1,142	-	6,426	-	568	410	-	15,126	15,448
Cath Lab Procedures	18,691	1,070	-	-	28,839	-	343	-	-	48,943	50,107
Open Heart Surgeries	441	-	-	-	594	-	-	-	-	1,035	1,044
Endoscopy Procedures	8,761	2,085	2,719	-	7,727	-	1,148	1,785	-	24,225	25,559
Radiology Procedures	172,679	97,275	61,581	18,512	268,855	4,503	31,120	42,245	-	696,770	721,975
Licensed Beds	531	114	60	156	932	22	149	60	351	2,375	2,362
Staffed Beds	531	114	60	80	762	22	94	60	331	2,054	2,074
Occupancy as % of Staffed Beds	90.7%	79.7%	93.4%	55.4%	83.6%	36.5%	56.1%	51.7%	95.7%	83.6%	82.6%

<sup>1</sup> "Other" includes the following: Presbyterian Regional Healthcare Corporation, Forsyth Medical Group, Triangle Medical Group, Novant Medical Group Carolinas, .NMG Rowan Medical Group, Brunswick Medical Group, Springwood and the Oaks (Novant's two long-term care facilities).