

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 28, 2005 (October 27, 2005)

UNIVERSAL HEALTH SERVICES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
Incorporation or Organization)

1-10765
(Commission File Number)

23-2077891
(I.R.S. Employer
Identification No.)

UNIVERSAL CORPORATE CENTER
367 SOUTH GULPH ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406
(Address of principal executive office) (Zip Code)

Registrant's telephone number, including area code (610) 768-3300

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On October 27, 2005, Universal Health Services, Inc. (the "Company") issued its 2005 third quarter earnings release. A copy of the Company's press release is furnished as exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits. 99.1 Universal Health Services, Inc. Press Release dated October 27, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Universal Health Services, Inc.

By: /s/ Alan B. Miller

Name: Alan B. Miller
Title: President and Chief Executive Officer

By: /s/ Steve Filton

Name: Steve Filton
Title: Senior Vice President and Chief Financial Officer

Date: October 28, 2005

Exhibit Index

| <u>Exhibit No.</u> | <u>Exhibit</u> |
|--------------------|---------------------------------------|
| 99.1 | Press release, dated October 27, 2005 |

FOR IMMEDIATE RELEASE

CONTACT: Steve Filton
Chief Financial Officer
610-768-3300

October 27, 2005

UNIVERSAL HEALTH SERVICES, INC. REPORTS
THIRD QUARTER EARNINGS INCLUDING IMPACT OF HURRICANE KATRINA

KING OF PRUSSIA, PA – Universal Health Services, Inc. (NYSE: UHS) announced today that its net income for the three-month period ended September 30, 2005 was \$8.3 million, or \$.15 per diluted share, as compared to \$37.8 million, or \$.62 per diluted share, during the third quarter of 2004. Net revenues increased 6% to \$971 million during the third quarter of 2005 as compared to \$914 million during the quarter ended September 30, 2004.

Net income was \$228.6 million, or \$3.73 per diluted share, during the nine-month period ended September 30, 2005 as compared to \$132.3 million, or \$2.14 per diluted share, during the nine-month period of 2004. Net revenues increased 9% to \$2.97 billion during the nine-month period ended September 30, 2005 as compared to \$2.73 billion during the prior year nine-month period.

As previously announced, our Methodist Hospital (“Methodist”) and Lakeland Medical Pavilion (“Lakeland”) located in New Orleans, Louisiana and Chalmette Medical Center (“Chalmette”) and Virtue Street Pavilion located in Chalmette, Louisiana all suffered substantial damage from Hurricane Katrina. All facilities remain closed and non-operational as we continue to assess the damage and the likely recovery period for the facilities and surrounding communities.

The majority of the real estate assets of Chalmette are leased by us from Universal Health Realty Income Trust and according to the terms of the lease in such circumstances, we have the obligation to: (i) restore the property to substantially the same condition existing before the damage; (ii) offer to acquire the property in accordance with the terms of the lease, or; (iii) offer a substitution property equivalent in value to Chalmette.

Included in our financial results for the three-month period ended September 30, 2005 are the following items:

- a combined after-tax charge of \$78.1 million (\$128.9 million pre-tax and pre-minority interest) to reflect the impact of the Hurricane related

expenses which include: (i) the write-down of the destroyed or damaged depreciable assets of each facility; (ii) a charge to reflect our estimated obligation pursuant to the terms of the lease on the Chalmette facility; (iii) asset impairment charges resulting from the Hurricane to further reduce the carrying-values of the depreciable real estate assets of Methodist and Lakeland to their estimated net realizable values, and; (iv) various other expenses incurred in connection with the Hurricane and its aftermath such as salaries, wages and benefits paid to employees of the facilities after the storm, an increase in the provision for doubtful accounts of these facilities, and other expenses incurred in connection with the patients, employees and properties of each facility;

- after-tax Hurricane related insurance recoveries of \$49.8 million (\$81.7 million pre-tax and pre-minority interest) reflecting our preliminary estimate of the minimum level of probable commercial insurance proceeds;
- \$8.2 million of after-tax income (\$13.0 million pre-tax) consisting primarily of the net combined prior period effect of supplemental reimbursements received from certain states and contractual settlements.

Reported income from continuing operations for the three-month period ended September 30, 2005 was \$9.5 million, or \$.17 per diluted share, as compared to \$39.4 million, or \$.64 per diluted share, during the three-month period ended September 30, 2004. Reported income from continuing operations for the nine-month period ended September 30, 2005 was \$100.8 million, or \$1.71 per diluted share, as compared to \$126.2 million, or \$2.05 per diluted share, during the nine-month period ended September 30, 2004.

Excluding the above-mentioned items included in our financial results for the three-month period ended September 30, 2005 and adjusting the other periods presented for the items listed on the attached Schedules of Non-GAAP Supplemental Consolidated Statements of Income Information, our adjusted income from continuing operations was \$29.6 million, or \$.54 per diluted share, during the third quarter of 2005 as compared to \$40.8 million, or \$.66 per diluted share, during the third quarter of 2004. Our adjusted income from continuing operations was \$123.9 million, or \$2.07 per diluted share during the nine-month period ended September 30, 2005 as compared to \$126.0 million, or \$2.05 per diluted share, during the prior year nine-month period.

Since our above mentioned facilities located in Louisiana have been closed since the Hurricane and therefore no revenues have been reflected in the accompanying financial statements for the post-hurricane period, we have excluded these facilities from the following information for the period of September 1st through September 30th of 2005 and 2004. At our acute care hospitals owned during both periods, inpatient admissions increased 2.4%, patient days increased 0.3%, revenues increased 4.9% and revenue per adjusted patient day increased 3.9% during the 2005 third quarter, as compared to the

comparable prior year quarter. At our behavioral health hospitals owned in both periods, inpatient admissions increased 8.2%, patient days increased 5.1%, revenues increased 10.0%, and revenue per adjusted patient day increased 5.1% during the third quarter of 2005 as compared to the comparable prior year quarter.

Our consolidated operating margin decreased to 13.0% during the three-month period ended September 30, 2005 as compared to 14.2% during the same quarter in the prior year. At our acute care hospitals owned during both three-month periods ended September 30, 2005 and 2004, the operating margin decreased to 11.8% during the third quarter of 2005 from 16.4% during the third quarter of the prior year. The operating margin at our behavioral health hospitals owned during both three-month periods increased to 22.7% during the third quarter of 2005 from 22.2% during the comparable quarter of the prior year.

The large majority of the decrease in our adjusted income from continuing operations during the third quarter of 2005, as compared to the comparable prior year quarter, and in the operating margin at our acute care hospitals owned during both three-month periods, can be attributed to an increase in the level of uninsured patients at our acute care facilities and to a continued decline in the operating performance of our two acute care hospitals located in the McAllen/Edinburg, Texas market. The increase in the level of uninsured patients at our acute care facilities resulted in a significant increase in our provision for doubtful accounts and charity care provided during the third quarter of 2005 as compared to the comparable prior year quarter. Our hospitals in the McAllen/Edinburg market continue to experience a decrease in the combined admissions, patient days and payer mix resulting primarily from continued intense competition from a physician-owned hospital in the market.

During the third quarter, we repurchased 1.27 million of our shares at an average price of \$52.70 per share. We also previously announced that our Board of Directors authorized an additional 2.0 million share repurchase program to supplement the 2.1 million shares remaining under previous authorizations.

We will hold a conference call for investors and analysts at 9:00 a.m. Eastern Time on October 28, 2005. The dial-in number is 1-877-648-7971. A digital recording of the conference call will be available two hours after the completion of the conference call on October 28, 2005 and will continue through midnight on November 4, 2005. The recording can be accessed by calling 1-800-642-1687 and entering the conference ID number of 1205569. This call will also be available live over the internet at our web site at www.uhsinc.com.

Universal Health Services, Inc. is one of the nation's largest hospital companies, operating acute care and behavioral health hospitals and ambulatory centers nationwide and in Puerto Rico. It acts as the advisor to Universal Health Realty Income Trust, a real estate investment trust (NYSE: UHT). For additional information on the Company, visit our website: <http://www.uhsinc.com>.

This press release contains forward-looking statements based on current management expectations. Numerous factors, including those related to healthcare industry trends and those detailed in our filings with the Securities and Exchange Commission (as set forth in "Forward-Looking Statements and Risk Factors" on pages 17 and 18 of our Form 10-Q for the quarterly period ended June 30, 2005), may cause results to differ materially from those anticipated in the forward-looking statements. Many of the factors that will determine our future results are beyond our capability to control or predict. These statements are subject to risks and uncertainties and therefore actual results may differ materially. Readers should not place undue reliance on such forward-looking statements which reflect management's view only as of the date hereof. We undertake no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

We believe that operating income, operating margin, adjusted income from continuing operations, adjusted income from continuing operations per diluted share, adjusted net income, adjusted net income per diluted share, adjusted operating income and adjusted operating margin, which are non-GAAP financial measures ("GAAP" is Generally Accepted Accounting Principles in the United States of America), are helpful to our investors as measures of our operating performance. In addition, we believe that comparing and discussing our financial results based on these measures, as calculated, is helpful to our investors since it neutralizes the effect in each year of items that are nonrecurring or non-operational in nature such as property write-downs, gains on sales of assets and businesses or other amounts reflected in the current or prior year financial statements that relate to prior periods. To obtain a complete understanding of our financial performance these measures should be examined in connection with net income, determined in accordance with GAAP, as presented in the condensed consolidated financial statements and notes thereto in this Report or in our other filings with the Securities and Exchange Commission including our Report on Form 10-K for the year ended December 31, 2004. Since the items included or excluded from these measures are significant components in understanding and assessing financial performance under GAAP, these measures should not be considered to be alternatives to net income as a measure of our operating performance or profitability. Since these measures, as presented, are not determined in accordance with GAAP and are thus susceptible to varying calculations, they may not be comparable to other similarly titled measures of other companies. Investors are encouraged to use GAAP measures when evaluating our financial performance. Below are Schedules of Non-GAAP Supplemental Consolidated Income Statement Information which reconcile these measures to net income for the periods presented.

(more)

Universal Health Services, Inc.
Consolidated Statements of Income
(in thousands, except per share amounts)
(unaudited)

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|-------------------------------------|------------------|------------------------------------|-------------------|
| | 2005 | 2004 | 2005 | 2004 |
| Net revenues | \$970,772 | \$914,093 | \$2,968,305 | \$2,726,713 |
| <i>Operating charges:</i> | | | | |
| Salaries, wages and benefits | 395,938 | 374,221 | 1,210,175 | 1,115,014 |
| Other operating expenses | 229,119 | 216,375 | 694,991 | 637,605 |
| Supplies expense | 117,127 | 113,715 | 369,787 | 342,820 |
| Provision for doubtful accounts | 102,734 | 79,907 | 280,620 | 237,708 |
| Depreciation and amortization | 38,552 | 37,353 | 116,236 | 105,695 |
| Lease and rental expense | 14,688 | 15,257 | 45,443 | 45,405 |
| Hurricane related expenses | 128,895 | — | 128,895 | — |
| Hurricane insurance recoveries | (81,709) | — | (81,709) | — |
| | <u>945,344</u> | <u>836,828</u> | <u>2,764,438</u> | <u>2,484,247</u> |
| Income before interest expense, minority interests and income taxes | 25,428 | 77,265 | 203,867 | 242,466 |
| Interest expense, net | 6,404 | 9,351 | 24,530 | 28,277 |
| Minority interests in earnings of consolidated entities | 6,673 | 5,595 | 22,518 | 14,305 |
| Minority interests in hurricane related expenses and insurance recoveries | (2,659) | — | (2,659) | — |
| Income before income taxes | 15,010 | 62,319 | 159,478 | 199,884 |
| Provision for income taxes | 5,531 | 22,967 | 58,677 | 73,638 |
| Income from continuing operations | 9,479 | 39,352 | 100,801 | 126,246 |
| Income (loss) from discontinued operations, net of income tax expense (a) | (1,160) | (1,507) | 127,770 | 6,072 |
| Net income | <u>\$ 8,319</u> | <u>\$ 37,845</u> | <u>\$ 228,571</u> | <u>\$ 132,318</u> |
| Basic earnings (loss) per share: (b) | | | | |
| From continuing operations | \$ 0.17 | \$ 0.68 | \$ 1.79 | \$ 2.19 |
| From discontinued operations | (0.02) | (0.03) | 2.27 | 0.10 |
| Total basic earnings per share | <u>\$ 0.15</u> | <u>\$ 0.65</u> | <u>\$ 4.06</u> | <u>\$ 2.29</u> |
| Diluted earnings (loss) per share: (b) | | | | |
| From continuing operations | \$ 0.17 | \$ 0.64 | \$ 1.71 | \$ 2.05 |
| From discontinued operations | (0.02) | (0.02) | 2.02 | 0.09 |
| Total diluted earnings per share | <u>\$ 0.15</u> | <u>\$ 0.62</u> | <u>\$ 3.73</u> | <u>\$ 2.14</u> |

Universal Health Services, Inc.
Footnotes to Consolidated Statements of Income
(in thousands, except per share amounts)
(unaudited)

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|-------------------------------------|-------------------|------------------------------------|-------------------|
| | 2005 | 2004 | 2005 | 2004 |
| (a) Calculation of income from discontinued operations, net of income tax: | | | | |
| (Loss) income from operations | \$ (1,825) | \$ (5,437) | \$ 2,608 | \$ 4,677 |
| Gains on divestitures | — | 3,073 | 186,220 | 5,411 |
| (Loss) income from discontinued operations, pre-tax | (1,825) | (2,364) | 188,828 | 10,088 |
| Income tax benefit (provision) | 665 | 857 | (61,058) | (4,016) |
| (Loss) income from discontinued operations, net of income tax expense | <u>\$ (1,160)</u> | <u>\$ (1,507)</u> | <u>\$ 127,770</u> | <u>\$ 6,072</u> |
| (b) Earnings per share calculation: | | | | |
| Basic: | | | | |
| Income from continuing operations | \$ 9,479 | \$ 39,352 | \$ 100,801 | \$ 126,246 |
| Less: Dividends on unvested restricted stock, net of taxes | (26) | (28) | (81) | (84) |
| Income from continuing operations - basic | \$ 9,453 | \$ 39,324 | \$ 100,720 | \$ 126,162 |
| (Loss) income from discontinued operations | (1,160) | (1,507) | 127,770 | 6,072 |
| Net income - basic | <u>\$ 8,293</u> | <u>\$ 37,817</u> | <u>\$ 228,490</u> | <u>\$ 132,234</u> |
| Weighted average number of common shares - basic | 54,682 | 57,791 | 56,210 | 57,659 |
| Basic earnings (loss) per share: | | | | |
| From continuing operations | \$ 0.17 | \$ 0.68 | \$ 1.79 | \$ 2.19 |
| From discontinued operations | (0.02) | (0.03) | 2.27 | 0.10 |
| Total basic earnings per share | <u>\$ 0.15</u> | <u>\$ 0.65</u> | <u>\$ 4.06</u> | <u>\$ 2.29</u> |
| Diluted: | | | | |
| Income from continuing operations | \$ 9,479 | \$ 39,352 | \$ 100,801 | \$ 126,246 |
| Less: Dividends on unvested restricted stock, net of taxes | (26) | (28) | (81) | (84) |
| Add: Debenture interest, net of taxes | — | 2,333 | 7,196 | 6,906 |
| Income from continuing operations - diluted | \$ 9,453 | \$ 41,657 | \$ 107,916 | \$ 133,068 |
| (Loss) income from discontinued operations | (1,160) | (1,507) | 127,770 | 6,072 |
| Net income - diluted | <u>\$ 8,293</u> | <u>\$ 40,150</u> | <u>\$ 235,686</u> | <u>\$ 139,140</u> |
| Weighted average number of common shares | 54,682 | 57,791 | 56,210 | 57,659 |
| Add: Shares for conversion of convertible debentures | — | 6,577 | 6,577 | 6,577 |
| Other share equivalents | 466 | 542 | 476 | 754 |
| Weighted average number of common shares and equiv. - diluted | <u>55,148</u> | <u>64,910</u> | <u>63,263</u> | <u>64,990</u> |
| Diluted earnings (loss) per share: | | | | |
| From continuing operations | \$ 0.17 | \$ 0.64 | \$ 1.71 | \$ 2.05 |
| From discontinued operations | (0.02) | (0.02) | 2.02 | 0.09 |
| Total diluted earnings per share | <u>\$ 0.15</u> | <u>\$ 0.62</u> | <u>\$ 3.73</u> | <u>\$ 2.14</u> |

Universal Health Services, Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

| | September 30, 2005 | December 31, 2004 |
|---|-----------------------|----------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 82,156 | \$ 33,125 |
| Accounts receivable, net | 505,366 | 552,538 |
| Other current assets | 103,663 | 90,392 |
| Hurricane insurance recoveries receivable | 81,709 | — |
| Property, plant and equipment, net | 1,312,351 | 1,448,066 |
| Other assets | 655,998 | 765,852 |
| Assets held for sale | 1,782 | 132,870 |
| Total Assets | \$ 2,743,025 | \$ 3,022,843 |
| Liabilities and Stockholders' Equity: | | |
| Current portion of long-term debt | \$ 3,873 | \$ 16,968 |
| Liabilities held for sale | — | 11,116 |
| Other current liabilities | 522,435 | 441,572 |
| Other noncurrent liabilities | 259,033 | 243,617 |
| Long-term debt | 528,302 | 852,229 |
| Deferred income taxes | 43,981 | 50,212 |
| Minority interest | 161,404 | 186,543 |
| Stockholders' equity | 1,223,997 | 1,220,586 |
| Total Liabilities and Stockholders' Equity | \$ 2,743,025 | \$ 3,022,843 |

Universal Health Services, Inc.
Schedule of Non-GAAP Supplemental Consolidated Statements of Income Information
For the Three Months Ended September 30, 2005 and 2004
(in thousands, except per share amounts)
(unaudited)

| | <u>Three months ended September 30, 2005</u> | | <u>Three months ended September 30, 2004</u> | |
|--|--|--------------|--|--------------|
| Net revenues | \$970,772 | 100.0% | \$914,093 | 100.0% |
| Operating charges: | | | | |
| Salaries, wages and benefits | 395,938 | 40.8% | 374,221 | 40.9% |
| Other operating expenses | 229,119 | 23.6% | 216,375 | 23.7% |
| Supplies expense | 117,127 | 12.1% | 113,715 | 12.4% |
| Provision for doubtful accounts | 102,734 | 10.6% | 79,907 | 8.7% |
| | <u>844,918</u> | <u>87.0%</u> | <u>784,218</u> | <u>85.8%</u> |
| Operating income/margin | 125,854 | 13.0% | 129,875 | 14.2% |
| Lease and rental expense | 14,688 | | 15,257 | |
| Minority interests in earnings of consolidated entities | 6,673 | | 5,595 | |
| Earnings before depreciation and amortization, interest expense, and income taxes ("EBITDA") | 104,493 | | 109,023 | |
| Hurricane related expenses | 128,895 | | — | |
| Hurricane insurance recoveries | (81,709) | | — | |
| Minority interests in hurricane related expenses and insurance recoveries | (2,659) | | — | |
| Depreciation and amortization | 38,552 | | 37,353 | |
| Interest expense, net | 6,404 | | 9,351 | |
| Income before income taxes | 15,010 | | 62,319 | |
| Provision for income taxes | 5,531 | | 22,967 | |
| Income from continuing operations | 9,479 | | 39,352 | |
| Loss from discontinued operations, net of income taxes | (1,160) | | (1,507) | |
| Net income | <u>\$ 8,319</u> | | <u>\$ 37,845</u> | |

| | <u>Three months ended September 30, 2005</u> | | <u>Three months ended September 30, 2004</u> | |
|---|--|------------------------------|--|------------------------------|
| | <u>Amount</u> | <u>Per Diluted Share</u> | <u>Amount</u> | <u>Per Diluted Share</u> |
| Calculation of Adjusted Income from Continuing Operations | | | | |
| Income from continuing operations | \$ 9,479 | \$ 0.17 | \$39,352 | \$ 0.64 |
| Add: Hurricane related expenses, net of minority interests and income taxes | 78,064 | 1.42 | — | — |
| Less: Hurricane related insurance recoveries, net of minority interests and income taxes | (49,758) | (0.90) | — | — |
| Less: Prior period effect of supplemental reimbursements received from certain states and contractual settlements | (8,201) | (0.15) | — | — |
| Add: Hurricane related expenses, net of income taxes | — | — | 1,474 | 0.02 |
| Adjusted income from continuing operations | <u>\$ 29,584</u> | <u>\$ 0.54</u> | <u>\$40,826</u> | <u>\$ 0.66</u> |

Universal Health Services, Inc.
Schedule of Non-GAAP Supplemental Consolidated Statements of Income Information
For the Nine Months Ended September 30, 2005 and 2004
(in thousands, except per share amounts)
(unaudited)

| | Nine months ended September 30, 2005 | | Nine months ended September 30, 2004 | |
|--|---|--------------|---|--------------|
| Net revenues | \$2,968,305 | 100.0% | \$2,726,713 | 100.0% |
| Operating charges: | | | | |
| Salaries, wages and benefits | 1,210,175 | 40.8% | 1,115,014 | 40.9% |
| Other operating expenses | 694,991 | 23.4% | 637,605 | 23.4% |
| Supplies expense | 369,787 | 12.5% | 342,820 | 12.6% |
| Provision for doubtful accounts | 280,620 | 9.5% | 237,708 | 8.7% |
| | <u>2,555,573</u> | <u>86.1%</u> | <u>2,333,147</u> | <u>85.6%</u> |
| Operating income/margin | 412,732 | 13.9% | 393,566 | 14.4% |
| Lease and rental expense | 45,443 | | 45,405 | |
| Minority interests in earnings of consolidated entities | 22,518 | | 14,305 | |
| Earnings before depreciation and amortization, interest expense, and income taxes ("EBITDA") | 344,771 | | 333,856 | |
| Hurricane related expenses | 128,895 | | — | |
| Hurricane insurance recoveries | (81,709) | | — | |
| Minority interests in hurricane related expenses and insurance recoveries | (2,659) | | — | |
| Depreciation and amortization | 116,236 | | 105,695 | |
| Interest expense, net | 24,530 | | 28,277 | |
| Income before income taxes | 159,478 | | 199,884 | |
| Provision for income taxes | 58,677 | | 73,638 | |
| Income from continuing operations | 100,801 | | 126,246 | |
| Income from discontinued operations, net of income taxes | 127,770 | | 6,072 | |
| Net income | <u>\$ 228,571</u> | | <u>\$ 132,318</u> | |

| | Nine months ended September 30, 2005 | | Nine months ended September 30, 2004 | |
|---|---|----------------------|---|----------------------|
| | Amount | Per Diluted Share | Amount | Per Diluted Share |
| <u>Calculation of Adjusted Income from Continuing Operations</u> | | | | |
| Income from continuing operations | \$ 100,801 | \$ 1.71 | \$ 126,246 | \$ 2.05 |
| Add: Hurricane related expenses, net of minority interests and income taxes | 78,064 | 1.23 | — | — |
| Less: Hurricane related insurance recoveries, net of minority interests and income taxes | (49,758) | (0.79) | — | — |
| Less: Prior period effect of supplemental reimbursements received from certain states and contractual settlements | (5,225) | (0.08) | — | — |
| Add: Hurricane related expenses, net of income taxes | — | — | 1,474 | 0.02 |
| Less: DSH revenue attributable to prior year, net of income taxes | — | — | (1,748) | (0.02) |
| Adjusted income from continuing operations | <u>\$ 123,882</u> | <u>\$ 2.07</u> | <u>\$ 125,972</u> | <u>\$ 2.05</u> |

Universal Health Services, Inc.
Supplemental Statistical Information
(un-audited)

Same Facility:

| | <u>% Change Quarter Ended 9/30/2005</u> | <u>% Change 9 months ended 9/30/2005</u> |
|----------------------------------|---|--|
| Acute Care Hospitals | | |
| Revenues | 4.9% | 7.0% |
| Adjusted Admissions | 2.9% | 2.6% |
| Adjusted Patient Days | 1.0% | 1.6% |
| Revenue Per Adjusted Admission | 2.0% | 4.3% |
| Revenue Per Adjusted Patient Day | 3.9% | 5.3% |

Behavioral Health Hospitals

| | | |
|----------------------------------|-------|------|
| Revenues | 10.0% | 8.3% |
| Adjusted Admissions | 7.5% | 4.8% |
| Adjusted Patient Days | 4.7% | 4.8% |
| Revenue Per Adjusted Admission | 2.4% | 3.4% |
| Revenue Per Adjusted Patient Day | 5.1% | 3.4% |

UHS Consolidated

| | <u>Third Quarter Ended</u> | | <u>Nine months Ended</u> | |
|--------------------------------------|----------------------------|------------------|--------------------------|------------------|
| | <u>9/30/2005</u> | <u>9/30/2004</u> | <u>9/30/2005</u> | <u>9/30/2004</u> |
| Revenues | \$970,772 | \$914,093 | \$2,968,305 | \$2,726,713 |
| EBITDA (1) | 104,493 | 109,023 | 344,771 | 333,856 |
| EBITDA Margin (1) | 10.8% | 11.9% | 11.6% | 12.2% |
| Cash Flow From Operations | 115,301 | 88,840 | 345,739 | 313,515 |
| Days Sales Outstanding | 48 | 53 | 46 | 52 |
| Capital Expenditures | 62,496 | 59,311 | 171,343 | 177,329 |
| Debt (net of cash) | — | — | 450,019 | \$ 806,136 |
| Shareholders Equity | — | — | 1,223,997 | \$1,214,377 |
| Debt / Total Capitalization | — | — | 26.9% | 39.9% |
| Debt / EBITDA (2) | — | — | 0.94 | 1.66 |
| Debt / Cash From Operations (2) | — | — | 1.05 | 2.14 |
| Acute Care EBITDAR Margin (3) | 13.0% | 15.8% | 14.4% | 15.5% |
| Behavioral Health EBITDAR Margin (3) | 23.2% | 22.2% | 24.4% | 23.4% |

- (1) Net of Minority Interest
(2) Latest 4 quarters
(3) Before Corporate overhead allocation and minority interest

UNIVERSAL HEALTH SERVICES, INC.
SELECTED HOSPITAL STATISTICS
SEPTEMBER 30, 2005

AS REPORTED:

FOR THE THREE MONTHS ENDED

| | ACUTE (1) (2) | | | BEHAVIORAL HEALTH | | |
|----------------------------|---------------|-------------|--------|-------------------|------------|--------|
| | 09/30/05 | 09/30/04 | % | 09/30/05 | 09/30/04 | % |
| Hospitals owned and leased | 21 | 24 | -12.5% | 45 | 44 | 2.3% |
| Average licensed beds | 5,375 | 5,615 | -4.3% | 4,517 | 4,386 | 3.0% |
| Patient days | 275,148 | 280,876 | -2.0% | 335,825 | 318,778 | 5.3% |
| Average daily census | 2,990.7 | 3,053.0 | -2.0% | 3,650.3 | 3,465.0 | 5.3% |
| Occupancy-licensed beds | 55.6% | 54.4% | 2.3% | 80.8% | 79.0% | 2.3% |
| Admissions | 62,502 | 61,980 | 0.8% | 25,724 | 23,764 | 8.2% |
| Length of stay | 4.4 | 4.5 | -2.9% | 13.1 | 13.4 | -2.7% |
| Inpatient revenue | \$1,752,146 | \$1,643,610 | 6.6% | \$ 336,676 | \$ 315,401 | 6.7% |
| Outpatient revenue | 707,282 | 647,127 | 9.3% | 45,111 | 42,374 | 6.5% |
| Total patient revenue | 2,459,428 | 2,290,737 | 7.4% | 381,787 | 357,775 | 6.7% |
| Other revenue | 12,352 | 9,531 | 29.6% | 7,122 | 8,416 | -15.4% |
| Gross hospital revenue | 2,471,780 | 2,300,268 | 7.5% | 388,909 | 366,191 | 6.2% |
| Total deductions | 1,708,052 | 1,572,998 | 8.6% | 193,839 | 189,400 | 2.3% |
| Net hospital revenue | \$ 763,728 | \$ 727,270 | 5.0% | \$ 195,070 | \$ 176,791 | 10.3% |

SAME FACILITY:

FOR THE THREE MONTHS ENDED

| | ACUTE (1) (3) | | | BEHAVIORAL HEALTH (4) | | |
|----------------------------|---------------|----------|-------|-----------------------|----------|-------|
| | 09/30/05 | 09/30/04 | % | 09/30/05 | 09/30/04 | % |
| Hospitals owned and leased | 21 | 21 | 0.0% | 44 | 44 | 0.0% |
| Average licensed beds | 5,295 | 5,430 | -2.5% | 4,487 | 4,386 | 2.3% |
| Patient days | 273,718 | 272,955 | 0.3% | 335,036 | 318,817 | 5.1% |
| Average daily census | 2,975.2 | 2,966.9 | 0.3% | 3,641.7 | 3,465.4 | 5.1% |
| Occupancy-licensed beds | 56.2% | 54.6% | 2.8% | 81.2% | 79.0% | 2.7% |
| Admissions | 62,017 | 60,577 | 2.4% | 25,721 | 23,764 | 8.2% |
| Length of stay | 4.4 | 4.5 | -2.0% | 13.0 | 13.4 | -2.9% |

(1) Does not include hospitals located in France

(2) Does not include Discontinued Operations. Acute care hospitals located in New Orleans are excluded from September 1, 2005 through year-to-date.

(3) All Discontinued Operations are excluded in current and prior years. Lakeland is included in both current and prior years for January only. All three acute care hospitals located in New Orleans are excluded in both current and prior years from September 1st through year to date. Lakewood Ranch is included in both current and prior years from September 1 through year to date.

(4) Stonington is included in both current and prior years from April 1 through year to date. The four facilities purchased from Keystone are included in both current and prior years from May 1st through year to date. King George School is excluded in both current and prior years.

UNIVERSAL HEALTH SERVICES, INC.
SELECTED HOSPITAL STATISTICS
SEPTEMBER 30, 2005

AS REPORTED:

FOR THE NINE MONTHS ENDED

| | ACUTE (1) (2) | | | BEHAVIORAL HEALTH | | |
|----------------------------|---------------|-------------|--------|-------------------|------------|-------|
| | 09/30/05 | 09/30/04 | % | 09/30/05 | 09/30/04 | % |
| Hospitals owned and leased | 21 | 24 | -12.5% | 45 | 44 | 2.3% |
| Average licensed beds | 5,493 | 5,657 | -2.9% | 4,463 | 4,168 | 7.1% |
| Patient days | 877,216 | 865,962 | 1.3% | 1,004,913 | 913,399 | 10.0% |
| Average daily census | 3,213.2 | 3,160.4 | 1.7% | 3,681.0 | 3,333.6 | 10.4% |
| Occupancy-licensed beds | 58.5% | 55.9% | 4.7% | 82.5% | 80.0% | 3.1% |
| Admissions | 193,894 | 188,437 | 2.9% | 76,752 | 71,847 | 6.8% |
| Length of stay | 4.5 | 4.6 | -1.6% | 13.1 | 12.7 | 3.0% |
| Inpatient revenue | \$5,538,861 | \$5,039,906 | 9.9% | \$1,007,384 | \$ 919,867 | 9.5% |
| Outpatient revenue | 2,116,715 | 1,896,443 | 11.6% | 145,092 | 131,822 | 10.1% |
| Total patient revenue | 7,655,576 | 6,936,349 | 10.4% | 1,152,476 | 1,051,689 | 9.6% |
| Other revenue | 39,850 | 27,330 | 45.8% | 23,801 | 25,367 | -6.2% |
| Gross hospital revenue | 7,695,426 | 6,963,679 | 10.5% | 1,176,277 | 1,077,056 | 9.2% |
| Total deductions | 5,344,201 | 4,785,631 | 11.7% | 592,259 | 556,630 | 6.4% |
| Net hospital revenue | \$2,351,225 | \$2,178,048 | 8.0% | \$ 584,018 | \$ 520,426 | 12.2% |

SAME FACILITY:

FOR THE NINE MONTHS ENDED

| | ACUTE (1) (3) | | | BEHAVIORAL HEALTH (4) | | |
|----------------------------|---------------|----------|-------|-----------------------|----------|-------|
| | 09/30/05 | 09/30/04 | % | 09/30/05 | 09/30/04 | % |
| Hospitals owned and leased | 21 | 21 | 0.0% | 44 | 44 | 0.0% |
| Average licensed beds | 5,379 | 5,595 | -3.9% | 4,279 | 4,168 | 2.7% |
| Patient days | 869,420 | 858,020 | 1.3% | 960,469 | 913,352 | 5.2% |
| Average daily census | 3,184.7 | 3,131.5 | 1.7% | 3,518.2 | 3,333.4 | 5.5% |
| Occupancy-licensed beds | 59.2% | 56.0% | 5.8% | 82.2% | 80.0% | 2.8% |
| Admissions | 191,704 | 187,034 | 2.5% | 75,715 | 71,847 | 5.4% |
| Length of stay | 4.5 | 4.6 | -1.1% | 12.7 | 12.7 | -0.2% |

(1) Does not include hospitals located in France

(2) Does not include Discontinued Operations. Acute care hospitals located in New Orleans are excluded from September 1, 2005 through year-to-date.

(3) All Discontinued Operations are excluded in current and prior years. Lakeland is included in both current and prior years for January only. All three acute care hospitals located in New Orleans are excluded in both current and prior years from September 1st through year to date. Lakewood Ranch is included in both current and prior years from September 1 through year to date.

(4) Stonington is included in both current and prior years from April 1 through year to date. The four facilities purchased from Keystone are included in both current and prior years from May 1st through year to date. King George School is excluded in both current and prior years.