
UPMC

FIRST THREE MONTHS FISCAL YEAR 2010 FINANCIAL RESULTS

NOVEMBER 12, 2009

UPMC'S FINANCIAL PICTURE

- Operating income strong
- Operating EBIDA, or cash flow income, on target to exceed \$600 million
- Diversified investment reserve portfolio results reflect the overall market, increasing 8.6% for the quarter
- Balance sheet still strong
 - Cash reserves provide cushion to help absorb economic shocks

RESULTS IN BRIEF:

\$65 million operating income / \$2.9 billion investment reserve portfolio

UPMC'S TWO BUSINESSES

Operations

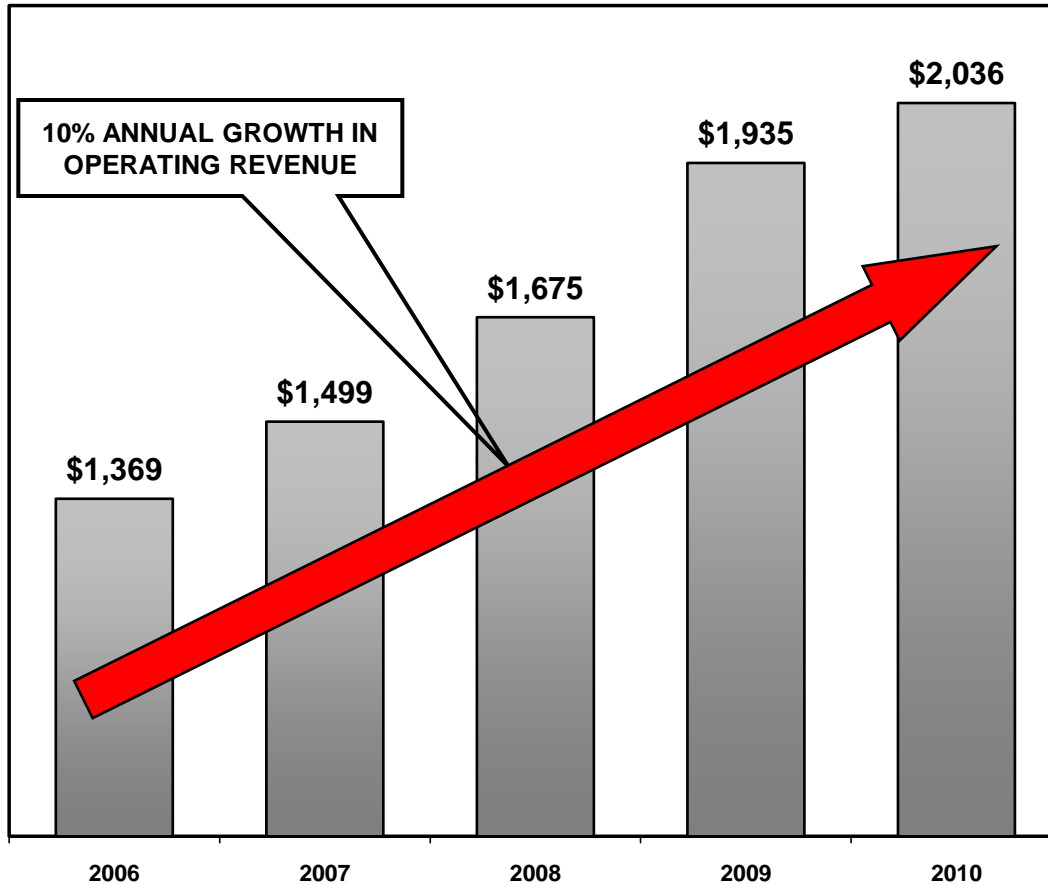
- Operating income of **\$65 million** used to run operations, fund capital expenditures and create new programs
 - Key drivers include physician revenue (↑11%), UPMC Health Plan membership (↑9%), outpatient revenue (↑3%) partially offset by admissions (↓2.5%)

Investment Reserve Portfolio

- **\$2.9 billion** investment reserve portfolio provides for long-term sustainability
 - Not used to fund day-to-day operations
 - Fiscal year 2010 return is 8.6%
 - Made \$125 million pension plan contribution; 100% funded

CONTINUED OPERATING REVENUE GROWTH

(Dollars In Millions)

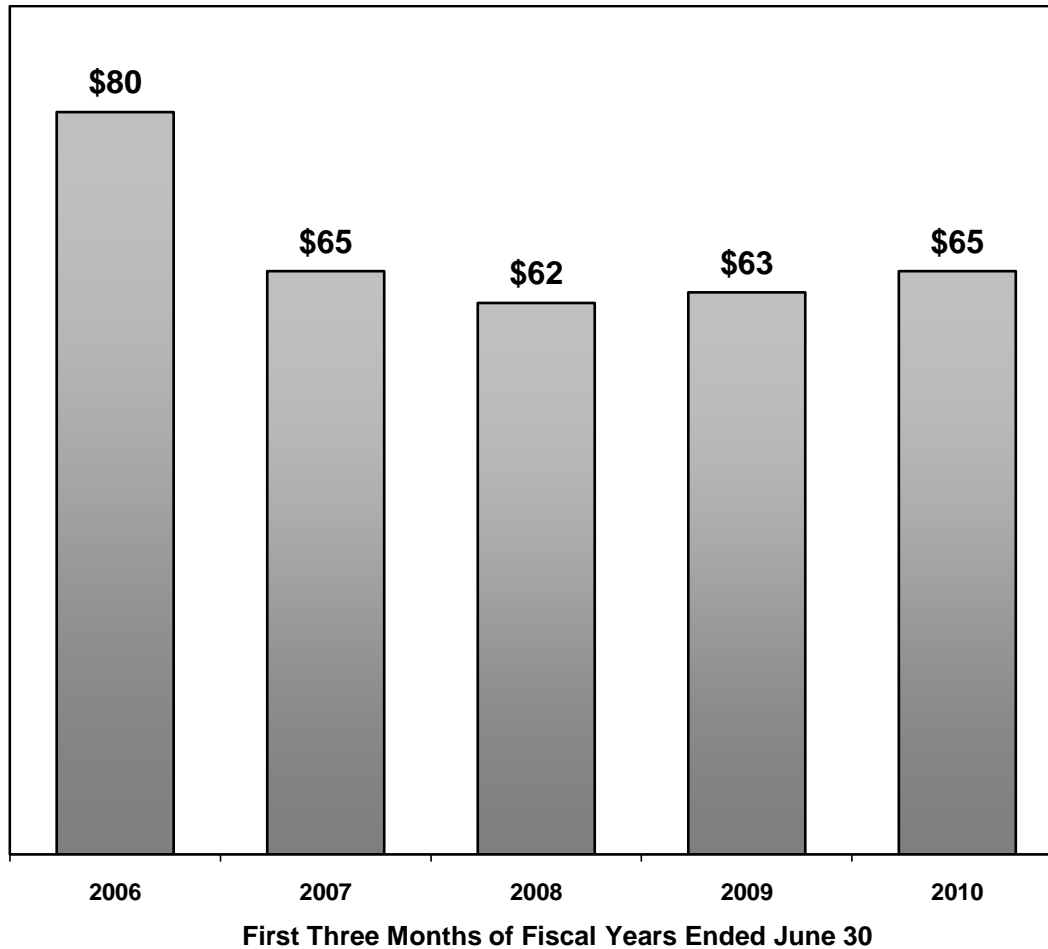


First Three Months of Fiscal Years Ended June 30

- UPMC's operating revenue has increased by 49% since 2006.
- 10% compound annual growth rate allows UPMC to pursue various growth and community initiatives.
- Revenue growth for FY10 consistent with trend.

OPERATING INCOME STABLE *

(Dollars In Millions)

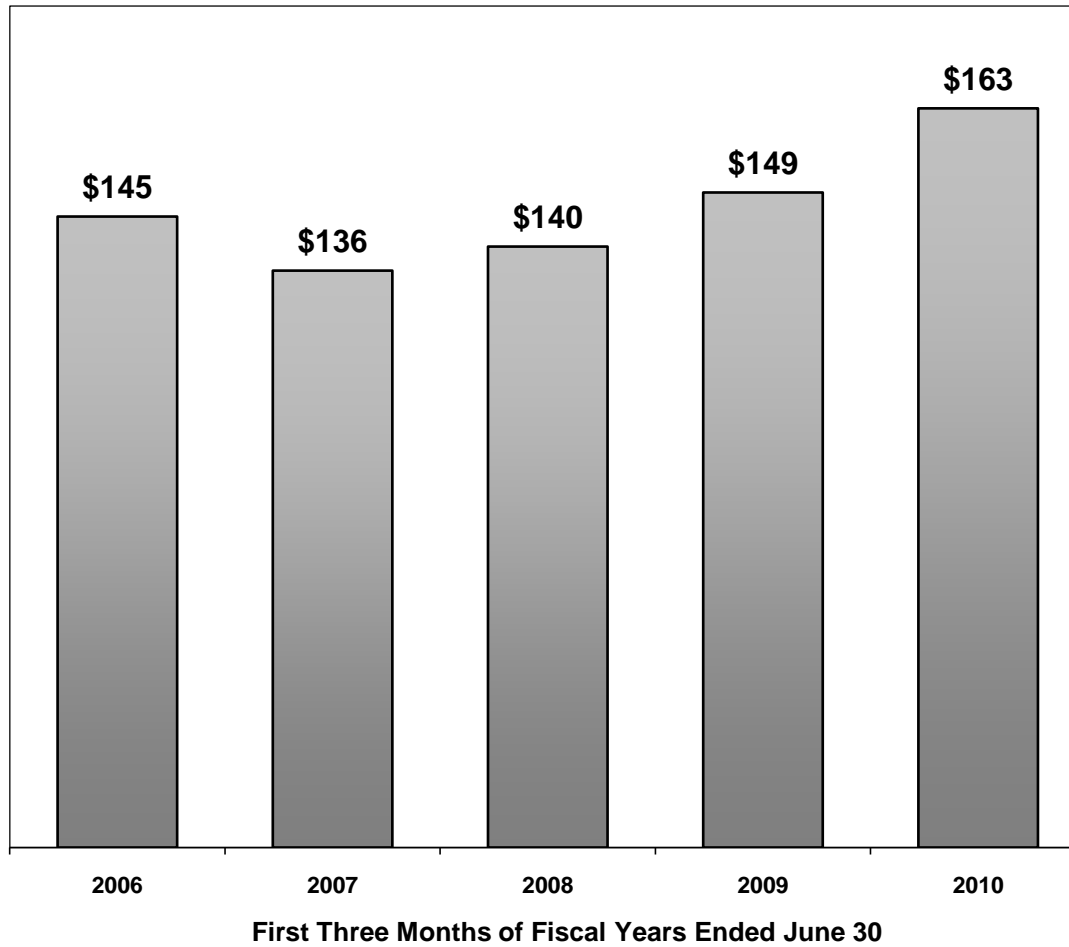


- Operating income for FY10 up slightly compared to same period year ago.
- Consistently achieving income levels necessary to run operations, fund capital expenditures and create new programs for the residents of western Pennsylvania.

* - Excludes non-recurring separation expenses in the period incurred

OPERATING EBIDA ROBUST *

(Dollars In Millions)



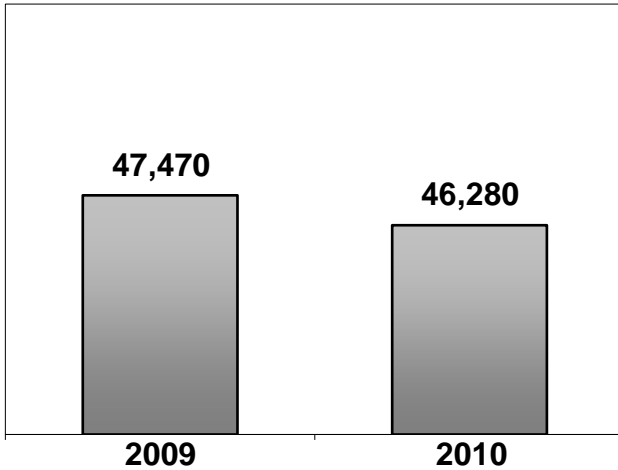
- On target to exceed \$600 million in operating EBIDA.
- Allows UPMC to reinvest in western Pennsylvania and fulfill its core mission of providing outstanding patient care while shaping tomorrow's health system.

* - Excludes non-recurring separation expenses in the period incurred

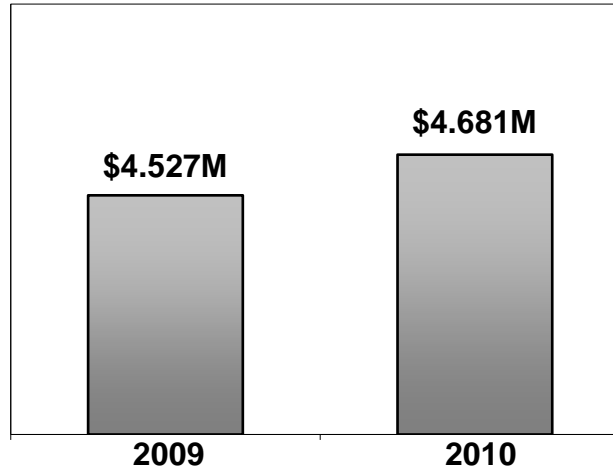
KEY UPMC OPERATING METRICS

(First Three Months of Fiscal Years Ended June 30)

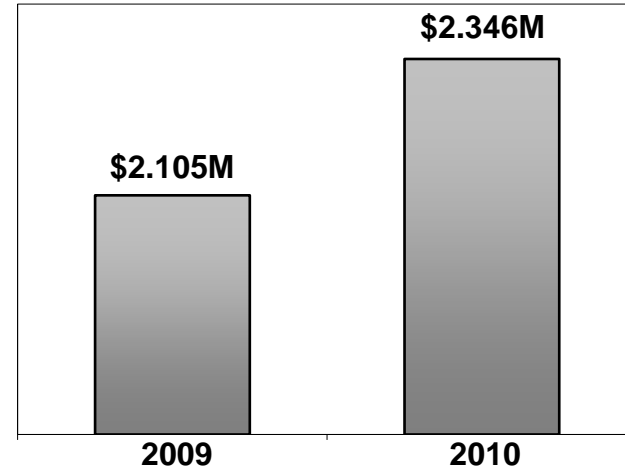
TOTAL ADMISSIONS



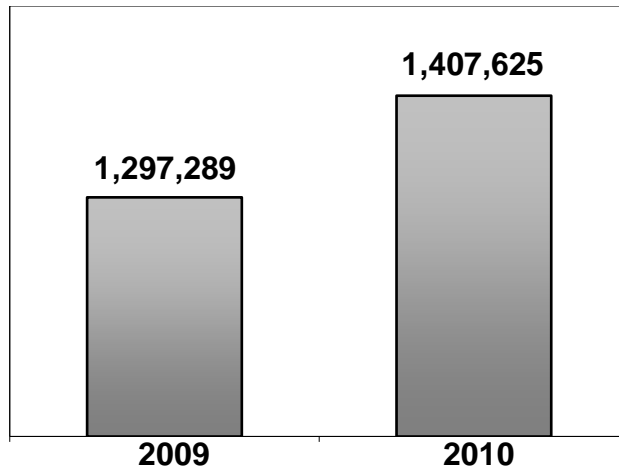
OUTPATIENT REVENUE/WORKDAY



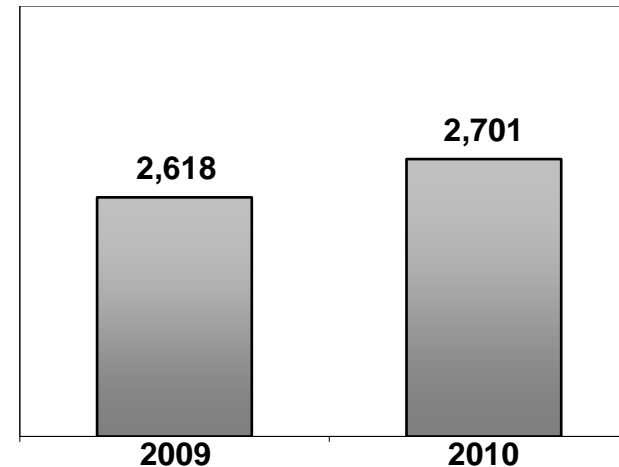
PHYSICIAN SERVICE REVENUE/WEEKDAY



UPMC HEALTH PLAN MEMBERSHIP

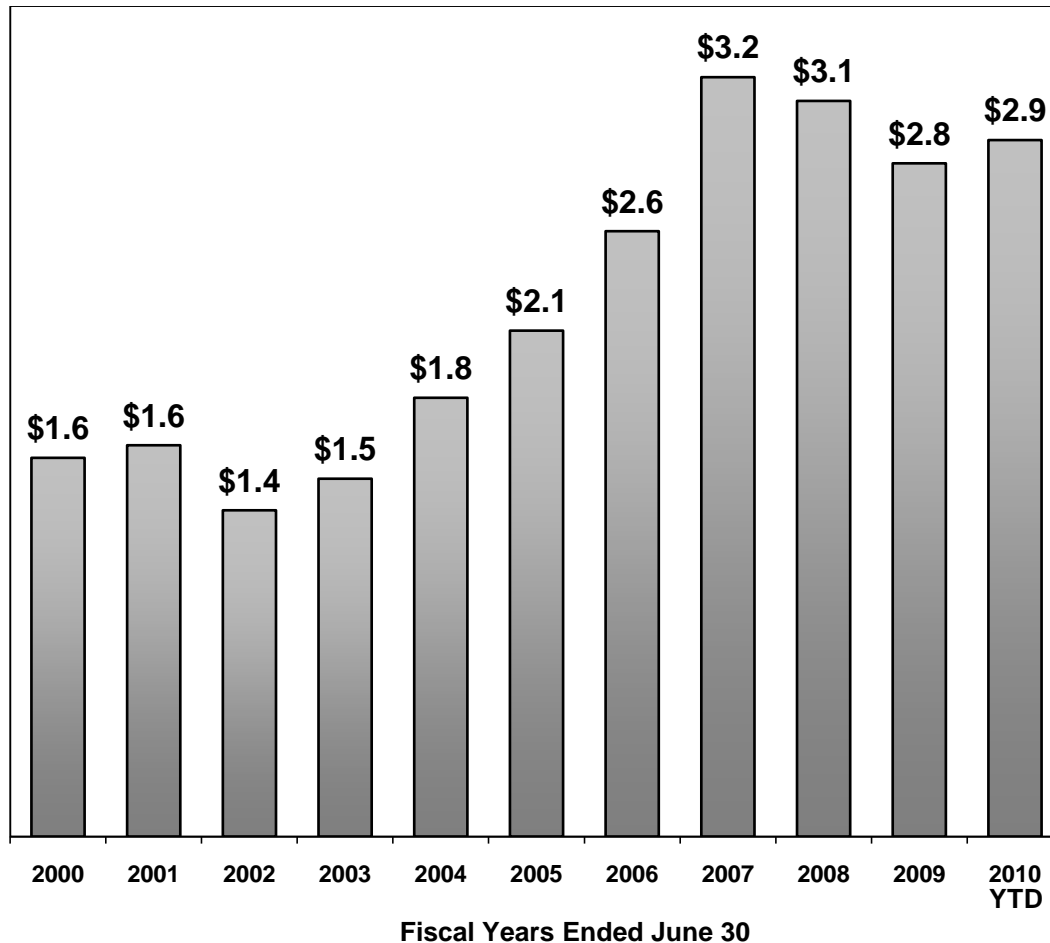


OF EMPLOYED PHYSICIANS



GROWTH OF UPMC'S INVESTMENT RESERVE PORTFOLIO

(Dollars In Billions)



- \$2.9 billion diversified portfolio provides for long-term sustainability.
- Funds not used for day-to-day operations.
- Value changes as market fluctuates.

SUMMARY

- UPMC continues to grow and invest
- \$65 million operating income
- \$163 million operating EBIDA
- \$2.9 billion investment reserve portfolio
- Operating results and prudent fiscal management allow UPMC to continue to provide outstanding patient care and reinvest in the future of western Pennsylvania

UPMC