



Universal Health Services, Inc.

Universal Health Services, Inc. Reports Third Quarter EPS Growth Of 35%

October 17, 2002

KING OF PRUSSIA, Pa., Oct 17, 2002 /PRNewswire-FirstCall via COMTEX/ -- Universal Health Services, Inc. (NYSE: UHS) announced today that its net income and earnings per share (diluted) were \$41.5 million and \$.65 for the three month period ended September 30, 2002, and \$131.5 million and \$2.05 for the nine month period ended September 30, 2002, respectively. These results represent a 35% increase in earnings per share (diluted) for the three month period and a 31% increase for the nine month period ended September 30, 2002 over the comparable prior year periods. Revenues increased 13% to \$813 million in the three month period and by 15% to \$2.42 billion in the nine month period ended September 30, 2002.

The Company's hospitals are achieving industry leading growth rates in patient admissions due to the Company's location in rapid growth communities and continuing investment in modern technology. For facilities owned in both the three month periods ended September 30, 2002 and September 30, 2001 admissions to the Company's acute care hospitals, excluding the hospitals located in France, increased 7.9% while admissions to the Company's behavioral health facilities owned in both periods increased 6.4%.

The Company is expanding its hospitals to meet the growing demand for high quality healthcare. Between September 1, 2002 and December 31, 2003 the Company expects to increase the number of available hospital beds in its acute care hospitals by 12% due to five major construction projects.

During the quarter ended September 30, 2002, the Company opened the newly constructed 371-George Washington University Hospital. This hospital has experienced solid growth in admissions and revenue as physicians and patients are increasingly choosing this new, technologically advanced hospital. The Company currently has four other major acute care hospital construction projects. The 56-bed addition to Auburn Regional Medical Center will open in late December. The new 176-bed Spring Valley Medical Center in Las Vegas will open in the third quarter of 2003. The 90-bed expansion of Northwest Texas Hospital in Amarillo, Texas, and the new 120-bed Lakewood Ranch Hospital in Manatee County, Florida, will open in the fourth quarter of 2003. These projects will provide needed service capacity and quality of care improvements and be significant sources of growth for the Company.

Universal Health Services, Inc. is one of the nation's largest hospital companies, operating acute care and behavioral health hospitals and ambulatory surgery and radiation centers nationwide, in Puerto Rico and in France. It acts as the advisor to Universal Health Realty Income Trust, a real estate investment trust (NYSE: UHT).

Certain statements in this release may constitute forward-looking statements and are subject to various risks and uncertainties as discussed in the Company's filings with Securities and Exchange Commission. The Company is not obligated to update these forward-looking statements even if the Company's assessment of these risks and uncertainties changes.

For additional information on the Company, visit our web site: <http://www.uhsinc.com>.

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

	Three months		Nine months	
	ended September 30,		ended September 30,	
	2002	2001	2002	2001
Net revenues	\$813,104	\$720,784	\$2,423,420	\$2,116,329
Operating charges:				
Salaries, wages and benefits	323,331	282,225	964,633	832,785
Other operating expenses	196,007	167,958	586,199	488,740
Supplies expense	106,382	94,275	313,747	276,622
Provision for doubtful accounts	62,590	68,682	173,329	186,587
Depreciation and amortization	30,136	32,587	90,444	94,630
Lease and rental expense	15,609	13,884	46,089	39,994
Interest expense, net	8,381	9,846	25,498	28,808
	742,436	669,457	2,199,939	1,948,166

Income before minority interests, effect of foreign exchange and derivative transactions and income taxes	70,668	51,327	223,481	168,163
Minority interests in earnings of consolidated entities	4,924	3,700	15,485	11,324
Losses on foreign exchange and derivative transactions	255	108	270	1,509
Income before income taxes	65,489	47,519	207,726	155,330
Provision for income taxes	24,038	17,265	76,255	56,515
Net income	\$41,451	\$30,254	\$131,471	\$98,815
Earnings per common share - basic	\$0.69	\$0.50	\$2.20	\$1.65
Earnings per common share - diluted	\$0.65	\$0.48	\$2.05	\$1.56
Weighted average number of common shares - basic	59,883	59,921	59,893	59,889
Weighted average number of common share equivalents	7,292	7,496	7,266	7,373
Weighted average number of common shares and equiv. - diluted	67,175	67,417	67,159	67,262

EARNINGS PER SHARE CALCULATION

Net income	\$41,451	\$30,254	\$131,471	\$98,815
Add: Debenture interest, net of taxes	2,134	2,051	6,317	6,070
Adjusted net income	\$43,585	\$32,305	\$137,788	\$104,885
Weighted average number of common shares - basic	59,883	59,921	59,893	59,889
Add: Shares for conversion of convertible debentures	6,578	6,578	6,578	6,578
Other share equivalents	714	918	688	795
Weighted average number of common shares and equiv. - diluted	67,175	67,417	67,159	67,262
Earnings per common share - diluted	\$0.65	\$0.48	\$2.05	\$1.56

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

	September 30, 2002	December 31, 2001
Assets: □		
Cash and cash equivalents	\$15,794	\$22,848
Accounts receivable, net	472,316	418,083
Other current assets	114,743	107,331

Property, plant and equipment, net	1,154,252	1,031,205
Other assets	498,844	535,117
	\$2,255,949	\$2,114,584

Liabilities and Stockholders'

Equity: □

Current portion of long-term debt	\$3,495	\$2,436
Other current liabilities	357,577	320,280
Other noncurrent liabilities	130,087	110,385
Minority interest	133,303	125,914
Long-term debt	658,065	718,830
Deferred income taxes	26,501	28,839
Stockholders' equity	946,921	807,900
	\$2,255,949	\$2,114,584

Universal Health Services, Inc.
Supplemental Statistical Information
(unaudited) □

	% Change	% Change
	Quarter Ended	9 mos. ended
Same Store:	09/30/2002	09/30/2002

Acute Care Hospitals

Revenues	8.7%	9.4%
Adjusted Admissions	7.1%	4.3%
Adjusted Patient Days	5.5%	4.0%
Revenue Per Adjusted Admission	1.5%	4.8%
Revenue Per Adjusted Patient Day	3.0%	5.2%

Behavioral Health Hospitals

Revenues	6.8%	4.9%
Adjusted Admissions	5.8%	6.8%
Adjusted Patient Days	3.9%	4.8%
Revenue Per Adjusted Admission	1.0%	-1.8%
Revenue Per Adjusted Patient Day	2.7%	0.1%

UHS Consolidated

	Quarter Ended		Nine months Ended	
	09/30/2002	09/30/2001	09/30/2002	09/30/2001
Revenues	\$813,104	\$720,784	\$2,423,420	\$2,116,329
EBITDA (1)	\$104,261	\$90,060	\$323,938	\$280,277
EBITDA Margin (1)	12.8%	12.5%	13.4%	13.2%
Cash Flow From				
Operations	\$111,115	\$100,610	\$245,181	\$253,411
Days Sales Outstanding	53	52	53	52
Capital Expenditures	\$59,532	\$42,137	\$156,684	\$111,545
Debt (net of cash)	-	-	\$645,766	\$600,540
Shareholders Equity	-	-	\$946,921	\$799,212
Debt / Total Capitalization	-	-	40.5%	42.9%
Debt / EBITDA (2)	-	-	1.56	1.69
Debt / Cash From				
Operations (2)	-	-	2.23	2.15
Acute Care EBITDAR				
Margin (3)	16.6%	16.8%	17.2%	17.9%
Behavioral Health EBITDAR				
Margin (3)	19.2%	18.2%	20.0%	19.5%

- (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, 2002

AS REPORTED:

FOR THE THREE MONTHS ENDED

	ACUTE (1)			BEHAVIORAL HEALTH		
	9/30/02	9/30/01	%	9/30/02	9/30/01	%
Hospitals owned and leased	25	24	4.2%	37	37	0.0%
Average licensed beds	5,846	5,589	4.6%	3,749	3,744	0.1%
Patient days	304,497	275,838	10.4%	253,190	241,234	5.0%
Average daily census	3,309.8	2,998.2	10.4%	2,752.1	2,622.1	5.0%
Occupancy-licensed beds	56.6%	53.6%	5.5%	73.4%	70.0%	4.8%
Admissions	66,401	58,889	12.8%	21,542	20,251	6.4%
Length of stay	4.6	4.7	-2.1%	11.8	11.9	-1.3%
Inpatient revenue	\$1,270,856	\$983,820	29.2%	\$247,693	\$229,746	7.8%
Outpatient revenue	458,549	356,669	28.6%	34,420	33,787	1.9%
Total patient revenue	1,729,405	1,340,489	29.0%	282,113	263,533	7.1%
Other revenue	13,341	14,573	-8.5%	8,861	9,517	-6.9%
Gross hospital revenue	1,742,746	1,355,062	28.6%	290,974	273,050	6.6%
Total deductions	1,111,934	801,188	38.8%	150,576	139,271	8.1%
Net hospital revenue	\$630,812	\$553,874	13.9%	\$140,398	\$133,779	4.9%

SAME STORE:

FOR THE THREE MONTHS ENDED

	ACUTE (1) (2)			BEHAVIORAL HEALTH (3)		
	9/30/02	9/30/01	%	9/30/02	9/30/01	%
Hospitals owned and leased	23	24	-4.2%	37	37	0.0%
Average licensed beds	5,579	5,589	-0.2%	3,749	3,744	0.1%
Patient days	291,603	275,834	5.7%	253,193	241,224	5.0%
Average daily census	3,169.6	2,998.2	5.7%	2,752.1	2,622.0	5.0%
Occupancy-licensed beds	56.8%	53.6%	5.9%	73.4%	70.0%	4.8%
Admissions	63,524	58,889	7.9%	21,542	20,251	6.4%
Length of stay	4.6	4.7	-2.0%	11.8	11.9	-1.3%

(1) Does not include hospitals located in France.

(2) Central Montgomery and Lancaster are excluded in both current and prior years. Rancho Springs is included in the current and prior

year totals from February 1st through year to date. Inland Valley and Rancho Springs merged to become one entity called Southwest Health Care effective July 1, 2002.

(3) Pembroke, San Juan Capistrano and Westwood Lodge are included in current and prior years from February 1st through year to date.

UNIVERSAL HEALTH SERVICES, INC.
SELECTED HOSPITAL STATISTICS
SEPTEMBER 30, 2002

AS REPORTED:

FOR THE NINE MONTHS ENDED

	ACUTE (1)			BEHAVIORAL HEALTH		
	9/30/02	9/30/01	%	9/30/02	9/30/01	%
Hospitals owned and leased	25	24	4.2%	37	37	0.0%
Average licensed beds	5,846	5,487	6.5%	3,749	3,726	0.6%
Patient days	928,562	842,205	10.3%	757,174	718,329	5.4%
Average daily census	3,401.3	3,085.0	10.3%	2,773.5	2,631.2	5.4%
Occupancy- licensed beds	58.2%	56.2%	3.5%	74.0%	70.6%	4.8%
Admissions	198,866	178,005	11.7%	63,969	59,759	7.0%
Length of stay	4.7	4.7	-1.3%	11.8	12.0	-1.5%
Inpatient revenue	\$3,799,360	\$2,995,353	26.8%	\$738,327	\$690,261	7.0%
Outpatient revenue	1,339,967	1,061,926	26.2%	112,170	107,922	3.9%
Total patient revenue	5,139,327	4,057,279	26.7%	850,497	798,183	6.6%
Other revenue	44,744	42,059	6.4%	28,098	29,683	-5.3%
Gross hospital revenue	5,184,071	4,099,338	26.5%	878,595	827,866	6.1%
Total deductions	3,308,943	2,469,679	34.0%	452,653	421,356	7.4%
Net hospital revenue	\$1,875,128	\$1,629,659	15.1%	\$425,942	\$406,510	4.8%

SAME STORE:

FOR THE NINE MONTHS ENDED

	ACUTE (1) (2)			BEHAVIORAL HEALTH (3)		
	9/30/02	9/30/01	%	9/30/02	9/30/01	%
Hospitals owned and leased	23	24	-4.2%	37	37	0.0%
Average licensed beds	5,568	5,476	1.7%	3,711	3,700	0.3%
Patient days	886,185	841,331	5.3%	749,249	716,707	4.5%
Average daily						

census	3,246.1	3,081.8	5.3%	2,744.5	2,625.3	4.5%
Occupancy- <input type="checkbox"/>						
licensed beds	58.3%	56.3%	3.6%	74.0%	71.0%	4.2%
Admissions	189,387	177,680	6.6%	63,266	59,659	6.0%
Length of stay	4.7	4.7	-1.2%	11.8	12.0	-1.4%

- (1) Does not include hospitals located in France.
- (2) Central Montgomery and Lancaster are excluded in both current and prior years. Rancho Springs is included in the current and prior year totals from February 1st through year to date. Inland Valley and Rancho Springs merged to become one entity called Southwest Health Care effective July 1, 2002.
- (3) Pembroke, San Juan Capistrano and Westwood Lodge are included in current and prior years from February 1st through year to date.

Make Your Opinion Count - Click Here
<http://tbutton.prnewswire.com/prn/11690X25784738>

SOURCE Universal Health Services, Inc.

CONTACT: Kirk E. Gorman, Chief Financial Officer of Universal Health Services, +1-610-768-3300
 /Company News On-Call:
<http://www.prnewswire.com/gh/cnoc/comp/916225.html>

URL: <http://www.uhsinc.com>
<http://www.prnewswire.com>

Copyright (C) 2002 PR Newswire. All rights reserved.