



Universal Health Services, Inc.

Universal Health Services, Inc. Reports Second Quarter EPS Growth of 35%

July 17, 2002

KING OF PRUSSIA, Pa., Jul 17, 2002 /PRNewswire-FirstCall via COMTEX/ -- Universal Health Services, Inc. (NYSE: UHS) announced today that its net income and earnings per share (diluted) were \$44.3 million and \$.69 for the three month period ended June 30, 2002, and \$90.0 million and \$1.40 for the six month period ended June 30, 2002, respectively. These results represent a 35% increase in earnings per share (diluted) for the three month period and a 30% increase for the six month period ended June 30, 2002 over the comparable prior year periods. Revenues increased 12% to \$806 million in the three month period and by 15% to \$1.61 billion in the six month period ended June 30, 2002. At June 30, 2002, the Company's balance sheet debt, net of cash, was \$676 million and its shareholders' equity was \$899 million.

Patient admissions to the Company's hospitals continue to grow rapidly. For facilities owned in both the three month periods ended June 30, 2002 and June 30, 2001 admissions to the Company's acute care hospitals, excluding the hospitals located in France, increased 6.3% while admissions to the Company's behavioral health facilities owned in both periods increased 7.2%.

The Company's operating margin, defined as earnings before interest, tax, depreciation and amortization, rental, and minority interest expense was 16.0% in the three month period ended June 30, 2002, compared to 15.4% in the same period of the prior year. Operating margins for the Company's acute care hospitals owned in both the three month periods ended June 30, 2002 and June 30, 2001, increased to 17.8% from 17.5%. Operating margins for the Company's behavioral health hospitals owned in both periods increased to 20.9% from 20.3%. The Company's consolidated pre-tax income as a percentage of net revenue was 8.7% in the three month period ended June 30, 2002 compared to 7.1% in the same period of 2001, due to improvement in provision for doubtful accounts, interest expense, and depreciation and amortization expense.

The Company currently has five major acute care hospital construction projects, which will increase current bed capacity by approximately 12% by the end of 2003. These projects continue on schedule and on budget. The new 371- bed George Washington University Hospital will open for patient service on August 23, 2002. The 56-bed addition to Auburn Regional Medical Center will open in late December. Both the new 176-bed Spring Valley Medical Center in Las Vegas and the 90-bed expansion of Northwest Texas Hospital in Amarillo, Texas will open in the third quarter of 2003. 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 the 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 ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
Net revenues	\$805,945	\$718,596	\$1,610,316	\$1,395,545
Operating charges:				
Salaries, wages and benefits	321,595	282,278	641,302	550,560
Other operating expenses	198,296	169,876	390,192	320,782
Supplies expense	103,857	92,979	207,365	182,347
Provision for doubtful accounts	52,845	62,678	110,739	117,905
Depreciation and amortization	30,900	32,248	60,308	62,043

Lease and rental expense	15,290	13,470	30,480	26,110
Interest expense, net	8,153	10,506	17,117	18,962
	730,936	664,035	1,457,503	1,278,709
Income before minority interests, effect of foreign exchange and derivative transactions and income taxes	75,009	54,561	152,813	116,836
Minority interests in earnings of consolidated entities	4,688	3,699	10,561	7,624
Losses (gains) on foreign exchange and derivative transactions	249	(26)	15	1,401
Income before income taxes	70,072	50,888	142,237	107,811
Provision for income taxes	25,725	18,498	52,217	39,250
Net income	\$44,347	\$32,390	\$90,020	\$68,561
Earnings per common share - basic	\$0.74	\$0.54	\$1.50	\$1.15
Earnings per common share - diluted	\$0.69	\$0.51	\$1.40	\$1.08
Weighted average number of common shares - basic	59,934	59,918	59,898	59,873
Weighted average number of common share equivalents	7,320	7,306	7,253	7,313
Weighted average number of common shares and equiv. - diluted	67,254	67,224	67,151	67,186
EARNINGS PER SHARE CALCULATION				
Net income	\$44,347	\$32,390	\$90,020	\$68,561
Add: Debenture interest, net of taxes	2,091	2,049	4,183	4,019
Adjusted net income	\$46,438	\$34,439	\$94,203	\$72,580
Weighted average number of common shares - basic	59,934	59,918	59,898	59,873
Add: Shares for conversion of convertible debentures	6,578	6,578	6,578	6,578
Other share equivalents	742	728	675	735
Weighted average number of common shares and equiv. - diluted	67,254	67,224	67,151	67,186
Earnings per common share - diluted	\$0.69	\$0.51	\$1.40	\$1.08

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

June 30, December 31,
2002 2001

Assets: □

Cash and cash equivalents	\$14,820	\$22,848
Accounts receivable, net	464,987	418,083
Other current assets	128,653	107,331
Property, plant and equipment, net	1,127,685	1,031,205
Other assets	472,745	535,117
	\$2,208,890	\$2,114,584

Liabilities and Stockholders' Equity:

Current portion of long-term debt	\$2,641	\$2,436
Other current liabilities	344,124	320,280
Other noncurrent liabilities	119,366	110,385
Minority interest	127,862	125,914
Long-term debt	688,018	718,830
Deferred income taxes	27,471	28,839
Stockholders' equity	899,408	807,900
	\$2,208,890	\$2,114,584

UNIVERSAL HEALTH SERVICES, INC.
SELECTED HOSPITAL STATISTICS
FOR THE THREE MONTHS ENDED
JUNE 30, 2002

AS REPORTED:

	6/30/02	ACUTE (A) 6/30/01	%
Hospitals owned and leased	26	24	8.3%
Average licensed beds	5,846	5,475	6.8%
Patient days	300,761	279,070	7.8%
Average daily census	3,305.1	3,066.7	7.8%
Occupancy-licensed beds	56.5%	56.0%	0.9%
Admissions	65,605	59,001	11.2%
Length of stay	4.6	4.7	-3.1%
Inpatient revenue	\$1,242,178	\$993,180	25.1%
Outpatient revenue	456,875	363,231	25.8%
Total patient revenue	1,699,053	1,356,411	25.3%
Other revenue	16,187	14,054	15.2%
Gross hospital revenue	1,715,240	1,370,465	25.2%
Total deductions	1,094,852	823,257	33.0%
Net hospital revenue	\$620,388	\$547,208	13.4%

UNIVERSAL HEALTH SERVICES, INC.
SELECTED HOSPITAL STATISTICS
FOR THE THREE MONTHS ENDED
JUNE 30, 2002

AS REPORTED:

	6/30/02	BEHAVIORAL HEALTH 6/30/01	%
Hospitals owned and leased	37	37	0.0%
Average licensed beds	3,749	3,735	0.4%
Patient days	255,016	244,080	4.5%
Average daily census	2,802.4	2,682.2	4.5%
Occupancy-licensed beds	74.7%	71.8%	4.1%
Admissions	21,176	19,760	7.2%
Length of stay	12.0	12.4	-2.5%
Inpatient revenue	\$248,255	\$232,652	6.7%
Outpatient revenue	39,450	38,111	3.5%
Total patient revenue	287,705	270,763	6.3%

Other revenue	9,495	10,160	-6.5%
Gross hospital revenue	297,200	280,923	5.8%
Total deductions	153,777	140,770	9.2%
Net hospital revenue	\$143,423	\$140,153	2.3%

SAME STORE:

	ACUTE (A) (B)			BEHAVIORAL HEALTH (C)		
	6/30/02	6/30/01	%	6/30/02	6/30/01	%
Hospitals owned and leased	24	24	0.0%	37	37	0.0%
Average licensed beds	5,579	5,475	1.9%	3,749	3,735	0.4%
Patient days	287,851	279,079	3.1%	255,018	244,080	4.5%
Average daily census	3,163.2	3,066.8	3.1%	2,802.4	2,682.2	4.5%
Occupancy-licensed beds	56.7%	56.0%	1.2%	74.8%	71.8%	4.1%
Admissions	62,704	59,001	6.3%	21,176	19,760	7.2%
Length of stay	4.6	4.7	-2.9%	12.0	12.4	-2.5%

- (A) Does not include hospitals located in France.
- (B) Central Montgomery and Lancaster are excluded in both current and prior years. Rancho Springs is included in both current and prior year from February 1st through year to date.
- (C) Westwood Lodge, Pembroke, San Juan Capistrano and the facilities acquired from Charter are included in both the current and prior year from February 1st through year to date.

UNIVERSAL HEALTH SERVICES, INC.
SELECTED HOSPITAL STATISTICS
FOR THE SIX MONTHS ENDED
JUNE 30, 2002

AS REPORTED:	ACUTE (A)		
	6/30/02	6/30/01	%
Hospitals owned and leased	26	24	8.3%
Average licensed beds	5,846	5,436	7.5%
Patient days	624,065	566,367	10.2%
Average daily census	3,447.9	3,129.1	10.2%
Occupancy-licensed beds	59.0%	57.6%	2.5%
Admissions	132,465	119,116	11.2%
Length of stay	4.7	4.8	-0.9%
Inpatient revenue	\$2,528,504	\$2,011,533	25.7%
Outpatient revenue	881,418	705,257	25.0%
Total patient revenue	3,409,922	2,716,790	25.5%
Other revenue	31,403	27,486	14.3%
Gross hospital revenue	3,441,325	2,744,276	25.4%
Total deductions	2,197,009	1,668,491	31.7%
Net hospital revenue	\$1,244,316	\$1,075,785	15.7%

UNIVERSAL HEALTH SERVICES, INC.
SELECTED HOSPITAL STATISTICS
FOR THE SIX MONTHS ENDED
JUNE 30, 2002

AS REPORTED:	BEHAVIORAL HEALTH		
	6/30/02	6/30/01	%
Hospitals owned and leased	37	37	0.0%
Average licensed beds	3,749	3,717	0.9%
Patient days	503,984	477,095	5.6%
Average daily census	2,784.4	2,635.9	5.6%
Occupancy-licensed beds	74.3%	70.9%	4.7%
Admissions	42,427	39,508	7.4%
Length of stay	11.9	12.1	-1.6%
Inpatient revenue	\$490,634	\$460,515	6.5%
Outpatient revenue	77,750	74,135	4.9%
Total patient revenue	568,384	534,650	6.3%
Other revenue	19,237	20,166	-4.6%
Gross hospital revenue	587,621	554,816	5.9%
Total deductions	302,077	282,085	7.1%
Net hospital revenue	\$285,544	\$272,731	4.7%

SAME STORE:

	ACUTE (A) (B)			BEHAVIORAL HEALTH (C)		
	6/30/02	6/30/01	%	6/30/02	6/30/01	%
Hospitals owned and leased	24	24	0.0%	37	37	0.0%
Average licensed beds	5,563	5,420	2.6%	3,692	3,678	0.4%
Patient days	594,567	565,480	5.1%	496,085	475,505	4.3%
Average daily census	3,284.9	3,124.2	5.1%	2,740.8	2,627.1	4.3%
Occupancy-licensed beds	59.0%	57.6%	2.4%	74.2%	71.4%	3.9%
Admissions	125,863	118,791	6.0%	41,724	39,408	5.9%
Length of stay	4.7	4.8	-0.8%	11.9	12.1	-1.5%

- (A) Does not include hospitals located in France.
- (B) Central Montgomery and Lancaster are excluded in both current and prior years. Rancho Springs is included in both current and prior year from February 1st through year to date.
- (C) Westwood Lodge, Pembroke, San Juan Capistrano and the facilities acquired from Charter are included in both the current and prior year from February 1st through year to date.

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

Same Store:	% Change	% Change
	Quarter Ended 06/30/2002	6 mos. ended 06/30/2002
Acute Care Hospitals		
Revenues	8.0%	9.7%
Adjusted Admissions	6.6%	5.6%
Adjusted Patient Days	4.0%	5.2%
Revenue Per Adjusted Admission	1.3%	3.9%
Revenue Per Adjusted Patient Day	3.9%	4.3%

Behavioral Health Hospitals

Revenues		2.3%	3.1%
Adjusted Admissions		6.3%	4.9%
Adjusted Patient Days		3.2%	3.0%
Revenue Per Adjusted Admission		-3.7%	-1.7%
Revenue Per Adjusted Patient Day		-0.9%	0.1%

UHS Consolidated	First Quarter Ended		Six months Ended	
	06/30/2002	06/30/2001	06/30/2002	06/30/2001
Revenues	\$805,945	\$718,596	\$1,610,316	\$1,395,545
EBITDA (A)	\$109,374	\$93,616	\$219,677	\$190,217
EBITDA Margin (A)	13.6%	13.0%	13.6%	13.6%
Cash Flow From Operations	\$72,600	\$84,147	\$134,066	\$152,801
Days Sales Outstanding	53	51	52	53
Capital Expenditures	\$56,441	\$38,854	\$97,152	\$69,408
Debt (net of cash)	-	-	\$675,839	\$640,112
Shareholders Equity	-	-	\$899,408	\$782,456
Debt / Total Capitalization	-	-	42.9%	45.0%
Debt / EBITDA (B)	-	-	1.69	1.91
Debt / Cash From Operations (B)	-	-	2.42	2.77
Acute Care EBITDAR Margin (C)	17.5%	17.5%	17.5%	18.5%
Behavioral Health EBITDAR Margin (C)	20.9%	20.3%	20.5%	20.0%

(A) Net of Minority Interest

(B) Latest 4 quarters

(C) Before Corporate overhead allocation and minority interest

MAKE YOUR OPINION COUNT - Click Here
<http://tbutton.prnewswire.com/prn/11690X85330641> □

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.