

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

October 26, 2005
Date of Report (date of earliest event reported)

COMMUNITY HEALTH SYSTEMS, INC.

(Exact name of Registrant as specified in charter)

Delaware	001-15925	13-3893191
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

155 Franklin Road, Suite 400
Brentwood, Tennessee 37027
(Address of principal executive offices)
Registrant's telephone number, including area code: (615) 373-9600

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))
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The information contained in this Form 8-K (including the exhibits hereto) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

ITEM 2.02 Results of Operations and Financial Condition

On October 26, 2005, Community Health Systems, Inc. (the “Company”), announced operating results for the third quarter and nine months ended September 30, 2005. A copy of the related press release is attached as Exhibit 99.1 to this Form 8-K.

ITEM 7.01 Regulation FD Disclosure

The earnings press release referred to in item 2.02 above also includes an update to the Company’s previous 2005 guidance and includes the Company’s initial 2006 guidance. A copy of the related press release is attached as Exhibit 99.1 to this Form 8-K.

ITEM 9.01 Financial Statements and Exhibits

Exhibits

The following exhibit is furnished herewith:

99.1 Community Health Systems, Inc. Press Release dated October 26, 2005.

SIGNATURES

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 thereunto duly authorized.

Date: October 26, 2005

COMMUNITY HEALTH SYSTEMS, INC.
(Registrant)

By: /s/ Wayne T. Smith
Wayne T. Smith
Chairman of the Board,
President and Chief Executive Officer
(principal executive officer)

By: /s/ W. Larry Cash
W. Larry Cash
Executive Vice President, Chief Financial
Officer and Director
(principal financial officer)

By: /s/ T. Mark Buford
T. Mark Buford
Vice President and Corporate Controller
(principal accounting officer)

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Index to Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated October 26, 2005

(COMMUNITY HEALTH SYSTEMS, INC. LOGO)

Investor Contact: W. Larry Cash
Executive Vice President
and Chief Financial Officer
(615) 373-9600

COMMUNITY HEALTH SYSTEMS, INC. ANNOUNCES
THIRD QUARTER 2005 RESULTS WITH NET OPERATING REVENUES UP 14.5%

BRENTWOOD, TN. (October 26, 2005) -- Community Health Systems, Inc. (NYSE: CYH) today announced financial and operating results for the third quarter and nine months ended September 30, 2005.

Net operating revenues for the third quarter ended September 30, 2005, totaled \$929.3 million, a 14.5% increase compared with \$811.8 million for the same period last year. Income from continuing operations increased 13.4% to \$44.1 million for the quarter ended September 30, 2005, compared with \$38.9 million for the same period last year. Income from continuing operations per share (diluted) increased 23.7% to \$0.47 on 98.5 million weighted average shares outstanding for the quarter ended September 30, 2005, compared with \$0.38 on 107.9 million weighted average shares outstanding for the same period last year. Net income increased 33.9% to \$42.9 million for the quarter ended September 30, 2005, compared with \$32.0 million for the same period last year. Net income per share (diluted) increased 43.8% to \$0.46 for the quarter ended September 30, 2005, compared to \$0.32 for the same period last year. Loss on discontinued operations for the quarter ended September 30, 2005, consists of an after-tax loss of approximately \$1.2 million, approximately \$0.01 per share (diluted), related to the operations from one hospital designated during the second quarter of 2005 as being held-for-sale. Refer to pages 3 and 4 for "Financial Highlights."

Adjusted EBITDA for the third quarter of 2005 was \$137.5 million, compared with \$120.6 million for the same period last year, representing a 14.1% increase. Adjusted EBITDA is EBITDA adjusted to exclude discontinued operations and minority interest in earnings. The Company uses adjusted EBITDA as a measure of liquidity. Net cash provided by operating activities for the third quarter of 2005 was \$59.4 million, compared with \$57.2 million for the same period last year, an increase of 3.8%.

The consolidated financial results for the third quarter ended September 30, 2005, reflect a 7.6% increase in total admissions compared with the same period last year. On a same-store basis, admissions increased 2.3% and adjusted admissions increased 2.6% compared with the same period last year. On a same-store basis, net operating revenues increased 8.6%, compared with the same period last year.

The series of hurricanes in the Texas, Louisiana and Gulf Coast regions did not materially impact the volumes and operating results of the Company.

Net operating revenues for the nine months ended September 30, 2005, totaled \$2.756 billion, compared with \$2.363 billion for the same period last year, a 16.6% increase, again demonstrating the Company's successful integration of acquisitions over the last several years. Income from continuing operations increased 16.2% to \$139.3 million or \$1.48 per share (diluted), on 98.6 million weighted average shares outstanding for the nine months ended September 30, 2005, compared with \$119.9 million, or \$1.16 per share (diluted) on 108.7 million weighted average shares outstanding, for the same period last year.

Loss on discontinued operations for the nine months ended September 30, 2005, consists of an after-tax loss of approximately \$19.9 million, or \$0.20 per share (diluted), related to the sale of four hospitals during the first quarter of 2005, one of which was designated as being held-for-sale at December 31, 2004, the termination of one hospital's lease during the first quarter of 2005 and an impairment write-down related to the designation of one additional hospital as being held-for-sale during the second quarter of 2005. Net income increased 7.4% to \$119.4 million, or \$1.28 per share (diluted), for the nine months ended September 30, 2005, compared with \$111.2 million, or \$1.08 per share (diluted) for the same period last year.

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October 26, 2005

Adjusted EBITDA for the nine months ended September 30, 2005, was \$421.4 million, compared with \$363.6 million for the same period last year, a 15.9% increase. Net cash provided by operating activities for the nine months ended September 30, 2005, was \$335.8 million, compared with \$263.2 million for the same period last year, an increase of 27.6%.

The consolidated financial results for the nine months ended September 30, 2005, reflect a 9.0% increase in total admissions compared with the same period last year. On a same-store basis, admissions increased 2.3%, adjusted admissions increased 2.2%, and net operating revenues increased 8.9%, compared with the same period last year.

Commenting on the results, Wayne T. Smith, chairman, president and chief executive officer of Community Health Systems, stated, "Community Health Systems' operating strategy and focus on quality care continued to deliver outstanding results in the third quarter of 2005. The solid year-over-year gains in revenues and higher patient volumes reflect our consistent ability to improve operating efficiencies, introduce new services and technologies, and actively recruit qualified physicians. Our same-store growth metrics for the third quarter clearly demonstrate the strength of our operating model. We believe that we are well positioned to continue to leverage this model and execute our growth strategy through a combination of market share opportunities and acquisitions. Clearly, Community Health Systems is building momentum and we remain very enthusiastic about our prospects for the remainder of 2005."

On September 30, 2005, the Company acquired the assets of Newport Hospital and Clinic, an 83-bed acute care general hospital in Newport, Arkansas, which was closed by its former owner simultaneous with this transaction. The operations of this hospital will be consolidated with Harris Hospital, also located in Newport, which is owned and operated by a subsidiary of Community Health Systems. By entering into this transaction, the Company becomes the sole provider of acute care hospital services in the Newport market.

On October 1, 2005, the Company completed the acquisitions of Bradley Memorial Hospital, a 251-bed acute care general hospital located in Cleveland, Tennessee, and Sunbury Community Hospital, a 123-bed acute care general hospital in Sunbury, Pennsylvania. A subsidiary of the Company currently operates a smaller hospital, Cleveland Community Hospital, in the same market as Bradley Memorial Hospital. By acquiring Bradley Memorial Hospital, the Company becomes the sole provider of acute care hospital services in the Cleveland, Tennessee, market.

"Our successful acquisition strategy has and will continue to provide substantial growth opportunities for Community Health Systems," added Smith. "We have consistently demonstrated an ability to selectively acquire new hospitals and improve both services and operational efficiencies in ways that not only enhance their financial performance, but enable them to more effectively provide healthcare services in their respective communities. Our recognition in the marketplace as the acquirer of choice has allowed us to continue a steady pace of growth in acquisitions. Furthermore, we believe there are additional opportunities to expand our portfolio as more hospitals look beyond their own communities for a proven operator who will enable them to deliver a higher standard of care. We believe our proven track record is the best indicator for our future success, and we will continue to balance our operating strategy to build better communities with our objective to build shareholder value."

Included on pages 10, 11 and 12 of this press release is a table setting forth selected information concerning the updated projected consolidated operating results of the Company for the year ending December 31, 2005, and the Company's initial projected consolidated operating results for the year ending December 31, 2006.

Located in the Nashville, Tennessee, suburb of Brentwood, Community Health Systems, Inc. is a leading operator of general acute care hospitals in non-urban communities throughout the country. Through its subsidiaries, the Company currently owns, leases or operates 71 hospitals in 21 states. Its hospitals offer a broad range of inpatient medical and surgical services, outpatient treatment and skilled nursing care. Shares in Community Health Systems, Inc. are traded on the New York Stock Exchange under the symbol "CYH".

Community Health Systems, Inc. will hold a conference call to discuss this press release on Thursday, October 27, 2005, at 10:30 a.m. Central, 11:30 a.m. Eastern. Investors will have the opportunity to listen to a live Internet broadcast of the conference call by clicking on the Investor Relations link of the Company's website at www.chs.net, or at www.fulldisclosures.com. To listen to the live call, please go to the website at least fifteen minutes early to register, download, and install any necessary audio software. For those who cannot listen to the live broadcast, a replay will be available shortly after the call and continue through November 29, 2005. A copy of the Company's Form

8-K (including this press release) and conference call slide show will also be available on the Company's website at www.chs.net.

Statements contained in this news release regarding expected operating results, acquisition transactions and other events are forward-looking statements that involve risk and uncertainties. Actual future events or results may differ materially from these statements. Readers are referred to the documents filed by Community Health Systems, Inc. with the Securities and Exchange Commission, including the Company's annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. These filings identify important risk factors and other uncertainties that could cause actual results to differ from those contained in the forward-looking statements.

The Company undertakes 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.

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COMMUNITY HEALTH SYSTEMS, INC.
FINANCIAL HIGHLIGHTS
(Unaudited)
(In thousands, except per share amounts)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2005	2004 (a)	2005	2004 (a)
Net operating revenues	\$929,269	\$811,815	\$2,756,250	\$2,362,882
Adjusted EBITDA (b)	\$137,497	\$120,553	\$ 421,431	\$ 363,551
Income from continuing operations	\$ 44,066	\$ 38,873	\$ 139,295	\$ 119,876
Net income	\$ 42,886	\$ 32,039	\$ 119,402	\$ 111,204
Income from continuing operations per share-basic	\$ 0.50	\$ 0.40	\$ 1.57	\$ 1.22
Income from continuing operations per share-diluted	\$ 0.47	\$ 0.38	\$ 1.48	\$ 1.16
Net income per share - basic	\$ 0.49	\$ 0.33	\$ 1.35	\$ 1.13
Net income per share - diluted	\$ 0.46	\$ 0.32	\$ 1.28	\$ 1.08
Weighted average number of shares outstanding - basic	88,325	97,795	88,463	98,430
Weighted average number of shares outstanding - diluted	98,529(c)	107,870(c)	98,644(c)	108,666(c)
Net cash provided by operating activities	\$ 59,367	\$ 57,189	\$ 335,763	\$ 263,174

(a) Pursuant to SFAS No. 144, the Company has restated its third quarter and nine months ended September 30, 2004, financial statements and statistical results to reflect the reclassification as discontinued operations, the sale of four hospitals during the first quarter of 2005, one of which was designated as being held-for-sale at December 31, 2004, the termination of one hospital's lease during the first quarter of 2005, and the addition of one hospital as being held-for-sale during the second quarter of 2005. Two hospitals were previously classified as discontinued operations in 2004.

(b) EBITDA consists of income before interest, income taxes, and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted to exclude discontinued operations and minority interest in earnings. The Company has from time to time sold minority interests in certain of its subsidiaries or acquired subsidiaries with existing minority interest ownership positions. The Company believes that it is useful to present adjusted EBITDA because it excludes the portion of EBITDA attributable to these third party interests and clarifies for investors the Company's portion of EBITDA generated by continuing operations. The Company uses adjusted EBITDA as a measure of liquidity. The Company has included this measure because the Company believes it provides investors with additional information about its ability to incur and service debt and make capital expenditures. Adjusted EBITDA is the basis for a key component in the determination of the Company's compliance with some of the covenants under its senior secured credit facility, as well as to determine the interest rate and commitment fee payable under the senior secured credit facility.

Adjusted EBITDA is not a measurement of financial performance or liquidity under generally accepted accounting principles. It should not be considered in isolation or as a substitute for net income, operating income, cash flows from operating, investing or financing activities, or any other measure calculated in accordance with generally accepted accounting principles. The items excluded from adjusted EBITDA are significant components in understanding and evaluating financial performance and liquidity. The Company's calculation of adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

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The following table reconciles adjusted EBITDA, as defined, to net cash provided by operating activities as derived directly from the Company's consolidated financial statements for the three months and nine months ended September 30, 2005, and 2004 (in thousands):

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2005	2004	2005	2004
Adjusted EBITDA	\$137,497	\$120,553	\$421,431	\$363,551
Interest expense, net	(24,170)	(18,509)	(69,963)	(54,319)
Provision for income taxes	(28,056)	(24,669)	(88,684)	(77,454)
(Loss) Income from operations of hospitals sold or held for sale	(1,180)	(3,189)	(7,804)	(5,027)
Depreciation and amortization of discontinued operations	--	2,552	1,600	5,661
Other non-cash expenses, net	1,813	1,023	3,286	934
Net changes in operating assets and liabilities, net of effects of acquisitions	(26,537)	(20,572)	75,897	29,828
Net cash provided by operating activities	\$ 59,367	\$ 57,189	\$335,763	\$263,174

(c) Adjusted to include assumed exercise of employee stock options and assumed conversion of convertible notes. Since the income per share impact of the conversion of the convertible notes is less than the basic income per share for both periods presented, the convertible notes are dilutive and accordingly must be included in the fully diluted calculation (after tax interest savings of \$2.2 million per quarter and 8.6 million shares added to the calculation of fully diluted earnings per share).

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COMMUNITY HEALTH SYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share amounts)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2005	2004	2005	2004
Net operating revenues	\$929,269	\$811,815	\$2,756,250	\$2,362,882
Operating expenses:				
Salaries and benefits	371,881	324,443	1,097,211	945,372
Provision for bad debts	92,980	83,520	277,613	239,737
Supplies	110,481	100,135	333,566	286,776
Other operating expenses	216,430	183,164	626,429	527,446
Depreciation and amortization	40,490	37,373	120,770	109,419
Minority interests in earnings	715	341	2,719	1,695
Total expenses	832,977	728,976	2,458,308	2,110,445
Income from operations	96,292	82,839	297,942	252,437
Interest expense, net	24,170	18,509	69,963	54,319
Loss from early extinguishment of debt	--	788	--	788
Income from continuing operations before income taxes	72,122	63,542	227,979	197,330
Provision for income taxes	28,056	24,669	88,684	77,454
Income from continuing operations	44,066	38,873	139,295	119,876
Discontinued operations, net of taxes;				
Loss from operations of hospitals sold or held for sale	(1,180)	(3,189)	(7,804)	(5,027)
Net loss on sale of hospitals	--	(3,645)	(7,618)	(3,645)
Impairment of long-lived assets of hospital held for sale	--	--	(4,471)	--
Loss on discontinued operations	(1,180)	(6,834)	(19,893)	(8,672)
Net income	\$ 42,886	\$ 32,039	\$ 119,402	\$ 111,204
Income from continuing operations per share-basic	\$ 0.50	\$ 0.40	\$ 1.57	\$ 1.22
Income from continuing operations per share-diluted	\$ 0.47	\$ 0.38	\$ 1.48	\$ 1.16
Net income per share - basic	\$ 0.49	\$ 0.33	\$ 1.35	\$ 1.13
Net income per share - diluted	\$ 0.46	\$ 0.32	\$ 1.28	\$ 1.08
Weighted average number of shares outstanding:				
Basic	88,325	97,795	88,463	98,430
Diluted	98,529	107,870	98,644	108,666
Net income per share calculation:				
Net income	\$ 42,886	\$ 32,039	\$ 119,402	\$ 111,204
Add - Convertible notes interest, net of taxes	2,189	2,189	6,567	6,567
Adjusted net income	\$ 45,075	\$ 34,228	\$ 125,969	\$ 117,771
Weighted average number of shares outstanding - basic	88,325	97,795	88,463	98,430
Add effect of dilutive securities:				
Unvested common shares	--	23	--	23
Employee stock options	1,622	1,470	1,599	1,631
Convertible notes	8,582	8,582	8,582	8,582
Weighted average number of shares outstanding - diluted	98,529	107,870	98,644	108,666

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October 26, 2005

COMMUNITY HEALTH SYSTEMS, INC.
SELECTED OPERATING DATA
(Unaudited)
(\$ in thousands)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,					
	CONSOLIDATED			SAME-STORE		
	2005	2004	% CHANGE	2005	2004	% CHANGE
Number of hospitals	68	66		66	66	
Licensed beds	7,684	7,441		7,358	7,441	
Beds in service	6,239	6,054		5,991	6,054	
Admissions	71,337	66,269	7.6%	67,826	66,269	2.3%
Adjusted admissions	134,952	125,047	7.9%	128,300	125,047	2.6%
Patient days	286,340	266,735	7.3%	270,787	266,735	1.5%
Average length of stay (days)	4.0	4.0		4.0	4.0	
Occupancy rate (average beds in service)	50.0%	48.3%		49.6%	48.3%	
Net operating revenues	\$929,269	\$811,815	14.5%	\$881,083	\$811,265	8.6%
Net inpatient revenue as a % of total net operating revenues	50.2%	49.6%		50.0%	49.7%	
Net outpatient revenue as a % of total net operating revenues	48.5%	49.1%		48.6%	49.1%	
Income from operations	\$ 96,292	\$ 82,839	16.2%	\$ 94,634	\$ 83,023	14.0%
Income from operations as a % of net operating revenues	10.4%	10.2%		10.7%	10.2%	
Depreciation and amortization	\$ 40,490	\$ 37,373		\$ 39,248	\$ 37,289	
Minority interest in earnings	\$ 715	\$ 341		\$ 759	\$ 341	
Liquidity Data:						
Adjusted EBITDA	\$137,497	\$120,553	14.1%			
Adjusted EBITDA as a % of net operating revenues	14.8%	14.8%				
Net cash provided by operating activities	\$ 59,367	\$ 57,189				
Net cash provided by operating activities as a % of net operating revenue	6.4%	7.0%				

Continuing operating results and statistical data exclude discontinued operations for all periods presented.

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October 26, 2005

COMMUNITY HEALTH SYSTEMS, INC.
SELECTED OPERATING DATA
(Unaudited)
(\$ in thousands)

FOR THE NINE MONTHS ENDED SEPTEMBER 30,

	CONSOLIDATED			SAME-STORE		
	2005	2004	% CHANGE	2005	2004	%CHANGE
Number of hospitals	68	66		66	66	
Licensed beds	7,684	7,441		7,358	7,441	
Beds in service	6,239	6,054		5,991	6,054	
Admissions	217,671	199,623	9.0%	204,122	199,623	2.3%
Adjusted admissions	402,274	368,237	9.2%	376,295	368,237	2.2%
Patient days	899,159	816,182	10.2%	838,249	816,182	2.7%
Average length of stay (days)	4.1	4.1		4.1	4.1	
Occupancy rate (average beds in service)	53.5%	51.5%		53.3%	51.5%	
Net operating revenues	\$2,756,250	\$2,362,882	16.6%	\$2,568,205	\$2,358,609	8.9%
Net inpatient revenue as a % of total net operating revenues	50.8%	50.4%		51.0%	50.5%	
Net outpatient revenue as a % of total net operating revenues	47.9%	48.2%		47.9%	48.3%	
Income from operations	\$ 297,942	\$ 252,437	18.0%	\$ 288,222	\$ 251,324	14.7%
Income from operations as a % of net operating revenues	10.8%	10.7%		11.2%	10.7%	
Depreciation and amortization	\$ 120,770	\$ 109,419		\$ 114,445	\$ 109,177	
Minority interest in earnings	\$ 2,719	\$ 1,695		\$ 2,369	\$ 1,695	
Liquidity Data:						
Adjusted EBITDA	\$ 421,431	\$ 363,551	15.9%			
Adjusted EBITDA as a % of net operating revenues	15.3%	15.4%				
Net cash provided by operating activities	\$ 335,763	\$ 263,174				
Net cash provided by operating activities as a % of net operating revenue	12.2%	11.1%				

Continuing operating results and statistical data exclude discontinued operations for all periods presented.

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October 26, 2005

COMMUNITY HEALTH SYSTEMS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(\$ in thousands)

	SEPTEMBER 30, 2005	DECEMBER 31, 2004
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 184,280	\$ 82,498
Patient accounts receivable, net	629,862	597,261
Other current assets	146,649	135,690
	-----	-----
TOTAL CURRENT ASSETS	960,791	815,449
	-----	-----
Property and equipment	1,984,274	1,924,843
Less accumulated depreciation and amortization	(484,584)	(440,295)
	-----	-----
Property and equipment, net	1,499,690	1,484,548
	-----	-----
Goodwill, net	1,236,623	1,213,783
	-----	-----
Other assets, net	146,979	118,828
	-----	-----
TOTAL ASSETS	\$3,844,083	\$3,632,608
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 22,790	\$ 26,867
Accounts payable and accrued liabilities	417,544	335,492
	-----	-----
TOTAL CURRENT LIABILITIES	440,334	362,359
	-----	-----
Long-term debt	1,787,293	1,804,868
	-----	-----
Other long-term liabilities	265,617	225,390
	-----	-----
Stockholders' equity	1,350,839	1,239,991
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$3,844,083	\$3,632,608
	=====	=====

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October 26, 2005

COMMUNITY HEALTH SYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(\$ in thousands)

	NINE MONTHS ENDED SEPTEMBER 30,	
	2005	2004
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 119,402	\$ 111,204
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	122,370	116,776
Minority interest in earnings	2,719	1,088
Other non-cash expenses, net	16,298	5,367
Net changes in operating assets and liabilities, net of effects of acquisitions	74,974	28,739
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	335,763	263,174
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of facilities and other related equipment	(60,953)	(131,815)
Proceeds from sale of facilities	51,998	7,850
Purchases of property and equipment, net	(130,671)	(124,138)
Increase in other assets	(29,840)	(23,576)
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	(169,466)	(271,679)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of stock options	40,146	4,071
Stock repurchase	(79,853)	(290,481)
Deferred financing costs	(1,122)	(4,669)
Redemption of minority investments in joint ventures	(317)	(2,218)
Distribution to minority investors in joint ventures	(1,487)	(998)
Proceeds from sale of minority investments in joint ventures	1,383	--
Borrowing under credit agreement	(9,000)	1,632,911
Repayments of long-term indebtedness	(14,265)	(1,326,490)
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	(64,515)	12,126
	-----	-----
NET CHANGE IN CASH AND CASH EQUIVALENTS	101,782	3,621
	-----	-----
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	82,498	16,331
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 184,280	\$ 19,952
	=====	=====

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October 26, 2005

REGULATION FD DISCLOSURE

The following table sets forth selected information concerning the updated projected consolidated operating results of the Company for the year ended December 31, 2005, and the Company's initial projected consolidating operating results for the year ending December 31, 2006. These projections are based on the Company's historical operating performance, current trends and other assumptions that the Company believes are reasonable at this time. The revision to the Company's previous guidance provided on July 28, 2005, reflects the solid performance above guidance in the third quarter of 2005.

The following is provided as guidance to analysts and investors:

	2005 Projection Range	2006 Projection Range
	-----	-----
Net operating revenues (in millions)	\$3,700 to \$3,725	\$4,150 to \$4,200
Adjusted EBITDA (in millions)	\$560 to \$570 (a)	\$635 to \$655 (a)
Income from continuing operations per share - diluted	\$1.95 to \$1.98 (b)	\$2.22 to \$2.30 (b)(c)
Income from continuing operations per share - diluted - Including all equity-based compensation expense	\$1.84 to \$1.87 (c)	\$2.14 to \$2.18
Same hospitals annual admissions growth	1.5% to 3.0%	1.5% to 3.0%
Weighted average diluted shares (in millions)	99 to 100(b)	99 to 100 (b)
Acquisitions of new hospitals	5	2 to 4
Income from Continuing Operations Per Share - Diluted Estimated by Quarter: 4th quarter ending December 31, 2005	\$0.47 to \$0.51	

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For Footnotes (a), (b) and (c) see page 11.

The following assumptions were used in developing the guidance provided above:

- - For comparative purposes, the 2005 projected income from continuing operations per share - diluted - including all equity-based compensation expense of \$1.84 to \$1.87, includes the pro-forma after tax impact of all equity-based compensation expense as if Statement of Financial Accounting Standards ("SFAS") No. 123 was adopted and reflected in the Company's reported earnings for 2005, as disclosed in the Company's footnotes to the financial statements.
- - The 2006 projected income from continuing operations per share - diluted - including all equity-based compensation expense of \$2.14 to \$2.18, includes the after tax impact related to the adoption, on January 1, 2006, of SFAS No. 123R. The 2006 projection ranges also include an estimate for anticipated 2006 equity-based awards of new restricted shares and stock options. Compensation expense for equity-based awards will vary depending on many factors, including the number of awards and the variables used to determine the fair value of those awards at the date of the grant. Adjusted EBITDA for 2006 as shown above does not take into account the pre-tax impact of the projected equity-based compensation expense.
- - Expressed as a percentage of net operating revenue, provision for bad debts is projected to be approximately 10.2% to 10.5% for 2005 and 2006.
- - Capital expenditures are as follows (in millions):

	Actual 2004	Guidance 2005	Guidance 2006
	-----	-----	-----
Total	\$164	\$190 to \$200	\$240 to \$260

- - Expressed as a percent of net operating revenues, total depreciation and amortization is projected to be approximately 4.3% to 4.6% for 2005 and 4.2% to 4.6% for 2006; however, this is a fixed cost and the percentages may vary as revenue varies.

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- - Expressed as a percentage of income before income taxes, provision for income tax is projected to be approximately 38.5% to 39.0% for 2005 and 2006.
- - The Company is exposed to London Inter-Bank Offer Rate ("LIBOR") based interest rates, which have been increasing over the past two years. The following is a summary of the three-month LIBOR rates at various dates:

December 31, 2003	1.15188%
December 31, 2004	2.56438%
September 30, 2005	4.06500%

To partially offset the rise in LIBOR rates, the Company is currently a party to nine separate interest swap agreements to limit the effect of changes in interest rates on a portion of the Company's long-term borrowings. On each of the swaps, the Company receives a variable rate of interest based on the three-month LIBOR, in exchange for the payment by the Company of a fixed rate of interest. Currently, the Company pays on a quarterly basis a margin above LIBOR of 175 basis points for revolver loans and term loans under the senior secured credit facility. The details of these interest swap agreements are discussed in the Forms 10-Q previously filed by the Company. For the purpose of providing 2006 projection range guidance, the Company has assumed that future LIBOR rates for borrowings under the Company's \$1.625 billion Senior Secured Credit Facility will increase based on market quotations of the forward yield curve and other economic forecasts.

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Footnotes from page 10

(a) The following table reconciles adjusted EBITDA, as defined, to the Company's estimated net cash provided by operating activities as presented in the above guidance:

	2005 Projection Range (in millions)		2006 Projection Range (in millions)	
	-----	-----	-----	-----
Adjusted EBITDA	\$ 560*	\$ 570*	\$ 635*	\$ 655*
Taxes and interest expense	(209)	(215)	(230)	(246)
Other non-cash expenses and net changes in operating assets and liabilities	14	25	20	36
	-----	-----	-----	-----
Net cash provided by operating activities	\$ 365	\$ 380	\$ 425	\$ 445
	=====	=====	=====	=====

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* Excludes stock option compensation expense.

(b) For purposes of calculating earnings per share the Company's convertible notes are dilutive in 2005 and are assumed to be dilutive in 2006. Accordingly, the Company has applied the if-converted method with after-tax interest savings of \$8.7 million and 8.6 million shares added to the calculation of fully diluted earnings per share. Effective October 15, 2005, the Company has the right to redeem this convertible issue. The number of shares needed to fully satisfy the noteholders' conversion option is included in fully diluted shares. If the Company exercises the optional redemption right there would be no impact on earnings per share to the extent all of the notes are converted into shares prior to redemption. The Company has included the interest expense in this guidance for 2005 and 2006, since at this time no decision has been made to redeem the notes. There is no time period within which the Company needs to make a decision as to whether to redeem the notes.

(c) Non-GAAP computations presented for comparative purposes.

The projections set forth in this report constitute forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act and the Private Securities Litigation Reform Act of 1995. Although the Company believes that these forward-looking statements are based on reasonable assumptions, these assumptions are inherently subject to significant economic and competitive uncertainties and contingencies, which are difficult or impossible to predict accurately and are beyond the control of the Company.

Accordingly, the Company cannot give any assurance that its expectations will in fact occur and cautions that actual results may differ materially from those in the forward-looking statements. A number of factors could affect the future results of the Company or the healthcare industry generally and could cause the Company's expected results to differ materially from those expressed in this filing.

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These factors include, among other things:

- - general economic and business conditions, both nationally and in the regions in which we operate; demographic changes;
- - existing governmental regulations and changes in, or the failure to comply with, governmental regulations;
- - legislative proposals for healthcare reform;
- - the impact of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, which includes specific reimbursement changes for small urban and non-urban hospitals;
- - our ability, where appropriate, to enter into managed care provider arrangements and the terms of these arrangements;
- - changes in inpatient or outpatient Medicare and Medicaid payment levels;
- - uncertainty with the Health Insurance Portability and Accountability Act of 1996 regulations;
- - increases in wages as a result of inflation or competition for highly technical positions and rising supply cost due to market pressure from pharmaceutical companies and new product releases;
- - liability and other claims asserted against us, including self-insured malpractice claims;
- - competition;
- - our ability to attract and retain qualified personnel, key management, physicians, nurses and other health care workers;
- - trends toward treatment of patients in less acute or specialty healthcare settings, including ambulatory surgery centers or specialty hospitals;
- - changes in medical or other technology;
- - changes in generally accepted accounting principles;
- - the availability and terms of capital to fund additional acquisitions or replacement facilities;
- - our ability to successfully acquire and integrate additional hospitals;
- - our ability to obtain adequate levels of general and professional liability insurance;
- - potential adverse impact of known and unknown government investigations;
- - timeliness of reimbursement payments received under government programs; and
- - the other risk factors set forth in our public filings with the Securities and Exchange Commission.

The consolidated operating results for the quarter and the nine months ended September 30, 2005, are not necessarily indicative of the results that may be experienced for any future quarter or for any future fiscal year, including this fiscal year.

The Company cautions that the annual projections for 2005 and 2006 set forth herein are given as of the date hereof based on currently available information. The Company is not undertaking any obligation to update these projections as conditions change or other information becomes available.

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