
**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): July 31, 2014

COMMUNITY HEALTH SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-15925
(Commission
File Number)

13-3893191
(I.R.S. Employer
Identification No.)

4000 Meridian Boulevard
Franklin, Tennessee 37067
(Address of principal executive offices)

Registrant's telephone number, including area code: (615) 465-7000

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, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

ITEM 2.02 Results of Operations and Financial Condition

On July 31, 2014, Community Health Systems, Inc. (the "Company") announced operating results for its second fiscal quarter ended June 30, 2014. A copy of the press release making this announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 2.02.

ITEM 7.01 Regulation FD Disclosure

The press release referred to in Item 2.02 above also includes the Company's updated 2014 annual earnings guidance. The 2014 guidance is based on the Company's historical operating performance, current trends and other assumptions, including with respect to the Company's acquisition of Health Management Associates, Inc., that the Company believes are reasonable at this time as set forth on pages 15, 16, 17 and 18 of the press release. A copy of the press release making this announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 7.01.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibit is furnished herewith:

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|--|
| 99.1 | Community Health Systems, Inc. Press Release, dated July 31, 2014. |

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 hereunto duly authorized.

Date: July 31, 2014

COMMUNITY HEALTH SYSTEMS, INC.
(Registrant)

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

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

By: /s/ Kevin J. Hammons
Kevin J. Hammons
Senior Vice President and Chief Accounting Officer
(principal accounting officer)

Index to Exhibits

Exhibit Number

Description

99.1

Community Health Systems, Inc. Press Release, dated July 31, 2014.

Investor Contact: W. Larry Cash
President of Financial Services
and Chief Financial Officer
(615) 465-7000

**COMMUNITY HEALTH SYSTEMS, INC. ANNOUNCES
SECOND QUARTER 2014 RESULTS WITH NET OPERATING REVENUES OF \$4.779 BILLION**

FRANKLIN, Tenn. (July 31, 2014) - Community Health Systems, Inc. (NYSE: CYH) (the "Company") today announced financial and operating results for the three and six months ended June 30, 2014.

Financial and statistical data reported in this earnings release includes Health Management Associates, Inc.'s ("HMA") operating results from January 27, 2014, the date the Company completed its acquisition of HMA. Prior period consolidated results and statistical data reflect only the Company and its subsidiaries for the period prior to the HMA acquisition. Same-store operating results and statistical data includes comparable information for hospitals acquired as a result of the HMA acquisition for the months of February through June 2014 and 2013.

Net operating revenues for the three months ended June 30, 2014, totaled \$4.779 billion, a 49.8 percent increase compared with \$3.191 billion for the same period in 2013. Income from continuing operations increased to \$75 million, or \$0.42 per share (diluted), for the three months ended June 30, 2014, compared with income from continuing operations of \$53 million, or \$0.38 per share (diluted), for the same period in 2013. The results for the three months ended June 30, 2014, include \$0.07 per share (diluted) of expenses related to acquisition and integration expenses from the acquisition of HMA; \$0.06 per share (diluted) of legal expenses related to HMA legal proceedings underlying the contingent value rights ("CVR") agreement; and \$0.19 per share (diluted) of expenses related to accelerating amortization on software to be abandoned. Excluding these expenses, income from continuing operations was \$0.74 per share (diluted). Net income attributable to Community Health Systems, Inc. common stockholders was \$0.37 per share (diluted) for the three months ended June 30, 2014, compared with net income of \$0.32 per share (diluted) for the same period in 2013. Discontinued operations for the three months ended June 30, 2014 consisted of a loss of \$(0.04) per share (diluted). Weighted-average shares outstanding (diluted) were 113 million for the three months ended June 30, 2014, and 94 million for the three months ended June 30, 2013.

Adjusted EBITDA for the three months ended June 30, 2014, was \$677 million compared with \$420 million for the same period in 2013, representing a 61.2 percent increase. Excluding acquisition and integration expenses from the acquisition of HMA and legal expenses related to the HMA legal proceedings underlying the CVR agreement, ADJUSTED EBITDA was \$699 million for the three months ended June 30, 2014. Adjusted EBITDA is EBITDA adjusted to exclude discontinued operations, loss from early extinguishment of debt, impairment of long-lived assets and net income attributable to noncontrolling interests. The Company uses Adjusted EBITDA as a measure of liquidity. A reconciliation of Adjusted EBITDA to net cash provided by operating activities is included in the attached footnotes.

The consolidated operating results for the three months ended June 30, 2014, reflect a 47.8 percent increase in total admissions and a 51.6 percent increase in total adjusted admissions compared with the same period in 2013. On a same-store basis, admissions decreased 4.8 percent while adjusted admissions decreased 1.2 percent compared with the same period in 2013. On a same-store basis, net operating revenues increased 0.4 percent compared with the same period in 2013.

Net operating revenues for the six months ended June 30, 2014, totaled \$8.964 billion, a 38.9 percent increase compared with \$6.453 billion for the same period in 2013. Income from continuing operations decreased to a loss of less than \$1.0 million, or \$(0.39) per share (diluted), for the six months ended June 30, 2014, compared with income from continuing operations of \$152 million, or \$1.27 per share (diluted), for the same period in 2013. The results for the six

months ended June 30, 2014, include \$0.37 per share (diluted) of expenses related to acquisition and integration expenses from the acquisition of HMA; \$0.07 per share (diluted) of legal expenses related to HMA legal proceedings underlying the CVR agreement; \$0.41 per share (diluted) of expenses related to the loss from early extinguishment of debt; \$0.14 per share (diluted) of expenses related to the impairment of software costs taken out of service; and \$0.43 per share (diluted) of expenses related to accelerating amortization on software to be abandoned. Excluding these expenses, income from continuing operations was \$1.03 per share (diluted). Net loss attributable to Community Health Systems, Inc. common stockholders was \$(0.64) per share (diluted) for the six months ended June 30, 2014, compared with net income of \$1.17 per share (diluted) for the same period in 2013. Discontinued operations for the six months ended June 30, 2014, consisted of \$0.04 per share (diluted) of losses from operations of entities held for sale and approximately \$0.21 per share (diluted) of expenses related to the impairment of long-lived assets held for sale for a total after-tax loss of approximately \$27 million, or \$(0.25) per share (diluted). Weighted-average shares outstanding (diluted) were 110 million for the six months ended June 30, 2014, and 93 million for the six months ended June 30, 2013.

Adjusted EBITDA for the six months ended June 30, 2014, was \$1.163 billion compared with \$914 million for the same period in 2013, representing a 27.2 percent increase. Excluding acquisition and integration expenses from the acquisition of HMA and legal expenses related to the HMA legal proceedings underlying the CVR agreement, ADJUSTED EBITDA was \$1.241 billion for the six months ended June 30, 2014.

The consolidated operating results for the six months ended June 30, 2014, reflect a 36.1 percent increase in total admissions and a 40.1 percent increase in total adjusted admissions compared with the same period in 2013. On a same-store basis, admissions decreased 6.3 percent while adjusted admissions decreased 3.2 percent compared with the same period in 2013. On a same-store basis, net operating revenues decreased 1.7 percent compared with the same period in 2013.

Commenting on the results, Wayne T. Smith, chairman and chief executive officer of Community Health Systems, Inc., said, "We are pleased with our performance for the second quarter of fiscal 2014 and our ability to execute our strategy in an evolving healthcare environment. These results reflect improved operating synergies from the integration of the HMA hospitals and a more favorable operating environment with less weather disruptions than we experienced early in the year. At the same time, we have continued to position the Company to capitalize on the opportunities created by implementation of The Affordable Care Act. We have already realized the early benefits of healthcare reform in the second quarter with a decline in uninsured admissions and a modest shift in payor mix, and we expect this trend to continue with further expansion of insurance coverage. While we were pleased with the sequential improvement in our volume trends over the first quarter, we are focused on initiatives to drive our overall admissions.

"Our integration of the HMA facilities is progressing on target, and we expect to achieve our estimated operating synergies for 2014. Our results to date reflect our ability to leverage our successful model into an expanded operation that enhances the performance of our hospitals and, in turn, benefits more communities. Importantly, we continue to identify additional opportunities to drive operating efficiencies from these acquired hospitals and we look for further improvement in the second half of 2014."

Included on pages 15, 16, 17 and 18 of this press release are tables setting forth the Company's updated 2014 annual earnings guidance. The 2014 guidance is based on the Company's historical operating performance, current trends and other assumptions that the Company believes are reasonable at this time, including with respect to the HMA acquisition.

Located in the Nashville, Tennessee suburb of Franklin, Community Health Systems, Inc. is one of the largest publicly-traded hospital companies in the United States and a leading operator of general acute-care hospitals in non-urban and mid-size markets throughout the country. Through its subsidiaries, the Company currently owns, leases or operates 206 hospitals in 29 states with an aggregate of approximately 31,100 licensed beds. Its hospitals offer a broad range of inpatient and surgical services, outpatient treatment and skilled nursing care.

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Community Health Systems, Inc. will hold a conference call on Friday, August 1, 2014, at 10:00 a.m. Central, 11:00 a.m. Eastern, to review financial and operating results for the second quarter ended June 30, 2014. 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. 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 will continue to be available through September 1, 2014. Copies of the Company's Current Report on Form 8-K (including this press release) and conference call slide show will be available on the Company's website at www.chs.net

COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES

Financial Highlights (a)(b)(c)(d)(e)
(In millions, except per share amounts)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|----------|------------------|---------|
| | June 30, | | June 30, | |
| | 2014 | 2013 | 2014 | 2013 |
| Net operating revenues | \$ 4,779 | \$ 3,191 | \$8,964 | \$6,453 |
| Adjusted EBITDA (f) | 677 | 420 | 1,163 | 914 |
| Income from continuing operations (g), (h), (k) | 75 | 53 | — | 152 |
| Net income (loss) attributable to Community Health Systems, Inc. stockholders | 42 | 30 | (70) | 109 |
| <i>Basic earnings (loss) per share attributable to Community Health Systems, Inc. common stockholders:</i> | | | | |
| Continuing operations (g), (h), (k) | \$ 0.42 | \$ 0.39 | \$ (0.39) | \$ 1.28 |
| Discontinued operations | (0.04) | (0.06) | (0.25) | (0.10) |
| Net income (loss) | \$ 0.37 | \$ 0.32 | \$ (0.64) | \$ 1.19 |
| <i>Diluted earnings (loss) per share attributable to Community Health Systems, Inc. common stockholders (m):</i> | | | | |
| Continuing operations (g), (h), (k), (l) | \$ 0.42 | \$ 0.38 | \$ (0.39) | \$ 1.27 |
| Discontinued operations | (0.04) | (0.06) | (0.25) | (0.10) |
| Net income (loss) | \$ 0.37 | \$ 0.32 | \$ (0.64) | \$ 1.17 |
| <i>Weighted-average number of shares outstanding (i):</i> | | | | |
| Basic | 113 | 93 | 110 | 92 |
| Diluted | 113 | 94 | 110 | 93 |
| Net cash provided by operating activities | \$ 449 | \$ 252 | \$ 514 | \$ 309 |

For footnotes, see pages 12, 13 and 14.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income (a)(b)(c)(d)(e)
(In millions, except per share amounts)
(Unaudited)

| | Three Months Ended June 30, | | | |
|--|-----------------------------|-----------------------------------|----------------|-----------------------------------|
| | 2014 | | 2013 | |
| | Amount | % of Net Operating Revenues | Amount | % of Net Operating Revenues |
| Operating revenues (net of contractual allowances and discounts) | \$ 5,531 | | \$ 3,711 | |
| Provision for bad debts | 752 | | 520 | |
| <i>Net operating revenues</i> | <u>4,779</u> | <u>100.0%</u> | <u>3,191</u> | <u>100.0%</u> |
| Operating costs and expenses: | | | | |
| Salaries and benefits | 2,228 | 46.6% | 1,528 | 47.9% |
| Supplies | 738 | 15.4% | 493 | 15.4% |
| Other operating expenses | 1,120 | 23.5% | 713 | 22.4% |
| Electronic health records incentive reimbursement (g) | (84) | (1.8)% | (24) | (0.8)% |
| Rent | 111 | 2.3% | 70 | 2.2% |
| Depreciation and amortization | 282 | 5.9% | 192 | 6.0% |
| Amortization of software to be abandoned (k) | 33 | 0.7% | — | — |
| Total operating costs and expenses | <u>4,428</u> | <u>92.6%</u> | <u>2,972</u> | <u>93.1%</u> |
| Income from operations (g), (h), (k) | 351 | 7.4% | 219 | 6.9% |
| Interest expense, net | 255 | 5.3% | 154 | 4.8% |
| Equity in earnings of unconsolidated affiliates | (11) | (0.2)% | (9) | (0.3)% |
| Income from continuing operations before income taxes | 107 | 2.3% | 74 | 2.4% |
| Provision for income taxes | 32 | 0.7% | 21 | 0.7% |
| Income from continuing operations (g), (h), (k) | <u>75</u> | <u>1.6%</u> | <u>53</u> | <u>1.7%</u> |
| Discontinued operations, net of taxes: | | | | |
| Loss from operations of entities held for sale | — | — | (6) | (0.2)% |
| Impairment of hospitals held for sale | (5) | (0.1)% | — | — |
| Loss from discontinued operations, net of taxes | <u>(5)</u> | <u>(0.1)%</u> | <u>(6)</u> | <u>(0.2)%</u> |
| Net income | 70 | 1.5% | 47 | 1.5% |
| Less: Net income attributable to noncontrolling interests | 28 | 0.6% | 17 | 0.6% |
| Net income attributable to Community Health Systems, Inc. stockholders | <u>\$ 42</u> | <u>0.9%</u> | <u>\$ 30</u> | <u>0.9%</u> |
| <i>Basic earnings (loss) per share attributable to Community Health Systems, Inc. common stockholders:</i> | | | | |
| Continuing operations (g), (h), (k) | \$ 0.42 | | \$ 0.39 | |
| Discontinued operations | (0.04) | | (0.06) | |
| Net income | <u>\$ 0.37</u> | | <u>\$ 0.32</u> | |
| <i>Diluted earnings (loss) per share attributable to Community Health Systems, Inc. common stockholders (m):</i> | | | | |
| Continuing operations (g), (h), (k), (l) | \$ 0.42 | | \$ 0.38 | |
| Discontinued operations | (0.04) | | (0.06) | |
| Net income | <u>\$ 0.37</u> | | <u>\$ 0.32</u> | |
| Weighted-average number of shares outstanding (i): | | | | |
| Basic | 113 | | 93 | |
| Diluted | <u>113</u> | | <u>94</u> | |

For footnotes, see pages 12, 13 and 14.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of (Loss) Income (a)(b)(c)(d)(e)
(In millions, except per share amounts)
(Unaudited)

| | Six Months Ended June 30, | | | |
|--|---------------------------|-----------------------------------|----------------|-----------------------------------|
| | 2014 | | 2013 | |
| | Amount | % of Net Operating Revenues | Amount | % of Net Operating Revenues |
| Operating revenues (net of contractual allowances and discounts) | \$10,420 | | \$7,450 | |
| Provision for bad debts | 1,456 | | 997 | |
| <i>Net operating revenues</i> | <u>8,964</u> | <u>100.0%</u> | <u>6,453</u> | <u>100.0%</u> |
| Operating costs and expenses: | | | | |
| Salaries and benefits | 4,225 | 47.1% | 3,076 | 47.7% |
| Supplies | 1,371 | 15.3% | 986 | 15.3% |
| Other operating expenses | 2,141 | 24.0% | 1,405 | 21.7% |
| Electronic health records incentive reimbursement (g) | (124) | (1.4)% | (43) | (0.7)% |
| Rent | 210 | 2.3% | 139 | 2.2% |
| Depreciation and amortization | 537 | 6.0% | 381 | 5.9% |
| Amortization of software to be abandoned (k) | 75 | 0.8% | — | — |
| Total operating costs and expenses | <u>8,435</u> | <u>94.1%</u> | <u>5,944</u> | <u>92.1%</u> |
| Income from operations (g), (h), (k) | 529 | 5.9% | 509 | 7.9% |
| Interest expense, net | 478 | 5.3% | 310 | 4.8% |
| Loss from early extinguishment of debt | 73 | 0.8% | 1 | — |
| Equity in earnings of unconsolidated affiliates | (22) | (0.2)% | (24) | (0.4)% |
| Impairment of long-lived assets (k) | 24 | 0.3% | — | — |
| (Loss) income from continuing operations before income taxes | (24) | (0.3)% | 222 | 3.5% |
| (Benefit) provision for income taxes | (24) | (0.3)% | 70 | 1.1% |
| Income from continuing operations (g), (h), (k) | <u>—</u> | <u>—</u> | <u>152</u> | <u>2.4%</u> |
| Discontinued operations, net of taxes: | | | | |
| Loss from operations of entities held for sale | (5) | (0.1)% | (9) | (0.2)% |
| Impairment of hospitals held for sale | (22) | (0.2)% | — | — |
| Loss from discontinued operations, net of taxes | <u>(27)</u> | <u>(0.3)%</u> | <u>(9)</u> | <u>(0.2)%</u> |
| Net (loss) income | (27) | (0.3)% | 143 | 2.2% |
| Less: Net income attributable to noncontrolling interests | 43 | 0.5% | 34 | 0.5% |
| Net (loss) income attributable to Community Health Systems, Inc. stockholders | <u>\$ (70)</u> | <u>(0.8)%</u> | <u>\$ 109</u> | <u>1.7%</u> |
| <i>Basic (loss) earnings per share attributable to Community Health Systems, Inc. common stockholders:</i> | | | | |
| Continuing operations (g), (h), (k) | \$ (0.39) | | \$ 1.28 | |
| Discontinued operations | (0.25) | | (0.10) | |
| Net (loss) income | <u>\$ (0.64)</u> | | <u>\$ 1.19</u> | |
| <i>Diluted (loss) earnings per share attributable to Community Health Systems, Inc. common stockholders (m):</i> | | | | |
| Continuing operations (g), (h), (k), (l) | \$ (0.39) | | \$ 1.27 | |
| Discontinued operations | (0.25) | | (0.10) | |
| Net (loss) income | <u>\$ (0.64)</u> | | <u>\$ 1.17</u> | |
| Weighted-average number of shares outstanding (i): | | | | |
| Basic | 110 | | 92 | |
| Diluted | 110 | | 93 | |

For footnotes, see pages 12, 13 and 14.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income (Loss) (c)(e)
(In millions)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|--------------|------------------|---------------|
| | June 30, | | June 30, | |
| | 2014 | 2013 | 2014 | 2013 |
| Net income (loss) | \$ 70 | \$ 47 | \$ (27) | \$ 143 |
| Other comprehensive income, net of income taxes: | | | | |
| Net change in fair value of interest rate swaps, net of tax | — | 21 | 9 | 37 |
| Net change in fair value of available-for-sale securities, net of tax | 3 | — | 3 | 2 |
| Amortization and recognition of unrecognized pension cost components, net of tax | — | — | — | 1 |
| Other comprehensive income | 3 | 21 | 12 | 40 |
| Comprehensive income (loss) | 73 | 68 | (15) | 183 |
| Less: Comprehensive income attributable to noncontrolling interests | 28 | 17 | 43 | 34 |
| Comprehensive income (loss) attributable to Community Health Systems, Inc. stockholders | <u>\$ 45</u> | <u>\$ 51</u> | <u>\$ (58)</u> | <u>\$ 149</u> |

For footnotes, see pages 12, 13 and 14.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Selected Operating Data (a)(d)(j)
(Dollars in millions)
(Unaudited)

| | For the Three Months Ended June 30, | | | | | |
|---|--|-------------|-----------------|-----------------------|-------------|-----------------|
| | Consolidated | | | Same-Store (1) | | |
| | 2014 | 2013 | % Change | 2014 | 2013 | % Change |
| Number of hospitals (at end of period) | 198 | 129 | | 196 | 196 | |
| Licensed beds (at end of period) | 30,117 | 19,628 | | 29,438 | 29,716 | |
| Beds in service (at end of period) | 26,780 | 16,829 | | 26,147 | 26,917 | |
| Admissions | 238,906 | 161,613 | 47.8% | 230,928 | 242,516 | -4.8% |
| Adjusted admissions | 512,962 | 338,276 | 51.6% | 497,340 | 503,510 | -1.2% |
| Patient days | 1,056,261 | 710,257 | | 1,017,399 | 1,064,801 | |
| Average length of stay (days) | 4.4 | 4.4 | | 4.4 | 4.4 | |
| Occupancy rate (average beds in service) | 43.2% | 46.4% | | 42.6% | 43.5% | |
| Net operating revenues | \$ 4,779 | \$ 3,191 | 49.8% | \$ 4,662 | \$ 4,641 | 0.4% |
| Net inpatient revenues as a % of operating revenues before provision for bad debts | 42.9% | 44.4% | | 42.8% | 46.4% | |
| Net outpatient revenues as a % of operating revenues before provision for bad debts | 57.1% | 55.6% | | 57.2% | 53.6% | |
| Income from operations (g), (h), (k) | \$ 351 | \$ 219 | 60.3% | | | |
| Income from operations as a % of net operating revenues | 7.4% | 6.9% | | | | |
| Depreciation and amortization | \$ 315 | \$ 192 | | | | |
| Equity in earnings of unconsolidated affiliates | \$ (11) | \$ (9) | | | | |
| Liquidity Data: | | | | | | |
| Adjusted EBITDA (f) | \$ 677 | \$ 420 | 61.2% | | | |
| Adjusted EBITDA as a % of net operating revenues | 14.2% | 13.2% | | | | |
| Net cash provided by operating activities | \$ 449 | \$ 252 | | | | |
| Net cash provided by operating activities a % of net operating revenues | 9.4% | 7.9% | | | | |

(1) Same-store operating results and statistical data includes comparable information for hospitals acquired in the HMA acquisition for the months of April through June 2014 and 2013.

For footnotes, see pages 12, 13 and 14.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Selected Operating Data (a)(d)(j)
(Dollars in millions)
(Unaudited)

| | For the Six Months Ended June 30, | | | | | |
|---|--|-------------|-----------------|-----------------------|-------------|-----------------|
| | Consolidated | | | Same-Store (1) | | |
| | 2014 | 2013 | % Change | 2014 | 2013 | % Change |
| Number of hospitals (at end of period) | 198 | 129 | | 196 | 196 | |
| Licensed beds (at end of period) | 30,117 | 19,628 | | 29,438 | 29,716 | |
| Beds in service (at end of period) | 26,780 | 16,829 | | 26,147 | 26,917 | |
| Admissions | 452,149 | 332,340 | 36.1% | 436,679 | 466,140 | -6.3% |
| Adjusted admissions | 949,523 | 677,966 | 40.1% | 920,522 | 950,543 | -3.2% |
| Patient days | 2,027,651 | 1,485,436 | | 1,955,584 | 2,077,230 | |
| Average length of stay (days) | 4.5 | 4.5 | | 4.5 | 4.5 | |
| Occupancy rate (average beds in service) | 45.4% | 49.0% | | 44.6% | 45.9% | |
| Net operating revenues | \$ 8,964 | \$ 6,453 | 38.9% | \$ 8,706 | \$ 8,861 | -1.7% |
| Net inpatient revenues as a % of operating revenues before provision for bad debts | 43.8% | 44.9% | | 43.7% | 46.5% | |
| Net outpatient revenues as a % of operating revenues before provision for bad debts | 56.2% | 55.1% | | 56.3% | 53.5% | |
| Income from operations (g), (h), (k) | \$ 529 | \$ 509 | 3.9% | | | |
| Income from operations as a % of net operating revenues | 5.9% | 7.9% | | | | |
| Depreciation and amortization | \$ 612 | \$ 381 | | | | |
| Equity in earnings of unconsolidated affiliates | \$ (22) | \$ (24) | | | | |
| Liquidity Data: | | | | | | |
| Adjusted EBITDA (f) | \$ 1,163 | \$ 914 | 27.2% | | | |
| Adjusted EBITDA as a % of net operating revenues | 13.0% | 14.2% | | | | |
| Net cash provided by operating activities | \$ 514 | \$ 309 | | | | |
| Net cash provided by operating activities as a % of net operating revenues | 5.7% | 4.8% | | | | |

(1) Same-store operating results and statistical data includes comparable information for hospitals acquired in the HMA acquisition for the months of February through June 2014 and 2013.

For footnotes, see pages 12, 13 and 14.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (b)
(In millions, except share data)
(Unaudited)

| | <u>June 30, 2014</u> | <u>December 31, 2013</u> |
|--|----------------------|--------------------------|
| ASSETS | | |
| <i>Current assets</i> | | |
| Cash and cash equivalents | \$ 389 | \$ 373 |
| Patient accounts receivable, net of allowance for doubtful accounts of \$3,495 and \$2,438 at June 30, 2014 and December 31, 2013, respectively | 3,121 | 2,323 |
| Supplies | 550 | 371 |
| Prepaid income taxes | 193 | 107 |
| Deferred income taxes | 317 | 101 |
| Prepaid expenses and taxes | 203 | 127 |
| Other current assets (including assets of hospitals held for sale of \$83 and \$40 at June 30, 2014 and December 31, 2013, respectively) | 624 | 345 |
| Total current assets | <u>5,397</u> | <u>3,747</u> |
| <i>Property and equipment</i> | 14,590 | 10,462 |
| Less accumulated depreciation and amortization | (3,773) | (3,411) |
| Property and equipment, net | <u>10,817</u> | <u>7,051</u> |
| <i>Goodwill</i> | <u>8,519</u> | <u>4,424</u> |
| <i>Other assets, net (including assets of hospitals held for sale of \$170 and \$94 at June 30, 2014 and December 31, 2013, respectively)</i> | 2,537 | 1,895 |
| Total assets | <u>\$ 27,270</u> | <u>\$ 17,117</u> |
| LIABILITIES AND EQUITY | | |
| <i>Current liabilities</i> | | |
| Current maturities of long-term debt | \$ 209 | \$ 167 |
| Accounts payable | 1,000 | 949 |
| Deferred income taxes | — | 3 |
| Accrued interest | 233 | 112 |
| Accrued liabilities (including liabilities of hospitals held for sale of \$37 and \$24 at June 30, 2014 and December 31, 2013, respectively) | 1,727 | 1,227 |
| Total current liabilities | <u>3,169</u> | <u>2,458</u> |
| <i>Long-term debt</i> | <u>16,722</u> | <u>9,286</u> |
| <i>Deferred income taxes</i> | <u>1,043</u> | <u>906</u> |
| <i>Other long-term liabilities</i> | <u>1,782</u> | <u>977</u> |
| Total liabilities | <u>22,716</u> | <u>13,627</u> |
| <i>Redeemable noncontrolling interests in equity of consolidated subsidiaries</i> | <u>689</u> | <u>358</u> |
| EQUITY | | |
| <i>Community Health Systems, Inc. stockholders' equity</i> | | |
| Preferred stock, \$.01 par value per share, 100,000,000 shares authorized; none issued | — | — |
| Common stock, \$.01 par value per share, 300,000,000 shares authorized; 116,491,729 shares issued and 115,516,180 shares outstanding at June 30, 2014, and 95,987,032 shares issued and 95,011,483 shares outstanding at December 31, 2013 | 1 | 1 |
| Additional paid-in capital | 2,021 | 1,256 |
| Treasury stock, at cost, 975,549 shares at June 30, 2014 and December 31, 2013 | (7) | (7) |
| Accumulated other comprehensive loss | (55) | (67) |
| Retained earnings | 1,815 | 1,885 |
| Total Community Health Systems, Inc. stockholders' equity | <u>3,775</u> | <u>3,068</u> |
| <i>Noncontrolling interests in equity of consolidated subsidiaries</i> | <u>90</u> | <u>64</u> |
| Total equity | <u>3,865</u> | <u>3,132</u> |
| Total liabilities and equity | <u>\$ 27,270</u> | <u>\$ 17,117</u> |

For footnotes, see pages 12, 13 and 14.

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COMMUNITY HEALTH SYSTEMS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows (b)
(In millions)
(Unaudited)

| | Six Months Ended June 30, | |
|---|------------------------------|---------------|
| | 2014 | 2013 |
| <i>Cash flows from operating activities</i> | | |
| Net (loss) income | \$ (27) | \$ 143 |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: | | |
| Depreciation and amortization | 617 | 387 |
| Stock-based compensation expense | 22 | 19 |
| Impairment of long-lived assets and hospitals held for sale | 46 | — |
| Loss from early extinguishment of debt | 73 | 1 |
| Excess tax benefit relating to stock-based compensation | (3) | (6) |
| Other non-cash expenses, net | 19 | 27 |
| Changes in operating assets and liabilities, net of effects of acquisitions and divestitures: | | |
| Patient accounts receivable | (166) | (106) |
| Supplies, prepaid expenses and other current assets | 38 | 15 |
| Accounts payable, accrued liabilities and income taxes | (55) | (180) |
| Other | (50) | 9 |
| Net cash provided by operating activities | <u>514</u> | <u>309</u> |
| <i>Cash flows from investing activities</i> | | |
| Acquisitions of facilities and other related equipment | (3,041) | (10) |
| Purchases of property and equipment | (361) | (295) |
| Proceeds from disposition of certain ancillary operations | 12 | — |
| Proceeds from sale of property and equipment | 3 | 2 |
| Purchases of available-for-sale securities | (137) | — |
| Proceeds from sales of available-for-sale securities | 123 | — |
| Increase in other investments | (251) | (135) |
| Net cash used in investing activities | <u>(3,652)</u> | <u>(438)</u> |
| <i>Cash flows from financing activities</i> | | |
| Proceeds from exercise of stock options | 14 | 104 |
| Repurchase of restricted stock shares for payroll tax withholding requirements | (11) | (15) |
| Stock buy-back | — | (27) |
| Deferred financing costs and other debt-related costs | (269) | (1) |
| Excess tax benefit relating to stock-based compensation | 3 | 6 |
| Proceeds from noncontrolling investors in joint ventures | 10 | — |
| Redemption of noncontrolling investments in joint ventures | (6) | — |
| Distributions to noncontrolling investors in joint ventures | (44) | (38) |
| Borrowings under credit agreements | 7,488 | 296 |
| Issuance of long-term debt | 4,000 | — |
| Proceeds from receivables facility | 133 | 300 |
| Repayments of long-term indebtedness | (8,164) | (633) |
| Net cash provided by (used in) financing activities | <u>3,154</u> | <u>(8)</u> |
| <i>Net change in cash and cash equivalents</i> | 16 | (137) |
| <i>Cash and cash equivalents at beginning of period</i> | 373 | 388 |
| <i>Cash and cash equivalents at end of period</i> | <u>\$ 389</u> | <u>\$ 251</u> |

For footnotes, see pages 12, 13 and 14.

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Footnotes to Financial Highlights, Financial Statements and Selected Operating Data

- (a) Continuing operating results exclude discontinued operations for the three and six months ended June 30, 2014 and 2013. Both financial and statistical results exclude entities in discontinued operations for all periods presented.
- (b) The contingent value right ("CVR") entitles the holder to receive a cash payment up to \$1.00 per CVR (subject to downward adjustment but not below zero), subject to the final resolution of certain existing legal matters pertaining to HMA, as defined in the CVR agreement. Since the HMA acquisition date of January 27, 2014, approximately \$12 million in costs have been incurred related to certain HMA legal matters. These costs will serve to reduce the deductible of \$18 million under the CVR agreement. An estimated liability of \$42 million has been recorded for certain claims which HMA had previously recognized as probable. In addition, CHS recorded an estimated fair value of the remaining underlying claims that will be covered by the CVR, of \$284 million as part of the acquisition accounting for HMA.

The following table presents the impact of the recorded amounts as described above as applied to the CVR and the \$18 million deductible and 10% co-insurance amounts (in millions):

| | As of June 30, 2014 |
|---|---------------------------|
| Legal and other related costs incurred to date | \$ 12 |
| Estimated liability for probable contingencies | 42 |
| Estimated liability for contingencies at fair value | <u>284</u> |
| Costs incurred plus estimated liability for CVR-related matters | 338 |
| Less: | |
| CHS deductible of \$18 million | (18) |
| CHS co-insurance at 10% | <u>(32)</u> |
| Current estimate of reductions to amounts owed to CVR holders | <u>\$ 288</u> |
| CVRs outstanding | <u>265</u> |

- (c) The effective date of the HMA acquisition is January 27, 2014.
- (d) Included in discontinued operations for the three and six months ended June 30, 2014, are two hospitals required by the Federal Trade Commission to be divested as part of its approval of the HMA acquisition. Management is actively marketing several other smaller hospitals included as held for sale. The estimated after-tax loss on the held for sale hospitals, including an impairment charge on certain long-lived assets held for sale, is approximately \$5 million and \$27 million for the three and six months ended June 30, 2014, respectively.
- (e) The following table provides information needed to calculate income per share, which is adjusted for income attributable to noncontrolling interests (in millions):

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|---------------|------------------|---------------|
| | June 30, | | June 30, | |
| | 2014 | 2013 | 2014 | 2013 |
| Income from continuing operations attributable to Community Health Systems, Inc. common stockholders: | | | | |
| Income from continuing operations, net of taxes | \$ 75 | \$ 53 | \$ — | \$ 152 |
| Less: Income from continuing operations attributable to noncontrolling interests | <u>28</u> | <u>17</u> | <u>43</u> | <u>34</u> |
| Income (loss) from continuing operations attributable to Community Health Systems, Inc. common stockholders — basic and diluted | <u>\$ 47</u> | <u>\$ 36</u> | <u>\$ (43)</u> | <u>\$ 118</u> |
| Loss from discontinued operations attributable to Community Health Systems, Inc. common stockholders: | | | | |
| Loss from discontinued operations, net of taxes | \$ (5) | \$ (6) | \$ (27) | \$ (9) |
| Less: Loss from discontinued operations attributable to noncontrolling interests | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Loss from discontinued operations attributable to Community Health Systems, Inc. common stockholders — basic and diluted | <u>\$ (5)</u> | <u>\$ (6)</u> | <u>\$ (27)</u> | <u>\$ (9)</u> |

- (f) EBITDA consists of net income attributable to Community Health Systems, Inc. before interest, income taxes, and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted to exclude discontinued operations, loss from early extinguishment of debt, impairment of long-lived assets and net income attributable to noncontrolling interests. The Company has from time to time sold noncontrolling interests in certain of its subsidiaries or acquired subsidiaries with existing noncontrolling 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 it believes it provides investors with additional information about the Company's 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 the Company's senior secured credit facility, as well as to determine the interest rate and commitment fee payable under the senior secured credit facility.

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Footnotes to Financial Highlights, Financial Statements and Selected Operating Data (Continued)

Adjusted EBITDA is not a measurement of financial performance or liquidity under U.S. GAAP. 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 U.S. GAAP. The items excluded from Adjusted EBITDA are significant components in understanding and evaluating financial performance and liquidity. This calculation of Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

The following table reconciles Adjusted EBITDA, as defined, to net cash provided by operating activities as derived directly from the condensed consolidated financial statements (in millions):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|---------------|------------------------------|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| Adjusted EBITDA | \$ 677 | \$ 420 | \$1,163 | \$ 914 |
| Interest expense, net | (255) | (154) | (478) | (310) |
| (Provision) benefit for income taxes | (32) | (21) | 24 | (70) |
| Loss from operations of entities held for sale, net of taxes | — | (6) | (5) | (9) |
| Other non-cash expenses, net | 24 | 33 | 43 | 46 |
| Changes in operating assets and liabilities, net of effects of acquisitions and divestitures | 35 | (20) | (233) | (262) |
| Net cash provided by operating activities | <u>\$ 449</u> | <u>\$ 252</u> | <u>\$ 514</u> | <u>\$ 309</u> |

- (g) Included in income from operations and income from continuing operations for the three and six months ended June 30, 2014, is the electronic health records incentive reimbursement, which represents reimbursement from Medicare and Medicaid related to certain of the Company's hospitals and for certain employed physicians. Total costs and expenses related to the implementation of electronic health records for the three and six months ended June 30, 2014, were approximately \$65 million, including depreciation and amortization of approximately \$22 million, and approximately \$100 million, including depreciation and amortization of approximately \$42 million, respectively. Total costs and expenses related to the implementation of electronic health records for the three and six months ended June 30, 2013, were approximately \$27 million, including depreciation and amortization of approximately \$15 million, and approximately \$46 million, including depreciation and amortization of approximately \$28 million, respectively.
- (h) Included in non-same-store income from operations and income from continuing operations are pre-tax charges related to acquisition costs of \$8 million and \$3 million for the three months ended June 30, 2014 and 2013, respectively, and \$47 million and \$4 million for the six months ended June 30, 2014 and 2013, respectively. For the three and six months ended June 30, 2014, these acquisition costs include \$2 million and \$39 million, respectively, of expenses related to the acquisition of HMA.
- (i) The following table sets forth components reconciling the basic weighted-average number of shares to the diluted weighted-average number of shares (in millions):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-----------|------------------------------|-----------|
| | 2014 | 2013 | 2014 | 2013 |
| Weighted-average number of shares outstanding — basic | 113 | 93 | 110 | 92 |
| Add effect of dilutive securities: | | | | |
| Stock awards and options | — | 1 | — | 1 |
| Weighted-average number of shares outstanding — diluted | <u>113</u> | <u>94</u> | <u>110</u> | <u>93</u> |

- (j) Same-store operating results and statistical data includes comparable information for hospitals acquired in the HMA acquisition for the months of February through June 2014 and 2013.
- (k) Included in income from continuing operations for the six months ended June 30, 2014, is an impairment charge of approximately \$24 million for internal-use software, and similarly, for software still in service but is scheduled to be replaced, an acceleration of amortization for the three and six months ended June 30, 2014 of approximately \$33 million and \$75 million, respectively, to adjust for its shortened remaining life which is now expected to end on July 1, 2014. In connection with the HMA acquisition, the Company further analyzed its intangible assets related to internal-use software used in certain of its hospitals for patient and clinical systems, including software required to meet criteria for meaningful use attestation and ICD-10 compliance. This analysis resulted in management reassessing its usage of certain software products and rationalizing that, with the addition of the HMA hospitals in the first quarter of 2014, those software applications were going to be discontinued and replaced with new applications that better integrate meaningful use and ICD-10 compliance, are more cost effective and can be implemented at a greater efficiency of scale over future implementations.

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Footnotes to Financial Highlights, Financial Statements and Selected Operating Data (Continued)

- (l) The following supplemental tables reconcile income from continuing operations and net income attributable to Community Health Systems, Inc. common stockholders, as reported, on a per share (diluted) basis, with the adjustments described herein:

| | Three Months Ended | | Six Months Ended | |
|--|------------------------------|----------------|------------------------------|----------------|
| | June 30, | | June 30, | |
| | 2014 | 2013 | 2014 | 2013 |
| | (per share - diluted) | | (per share - diluted) | |
| Income from continuing operations, as reported | \$ 0.42 | \$ 0.38 | \$ (0.39) | \$ 1.27 |
| Adjustments: | | | | |
| Loss from early extinguishment of debt | — | — | 0.41 | 0.01 |
| Amortization of software to be abandoned | 0.19 | — | 0.43 | — |
| Impairment of long-lived assets | — | — | 0.14 | — |
| Expenses related to the acquisition and integration of HMA | 0.07 | — | 0.37 | — |
| Legal expenses related to cases covered by the CVR | 0.06 | — | 0.07 | — |
| Income from continuing operations, excluding adjustments | <u>\$ 0.74</u> | <u>\$ 0.38</u> | <u>\$ 1.03</u> | <u>\$ 1.28</u> |

| | Three Months Ended | | Six Months Ended | |
|--|------------------------------|----------------|------------------------------|----------------|
| | June 30, | | June 30, | |
| | 2014 | 2013 | 2014 | 2013 |
| | (per share - diluted) | | (per share - diluted) | |
| Net income, as reported | \$ 0.37 | \$ 0.32 | \$ (0.64) | \$ 1.17 |
| Adjustments: | | | | |
| Loss from early extinguishment of debt | — | — | 0.41 | 0.01 |
| Amortization of software to be abandoned | 0.19 | — | 0.43 | — |
| Impairment of long-lived assets | — | — | 0.14 | — |
| Expenses related to the acquisition and integration of HMA | 0.07 | — | 0.37 | — |
| Legal expenses related to cases covered by the CVR | 0.06 | — | 0.07 | — |
| Net income, excluding adjustments | <u>\$ 0.69</u> | <u>\$ 0.32</u> | <u>\$ 0.78</u> | <u>\$ 1.18</u> |

- (m) Total per share amounts may not add due to rounding.

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Regulation FD Disclosure

The following tables set forth selected information concerning the Company's projected consolidated operating results for the year ending December 31, 2014. These projections update selected preliminary guidance provided on May 6, 2014, and are based on the Company's historical operating performance, current trends and other assumptions that the Company believes are reasonable at this time. The 2014 guidance should be considered in conjunction with the assumptions included herein. See pages 17 and 18 for a list of factors that could affect the future results of the Company or the healthcare industry generally.

The following is provided as guidance to analysts and investors:

| | 2014 Projection Range | |
|--|------------------------------|-------------|
| Net operating revenues less provision for bad debts (in millions) | \$19,000 | to \$19,800 |
| Adjusted EBITDA (in millions) | \$ 2,825 | to \$ 2,975 |
| Income from continuing operations per share — diluted | \$ 2.70 | to \$ 3.20 |
| Same-store hospital annual adjusted admissions growth | (4.0)% | to 0.0% |
| Weighted-average diluted shares, in millions, for the full year | 113 | to 115 |
| Weighted-average diluted shares, in millions, for the 3rd and 4th quarters | 114 | to 116 |

The following assumptions were used in developing the 2014 guidance provided above:

- The Company's projection excludes the following:
 - Payments related to the CVRs issued in connection with the HMA acquisition;
 - Future losses on the early extinguishment of debt;
 - Impairment of long-lived assets;
 - Resolution of government investigations or other significant legal settlements;
 - Transaction costs and other expenses incurred in connection with the acquisition of HMA;
 - Gains or losses from conforming accounting adjustments between the Company and HMA; and
 - Other significant gains or losses that neither relate to the ordinary course of our business nor reflect our underlying business performance.
- The 2014 projections include the results of operations from the HMA acquisition effective January 27, 2014.
- Excluded from these projections are two hospitals required to be divested as part of receiving regulatory approval from the Federal Trade Commission for the HMA acquisition, one hospital for which HMA had entered into a definitive agreement to sell prior to the Company's acquisition of HMA, and several other small hospitals which the Company has classified as held for sale and moved the operating results to discontinued operations.
- The 2014 projections include the acquisitions of Sharon Regional Health System in Sharon, Pennsylvania, and Munroe Regional Medical Center in Ocala, Florida, completed on April 1, 2014, and completion of one to three additional targeted hospital acquisitions later in 2014 and later than estimated in our previous guidance.

Other assumptions used in the above guidance:

- Benefits to Adjusted EBITDA from Healthcare Reform in 2014 of 0.5% to 0.8% of net operating revenues.
- Achievement of acquisition synergies related to the HMA acquisition of approximately \$100 million to \$125 million during the first year of operations.

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- Health Information Technology (HITECH) electronic health records incentive reimbursement of approximately 1.1% to 1.4% of net operating revenues for the year ended December 31, 2014 with operating expenses related to achieving meaningful use of 0.4% to 0.5% of net operating revenues and depreciation and amortization of related assets of 0.4% to 0.5% of net operating revenues.
- Continuation and approval of the California hospital provider fee program for 2014 (for which the Company expects to recognize \$25 million in the fourth quarter), approval of the Budget Neutrality Act payment (for which the Company expects to recognize \$36 million in the fourth quarter of 2014) and settlement of certain claims related to the BP oil spill (for which the Company expects to recognize up to approximately 10 basis points in the fourth quarter of 2014).
- Same-store hospital annual adjusted admissions growth, of (4.0)% to 0.0% for the entire year, which does not take into account service closures and weather-related or other unusual events.
- Expressed as a percentage of net operating revenues, depreciation and amortization of approximately 6.0% to 6.3% for 2014, an increase over 2013 primarily relating to the investments being made in information systems technology and the acquisition of HMA; however, the adjustment to fair market value of the acquired HMA assets remains subject to finalization, therefore depreciation and amortization may vary accordingly. Additionally, this is a fixed cost and the percentages may vary as revenue varies. Such amounts exclude the possible impact of any future hospital fixed asset impairments and acceleration of amortization of software to be abandoned.
- Interest expense, expressed as a percentage of net operating revenues, of approximately 5.0% to 5.2%; however, interest expense is a fixed cost and percentages may vary as revenue varies. Total fixed rate debt, including swaps, is expected to average approximately 60% to 70% of total debt during 2014.
- Expressed as a percentage of net operating revenues, equity in earnings of unconsolidated affiliates of approximately 0.2% to 0.3% for 2014.
- Expressed as a percentage of net operating revenues, net income attributable to noncontrolling interests of approximately 0.6% to 0.8% for 2014.
- Expressed as a percentage of income from continuing operations before income taxes, provision for income tax of approximately 29.0% to 32.0% for 2014.
- Capital expenditures are projected as follows (in millions):

| | |
|-------|------------------|
| | 2014 Guidance |
| Total | \$975 to \$1,150 |

- Net cash provided by operating activities, excluding acquisition and integration related cash flow items, cash flows related to the CVR, and settlement of legal contingencies is projected as follows (in millions):

| | |
|-------|--------------------|
| | 2014 Guidance |
| Total | \$1,600 to \$1,800 |

- Weighted average shares outstanding are projected to be approximately 113 million to 115 million for the year ended 2014 and approximately 114 million to 116 million for each of the third and fourth quarters of 2014 and have been adjusted to include the estimated dilutive impact from “in-the-money” stock options and restricted shares.

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This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended and the Private Securities Litigation Reform Act of 1995 that involve risk and uncertainties. All statements in this press release other than statements of historical fact, including statements regarding projections, expected operating results, and other events that depend upon or refer to future events or conditions or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” “thinks,” and similar expressions, are forward-looking statements. 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 may be 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 press release.

These factors include, among other things:

- general economic and business conditions, both nationally and in the regions in which we operate;
- implementation and effect of adopted and potential federal and state healthcare reform legislation and other federal, state or local laws or regulations affecting the healthcare industry;
- the extent to which states support increases, decreases or changes in Medicaid programs, implement healthcare exchanges or alter the provision of healthcare to state residents through regulation or otherwise;
- risks associated with our substantial indebtedness, leverage, and debt service obligations;
- demographic changes;
- changes in, or the failure to comply with, governmental regulations;
- potential adverse impact of known and unknown government investigations, audits, and Federal and State False Claims Act litigation and other legal proceedings;
- our ability, where appropriate, to enter into and maintain managed care provider arrangements and the terms of these arrangements;
- changes in, or the failure to comply with, managed care provider contracts, which could result in, among other things, disputes and changes in reimbursements, both prospectively and retroactively;
- changes in inpatient or outpatient Medicare and Medicaid payment levels;
- the effects related to the continued implementation of the sequestration spending reductions and the potential for future deficit reduction legislation;
- increases in the amount and risk of collectability of patient accounts receivable;
- the efforts of insurers, healthcare providers and others to contain healthcare costs;
- our ongoing ability to demonstrate meaningful use of certified electronic health record technology and recognize income for the related Medicare or Medicaid incentive payments;
- increases in wages as a result of inflation or competition for highly technical positions and rising supply costs due to market pressure from pharmaceutical companies and new product releases;
- liabilities and other claims asserted against us, including self-insured malpractice claims;
- competition;
- our ability to attract and retain, at reasonable employment costs, qualified personnel, key management, physicians, nurses and other healthcare 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 U.S. generally accepted accounting principles;
- the availability and terms of capital to fund additional acquisitions or replacement facilities or other capital expenditures;

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- our ability to successfully make acquisitions or complete divestitures;
- our ability to successfully integrate any acquired hospitals, including those of HMA, or to recognize expected synergies from acquisitions;
- the impact of the acquisition of HMA on third-party relationships;
- the impact of seasonal severe weather conditions;
- our ability to obtain adequate levels of general and professional liability insurance;
- timeliness of reimbursement payments received under government programs; and
- the other risk factors set forth in our annual report on Form 10-K for the year ended December 31, 2013 and our other public filings with the Securities and Exchange Commission.

The consolidated operating results for the three and six months ended June 30, 2014, are not necessarily indicative of the results that may be experienced for any such future period. The Company cautions that the projections for calendar year 2014 set forth in this press release are given as of the date hereof based on currently available information. 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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