



PRESS RELEASE

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**Prime Healthcare Services to acquire three hospitals
from Tenet Healthcare Corporation**

VICTORVILLE, CA - June 2, 2008 - Prime Healthcare Services ("Prime Healthcare"), has acquired the 151-bed Encino Campus of Encino-Tarzana Regional Medical Center from Tenet Healthcare Corporation ("Tenet") effective June 1 and will operate the hospital as Encino Hospital Medical Center. Prime Healthcare also has entered into a definitive agreement to acquire two additional Tenet hospitals in California - 167-bed Garden Grove Hospital Medical Center and 64-bed San Dimas Community Hospital. The Garden Grove and San Dimas transactions are subject to customary regulatory approval and are expected to be completed in approximately 30 days.

"We are pleased that Tenet selected Prime Healthcare to acquire these three underperforming hospitals in California", said Prem Reddy, MD, FACC, FCCP, Prime Healthcare's Chairman of the Board. "Prime Healthcare is poised to acquire more financially distressed and underperforming hospitals in the near future".

Prime Healthcare will continue to operate all three hospitals as acute care facilities with open emergency departments and will offer employment to substantially all current employees in good standing. The Encino hospital lost over \$ 10 million in fiscal year 2007 according to publicly available data with OSHPD. Garden Grove and San Dimas hospitals' financial performance was marginal.

Prime Healthcare acquires financially distressed hospitals and turns the failing operations around with its proven physician driven and patient focused management protocols with adequate capital infusion. Prime Healthcare has acquired nine such financially distressed and bankrupt hospitals and turned them into thriving community hospitals serving the essential healthcare needs of various communities in Southern California. Prime Healthcare's hospitals have been recognized for their high quality of patient care, the 100 Top Hospitals in the Nation by Thomson Healthcare, Top 1% of Hospitals in the Nation by Premier|CareScience and as a top performing hospital in the Nation by The Commonwealth Fund in a study for CMS/Medicare. Prime Healthcare's hospitals' emergency departments almost always stay open and go on saturation/bypass the least amount of time compared to other hospitals. Prime Healthcare's hospitals see more uninsured patients and offer more charity care than the competitors, both for-profit and not-for-profit.

Prime Healthcare is a progressive, innovative and rapidly expanding hospital management company in Southern California with a mission to provide comprehensive quality healthcare in a compassionate, convenient and cost-effective manner. With over 6,000 employees, Prime Healthcare currently owns and operates nine acute care facilities with over 1600 beds. For more information please visit www.primehealthcare.com.