

FMP SUMMARY	ORIGINAL FMP, JULY 2004		DECEMBER 2005		JULY 2007	
	SQ. FT.	\$	SQ. FT.	\$	SQ. FT.	\$
PMC WEST	822,552	\$531	755,000	\$690	735,414	\$773
POMERADO PHASE 2	224,184	\$139	230,117	\$190	172,278	\$176
PMC EAST	131,928	\$73	131,928	\$93		\$21
SATELLITE CLINICS		\$10		\$10		\$13
TOTAL		\$753		\$983		\$983

PMC WEST	ORIGINAL FMP, JULY 2004		DECEMBER 2005		JULY 2007	
	SQ. FT.	\$	SQ. FT.	\$	SQ. FT.	\$
HOSPITAL FINISHED		\$407		\$602		\$712
SHELLED	596,674		637,000		638,940	
HOSP. SUPPORT BLDG	75,114		88,000		85,320	
CENTRAL PLANT	130,298	\$55				
CP DESIGN, GRADING	20,466	\$41	30,000	\$56		
PARKING & SITE WORK		included		included		\$14
		\$28		\$32		\$47
TOTALS	822,552	\$531	755,000	\$690	724,260	\$773

PMC East	ORIGINAL FMP, JULY 2004		DECEMBER 2005		JULY 2007	
	SQ. FT.	\$	SQ. FT.	\$	SQ. FT.	\$
MCLEOD	89,960	\$35	89,960	\$42		\$3
HOSPITAL ENTRY	3,400	\$12	3,400	\$14		
HOSPITAL REMODEL	38,568	\$16	38,568	\$26		
ADAMS		\$5		\$5		
SITE & CENTRAL PLANT		\$5		\$6		
WAREHOUSE 1						\$7
WAREHOUSE 2						\$5
CORAL BUILDING						\$5
FOURPLEX						\$1
TOTALS	131,928	\$73	131,928	\$93		\$21

POMERADO - PHASE 2	ORIGINAL FMP, JULY 2004		DECEMBER 2005		JULY 2007	
	SQ. FT.	\$	SQ. FT.	\$	SQ. FT.	\$
HOSPITAL REMODEL	36,500	\$11	60,000	\$41		\$3
NEW TOWER		\$67		\$83		\$117
FINISHED	61,480		78,431		25,000	
SHELLED	59,047		57,541		126,264	
D&T ADDITION	24,422	\$19	26,331	\$30		\$2
CIRCULATION TO POP					13,200	\$10
CENTRAL PLANT	5,000	\$11	7,814	\$16	7,814	\$17
LOX TANKS						\$1
CONDO OSP	37,735	\$18				
PARKING & SITE WORK		\$13		\$20		\$26
TOTALS	224,184	\$139	230,117	\$190	172,278	\$176

Uses of Cash (2008 - 2017)	
Routine & Strategic (Inc. Capitalized Interest)	\$156.7
Expansion and Replacement	879.7
Total Capital Expenditures	1036.5
Funding of Min. Cash Position (2017) - 166 Days	372.6
Principal Payments on indebtedness (Excludes GOs)	81.8
Working Capital Estimate	15.0
Total Capital Uses	\$1,505.9

Sources of Cash	
Current Available Cash (2007)	\$140.6
Revenue Bonds	100.0
General Obligation/BAN's	416.0
Philanthropy	45.0
Unspent Bond Proceeds	127.0
Total Capital Sources	\$828.6

Required 10-Year Cash Flow from Operations	(\$677.3)	\$67.7 Per Year
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2008 Budget Operating Cash Flow:	\$45.0
2007 Actual Operating Cash Flow:	\$52.4
2006 Actual Operating Cash Flow:	\$39.7
Avg. Annual 2008 – 2012 Operating Cash Flow	\$69.8
Avg. Annual 2008 – 2017 Operating Cash Flow	\$96.7

Compare
April 25, 2006
2007-2016
\$50.3 Per Year

Note: Debt, Principal and Interest has been excluded for GO bonds. Equity contribution equal to GOs has been included.

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Palomar Pomerado Health Most Likely Scenario Financial Projections (\$000s)

Ratio/Statistic	Moody's "A" Rated Hospitals	Audit 2007	Projected									
			2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Operating Revenue	\$391,257	\$428,177	\$474,426	\$512,866	\$563,763	\$617,499	\$668,092	\$718,228	\$774,438	\$822,058	\$872,441	\$925,939
Operating Income	\$11,635	(\$2,653)	\$3,589	\$8,527	\$17,923	\$16,650	\$14,834	\$6,668	\$9,915	\$17,090	\$25,167	\$33,920
Net Income	\$21,680	\$32,996	\$23,551	\$31,585	\$43,258	\$42,585	\$40,502	\$33,871	\$39,223	\$49,149	\$60,229	\$78,429
Cash Flow (Net Inc + Depr)	\$36,478	\$52,449	\$45,061	\$55,275	\$70,367	\$78,421	\$94,265	\$100,274	\$109,432	\$121,926	\$133,362	\$151,028
Unrestricted Cash	\$242,406	\$140,696	\$413,495	\$337,534	\$352,075	\$157,277	\$200,379	\$242,636	\$331,380	\$432,834	\$542,383	\$676,086
EBIDA	\$43,259	\$51,412	\$50,252	\$58,802	\$73,558	\$81,223	\$96,647	\$105,860	\$116,870	\$128,876	\$139,830	\$157,497
Long-Term Debt	\$144,003	\$294,723	\$287,873	\$392,350	\$384,845	\$376,955	\$368,645	\$359,890	\$350,675	\$340,970	\$337,700	\$334,430
Profitability												
Operating Margin	3.2%	(0.6%)	0.8%	1.7%	3.2%	2.7%	2.2%	0.9%	1.3%	2.1%	2.9%	3.7%
Operating Margin (Including Property Tax)	3.2%		3.6%	4.3%	5.7%	5.0%	4.4%	3.0%	3.2%	4.0%	4.7%	5.4%
Excess Margin	5.9%	6.2%	4.8%	5.9%	7.3%	6.8%	5.8%	4.5%	4.9%	5.8%	6.6%	8.1%
EBIDA Margin	11.1%	12.0%	10.6%	11.5%	13.0%	13.2%	14.5%	14.7%	15.1%	15.7%	16.0%	17.0%
Debt Position												
Debt Service Coverage (x)	4.9x	3.8	4.2	5.5	6.9	7.6	9.0	7.4	7.0	7.7	14.4	16.2
Long-Term Debt to Capitalization	36.0%	49.8%	33.4%	39.2%	33.0%	30.2%	28.7%	27.4%	26.0%	24.5%	23.2%	21.8%
Cushion Ratio (x)	16.1x	8.8	22.5	32.5	34.0	15.3	19.5	17.5	20.5	26.8	33.5	69.4
Debt to Cash Flow (x)	3.3	6.1	6.4	7.1	5.5	4.8	3.9	3.6	3.2	2.8	2.5	2.2
Liquidity												
Cash to Debt	120.4%	47.7%	143.6%	86.0%	91.5%	41.7%	54.4%	67.4%	94.5%	126.9%	160.6%	202.2%
Days Cash On Hand (days)	166	125	336	256	248	102	122	137	174	216	256	301
Days in A/R, net	48.1	69.3	59.8	57.8	55.8	54.8	53.8	52.8	51.8	50.8	50.3	49.8

Note: Credit medians for freestanding hospitals & single-state healthcare systems in the "A" category by Moody's, as of Spring 2007.

Note: Debt, Principal and Interest has been excluded for GO bonds. Equity contribution equal to GOs has been included.

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