

Vanguard Health Systems, Inc.
Supplementary Financial Information

Adjusted EBITDA Margin

**Presentation of Most Directly Comparable GAAP Financial Measure (Net Income Margin)
and Reconciliation of Adjusted EBITDA to Net Income Margin**

	Quarter ended March 31,		Nine months ended March 31,	
(in millions, unaudited)	2003	2004	2003	2004
Adjusted EBITDA	\$ 32.9	\$ 47.4	\$ 75.0	\$ 121.8
Total revenues	402.4	461.7	937.6	1,313.6
Adjusted EBITDA Margin	8.2%	10.3%	8.0%	9.3%
Adjusted EBITDA	\$ 32.9	\$ 47.4	\$ 75.0	\$ 121.8
Interest, net	(10.4)	(11.1)	(24.9)	(32.4)
Income tax expense	(4.0)	(7.9)	(7.4)	(18.4)
Depreciation and amortization	(12.9)	(15.7)	(32.0)	(46.7)
Minority interests	0.1	0.4	(0.4)	2.3
Equity method income	1.0	0.8	1.2	2.6
Non-cash stock compensation	-	(0.1)	-	(0.1)
Gain (loss) on sale of assets	(0.1)	-	0.1	0.8
Net income	\$ 6.6	\$ 13.8	\$ 11.6	\$ 29.9
Total revenues	\$ 402.4	\$ 461.7	\$ 937.6	\$ 1,313.6
Net income margin	1.6%	3.0%	1.2%	2.3%

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Leverage Ratio

**Presentation of Most Directly Comparable GAAP Financial Measure (Debt to LTM Net Income Ratio)
and Reconciliation of Leverage Ratio to Debt to LTM Net Income Ratio**

(in millions, unaudited)

("LTM" denotes activity for the latest twelve-month period)

As of
March 31, 2004

Consolidated debt, as defined by credit facility	\$	449.1
LTM Adjusted EBITDA, as defined by credit facility	\$	155.5

Leverage ratio, as defined by credit facility	2.89x
<i>Maximum leverage ratio requirement</i>	5.25x

Reconciliation to most directly comparable GAAP measure:

Consolidated debt, as defined by credit facility	\$	449.1
Add: Cash and cash equivalents		27.6
Add: Debt incurred for specified construction projects		49.5

Consolidated debt	\$	526.2
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LTM Adjusted EBITDA, as defined by credit facility	\$	155.5
LTM depreciation and amortization		(61.6)
LTM interest, net		(42.4)
LTM minority interests		1.9
LTM equity method income		3.1
LTM gain on sale of assets		0.7
LTM non-cash stock compensation		(0.1)
LTM income tax expense		(21.9)

LTM net income	\$	35.2
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Debt to LTM net income ratio	14.95x
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Senior Leverage Ratio

Presentation of Most Directly Comparable GAAP Financial Measure (Senior Debt to LTM Net Income Ratio) and Reconciliation of Senior Leverage Ratio to Senior Debt to LTM Net Income Ratio

(in millions, unaudited)

("LTM" denotes activity for the latest twelve-month period)

As of
March 31, 2004

Consolidated senior debt, as defined by credit facility	\$	131.5
LTM Adjusted EBITDA, as defined by credit facility	\$	155.5

Senior Leverage ratio, as defined by credit facility	0.85x
<i>Maximum leverage ratio requirement</i>	<i>2.50x</i>

Reconciliation to most directly comparable GAAP measure:

Consolidated senior debt, as defined by credit facility	\$	131.5
Add: Cash and cash equivalents		27.6
Add: Debt incurred for specified construction projects		49.5

Consolidated senior debt	\$	208.6
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LTM Adjusted EBITDA, as defined by credit facility	\$	155.5
LTM depreciation and amortization		(61.6)
LTM interest, net		(42.4)
LTM minority interests		1.9
LTM equity method income		3.1
LTM gain on sale of assets		0.7
LTM non-cash stock compensation		(0.1)
LTM income tax expense		(21.9)

LTM net income	\$	35.2
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Senior debt to LTM net income ratio	5.93x
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Coverage Ratio

Presentation of Most Directly Comparable GAAP Financial Measure (LTM Net Income to LTM Net Interest Ratio) and Reconciliation of Coverage Ratio to LTM Net Income to LTM Net Interest Ratio

(in millions, unaudited)

("LTM" denotes activity for the latest twelve-month period)

As of
March 31, 2004

LTM Adjusted EBITDA, as defined by credit facility	\$	155.5
LTM interest expense, as defined by credit facility		40.1
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Coverage ratio, as defined by credit facility		3.88x
<i>Minimum coverage ratio requirement</i>		<i>2.15x</i>

Reconciliation to most directly comparable GAAP measure:

LTM Adjusted EBITDA, as defined by credit facility	\$	155.5
LTM depreciation and amortization		(61.6)
LTM interest, net		(42.4)
LTM minority interests		1.9
LTM equity method income		3.1
LTM gain on sale of assets		0.7
LTM non-cash stock compensation		(0.1)
LTM income tax expense		(21.9)
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LTM net income	\$	35.2
LTM net interest, as defined by credit facility	\$	40.1
Adjustments:		
LTM amortization of financing costs		1.7
LTM interest for specified construction projects		0.6
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LTM net interest	\$	42.4
LTM net income to LTM net interest ratio		0.83x