

NON-GAAP FINANCIAL MEASURES

The financial tables below contain certain non-GAAP financial measures as defined under SEC rules, such as Adjusted EBITDA for the three and nine month periods ended September 30, 2009 and 2008, respectively, and Hospital EBITDA for the three and nine month periods ended September 30, 2009 and 2008, respectively. As required by SEC rules, the Company has provided reconciliations of these measures to the most directly comparable GAAP measures, which are set forth in the tables below. The Company believes that each of the foregoing non-GAAP financial measures improves the transparency of the Company's disclosure, provides a meaningful presentation of the Company's results from its core hospital operations excluding the impact of items not related to the Company's ongoing core hospital operations, and improves the period-to-period comparability of the Company's results from its core hospital operations.

ADJUSTED EBITDA

| | <u>Three Months Ended</u> <u>September 30,</u> | | <u>Nine Months Ended</u> <u>September 30,</u> | |
|--|---|-------------------|--|-------------------|
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Net loss from continuing operations | \$ (1,809) | \$ (3,016) | \$ (9,213) | \$ (11,067) |
| Depreciation | 433 | 333 | 1,249 | 967 |
| Amortization | 259 | 218 | 786 | 661 |
| (Gain)/Loss on change in fair value of warrant liabilities | (144) | - | 3,449 | - |
| Interest expense, net | 1,532 | 287 | 4,315 | 3,835 |
| Provision/(benefit) for income taxes | 23 | 12 | 28 | (17) |
| Adjusted EBITDA | <u>\$ 294</u> | <u>\$ (2,166)</u> | <u>\$ 614</u> | <u>\$ (5,621)</u> |

HOSPITAL EBITDA

| | <u>Three Months Ended</u> <u>September 30,</u> | | <u>Nine Months Ended</u> <u>September 30,</u> | |
|---------------------------|---|-----------------|--|-----------------|
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Hospital contribution | \$ 1,246 | \$ 960 | \$ 4,783 | \$ 4,139 |
| Depreciation at hospitals | 353 | 293 | 995 | 844 |
| Amortization at hospitals | 259 | 218 | 787 | 661 |
| Hospital EBITDA | <u>\$ 1,858</u> | <u>\$ 1,471</u> | <u>\$ 6,565</u> | <u>\$ 5,644</u> |