Universal Health Services, Inc. is one of the largest and most experienced hospital management companies in the nation. We have focused our efforts on managing acute care hospitals, behavioral health hospitals, and ambulatory surgery and radiation oncology centers.

We believe hospitals will remain the focal point of the healthcare delivery system. We have built our success by remaining committed to a program of rational growth around our core businesses and seeking opportunities complementary to them. The future of our industry remains bright for those whose focus is providing quality healthcare on a cost-effective basis.
### Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
<th>PERCENTAGE INCREASE</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenues</strong></td>
<td>$3,643,566,000</td>
<td>$3,258,898,000</td>
<td>12%</td>
<td>$2,840,491,000</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$199,269,000</td>
<td>$175,361,000</td>
<td>14%</td>
<td>$99,742,000</td>
</tr>
<tr>
<td><strong>Earnings per share</strong> (diluted)</td>
<td>$3.20</td>
<td>$2.74</td>
<td>17%</td>
<td>$1.60</td>
</tr>
</tbody>
</table>

| **Patient days**            | 2,724,942                 | 2,564,022                 | 6%                   | 2,253,611                 |
| **Admissions**              | 436,259                   | 414,390                   | 5%                   | 355,117                   |
| **Average number of licensed beds** | 11,131                   | 10,648                    | 5%                   | 9,966                     |

* The earnings per share have been adjusted to reflect the two-for-one stock split declared in the form of a 100% stock dividend which was paid in June 2001.
UHS is proud to have completed 25 years of growth and innovation. We are now one of the nation’s largest and most respected companies with $3.6 billion in revenues and over 100 facilities nationwide, and in Puerto Rico and France.

This past year was a fine one for our company. Net revenues for 2003 were $3.64 billion a 12% increase from 2002. Net income was $199.3 million or $3.20 per diluted share.

Net income increased for the eleventh consecutive year. At year-end 2003 shareholders equity increased 19% to $1.09 billion. Our return on equity was 20.0%, which, once again, was among the highest in the entire industry. The Wall Street Journal shareholder scoreboard ranks the performance of 1,000 major U.S. companies based on total returns to shareholders. UHS was once again the leader among hospital management companies.

We plan to continue our growth by adding to our portfolio of quality health care facilities through strategic acquisitions in key geographic markets and the development of new hospitals.

**Continued Expansion**

In Las Vegas we opened our fourth facility, the Spring Valley Hospital Medical Center that added 176 beds in the fast growing southeast quadrant of the city. And we announced plans to develop a fifth facility in the Northern Centennials Hills area.

We are also pleased that President Bush chose Spring Valley Hospital to announce the passage of historic Medicare legislation, which included the first prescription drug benefit program for our senior citizens.

We have also made a number of strategic acquisitions this past year. UHS acquired Corona Regional Medical Center, 228 beds, as part of a three-hospital group. Corona will complement our other two facilities in southern California.

To further strengthen our market position in New Orleans, Louisiana, we acquired a 90% ownership interest in the 306-bed Methodist Hospital and we purchased the 156-bed Lakeland Medical Center. The combined net revenues from these five acquisitions will be approximately $360 million in 2004.

In the Behavioral Health area, where we have the leading group in the nation, we added the North Star Hospital, North Star Children’s Hospital and two outpatient counseling centers in Anchorage, Alaska.

Médi-Partenaires, our hospital company in France, added five outstanding facilities during 2003 and early 2004 with 481 beds bringing our total in that country to 1,588 beds.

In addition, major construction projects were completed at a number of our facilities including a 90 bed addition to Northwest Texas Hospital, a 56 bed patient tower at Auburn Regional Medical Center and an expansion and renovation at Wellington Regional Medical Center. Construction was begun at Lakewood Ranch, a new hospital development southeast of our Manatee Memorial Hospital, scheduled to open late in 2004.

**Our management strength – UHS’s people**

In addition to the strong financial underpinnings of the company, which has facilitated this growth, we have made appropriate operating management promotions and realignments.

In the Acute Care Hospital Division four groups were created: an Eastern Region group led by Marc Miller; a Louisiana Group led by Larry Graham; a North Central group led by Moody Chisholm; and the South Texas Group directed by Dan McLean. The Western Region, reporting to Vice President, Mike Marquez, will create an additional group shortly.

Our ability to make this reorganization all with talent from within the company speaks to the breadth and depth of UHS’s management.

In the Corporate staff Steve Filton was appointed Senior Vice President and Chief Financial Officer, Charles
Boyle was named Controller and Cheryl Ramagano was promoted to Treasurer. All three have long tenure with the company. John Paul Christen was promoted to the newly created position of Assistant Vice President, Hospital Finance. Jay Hornung was named the new head of Design and Construction, and Craig Conti was appointed Director of Development.

**A Dynamic and Challenging Industry**

The hospital management industry remains both dynamic and challenging. Recent national legislation provided for solid reimbursement for hospitals yet the recovering economy has yet to produce the number of jobs anticipated. Admissions to hospitals have lessened as a result and the number of uninsured Americans, now estimated at 44 million, continues to grow – as does bad debts for providers.

We have seen increases in medical malpractice expense, which is not only an economic burden but has made it difficult for physicians in certain specialties to continue to practice. Recent medical school graduates in obstetrics, orthopedics and neurosurgery are reluctant to locate in states that have excessively high malpractice insurance premiums. This comes about as a result of many legislators unwilling to restrain trial lawyers’ potential jackpot paydays.

These elected officials place political contributions ahead of their responsibility to constituents. It is indisputable that in states that placed caps on non-economic damages, excessive awards have moderated and insurance premiums have been kept at manageable levels. It's up to each state to enact this legislation, as it has proven impossible to date to have the U.S. Senate follow the lead of the U.S. House of Representatives which passed cap-legislation and acted on this issue.

**25 Years: An Exceptional Milestone**

Universal Health Services is privileged to commemorate 25 successful years in business and to be one of the leaders in our industry over this period. We have helped to transform one of America's most important industries and produced a financial record second to none in our field. UHS ranks with the best in industry overall.

Our company has consistently provided high quality care in a manner that has kept our reputation for ethics unblemished. This is a tribute to our talented and dedicated employees who are responsible for bringing our corporate mission to life.

We appreciate the many physicians who partner with us to serve our communities with dedication and expertise and we thank our local government officials, vendors, bankers, hospital boards and volunteers.

Through their support we have built a corporation, whose position in the communities we serve around the nation and in the capital market, is something we can all be proud of.

Most of all, thanks to my fellow UHS employees for the vital role you have fulfilled in our successful first quarter century, and I look forward to sharing a bright future with you.

Alan B. Miller
Chairman of the Board
President and Chief Executive Officer
Entering Las Vegas:

An Uncommon Opportunity

In 1979, the highway leading north out of Las Vegas ended just a few miles from the famous Strip. Beyond it was a vast, largely uninhabited desert.

In the city itself, a stagnant U.S. economy had dampened tourism, and many of the legendary casino hotels
were in serious need of renovation.

But a closer look at long-term trends told a different story. The population of Clark County, which includes greater Las Vegas, was approaching half a million residents – up dramatically from 273,000 at the start of the decade.

So when Alan Miller visited Valley Hospital Medical Center in the center of Las Vegas, he saw an uncommon opportunity for his young company to take part in the community’s growth.

Nearly a quarter of a century later, that opportunity continues to represent the epitome of the UHS strategy.

From its frontier-town origins, Las Vegas has become America’s fastest-growing major city, with a glittering skyline and 24/7 activity. On the left is Las Vegas in 1978, and on the right, the same location present day.
Helping to Change an Industry

One year earlier, in 1978, Miller had founded Universal Health Services on the belief that the nation’s hospital industry was poised for major change, as struggling community institutions began to seek private ownership.

He was confident that his new company could bring strong management skills and high quality standards to the industry. And he resolved that UHS would build or acquire hospitals in areas – such as Las Vegas – where population growth was higher than the national average.

With a strong capital foundation already in place, UHS had the resources to take Valley Hospital to a new level. It entered a successful bid, and set about building a presence in the nation’s penultimate growth market.

Success Breeds Success

During the 1980’s and 1990’s, an economic recovery and an explosion in casino development helped make Las Vegas the fastest-growing major city in America. And the re-named Valley Hospital Medical Center became the city’s premier acute care provider.

Under UHS ownership, the hospital thrived on a combination of new services, new facilities, and new management initiatives. And its staff was energized by a strong emphasis on excellence in medical care and an orientation toward patient satisfaction.

Naturally, success breeds success. So UHS continually accelerated its investment in ever-greater levels of service, facilities, and medical expertise. And it made Valley Hospital the cornerstone of a broader expansion

Valley Hospital Medical Center as it looked in 1978 – and as it stands today
strategy in the state of Nevada.

In 1983, UHS opened Sparks Family Hospital, now known as Northern Nevada Medical Center, in Sparks, Nevada. In 1997, Summerlin Hospital Medical Center was completed, and in 1998 Desert Springs Hospital, also in Las Vegas, was purchased.

Each facility is a leader in its own right. And the entire network benefits from the ability to collaborate on medical services, patient care, and purchasing.

**The Tradition Continues**

Today, the highway out of Las Vegas stretches to the horizon, passing mile after mile of suburban development.

The population of Clark County is estimated to exceed 1.5 million – more than three times greater than it was in 1979.

And it continues to expand at a rate of approximately 6,000 new residents per month.

From its modest beginning, UHS has become a dominant provider of acute care services to patients throughout the region.

The combined UHS network in Las Vegas currently employs more than 4,800 professionals – compared with approximately 200 staff members at the original Valley Hospital – and serves hundreds of thousands of patients annually.

And true to its tradition, the company continues to invest in new facilities and services to serve the growing needs of the community.

For example, 2003 brought the opening of Spring Valley Hospital Medical Center in Las Vegas, a 176-bed acute care facility and the fourth member of the Valley Health System.

**Finding Opportunity, Again**

Now, history is about to repeat itself again in a far northwestern corner of Las Vegas, where UHS has broken ground on its fifth acute care facility, the 176-bed Centennial Hills Hospital. Centennial Hills is an area of scattered housing developments, vast ranchlands – and relatively few roads. But as it has demonstrated from the start, UHS has a unique ability to see opportunities that others miss – and to forge its own path to the future.
Embracing the California Spirit

With its sun-drenched climate, world-class business environment, and conspicuous wealth, California lives up to its billing as The Golden State. In fact, if it were an independent nation, its economy would rank #8 worldwide. It is also America’s most populous state, with more than 34 million residents, and perennially among the fastest-growing.

UHS first embraced the California spirit in 1981, and currently operates a total of seven facilities in the state, including six acute care hospitals, and a behavioral health center.

Southwest Healthcare System

Located due north of San Diego, Southwest Healthcare System comprises the Inland Valley Campus and the Rancho Springs Campus. The system enjoys a strong reputation for quality healthcare in the region, and was named 2002 Large Business of the Year by the local Chamber of Commerce.

The Inland Valley Campus is an 80-bed acute care facility that provides a full range of comprehensive healthcare services to the town of Wildomar. The hospital also serves as
the community’s only trauma center, providing emergency medical services, trauma surgery, intensive care, diagnostic imaging, rehabilitation, and other medical services.

In 2003, the Inland Valley Campus was named as one of the nation’s 100 Top Hospitals that has achieved excellence in quality of care, efficiency of operations, and sustainability of overall performance. It is the second time that Inland Valley has been so recognized.

In nearby Murrieta, the Rancho Springs Campus is a 96-bed acute care facility serving a growing community of more than 41,000 residents.

In September, 2003, Rancho Springs broke ground on a major redevelopment project that will expand many of its departments and services. These include a new 28,000 sq. ft. administrative support service building to house administration, education, medical records, medical staff, and information services. In addition, the hospital plans to add a new obstetrics department with labor, delivery, and recovery beds; a triage/monitoring room; postpartum beds; a newborn nursery; OB surgical suites; and a neonatal intensive care unit.

The plan also calls for the hospital’s emergency department to more than triple its capacity from eight to 26 treatment bays. And the radiology department will expand to include mammography and ultrasound services.

Adding to our network in this area, UHS purchased the 228-bed Corona Regional Medical Center which is 40 miles from Rancho Springs.

Other Facilities

Our behavioral health facility in the southernmost portion of the Golden State is Del Amo Hospital, located in Torrance, California.

To the north, in the Antelope Valley near Los Angeles, UHS owns Lancaster Community Hospital. Acquired in 2002, this acute care hospital provides technologically advanced emergency care, cardiac care, physical therapy and rehabilitation, and inpatient/outpatient surgery services.
Succeeding in a Texas-Size Market

Running close behind Las Vegas is McAllen, Texas, the nation’s fourth fastest-growing metropolitan area. Located in the Rio Grande Valley, just four miles from the U.S./Mexico border, McAllen has seen a huge influx of residents in recent decades. Between 1990 and 2000, the area’s population grew from 383,000 to 569,000 and is expected to reach 715,000 by 2010.

Once a rural, agricultural region, greater McAllen has been transformed into a major international trade area, teeming with activity in such areas as manufacturing, retailing, import/export, and tourism. Home construction is also booming, as suburban communities spring up to accommodate the rapidly-rising population.

UHS first entered the McAllen market in 1985 by purchasing the former McAllen Municipal Hospital, now known as McAllen Medical Center. As the largest full-service hospital in the upper Rio Grande Valley, McAllen Medical serves patients from the entire Rio Grande Valley and northern Mexico, and has earned a reputation for superior medical expertise, state-of-the-art technologies, and modern facilities.

South Texas Health System

Like Valley Hospital in Las Vegas, McAllen Medical Center serves as the hub of a thriving healthcare network known as South Texas Health System.
This diverse network also includes McAllen Heart Hospital, McAllen Medical Behavioral Health Center, Rehabilitation Institute of McAllen, Edinburg Regional Medical Center, and The Rehabilitation Pavilion. In 2003, the network was the dominant provider in the region.

As the McAllen region expands, competition in the healthcare market is also on the rise. In response to this trend, South Texas Health System plans to streamline its operations, elevate its Service Excellence and Quality Improvement Programs, and establish itself as a leader in healthcare education.

**Northwest Texas Health System**

Hundreds of miles north of McAllen, the storied city of Amarillo continues to attract new residents and businesses through its thriving energy industry and relaxed lifestyle.

UHS entered the Amarillo market in 1996 by acquiring Northwest Texas Hospital. Since then, UHS has made significant investments in the facility – and in the local market.

Today, Northwest Texas Hospital is the centerpiece of the Northwest Texas Health System, a network that also includes the J.O. Wyatt Community Health Center, Northwest Texas Women’s and Children’s Center, Northwest Texas Sports Medicine Center, Northwest Wound Care Center, and the Pavilion.

In 2003, Northwest Texas Health System expanded this market-leading network yet again by opening the Heart Hospital of Northwest Texas and The Children’s Hospital at Northwest Texas Healthcare System. These two facilities represent a total of 90 new beds, and have already met with strong demand from the local community.

**Fort Duncan Medical Center and Doctors Hospital of Laredo**

Elsewhere in Texas, UHS’s Fort Duncan Medical Center is located in Eagle Pass, one of the fastest-growing cities in the state. With 297 beds, Fort Duncan holds more than 70% of its local market, and experienced double-digit revenue growth in 2003.

Laredo, Texas, the home of Doctors Hospital of Laredo, is also expanding quickly. Doctors Hospital has experienced strong growth in admissions, revenues, operating profits, and medical staff on the strength of its quality care, modern facilities, and recently-completed cancer treatment center.
A Sunny Outlook in Florida

For decades, the state of Florida has strained to accommodate an exploding population. From the north, retirees and young families have been drawn to the state’s warm climate, year-round outdoor activities, and booming job market. From the south, families and businesses have made Florida a multicultural gateway to the Caribbean, Latin America, and South America.

UHS recognized Florida’s growth potential from the very start, purchasing Doctors’ Hospital of Hollywood, Florida in 1978. Today, the company owns facilities in two of the state’s fastest-growing communities: Wellington and Bradenton.

Wellington Regional Medical Center

Located in a formerly rural section of Palm Beach County, Wellington Regional Medical Center joined the UHS family in 1986. Since then, its surrounding community has witnessed a population surge, recording double-digit growth in recent years.

Incorporated in 1996, the young Village of Wellington features a growing industrial base, a diverse population, several new schools, and large tracts of new housing.

Wellington Regional Medical Center has contributed to the area’s growth, allowing residents to find quality healthcare without traveling to congested downtown locations. And, it has thrived by focusing on the services its community needs most, including a full range of joint
replacement programs for adults who participate in golf, tennis, and other activities that abound in the area.

To keep up with increasing demand, Wellington will soon add more than 30,000 square feet of space to accommodate new operating suites, outpatient admissions, and a comprehensive obstetrics department. In addition, it has tripled the size of its intensive care unit while more than doubling the size of its staff over the past six years. And in 2004, it will open a new outpatient surgery center for patients who undergo same-day procedures.

**Manatee Memorial Hospital**

On Florida’s West Coast, in the community of Bradenton, Manatee Memorial Hospital is also striving to keep pace with above-average growth. Over the past two decades, the population of Manatee County has doubled to over 274,000, thanks to a people-friendly and business-friendly environment, miles of white sandy beaches, and old-style Florida charm.

As a premier provider to the community, Manatee Memorial Hospital offers a full range of outstanding healthcare services, including cardiology, oncology, nuclear medicine, and obstetrics. And it will soon join forces with Lakewood Ranch Medical Center, a full-service acute care facility that is scheduled to be completed by UHS in 2004.

In 2003, the hospital celebrated its 50th anniversary, and was voted best hospital in Manatee County for the ninth year in a row. Manatee Memorial currently commands a 29% share of the local market, and plans to increase that share by beginning construction of a new patient tower in 2004.
Behavioral Health Division

Like the Acute Care Division, the UHS Behavioral Health Division often seeks to establish a network of facilities in a region, while developing strong relationships with referral sources such as medical and psychiatric professionals.

This approach has worked exceptionally well for UHS, which has built a nationwide group of more than 40 behavioral health centers stretching from New England to Alaska.

In a market segment that is considered one of the most challenging of all healthcare specialties, UHS has established a record of extraordinary success as measured by admissions, patient outcomes, and profitability.

Among the many outstanding behavioral health centers in the UHS network are:

Peachford Behavioral Health System

Peachford Behavioral Health System is a 184-bed psychiatric and chemical dependency hospital located on 27 acres in an affluent northern suburb of Atlanta.

Peachford’s facilities include a ten-bed children’s unit, a 30-bed adolescent unit, a 32-bed geriatric unit, a 33-bed adult unit, a 33-bed addictions unit, and a 46-bed stabilization unit. It also offers partial hospitalization and intensive outpatient programs to adults and adolescents seven days a week.

And a newly renovated 30-bed room and board lodging area is available for those patients attending these outpatient programs.

Lakeside Behavioral Health System

Lakeside Behavioral Health System, a 219-bed hospital located in

Presently under construction, the new building at Lakeside Behavioral Health System will be completed in 2004.
Memphis, Tennessee, has provided psychiatric and chemical dependency treatment services to area adults, adolescents, and children for over 25 years. It operates on a campus setting that consists of eight buildings on 37 acres.

Lakeside’s acute care programs include specialty tracts for impaired professionals, trauma patients, and clinical drug trials. In addition, it offers assessment/referral and intensive outpatient services in three satellite locations.

Lakeside is an important part of the Memphis community, operating two county alternative schools, one private alternative school, and five special education classrooms. In addition, it owns and operates the Alliance for Behavioral Health, a provider network in Memphis, and has a one-quarter ownership in a similar provider network in Oklahoma City.

Lakeside also serves the eight emergency rooms of the Methodist Health System and the Baptist Health System with consultation and liaison services.

**North Star Behavioral Health System**

Acquired by UHS in 2003, North Star Behavioral Health System is the largest provider of acute mental health services in the state of Alaska. The system consists of a 74-bed hospital and two residential treatment centers, and provides psychiatric services to children and adolescents.

The Provo Canyon School in Utah specializes in treating adolescents with emotional, behavioral, and learning difficulties.

---

Peachford Behavioral Health System in suburban Atlanta.
With a strong reputation for quality and performance, UHS is positioned to deliver caring healthcare services well into the next generation.

The Next Quarter Century

While it is impossible to predict the future, the next 25 years are certain to be a period of dramatic and exciting change in the healthcare industry, bringing new technologies, new treatment methodologies, and new trends in compensation.

And yet, certain fundamental principles will always apply. Which is why those are the principles that will shape our company’s strategy for the future – just as they have shaped our past.

For example, we will continue emphasizing healthcare of the highest quality, confident that patients will always place a high value on professionalism and compassion.

We will continue to manage costs, knowing that private and public insurers will always scrutinize healthcare-related expenses.

And, we will continue to build and acquire healthcare facilities that are located in the nation’s fastest-growing markets, knowing that growing populations inevitably lead to growing patient volumes.

At all times, we will recognize that healthcare plays an important role in the public trust. We take that role very seriously in every community we serve, and constantly strive to bring our patients the level of service that they expect and deserve.

Ultimately, we believe that our approach is simply good medicine. And as our 25 years of success demonstrate, it is also good business.

The Wall Street Journal is a registered trademark of Dow Jones L. P. The Wall Street Journal Shareholder Scoreboard is a service mark of Dow Jones L. P. The chart displayed in this ad has been excerpted from The Wall Street Journal, March 10, 2003. Reprinted with permission.
### Behavioral Health Centers

- **Anchor Hospital**
  - Atlanta, Georgia
  - 74 beds
- **The Arbour Hospital**
  - Boston, Massachusetts
  - 118 beds
- **The BridgeWay**
  - North Little Rock, Arkansas
  - 70 beds
- **The Carolina Center for Behavioral Health**
  - Greer, South Carolina
  - 66 beds
- **Clarion Psychiatric Center**
  - Clarion, Pennsylvania
  - 70 beds
- **Community Behavioral Health**
  - Memphis, Tennessee
  - 50 beds
- **Del Amo Hospital**
  - Torrance, California
  - 166 beds
- **Fairmount Behavioral Health System**
  - Philadelphia, Pennsylvania
  - 169 beds
- **Forest View Hospital**
  - Grand Rapids, Michigan
  - 62 beds
- **Fuller Memorial Hospital**
  - South Attleboro, Massachusetts
  - 82 beds
- **Glen Oaks Hospital**
  - Greenville, Texas
  - 54 beds
- **Good Samaritan Counseling Center**
  - Anchorage, Alaska
- **Hampton Hospital**
  - Westhampton, New Jersey
  - 100 beds
- **Hartgrove Hospital**
  - Chicago, Illinois
  - 119 beds
- **The Horsham Clinic**
  - Ambler, Pennsylvania
  - 146 beds
- **Hospital San Juan Capestrano**
  - Rio Piedras, Puerto Rico
  - 108 beds
- **HRI Hospital**
  - Brookline, Massachusetts
  - 68 beds
- **KeyStone Center**
  - Williamsport, Pennsylvania
  - 114 beds
- **La Amistad Behavioral Health Services**
  - Maitland, Florida
  - 56 beds
- **Lakeside Behavioral Health System**
  - Memphis, Tennessee
  - 204 beds
- **Laurel Heights Hospital**
  - Atlanta, Georgia
  - 107 beds
- **The Meadows Psychiatric Center**
  - Centre Hall, Pennsylvania
  - 113 beds
- **Meridian Achievement Center**
  - Austin, Texas
  - 114 beds
- **Midwest Center for Youth and Families**
  - Kouts, Indiana
  - 50 beds

### Ambulatory Surgery Centers

- **Brownsville Surgicare**
  - Brownsville, Texas
- **OJOS/Eye Surgery Specialists of Puerto Rico**
  - Santurce, Puerto Rico
- **Goldring Surgical Center**
  - Las Vegas, Nevada
- **Northwest Texas Surgery Center**
  - Amarillo, Texas
- **Outpatient Surgical Center of Ponca City**
  - Ponca City, Oklahoma
- **Plaza Surgery Center**
  - Las Vegas, Nevada
- **St. George Surgical Center**
  - St. George, Utah
- **St. Luke’s Surgicenter**
  - Hammond, Louisiana
- **Surgery Center of Midwest City**
  - Midwest City, Oklahoma
- **Surgery Center of Springfield**
  - Springfield, Missouri
- **Surgical Arts Surgery Center**
  - Reno, Nevada
- **Surgical Center of New Albany**
  - New Albany, Indiana

### Radiation Oncology Centers

- **Auburn Regional Center for Cancer Care**
  - Auburn, Washington
- **Cancer Institute of Nevada**
  - Las Vegas, Nevada
- **Carolina Cancer Center**
  - Aiken, South Carolina
- **Madison Radiation Therapy**
  - Madison, Indiana

### Specialized Women’s Health Center

- **Renaissance Women’s Center of Edmond**
  - Edmond, Oklahoma

### Médi-Partenaires (Paris/Bordeaux)

- **Clinique Ambroise Paré**
  - Toulouse, France
  - 195 beds
- **Clinique Bon Secours**
  - Le Puy en Velay, France
  - 95 beds
- **Clinique Claude Bernard**
  - Metz, France
  - 218 beds
- **Clinique d’Aressy**
  - Aressy, France
  - 179 beds
- **Clinique de Bercy**
  - Charenton le Pont, France
  - 92 beds
- **Clinique Le Louvre**
  - Paris, France
  - 20 beds
- **Clinique Montréal Carcassonne**
  - Carcassonne, France
  - 120 beds
- **Clinique Notre Dame Thionville**
  - Thionville, France
  - 73 beds
- **Clinique Pasteur Bergerac**
  - Bergerac, France
  - 106 beds
- **Clinique Paul Doumer**
  - Paris, France
  - 50 beds
- **Clinique Richelieu Saintes**
  - Saintes, France
  - 73 beds
- **Clinique Saint Augustin Bordeaux**
  - Bordeaux, France
  - 155 beds
- **Clinique Villette Dunkerque**
  - Dunkerque, France
  - 117 beds
- **Polyclinique St. Jean Montpellier**
  - Montpellier, France
  - 95 beds
Board of Directors

Alan B. Miller 1,4
Chairman of the Board, President and Chief Executive Officer

Robert H. Hotz 1,3,4,5
Senior Managing Director, Head of Investment Banking, Head of the Board of Directors Advisory Service, Member of the Board of Directors, Houlihan Lokey Howard & Zukin, New York, NY; Former Senior Vice Chairman, Investment Banking for the Americas, UBS Warburg, LLC, New York, NY

Leatrice Ducat 1,2,5
President and Founder, National Disease Research Interchange since 1980; President and Founder, Human Biological Data Interchange since 1988; Founder, Juvenile Diabetes Foundation, National and International Organization

Anthony Pantaleoni 3,5
Of Counsel, Fulbright & Jaworski, L.L.P. New York, NY

John F. Williams, Jr., M.D., Ed.D. 2,5
Provost and Vice President for Health Affairs, The George Washington University

John H. Herrell 1,2
Former Chief Administrative Officer and Member, Board of Trustees, Mayo Foundation; Rochester, MN

Committees of the Board: 1 Audit Committee, 2 Compensation Committee, 3 Executive Committee, 4 Finance Committee, 5 Nominating/Corporate Governance
THE 25-YEAR HISTORY OF UHS IS COMPOSED OF THOUSANDS OF ACHIEVEMENTS, LARGE AND SMALL. HERE IS A CHRONOLOGICAL LOOK AT SOME OF THE MAJOR MILESTONES THAT HAVE SHAPED OUR COMPANY, AND RESHAPED OUR INDUSTRY.
Acquired Valley Hospital Medical Center, Las Vegas, NV

Venture Capital Group: Citicorp Venture Capital; Security Pacific; First Chicago

1979 Year-End Results:
- Gross Revenues: $30,932,000
- Net Revenues: $25,149,000
- Net Income: $388,000

Mary Ann Ninnis, now the Director of Advertising, joins UHS

1980 Year-End Results:
- Gross Revenues: $80,509,000
- Net Revenues: $65,742,000
- Net Income: $2,028,000


First Board of Directors included Alan B. Miller, Sidney Miller, George H. Strong, Edwin C. Cohen, Leonard Shaykin and Thomas L. Kempner.

1981 Year-End Results:
- Gross Revenues: $119,391,000
- Net Revenues: $92,174,000
- Net Income: $4,691,000

Five hospitals, including Auburn Regional Medical Center, purchased from Steward Foundation

Sidney Miller and George H. Strong appointed Senior Vice Presidents.

Anthony Pantaleoni, Esq., of Reavis and McGrath, elected to Board of Directors

Leonard W. Cronkhite, Jr., MD elected to Board of Directors

1982 Year-End Results:
- Gross Revenues: $137,021,000
- Net Revenues: $105,158,000
- Net Income: $7,315,000

1983 Year-End Results:
- Gross Revenues: $171,337,000
- Net Revenues: $129,282,000
- Net Income: $14,500,000

Acquisition of Qualicare, Inc. completed, adding 11 acute-care and 4 psychiatric facilities. Additional psychiatric facility under construction.

Opening of The BridgeWay, North Little Rock, AR

1983 Year-End Results:
Gross Revenues: $348,998,000
Net Revenues: $275,712,000
Net Income: $9,807,000

Acquired Forest View Hospital, Grand Rapids, MI

1984 Year-End Results:
Gross Revenues: $348,998,000
Net Revenues: $275,712,000
Net Income: $9,807,000

Corporate office building acquired at 367 South Gulph Rd., King of Prussia, PA. Total space: 70,000 square feet.

UHS Board of Directors declares a stock split in the form of a 100% stock dividend.

Opening of Sparks Family Hospital, Sparks, Nevada, later named Northern Nevada Medical Center.

Opening of KeyStone Recovery Center, Wallingford, PA

Acquired McAllen Methodist Hospital, McAllen, TX, later named McAllen Medical Center

Company issues ten percent stock dividend as of November 27, payable to holders of Class A and Class B Common Stock.

Opening of Two Rivers Psychiatric Hospital, Kansas City, MO

Formation of Universal Health Realty Income Trust (UHT)

Opening of Wellington Regional Medical Center, West Palm Beach, FL

1985 Year-End Results:
Gross Revenues: $348,998,000
Net Revenues: $275,712,000
Net Income: $9,807,000

Acquired McAllen Methodist Hospital, McAllen, TX, later named McAllen Medical Center

Opening of River Oaks, New Orleans, LA

1986 Year-End Results:
Gross Revenues: $665,784,000
Net Revenues: $473,447,000
Net Income: $1,694,000

Opening of Glen Oaks Hospital, Greenville, TX

Joyce Lunney named Assistant Vice President - Taxation

Don Pyskacek named Assistant Vice President - Design and Construction

Opening of KeyStone Recovery Center, Wallingford, PA

Acquired McAllen Methodist Hospital, McAllen, TX, later named McAllen Medical Center

Company issues ten percent stock dividend as of November 27, payable to holders of Class A and Class B Common Stock.

Opening of Turning Point Care Center, Moultrie, GA

1987 Year-End Results:
Gross Revenues: $775,000,000
Net Revenues: $515,800,000
Net Income: $11,800,000

Acquired La Amistad Psychiatric Treatment Facility, Maitland, FL

1988 Year-End Results:
Gross Revenues: $775,000,000
Net Revenues: $515,800,000
Net Income: $11,800,000

Opened River Crest Hospital, San Angelo, TX

1987 Year-End Results:
Gross Revenues: $775,000,000
Net Revenues: $515,800,000
Net Income: $11,800,000

Acquired La Amistad Psychiatric Treatment Facility, Maitland, FL

Opened River Crest Hospital, San Angelo, TX
1988 Year-End Results:
Gross Revenues: $860,300,000
Net Revenues: $554,000,000
Net Income: $6,400,000

Acquired Chalmette Medical Center

1990 Year-End Results
Gross Revenues: $1,033,000,000
Net Revenues: $627,100,000
Net Income: $11,600,000

Steve G. Filton promoted to Vice President
UHS begins trading its Class B common shares on the New York Stock Exchange
Robert H. Hotz elected to the Board of Directors
Bruce R. Gilbert appointed General Counsel

1989 Year-End Results:
Gross Revenues: $937,400,000
Net Revenues: $587,200,000
Net Income: $9,000,000

1991 Year-End Results:
Gross Revenues: $1,129,852,000
Net Revenues: $691,619,000
Net Income: $20,300,000

Alan B. Miller elected CEO of the Year For Health Service Industry - Financial World Magazine
1992 Year-End Results:
Gross Revenues: $1,211,600,000
Net Revenues: $731,227,000
Net Income: $20,000,000

John H. Herrell, Chief Administrative Officer of the Mayo Foundation, elected to Board of Directors

1993 Year-End Results:
Gross Revenues: $1,336,215,000
Net Revenues: $782,199,000
Net Income: $28,700,000

Richard Wright appointed Vice President – Development

Inland Valley Regional Medical Center chosen one of the “Top 100 Hospitals” in the country by Modern Healthcare Magazine

1994 Year-End Results:
Gross Revenues: $1,465,400,000
Net Revenues: $782,199,000
Net Income: $28,700,000

Linda L.E. Reino appointed Assistant Vice President - Information Systems

Acquired Fuller Memorial Hospital, South Attleboro, MA

Acquired The Pavilion, Champaign, IL

Acquired Manatee Memorial Hospital, Bradenton, FL

1995 Year-End Results:
Gross Revenues: $1,744,421,000
Net Revenues: $1,174,158,000
Net Income: $50,700,000

Roy A. Ettlinger named Vice President of the Behavioral Health Division

Announced a stock repurchase program. 460,000 shares are repurchased under this program at an average price of $42/share.

1996 Year-End Results:
Gross Revenues: $2,344,421,000
Net Revenues: $1,174,158,000
Net Income: $50,700,000

Linda L.E. Reino appointed Assistant Vice President - Information Systems

Acquired The George Washington University Hospital, Washington, DC, in partnership with the University

Service Excellence initiative is introduced.

1997 Year-End Results:
Gross Revenues: $2,344,421,000
Net Revenues: $1,174,158,000
Net Income: $50,700,000

Ms. Lee Ducat elected to Board of Directors

UHS Management Services established.

Acquired Northwest Texas Healthcare System, Amarillo, TX

Two for one stock split. Outstanding shares increase from 14.4 million to 28.8 million.

Sold 4,000,000 shares of Class B Common Stock. Net proceeds approximately$100 million

Acquired Timberlawn Mental Health System, Dallas, TX

Micheal Urbach named Senior Vice President of the Ambulatory Division

1998 Year-End Results:
Gross Revenues: $2,344,421,000
Net Revenues: $1,174,158,000
Net Income: $50,700,000

UHS named to the Wall Street Journal Shareholder Honor Roll

Opened San Pablo Del Este, a 180-bed hospital in Fajardo, Puerto Rico

Opened Edinburg Regional Medical Center, Edinburg, TX.

Opened Summerlin Hospital Medical Center, Las Vegas, NV
Acquired three behavioral health hospitals from Hospital Group of America.

Alan B. Miller received the First Lifetime Achievement Award 1999 from the Federation of American Health Systems.

Eileen Bove named Assistant Vice President - Human Resources

Acquired 117-bed Doctors Hospital of Laredo.

Acquired Rancho Springs Medical Center, a 96-bed acute care hospital in Murrieta, CA

Acquired Pembroke Hospital and Westwood Lodge Hospital, two behavioral health hospitals in Boston, Massachusetts.

Acquired Hospital San Juan Capistrano, a 108-bed behavioral health hospital, and related clinics in Rio Piedras, Puerto Rico

Acquired McAllen Heart Hospital, a 60-bed specialty heart hospital in McAllen, TX

Acquired 80% interest in the fourth largest operator of private hospitals in France. Médi-Partenaires is the name of the newly formed company.

Opened new 126-bed patient tower at Desert Springs Hospital, Las Vegas, NV

UHS listed by the Wall Street Journal as the top healthcare provider over the ten-year period 1990-2000 based on achievement of a 38% compound annual growth rate.

UHS executed a two for one stock split.

Opened new replacement facility for Doctors Hospital of Laredo, in Texas.

O. Edwin French joined UHS as Senior Vice President, and President of the Acute Care Hospital Division

1999

Acquired St. Mary's Mercy Hospital, a 277-licensed bed, full service hospital in Enid, OK, later named St. Mary's Regional Medical Center

Acquired 12 behavioral health businesses from Charter Behavioral Health Systems

Acquired Fort Duncan Medical Center, a 77-bed acute care hospital in Eagle Pass, TX

Martin C. Schappell named Vice President of the Behavioral Health Division

Acquired North Penn Hospital, a 150-bed acute care hospital in Lansdale, PA, later named Central Montgomery Medical Center.

Acquired Lancaster Community Hospital, a 117-bed acute care hospital in Lancaster, CA

Grand opening for Wellington Regional Medical Center's new $5 million, 13,000 sq. ft. outpatient surgery and admitting center.

2000

Michael Marquez appointed Vice President of the Acute Care Division Western Region

St. Mary's Regional Medical Center named one of the country's "Top 100 Orthopedic Hospitals" for 2000 by HCIA/Sachs.

McAllen Medical Center named one of the nation's "Top 100 Hospitals" by HCIA, Inc.

2001

Alan B. Miller awarded the prestigious President's Medal of The George Washington University.

Grand opening of the new replacement facility for The George Washington University Hospital.

Ground breaking to build Lakewood Ranch Medical Center, a 120-licensed bed acute care hospital, Lakewood Ranch, FL.

Inland Valley Medical Center selected as a "Top 100 Hospital" for 2001 by Solucient. (Second time recognition)

Acquired North Star Behavioral Health Systems, Anchorage, Alaska.

UHS listed on Forbes Platinum 400 among America's Best Big Companies

2002

Grand opening for Wellington Regional Medical Center's new $5 million, 13,000 sq. ft. outpatient surgery and admitting center.
2002 Year-End Results:
- Gross Revenues: $8,494,000,000
- Net Revenues: $3,258,898,000
- Net Income: $175,361,000

Steve G. Filton appointed Senior Vice President and Chief Financial Officer

Alan B. Miller featured as "CEO of the Week" on CNN-TV.

Caribbean Pediatric & Surgery Hospital opened after its conversion to a specialty hospital from the former Hospital San Francisco, an acute care facility.

Opened Spring Valley Hospital Medical Center in Las Vegas, Nevada, a 176-bed acute care facility and the fourth member of the Valley Health System.

Moody Chisholm, Larry M. Graham and Daniel P. McLean all named Group Directors of the Acute Care Division

Opened the new 149-bed patient tower at Auburn Regional Medical Center. It includes a new surgery department, an OB and women’s center, a medical/surgical patient floor, renovations to outpatient admitting and an addition to the emergency room.


Charles F. Boyle named Controller; Cheryl K. Ramagano named Treasurer; John Paul Christen named Assistant Vice President - Hospital Finance

E. Daniel Thomas named Vice President of the Behavioral Health Division; Barry L. Pipkin named Vice President of the Behavioral Health Division; Gary M. Gilberti named Group Director of the Behavioral Health Division

Moody Chisholm, Larry M. Graham and Daniel P. McLean all named Group Directors of the Acute Care Division

UHS announced agreement to acquire Lakeland Medical Center in New Orleans, LA.

UHS listed on the Fortune 1000 as #1 in total return to investors 1992-2002.

UHS announced that it signed an agreement to acquire a 90% interest in Pendleton Memorial Methodist Hospital, a 306-bed, full-service acute care facility in east New Orleans, LA.

UHS' IT Department was listed on the InformationWeek 500, ranking among the nation's 500 largest and most innovative IT industry leaders.

Wellington Regional Medical Center named one of the nation's "100 Top Hospitals" by Solucient.


Marc D. Miller appointed Assistant Vice President and Group Director of the Acute Care Eastern Region

UHS listed on the Fortune 1000 as #1 in total return to investors 1992-2002.

UHS has agreed to purchase the assets of three acute care hospitals from Vista Health System including the 228-bed Corona Regional Medical Center, Corona, CA; 112-bed French Medical Center, San Luis Obispo, CA; and 65-bed Arroyo Grande Community Hospital, Arroyo Grande, CA.


Alban B. Miller is listed in Modern Healthcare as one of the "100 Most Powerful People in Healthcare."
Officers

DIVISION

Acute Care
O. Edwin French
President—Acute Care
Michael Marquez
Vice President—Western Region
Marc D. Miller
Assistant Vice President and
Group Director—Eastern Region
Larry M. Graham
Group Director—South Louisiana Markets
Daniel P. McLean
Group Director—South Texas Markets
Moody L. Chisholm
Group Director—North Central Markets
Milton L. Cruz
Group Director—Puerto Rico Markets
Mary Hoover
Vice President—Universal Health Network

Behavioral Health
Debra K. Osteen
President—Behavioral Health
Roy A. Entlinger
Vice President—Behavioral Health
E. Daniel Thomas
Vice President—Behavioral Health
Barry L. Pipkin
Vice President—Behavioral Health

Behavioral Health (continued)
Martin C. Schappell
Vice President—Behavioral Health
Gary M. Gilberti
Group Director—Behavioral Health
Craig L. Nuckles
Group Director—Behavioral Health

Ambulatory
Michael Urbach
Senior Vice President—Ambulatory
Surgery Centers

Médi-Partenaires (Paris/Bordeaux)
Frédéric Dubois
Président Directeur Général
Sylvie Péquignot
Directeur Général

Corporate Information

ANNUAL MEETING
May 19, 2004 10:00 a.m.
Universal Corporate Center
367 South Gulph Road
King of Prussia, PA 19406

COMANY COUNSEL
Fulbright & Jaworski, L.L.P.
New York, New York

AUDITORS
KPMG, LLP
Philadelphia, Pennsylvania

TRANSFER AGENT AND REGISTRAR
Mellon Investor Services
85 Challenger Road
Overpeck Centre
Ridgefield Park, NJ 07660
Telephone: 1-800-526-0801
www.melloninvestor.com

Please contact Mellon Investor Services for
prompt assistance on address changes,
lost certificates, consolidation of duplicate
accounts or related matters.

INTERNET ADDRESS
The Company can be accessed
on the World Wide Web at:
http://www.uhsinc.com

LISTING
Class B Common Stock:New York Stock
Exchange under the symbol UHS.

PUBLICATIONS
For copies of the Company’s annual report,
Form 10-K, Form 10-Q, quarterly reports,
and proxy statements, please call 1-800-874-5819,
or write Investor Relations,
Universal Health Services, Inc.
Universal Corporate Center
367 South Gulph Road
P.O. Box 61558
King of Prussia, PA 19406

FINANCIAL COMMUNITY INQUIRIES
The Company welcomes inquiries from
members of the financial community seeking
information on the Company. These should be
directed to Steve Filton, Chief Financial Officer.
Universal Health Services, Inc. is one of the largest and most experienced hospital management companies in the nation. We have focused our efforts on managing acute care hospitals, behavioral health hospitals, and ambulatory surgery and radiation oncology centers.

We believe hospitals will remain the focal point of the healthcare delivery system. We have built our success by remaining committed to a program of rational growth around our core businesses and seeking opportunities complementary to them. The future of our industry remains bright for those whose focus is providing quality healthcare on a cost-effective basis.

**Index**

- Financial Highlights.......................... 1
- Shareholders Letter.......................... 2-3
- 25 Years of Growing Communities........... 4-16
- Financial Results - 10K.................. 0-79
- Directory of Hospitals.................... 80-81
- Board of Directors......................... 82
- The UHS 25 Year Timeline.................. 83-89
- Officers/Corporate Information........... 90