

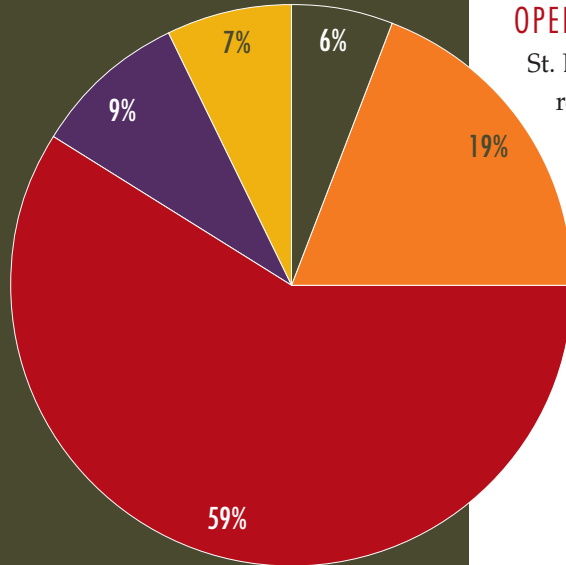
"Excellent patient care is our priority, but we also take care of each other and our community. I am proud to be a St. Luke's nurse and wish to say thank you for 25+ years of wonderful experiences and opportunities."

- Angie Kalhorn, RN, Emergency Services

POSITIONED FOR GROWTH

OPERATING RESULTS

St. Luke's gain from operations for the fiscal year ending June 30, 2004 was \$9,242,000, representing an operating margin of 3.4 percent. Based on the hospital activity shown below, total operating revenue grew to \$274 million, a four percent increase over the prior fiscal year. Strong financial results and continued growth for St. Luke's led to Standard and Poor's affirming its rating on St. Luke's outstanding debt as "A" (outlook stable) and Fitch Ratings, Inc. upgrading its rating to "A" (stable). The components of operating expenses are shown in the accompanying chart.



- Depreciation
- Supplies
- Salaries and Benefits
- Purchased Services
- Other (including: repairs, insurance, bad debt expenses, utilities, interest and software licenses)

UTILIZATION SUMMARY

	FY03	FY04
Admissions	18,563	18,716
Average Length of Stay (days)	4.6	4.6
Average Daily Census	233	234
Outpatient Registrations	155,536	158,191
Surgeries	21,222	21,238
Births	2,636	2,537
Surrey Place		
Average Residents per Day	129	128

St. Luke's employs more than 3,000 people, has nearly 1,000 medical staff members and a volunteer corps of nearly 500.

COMMUNITY SUPPORT

While St. Luke's has again shown a strong financial performance, gifts from grateful patients, family, staff and friends are a vital source of support. Donors help to sustain and improve the ongoing programs and services that distinguish St. Luke's as a premier, regional healthcare provider. This year, St. Luke's Auxiliary presented a check to St. Luke's Hospital for \$176,000.

Some of the monies went toward purchasing a decontamination unit for emergency preparedness and an HP SONOS 5500, a high-performance ultrasound system used for echocardiogram testing in cardiology.



HP Sonos 5500



Auxiliary Check Donation Ceremony