

Price @ 03/31/04  
\$ 23.21

52-Week Range  
\$ 16.51 - \$ 26.45

Average Daily Volume  
1,707,000 Shares

Weighted Average  
Shares Outstanding  
247.1 Million

Book Value at 03/31/04  
\$ 7.51

Market Capitalization  
\$ 5.74 Billion

Trailing 12 Mos. EPS  
\$ 1.24

Trailing 12 Mos. EBITDA  
22.1%

% Insider Ownership  
70%

% Institutional Ownership  
93%

Debt/Total Capitalization  
38%

Founded  
1977

Headquarters  
Naples, FL

IPO Date  
February 5, 1991

Fiscal Year End  
September 30

## About the Company

Health Management Associates (HMA) is the leading operator of non-urban acute care medical hospitals, located in key markets throughout the United States. HMA's strategic focus is to acquire community health care facilities with turnaround potential. The Company has a consistent track record of transforming underutilized hospitals into profitable and superior medical centers. HMA has experienced 15 years of uninterrupted operating earnings growth.

The delivery of high-quality health care close to home continues to be the primary focus for HMA.

During the last eight months, HMA has completed transactions to acquire eight new non-urban hospitals. During the fourth quarter of fiscal year 2003, HMA acquired two hospitals in Washington State and one hospital in Georgia, adding 424 licensed beds in three dynamically growing non-urban markets. On November 1, 2003, HMA completed the acquisition of five more hospitals representing nearly 1,100 additional licensed beds. HMA's Pulse System™ was installed in all of these hospitals prior to the completion of the transactions, and all of these hospitals are meeting or exceeding management's expectations.

HMA continues to review an active acquisition pipeline, and seeks to deliver high quality health care to non-urban markets with a proven demographic need.

## Proven Turnaround Formula

HMA employs a proven and consistent acquisition and management strategy. At a time when many health care companies are struggling, HMA continues to meet or exceed financial performance goals each year and is recognized as having the highest operating margins and the strongest balance sheet in the industry.

HMA acquisition candidates must meet specific Acquisition criteria:

- location in a high-growth, non-urban region
- proven demographic need
- potential to become the preferred provider
- under utilization by local physicians
- strong primary care physician base

**Following acquisition of a facility, HMA applies a consistent and proven management plan to maximize efficiency and quickly improve margins:**

- introduction of decentralized management combined with highly centralized operational monitoring
- immediate implementation of a proprietary management information system to monitor financial and patient information
- evaluation and immediate appointment of an experienced health care management team at the hospital level
- maintenance of strict supply cost control measures through volume-discount purchase agreements
- improvement and expansion of tertiary services to substantially decrease outmigration and increase utilization

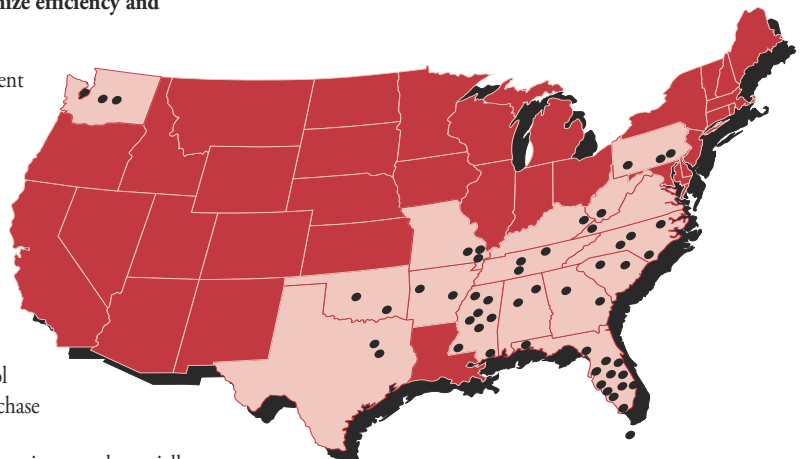
## Market Focus

HMA hospitals are concentrated in high-growth, non-urban areas with populations of 30,000 to 400,000 primarily in the southeastern and southwestern regions of the country. Part of HMA's strategy is to redesign facilities to provide a comprehensive range of medical services for its communities. This reduces the need for patients to travel outside their communities for sophisticated medical services. In several of its markets, HMA has recognized an obligation to replace older, inefficient hospital facilities with state-of-the-art replacement hospitals. Since 1997, Heart of Florida Regional Medical Center has completed four bed expansions, totaling a 125% increase in beds, doubled the size of its emergency room, added a fixed-base MRI and cardiac catheterization services, and continues to run at nearly 100% occupancy. Today, HMA has commitments to replace four additional facilities located in Brooksville, FL, Lancaster, PA, Carlisle, PA, and Monroe, GA. Construction has begun on the hospitals in Lancaster, PA, Carlisle, PA, and Brooksville, FL. The new Community Hospital of Lancaster should be completed in mid-2004, as HMA looks to continue the strategy of increasing services, improving the quality of health care and greatly reducing the need to seek health care outside our HMA community. Our vision remains the same as in 1983...to be the preferred provider of health care in non-urban communities primarily in the Southeast and Southwest.

**Complementing its strategic approach, HMA's financial strength and respected reputation in the industry has attracted physicians, managers and financial personnel of the highest calibre.**

## Today's Health Care Environment

The success of providers in the wake of recently passed health care legislation will likely be determined by delivering services in the most cost-effective and efficient ways. With one of the lowest cost structures and most impressive operating margins in the industry, HMA is the most competitively positioned provider.



### Services that Make a Difference

HMA is setting new standards for the community hospital, creating services designed to both enhance the delivery of quality care and improve operational efficiency. *Nurse First* and *MedKey* are two notable examples.

#### Nurse First

Founded on HMA's belief in the importance of a personalized approach to patient care, *Nurse First* places a nurse in a station directly inside the emergency room entrance. From this vantage point, the nurse is able to observe and assess each entering patient's physical condition and guide the patient to the appropriate treatment area. It is also this nurse's role to inform and reassure any members of the patient's family that may be present.

#### MedKey

Initiated at Biloxi Regional Medical Center in Biloxi, MS, *MedKey* was designed to simplify the hospital admission and registration process. *MedKey* is similar to a credit card in appearance and is free of charge to all HMA patients. The card can be scanned at any HMA hospital to retrieve a patient's demographic and insurance information, thus promoting quick and efficient registration, without the burden of filling out paperwork.

#### A First-Rate Team

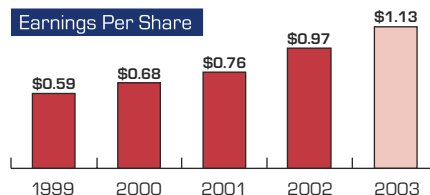
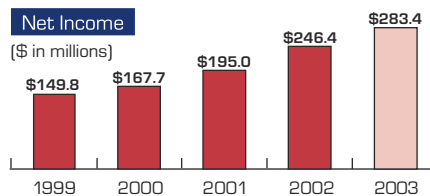
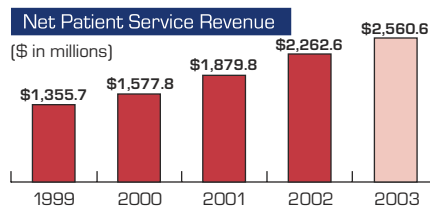
The HMA management team is comprised of highly experienced and talented professionals, most of whom have worked together for many years. With years of industry experience, the leaders of the HMA management team have gained a comprehensive understanding of the dynamics of hospital management in a decentralized non-urban environment.

**William J. Schoen, Chairman of the Board**, is one of the chief engineers of HMA's success. Mr. Schoen has been instrumental in defining and implementing HMA's successful business strategies and in shaping a strong and synergistic executive team. His positions prior to joining HMA include President and Chief Executive Officer of the F & M Schaefer Corporation – a world-class consumer products company – and Chairman of Commerce National Bank.

**Joseph V. Vumbacco, President and CEO**, was promoted to CEO on January 2, 2001. Mr. Vumbacco has been with the Company since 1996 and has held the title COO and CAO. Mr. Vumbacco came to HMA from Turner Construction, and worked closely with Mr. Schoen at the F & M Schaefer Corporation.

#### HMA is:

- the leading niche operator of non-urban acute care medical hospitals
- recognized as having the highest operating margins and the strongest balance sheet in the hospital management industry
- achieving sustained earnings growth
- applying a proven formula for hospital turnaround, usually within 12 to 18 months
- targeting underserved markets with strong growth potential primarily in the Southeast and Southwest
- building services that improve people's lives while maximizing operational efficiency
- recruiting and supporting physicians in a mutual effort to provide the highest quality of service to patients
- committed to providing a satisfying and rewarding work environment for all hospital staff



#### ANALYST COVERAGE

- |                                      |                                   |
|--------------------------------------|-----------------------------------|
| • Avondale Partners                  | • Jefferies & Company, Inc.       |
| • Banc of America Securities, L.L.C. | • JPMorgan                        |
| • Bear Stearns                       | • Lehman Brothers                 |
| • CIBC World Markets                 | • Merrill Lynch & Co.             |
| • Credit Suisse/First Boston         | • Morgan Stanley                  |
| • Deutsche Bank Securities           | • Raymond James                   |
| • Dowling & Partners                 | • SG Cowen Securities Corporation |
| • Goldman, Sachs & Co.               | • UBS                             |
|                                      | • Wachovia Securities             |

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**TIMOTHY R. PARRY**  
Senior Vice President &  
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**PETER M. LAWSON**  
Executive Vice President -  
Operations

**JOHN P. VOLLMER**  
Executive Vice President -  
Operations