Located in the Nashville, Tennessee, suburb of Franklin, Community Health Systems, Inc. is one of the largest publicly-traded hospital companies in the United States and a leading operator of general acute care hospitals in non-urban and mid-size markets throughout the country. Through its subsidiaries, the Company currently owns, leases or operates 134 hospitals in 29 states with an aggregate of approximately 20,000 licensed beds. (as of March 1, 2012). Its hospitals offer a broad range of inpatient and surgical services, outpatient treatment and skilled nursing care. In addition, through its subsidiary, Quorum Health Resources, LLC, the Company provides management and consulting services to non-affiliated general acute care hospitals located throughout the United States.

Shares in Community Health Systems, Inc. are traded on the New York Stock Exchange under the symbol “CYH.”
Hospital Locations

Alabama
Birmingham, Trinity Medical Center
Centre, Cherokee Medical Center
Dothan, Flowers Hospital
Enterprise, Medical Center Enterprise
Foley, South Baldwin Regional Medical Center
Fort Payne, DeKalb Regional Medical Center
Gadsden, Gadsden Regional Medical Center
Greenville, LV Stabler Memorial Hospital
Huntsville, Crestwood Medical Center

Alaska
Palmer, Mat-Su Regional Medical Center

Arizona
Bullhead City, Western Arizona Regional Medical Center
Oro Valley, Northwest Medical Center
Payson, Payson Regional Medical Center
Tucson, Northwest Medical Center

Arkansas
Bentonville, Northwest Medical Center - Bentonville
El Dorado, Medical Center of South Arkansas
Forrest City, Forrest City Medical Center
Helena, Helena Regional Medical Center
Johnson, Willow Creek Women's Hospital
Newport, Harris Hospital
Siloam Springs, Siloam Springs Memorial Hospital
Springdale, Northwest Medical Center - Springdale

California
Barstow, Barstow Community Hospital
Fallbrook, Fallbrook Hospital
Watsonville, Watsonville Community Hospital

Florida
Crestview, North Okaloosa Medical Center
Lake Wales, Lake Wales Medical Center

Georgia
Augusta, Trinity Hospital of Augusta
Blue Ridge, Fannin Regional Hospital

Illinois
Anna, Union County Hospital
Blue Island, MetroSouth Medical Center
Galesburg, Galesburg Cottage Hospital
Granite City, Gateway Regional Medical Center
Marion, Heartland Regional Medical Center
Mt. Vernon, Crossroads Community Hospital
Red Bud, Red Bud Regional Hospital
Waukegan, Vista Medical Center East
Waukegan, Vista Medical Center West

Indiana
Bluffton, Bluffton Regional Medical Center
Fort Wayne, Dupont Hospital
Fort Wayne, Lutheran Hospital
Fort Wayne, Lutheran Musculoskeletal Center
Fort Wayne, Rehabilitation Hospital of Ft. Wayne
Fort Wayne, St. Joseph's Hospital
Peru, Dukes Memorial Hospital
Valparaiso, Porter Hospital
Warsaw, Kosciusko Community Hospital

Kentucky
Fulton, Parkway Regional Hospital
Jackson, Kentucky River Medical Center
Louisa, Three Rivers Medical Center

Louisiana
Lake Charles, Women and Children's Hospital
Leesville, Byrd Regional Hospital
Ruston, Northern Louisiana Medical Center

Mississippi
Hattiesburg, Wesley Medical Center
Vicksburg, River Region Health System

Missouri
Kirkville, Northeast Regional Medical Center
Moberly, Moberly Regional Medical Center

Nevada
Mesquite, Mesa View Regional Hospital

New Jersey
Salem, The Memorial Hospital of Salem County

New Mexico
Carlsbad, Carlsbad Medical Center
Deming, Mimbres Memorial Hospital
Hobbs, Lea Regional Medical Center
Las Cruces, Mountain View Regional Medical Center
Las Vegas, Alta Vista Regional Hospital
Roswell, Eastern New Mexico Medical Center

North Carolina
Williamston, Martin General Hospital

Ohio
Massillon, Affinity Medical Center
Warren, Hillside Rehabilitation Hospital
Warren, Trumbull Memorial Hospital
Youngstown, Northside Medical Center

Oklahoma
Oklahoma City, Deaconess Hospital
Ponca City, Ponca City Medical Center
Woodward, Woodward Regional Hospital

Oregon
Springfield, McKenzie-Willamette Medical Center

Pennsylvania
Berwick, Berwick Hospital Center
Coatesville, Brandywine Hospital
Easton, Easton Hospital
Lock Haven, Lock Haven Hospital
Nanticoke, Special Care Hospital
Peckville, Mid-Valley Hospital
Philadelphia, Chestnut Hill Hospital
Phoenixville, Phoenixville Hospital
Pottstown, Pottstown Memorial Medical Center
Scranton, Moses Taylor Hospital
Scranton, Regional Hospital of Scranton
Sunbury, Sunbury Community Hospital
Tunkhannock, Tyler Memorial Hospital
West Grove, Jennersville Regional Hospital
Wilkes-Barre, First Hospital Wyoming Valley
Wilkes-Barre, Wilkes-Barre General Hospital

South Carolina
Bennettsville, Marlboro Park Hospital
Cheraw, Chesterfield General Hospital
Florence, Carolinas Hospital System – Florence
Lancaster, Springs Memorial Hospital
Mullins, Marion Regional Hospital
Spartanburg, Mary Black Memorial Hospital

Tennessee
Brownsville, Haywood Park Community Hospital
Clarksville, Gateway Medical Center
Cleveland, SkyRidge Medical Center
Dyersburg, Dyersburg Regional Medical Center
Jackson, Regional Hospital of Jackson
Lexington, Henderson County Community Hospital
Martin, Volunteer Community Hospital
McKenzie, McKenzie Regional Hospital
Morristown, Lakeway Regional Hospital
Selmer, McNairy Regional Hospital
Shelbyville, Heritage Medical Center

Texas
Abilene, Abilene Regional Medical Center
Alpine, Big Bend Regional Medical Center
Big Spring, Scenic Mountain Medical Center
Brownwood, Brownwood Regional Medical Center
Cedar Park, Cedar Park Regional Medical Center
College Station, College Station Medical Center
Corsicana, Navarro Regional Hospital
Granbury, Lake Granbury Medical Center
Hillsboro, Hill Regional Hospital
Jourdanton, South Texas Regional Medical Center

Laredo, Laredo Medical Center
Longview, Longview Regional Medical Center
Lufkin, Woodland Heights Medical Center
San Angelo, San Angelo Community Medical Center
Tomball, Tomball Regional Medical Center
Victoria, DeTar Hospital Navarro
Weatherford, Weatherford Regional Medical Center

Utah
Tooele, Mountain West Medical Center

Virginia
Emporia, Southern Virginia Regional Medical Center
Franklin, Southampton Memorial Hospital
Petersburg, Southside Regional Medical Center

Washington
Spokane, Deaconess Medical Center
Spokane Valley, Valley Hospital and Medical Center

West Virginia
Bluefield, Bluefield Regional Medical Center
Oak Hill, Plateau Medical Center
Ronceverte, Greenbrier Valley Medical Center

Wyoming
Evanston, Evanston Regional Hospital

Hospitals are owned or leased and operated by subsidiaries of Community Health Systems, Inc. Community Health Systems, Inc. does not have any employees.

Operating Revenues
(in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>09</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Earnings Per Share (diluted)

<table>
<thead>
<tr>
<th>Year</th>
<th>09</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$0.75
$1.25
$1.75
$2.25
$2.75
$3.25

$9
$10
$11
$12
$13
$14
## Financial Highlights

*(In thousands, except per share amounts)*

### Operating Results

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net operating revenues</strong></td>
<td>$13,626,168</td>
<td>$12,623,274</td>
</tr>
<tr>
<td><strong>Income from continuing operations</strong></td>
<td>$335,894</td>
<td>$355,213</td>
</tr>
<tr>
<td><strong>Income per share from continuing operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted</td>
<td>$2.87</td>
<td>$3.08</td>
</tr>
<tr>
<td><strong>Weighted average number of shares outstanding:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted</td>
<td>90,666</td>
<td>92,946</td>
</tr>
</tbody>
</table>

### Balance Sheet Data

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Working capital</strong></td>
<td>$934,950</td>
<td>$1,229,153</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>15,208,840</td>
<td>14,698,123</td>
</tr>
<tr>
<td><strong>Long-term debt</strong></td>
<td>8,782,798</td>
<td>8,808,382</td>
</tr>
<tr>
<td><strong>Stockholders’ equity</strong></td>
<td>2,397,096</td>
<td>2,189,464</td>
</tr>
</tbody>
</table>

### For The Year Ended December 31,

#### Selected Operating Data

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Same-Store</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of hospitals (at end of period)</strong></td>
<td>131</td>
<td>127</td>
</tr>
<tr>
<td><strong>Licensed beds (at end of period)</strong></td>
<td>19,695</td>
<td>19,004</td>
</tr>
<tr>
<td><strong>Beds in service (at end of period)</strong></td>
<td>16,832</td>
<td>16,264</td>
</tr>
<tr>
<td><strong>Admissions</strong></td>
<td>675,050</td>
<td>678,284</td>
</tr>
<tr>
<td><strong>Adjusted admissions</strong></td>
<td>1,330,988</td>
<td>1,277,235</td>
</tr>
<tr>
<td><strong>Patient days</strong></td>
<td>2,970,044</td>
<td>2,891,699</td>
</tr>
<tr>
<td><strong>Average length of stay (days)</strong></td>
<td>4.4</td>
<td>4.3</td>
</tr>
<tr>
<td><strong>Occupancy rate (average beds in service)</strong></td>
<td>49.1%</td>
<td>50.2%</td>
</tr>
<tr>
<td><strong>Net operating revenues</strong></td>
<td>$13,626,168</td>
<td>$12,623,274</td>
</tr>
<tr>
<td><strong>Net inpatient revenues as a % of total net operating revenues</strong></td>
<td>46.1%</td>
<td>49.3%</td>
</tr>
<tr>
<td><strong>Net outpatient revenues as a % of total net operating revenues</strong></td>
<td>51.9%</td>
<td>48.5%</td>
</tr>
<tr>
<td><strong>Income from operations</strong></td>
<td>$1,134,485</td>
<td>$1,121,044</td>
</tr>
<tr>
<td><strong>Income from operations as a % of net operating revenues</strong></td>
<td>8.3%</td>
<td>8.9%</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>$652,674</td>
<td>$594,997</td>
</tr>
<tr>
<td><strong>Equity in earnings of unconsolidated affiliates</strong></td>
<td>$(49,491)</td>
<td>$(45,443)</td>
</tr>
</tbody>
</table>

### Liquidity Data:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$1,836,650</td>
<td>$1,761,484</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA as a % of net operating revenues</strong></td>
<td>13.5%</td>
<td>14.0%</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>$1,261,908</td>
<td>$1,188,730</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities as a % of net operating revenues</strong></td>
<td>9.3%</td>
<td>9.4%</td>
</tr>
</tbody>
</table>
Community Health Systems, Inc. produced solid operating and financial results for 2011, while facing significant headwinds from lower inpatient volume, weak economic growth, high unemployment and the ongoing legislative debate about healthcare reform. Despite these challenges, we continued to deliver operational excellence and consistent growth positioning Community Health Systems at the top of our industry. We have sustained this position by keeping a strategic focus on the fundamentals of our business - driving efficiencies in our hospitals, recruiting and retaining qualified physicians, making selective acquisitions and delivering high quality healthcare services in a cost-effective manner. Our success through the years demonstrates the strength of our operating model and the shared vision of everyone throughout our Company to fulfill our mission to enhance the level of healthcare in each of our local communities.

For the year, Community Health Systems’ revenues reached a record $13.6 billion, a 7.9 percent increase over the previous year. Income from continuing operations was $335.9 million in 2011, including an after-tax charge of $42.0 million from the early extinguishment of debt. Excluding this charge, income from continuing operations for 2011 was $377.9 million, an increase of 6.4 percent compared with 2010. On a comparable basis, earnings per share were $3.33 versus $3.08, an increase of 8.1 percent. Cash flow from operations was $1.3 billion, an increase of 6.2 percent over 2010.

Our operating platform supports our hospital networks, building financially strong facilities, integrating local healthcare and forging important community relationships. Over the last several years we have been linking hospitals into integrated healthcare systems such as the Lutheran Health Network in Ft. Wayne, Indiana, and ValleyCare Health System of Ohio in Youngstown, Ohio. Although each hospital continues to operate under separate governance, these networks provide expanded services and a physician network as well as accessibility and convenience for patients in those communities. We recently united eight of our northeastern Pennsylvania hospitals under one network umbrella called Commonwealth Health. We strive to offer high quality affordable care so that patients can receive health care in their own community rather than traveling to more distant urban facilities. To meet this goal, we have focused on operational excellence, clinical initiatives and disciplined expense management at the individual hospital level, with particular efforts to drive improvements at our more recently acquired facilities.

Our proven ability to attract and retain qualified physicians in our communities has been a strong competitive advantage for our hospitals and integrated healthcare systems. During 2011, we recruited 1,864 new physicians and added 50 mid-level practitioners. We scored a 90 percent satisfaction level on our recent physician satisfaction survey. Additionally, we scored an 85 percent positive satisfaction result on our employee satisfaction survey.

We have also focused on quality and safety, which we believe are both vital to our overall mission. At the end of 2011, our core measures for standards of care improved to 98.6 percent, among the highest in the healthcare industry, demonstrating consistent improvement. Both our inpatient and outpatient core measures have continued to rank above the national average. We had 41 Community Health Systems hospitals named “Top Performers on Key Quality Measures” by The Joint Commission, or approximately
ten percent of those hospitals recognized. We have implemented proven methodologies to reduce readmission rates. These procedures include post discharge phone calls and medication reconciliations. We have completed a trial on an infection surveillance software system that will be rolled out to most of our hospitals in 2012. We have also partnered with a national vendor for evidence-based order sets that will represent over 200 standardized groups of orders for specific conditions.

While we are actively focused on quality, we are also concentrating our efforts on safety standards in all of our hospitals. In 2011, we applied for and obtained listing by the Health and Human Services Agency for Healthcare Research and Quality as a component patient safety organization, or PSO, one of only 76 currently listed PSO’s. As part of this important initiative, we are implementing practices that can reduce errors and prevent any serious safety events. These efforts, and the tangible benefits they are producing, confirm our commitment to clinical excellence across our hospitals.

Community Health Systems has continued to build a strong foundation for future growth through our focus on acquisitions. In the current market environment, real challenges exist that threaten the economic stability of independent community hospitals. In turn, these hospitals are looking for established and operationally-focused partners with the financial resources and experience to keep these hospitals viable in the local community. During 2011, we were able to capitalize on opportunities in the marketplace and extend our market reach through selective acquisitions, adding four new hospitals. Thus far in 2012, we have acquired three hospitals. Our strategy has always been focused on identifying hospital facilities that meet our operating profile with the most opportunity for growth. We have a strong track record of successfully integrating these facilities, improving operating results and establishing a favorable reputation as a trusted partner in the communities we serve.

Community Health Systems has a solid history of profitable growth and a proven ability to succeed in a dynamic environment. Our performance in 2011 further extended this record. More importantly, through the investments we have made in our hospitals, our people and our communities, we believe we have positioned Community Health Systems for continued success. Our confidence is due to the exceptional talent of everyone associated with Community Health Systems – our unrivaled team of physicians, nurses and hospital administrators across the country supported by the outstanding leadership of our management team and board of directors. Above all, we are proud of the dedication and commitment to excellence reflected in our hospitals and the communities we serve.

We look forward to the opportunities in the year ahead for Community Health Systems. We close by thanking you, our fellow stockholders, for the support your investment provides.

Sincerely,

Wayne T. Smith
Chairman of the Board, President and Chief Executive Officer
This Annual Report contains forward looking statements made pursuant to the “safe-harbor” provisions of the Private Securities Litigation Reform Act of 1995. Important factors that could cause our actual results to differ materially from the results contemplated by the forward looking statements are contained in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”) and included with this Annual Report and in subsequent filings with the SEC.
Corporate Office
Community Health Systems, Inc.
4000 Meridian Boulevard
Franklin, TN 37067
(615) 465-7000
www.chs.net

Form 10-K/Investor Contact
A copy of the Company’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission, may be obtained from the Company at no charge. Requests for the Annual Report on Form 10-K and other investor information should be directed to Investor Relations at the Company’s corporate office or at www.chs.net

Registrar and Transfer Agent
Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016 - 3572
800-456-0596

Independent Auditors
Deloitte & Touche LLP
Nashville, TN

Annual Stockholders’ Meeting
The annual meeting of stockholders will be held on Tuesday, May 15, 2012, at 8:00 a.m. local time at The St. Regis Hotel, 2 East 55th Street, New York, NY.

Common Stock Information
The Company’s common stock trades on the New York Stock Exchange under the symbol CYH. As of March 23, 2012, Community Health Systems had approximately 47 stockholders of record and 26,200 beneficial holders of its common stock. To date, the Company has not paid cash dividends on its common stock.

The following table sets forth the high and low sales price information as reported by the New York Stock Exchange during the period indicated.

<table>
<thead>
<tr>
<th>Stock Price</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Quarter</td>
<td>$42.50</td>
<td>$34.62</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>$41.09</td>
<td>$22.33</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>$27.63</td>
<td>$15.91</td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td>$21.92</td>
<td>$14.61</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Quarter</td>
<td>$40.84</td>
<td>$31.00</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>$42.30</td>
<td>$33.21</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>$34.11</td>
<td>$25.63</td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td>$38.00</td>
<td>$29.08</td>
</tr>
</tbody>
</table>