



Contacts: Joseph F. Furlong or Marilyn O'Hara
President and CEO Executive VP and CFO
(615) 221-8884 (615) 221-8884
Primary Contact

For Immediate Release

**AMERICAN HOMEPATIENT REPORTS FINANCIAL RESULTS FOR
THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2001**

BRENTWOOD, Tenn. (February 20, 2002) – American HomePatient, Inc. (OTC: AHOM) today reported its financial results for the three months and year ended December 31, 2001. Excluding a one-time gain of \$2.6 million recorded in the fourth quarter associated with the sale of assets of one of the Company's infusion businesses and the sale of the assets of a respiratory and home medical equipment center, earnings before interest, taxes, depreciation and amortization (EBITDA) for the fourth quarter of 2001 was \$13.7 million. This compares to EBITDA of \$14.4 million for the fourth quarter of 2000, excluding a one-time charge of \$7.5 million for litigation settlement. For the year ended December 31, 2001, the one-time gain of \$2.6 million recorded in the fourth quarter was offset by a \$2.6 million loss recorded in the third quarter associated with the sale of the assets of the Company's rehab centers. The Company's EBITDA for the year ended December 31, 2001 was \$50.2 million, representing an increase of \$2.2 million over EBITDA for the prior year. Excluding the one-time gain, the Company reported \$0.4 million of net income for the fourth quarter of 2001 compared to a net loss of \$(4.4) million (excluding the one-time charge for litigation settlement) for the same quarter of 2000. The Company's net loss for the year ended December 31, 2001, was \$(11.5) million, compared to a net loss of \$(24.2) million (excluding the one-time charge for

-MORE-

litigation settlement) for the prior year. The improvement in net income (loss) for the fourth quarter and year ended December 31, 2001 compared to the fourth quarter and year ended December 31, 2000 primarily is the result of lower bad debt expense, lower depreciation expense, and lower interest expense in the current quarter and year.

Revenues for the three months ended December 31, 2001 were \$84.1 million, down from \$92.8 million reported for the same three-month period of 2000. For the year ended December 31, 2001, the Company reported revenues of \$352.6 million, down from \$363.4 million for the same period of 2000. During 2001, the Company terminated a services contract, sold the assets of three infusion centers, sold the assets of two respiratory and home medical equipment centers, and sold the assets of its rehab centers. As a result of these changes, revenues were negatively impacted by approximately \$9.5 million in the current quarter and by approximately \$18.9 million in the current year. Revenues in the current year were positively impacted as compared to the prior year by approximately \$3.8 million as a result of the consolidation of several of the Company's hospital joint ventures during the second, third and fourth quarters of 2000.

Excluding the one-time gain recorded in the fourth quarter of 2001 associated with the sale of assets and excluding the one-time charge in the fourth quarter of 2000 associated with litigation settlement, EBITDA margin for the fourth quarter of 2001 was 16.3% of revenues compared to 15.5% for the fourth quarter of 2000. For the year ended December 31, 2001, EBITDA margin was 14.2%, compared to 13.2% for the same period in 2000. Overall, operating expenses decreased in the current year compared to the prior year, due primarily to improvements in bad debt expense. As a percentage of revenues, bad debt expense for the year ended December 31, 2001 was 4.5%, compared to 6.5% for

-MORE-

the same period of 2000. This improvement in bad debt expense largely related to improved cash collections resulting from the redesign and standardization of reimbursement processes and the consolidation of certain billing locations into larger regional billing centers.

The Company is currently in compliance with all of its debt covenants. Proceeds from the sale of certain non-core business assets in 2001 were applied to fulfill the scheduled loan principal payment due in March 2002. The Company has also made other scheduled and non-scheduled payments on the term loan in 2001. Payments made on the term loan in 2001 totaled \$15.6 million. The Company's credit facility has a maturity date of December 31, 2002 and, accordingly, the Company has classified all debt associated with the credit facility as a current liability as of December 31, 2001. The Company and its lenders are currently in discussions regarding amending the credit agreement and extending the maturity date. The ultimate outcome of these discussions is not known at this time. If an extension of the maturity date is not received by the filing date of the Company's annual report on Form 10-K for the year ended December 31, 2001, the Company expects that its auditors will issue a qualified opinion on the Company's 2001 financial statements, as the Company does not have the liquidity to repay the indebtedness on or before the current maturity date. The Company expects to file its annual report on Form 10-K on or before April 1, 2002.

American HomePatient is one of the nation's largest home health care providers with 288 centers in 36 states. Its product and service offerings include respiratory services, infusion therapy, parenteral and enteral nutrition, and medical equipment for patients in their home. American HomePatient's common stock is currently traded over-the-counter under the symbol AHOM.

-MORE-

Certain statements made in the press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on management's current expectations and include known and unknown risks, uncertainties and other factors, many of which the Company is unable to predict or control, that may cause the Company's actual results or performance to materially differ from any future results or performance expressed or implied by such forward-looking statements. These statements involve risks, uncertainties and other factors detailed from time to time in the Company's filings with the Securities and Exchange Commission. Such factors may include the increased cost of borrowing under the Company's credit agreement, changes to the Company's business strategies and operations including changes in its cost structure related to respiratory medications, the effect of healthcare legislation and regulation, the ability to obtain business, the ability to remain in compliance with debt covenants, the ability to amend the current credit agreement or to extend its maturity date, and the outcome of pending or future governmental investigations. The Company cautions investors that any forward-looking statements made by the Company are not necessarily indicative of future performance. The Company is not responsible for updating the information contained in this press release beyond the published date, or for changes made to this document by wire services or Internet services.

-MORE-

American HomePatient Summary Financial Data

(In thousands, except per share data)

	Three Months Ended Dec. 31,		Twelve Months Ended Dec. 31,	
	2001	2000	2001	2000
Revenues	\$ 84,073	\$ 92,843	\$ 352,584	\$ 363,372
Cost of sales and related services	16,873	21,366	79,078	85,473
Operating expenses	49,579	52,421	207,706	214,075
General and administrative expenses	3,889	4,682	15,571	15,823
Depreciation and amortization	7,834	8,464	33,880	39,638
(Gain) / Loss on sale of assets	(2,574)	-	55	-
Provision for litigation settlement	-	7,500	-	7,500
Earnings / (Loss) before interest and taxes	8,472	(1,590)	16,294	863
Pre-tax Income / (Loss)	3,018	(11,703)	(11,094)	(31,066)
Net Income / (Loss)	\$ 3,018	\$ (11,853)	\$ (11,544)	\$ (31,666)
<i>Basic income / (loss) per share</i>	\$ 0.18	\$ (0.74)	\$ (0.68)	\$ (2.01)
<i>Diluted income / (loss) per share</i>	\$ 0.17	\$ (0.74)	\$ (0.68)	\$ (2.01)
<i>Weighted average shares outstanding - Basic</i>	17,050	16,126	16,933	15,783
<i>Weighted average shares outstanding - Diluted</i>	17,583	16,126	16,933	15,783

	Dec. 31, 2001	Dec. 31, 2000
Cash & Equivalents	\$ 9,159	\$ 12,081
Restricted Cash	265	179
Net Patient Receivables	60,117	74,498
Other Receivables	1,544	967
Total Receivables	61,661	75,465
Other Current Assets	14,840	17,011
Total Current Assets	85,925	104,736
Property and Equipment, Net	46,223	52,998
Goodwill	189,699	197,491
Other Assets	22,817	23,289
Total Assets	\$ 344,664	\$ 378,514
Accounts Payable	\$ 19,360	\$ 16,449
Current Portion of Long Term Debt	282,087	2,679
Other Current Liabilities	22,814	30,937
Total Current Liabilities	324,261	50,065
Long Term Debt, less current portion	723	296,473
Other Liabilities	4,783	5,737
Total Liabilities	329,767	352,275
Total Stockholders' Equity	14,897	26,239
Total Liabilities and Equity	\$ 344,664	\$ 378,514