



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 FIRST QUARTER ENDED MARCH 31, 2002**

BRENTWOOD, Tenn. (April 30, 2002) – American HomePatient, Inc. (OTC: AHOM) today reported its financial results for the three months ended March 31, 2002. Excluding a one-time gain associated with the sale of assets and the cumulative effect of a change in accounting principle, earnings before interest, taxes, depreciation and amortization (EBITDA) for the first quarter of 2002 was \$11.4 million compared to EBITDA of \$12.0 million for the first quarter of 2001. Excluding the one-time gain on the sale of assets and the cumulative effect of a change in accounting principle, the Company reported \$0.3 million of net income for the first quarter of 2002 compared to a net loss of \$(6.6) million for the same quarter of 2001. This improvement is primarily the result of lower depreciation expense, lower amortization expense, and lower interest expense in the first quarter ended March 31, 2002, offset by a reduction in revenues and related margin as a result of centers which were sold during 2001 and the first quarter of 2002.

During the first quarter of 2002, the Company sold the assets of one of its infusion businesses resulting in a one-time gain of \$0.7 million and recorded a non-cash charge of \$68.5 million for a required change in accounting principle related to goodwill associated with the adoption of SFAS No. 142. Including the gain on the sale of assets and after the cumulative effect of the change in accounting principle, the Company reported a net loss of \$(67.6) million for the first quarter of the current year.

-MORE-

Revenues for the three months ended March 31, 2002 were \$81.3 million, down from \$91.1 million reported for the same three-month period of 2001. During 2001, the Company sold the assets of three infusion centers, two respiratory and home medical equipment centers, and all of its rehab centers, in addition to the sale of the assets of one infusion center during the first quarter of 2002. As a result of these asset sales, revenue was negatively impacted by approximately \$9.7 million in the current quarter.

The Company's EBITDA margin showed improvement in the first quarter of 2002 compared to the same quarter of 2001, primarily as a result of the sale of certain centers, which had relatively low EBITDA margins. Excluding the one-time gain associated with the sale of assets in the first quarter of 2002, EBITDA margin for the first quarter of 2002 was 14.0% of revenues compared to 13.2% for the first quarter of 2001. Overall, operating expenses decreased in the current year compared to the prior year, due primarily to the sale of certain centers during 2001 and the first quarter of 2002. As a percentage of revenues, bad debt expense for the quarter ended March 31, 2002 was 5.1%, up slightly from 4.3% for the same period of 2001.

The Company is currently in compliance with all of its debt covenants under its current credit facility. Proceeds from the sales of assets during 2001 were applied to fulfill the scheduled loan principal payment of \$11.6 million due on March 31, 2002. The Company has also made other scheduled and non-scheduled payments on the term loan, which totaled \$4.0 million during 2001 and \$4.4 million thus far in 2002. The Company's credit facility has a maturity date of December 31, 2002, and payment of the entire outstanding amount is due at that time. Accordingly, the Company has classified all debt associated with the credit facility as a current liability as of December 31, 2001 and as of March 31, 2002. The Company anticipates that it will have discussions with its

-MORE-

lenders concerning the upcoming maturity, but the ultimate outcome of these discussions is not known at this time. If the credit facility is not renewed, then the Company's ability to make the December 31, 2002 principal payment is contingent upon obtaining replacement financing. There can be no assurance that the Company will be successful in obtaining replacement financing on terms acceptable to the Company or at all. As a result, the Company's independent auditors added an explanatory paragraph to their unqualified opinion covering the Company's consolidated financial statements for the year ended December 31, 2001 that expresses substantial doubt as to the Company's ability to continue as a going concern. The Company's consolidated financial statements for the year ended December 31, 2001 are contained in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 12, 2002.

American HomePatient is one of the nation's largest home health care providers with 287 centers in 35 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.

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

-MORE-

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, to extend its maturity date, or to obtain replacement financing, 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 Mar. 31,	
	2002	2001
Revenues	\$ 81,318	\$ 91,121
Cost of sales and related services	16,275	22,170
Cost of rentals and other revenues, including rental equipment depreciation	8,198	8,518
Operating expenses	45,971	49,620
General and administrative expenses	4,106	3,938
Depreciation, excluding rental equipment, and amortization	1,627	3,343
Gain on sale of assets of center	667	-
Earnings before interest, taxes and cumulative effect of change in accounting principle	5,808	3,532
Income (loss) before taxes and cumulative effect of change in accounting principle	1,027	(6,447)
Income (loss) before cumulative effect of change in accounting principle	927	(6,597)
Cumulative effect of change in accounting principle	(68,485)	-
Net loss	\$ (67,558)	\$ (6,597)
<i>Basic income (loss) per share before change in accounting principle</i>	\$ 0.06	\$ (0.40)
<i>Diluted income (loss) per share before change in accounting principle</i>	\$ 0.06	\$ (0.40)
<i>Basic loss per share</i>	\$ (4.14)	\$ (0.40)
<i>Diluted loss per share</i>	\$ (4.03)	\$ (0.40)
<i>Weighted average shares outstanding - Basic</i>	16,331	16,352
<i>Weighted average shares outstanding - Diluted</i>	16,769	16,352

	Mar. 31, 2002	Dec. 31, 2001
Cash & Equivalents	\$ 6,307	\$ 9,159
Restricted Cash	53	265
Net Patient Receivables	59,433	60,117
Other Receivables	857	1,544
Total Receivables	60,290	61,661
Other Current Assets	15,593	14,840
Total Current Assets	82,243	85,925
Property and Equipment, Net	46,475	46,223
Goodwill	121,214	189,699
Other Assets	21,577	22,817
Total Assets	\$ 271,509	\$ 344,664
Accounts Payable	\$ 17,625	\$ 19,360
Current Portion of Long Term Debt	277,958	282,087
Other Current Liabilities	23,104	22,814
Total Current Liabilities	318,687	324,261
Long Term Debt, less current portion	684	723
Other Liabilities	4,788	4,783
Total Liabilities	324,159	329,767
Total Stockholders' Equity (Deficit)	(52,650)	14,897
Total Liabilities and Equity (Deficit)	\$ 271,509	\$ 344,664