



Net loss for the first quarter of 2010 was \$(3.8) million, or \$(0.21) per diluted share, compared to net loss of \$(5.2) million, or \$(0.29) per diluted share, for the first quarter of 2009.

Prior to January 1, 2010, the Company accounted for its 50%-owned joint ventures as equity investments. Effective January 1, 2010, the Company began consolidating its 50%-owned joint ventures as a result of the Company's adoption of Accounting Standards Update 2009-17, which is effective for periods beginning after December 15, 2009. For comparative purposes, prior period financial statements have been revised to reflect consolidation of the 50%-owned joint ventures retrospectively.

### **Secured Debt Maturity and Restructuring Transactions**

The Company had secured debt of \$226.4 million that was due to be repaid on August 1, 2009. As previously announced, the Company has entered into an agreement with its senior debt holders and its largest stockholder, an investment fund managed by Highland Capital Management, to complete transactions that are intended to result in a going-private transaction followed by a restructuring of the Company's secured debt. The restructuring agreement contemplates that the Company will seek shareholder approval to reincorporate in Nevada, and, if approved, the Nevada entity will commence a tender offer to acquire all outstanding shares of stock not held by Highland managed accounts for \$0.67 per share. If these transactions are completed, the stock of American HomePatient would cease to be publicly traded.

American HomePatient, Inc. is one of the nation's largest home health care providers with operations in 33 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, Inc.'s common stock is currently traded in the over-the-counter market or, on application by broker-dealers, in the NASD's Electronic Bulletin Board under the symbol AHOM or AHOM.OB.

American HomePatient, Inc. prepares its financial statements in accordance with U.S. generally accepted accounting principles (GAAP). American HomePatient, Inc. also provides information related to non-GAAP financial measurements such as EBITDA, and from time to time, other non-GAAP financial measurements that adjust for certain items outside of the ordinary course of

its business. To enable interested parties to reconcile non-GAAP measures to the Company's GAAP financial statements, the Company clearly defines EBITDA and quantifies all other adjustments to GAAP measurements (see Schedule B). The Company provides EBITDA information, a widely used non-GAAP financial measurement, as a performance measure to assist in analyzing the Company's operations and in comparing the Company to its competitors. The Company provides other non-GAAP financial measurements that adjust for certain items outside of the ordinary course of business in order to assist in comparing the Company's current operating performance to its historical performance. These adjustments typically reflect non-recurring items but sometimes reflect items, such as dispositions of assets and restructuring charges that are not technically non-recurring but are outside of the ordinary course of operations. Investors should note that such measures may not be comparable to similarly titled measures used by other companies, and investors are encouraged to use this information only in connection with the information contained in the Company's GAAP financial statements.

Certain statements made in this 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 and uncertainties, including, without limitation, risks and uncertainties regarding the maturity of the Company's secured debt, current and future reimbursement rates, and reimbursement reductions and the Company's ability to mitigate the impact of the reductions. These risks and uncertainties are in addition to risks, uncertainties, and other factors detailed from time to time in the Company's filings with the Securities and Exchange Commission. 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.

**American HomePatient, Inc.**  
**Summary Financial Data**

Schedule A

(In thousands, except per share data)

	<b>Three Months Ended March 31,</b>	
	<b>2010</b>	<b>2009</b>
	(unaudited)	
Revenues, net	\$ 67,005	\$ 66,160
Cost of sales and related services	14,569	14,378
Cost of rentals and other revenues, including rental equipment depreciation	8,065	8,568
Operating expenses	34,457	35,065
Bad debt expense	1,796	1,296
General and administrative expenses	5,116	5,126
Depreciation, excluding rental equipment, and amortization	932	1,024
Interest expense, net	3,798	3,866
Other (income) expense	(87)	14
Change of control income	(3)	(3)
<b>Loss from operations before income taxes</b>	<b>(1,638)</b>	<b>(3,174)</b>
Provision for income taxes	1,135	1,164
<b>Net loss</b>	<b>(2,773)</b>	<b>(4,338)</b>
Less: Net income attributable to the noncontrolling interest	(996)	(830)
<b>Net loss attributable to American HomePatient, Inc.</b>	<b>\$ (3,769)</b>	<b>\$ (5,168)</b>
<i>Basic loss per common share attributable to American HomePatient, Inc common shareholders</i>	\$ (0.21)	\$ (0.29)
<i>Diluted loss per common share attributable to American HomePatient, Inc common shareholders</i>	\$ (0.21)	\$ (0.29)

	<b>March 31,</b>	<b>December 31,</b>
	<b>2010</b>	<b>2009</b>
	(unaudited)	
Cash and cash equivalents	\$ 19,832	\$ 23,613
Restricted cash	-	250
Net patient receivables	32,066	29,447
Other receivables	336	521
Total receivables	32,402	29,968
Net inventories	11,039	12,240
Other current assets	5,805	6,690
Total current assets	69,078	72,761
Property and equipment, net	33,483	33,790
Goodwill	123,621	123,621
Other assets	16,531	16,977
<b>Total Assets</b>	<b>\$ 242,713</b>	<b>\$ 247,149</b>
Current portion of long-term debt and capital leases	\$ 227,327	\$ 229,120
Accounts payable	15,148	14,153
Other current liabilities	21,809	21,765
Total current liabilities	264,284	265,038
Long-term debt and capital leases, less current portion	-	3
Deferred tax liability	13,026	12,031
Other noncurrent liabilities	101	82
Total liabilities	277,411	277,154
American HomePatient, Inc. shareholders' deficit	(41,908)	(37,411)
Noncontrolling interest	7,210	7,406
Total shareholders' deficit	(34,698)	(30,005)
<b>Total Liabilities and Shareholders' Deficit</b>	<b>\$ 242,713</b>	<b>\$ 247,149</b>

**American HomePatient, Inc.**

Schedule B

***Reconciliation of Non-GAAP Financial Measurements to GAAP Financial Statements***

(In thousands)

	<b>Three Months Ended March 31,</b>	
	<b>2010</b>	<b>2009</b>
	<b>(unaudited)</b>	
Net loss	\$ (3,769)	\$ (5,168)
Add:		
Provision for income taxes	1,135	1,164
Interest expense, net	3,798	3,866
Rental equipment depreciation	5,769	6,410
Other depreciation and amortization	932	1,024
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	<u>\$ 7,865</u>	<u>\$ 7,296</u>
Debt restructuring expense (Note A)	90	31
Adjusted EBITDA	<u>\$ 7,955</u>	<u>\$ 7,327</u>

Note A: Debt restructuring expense is excluded to determine adjusted EBITDA, as the expense is non-recurring.