

Earnings before interest, taxes, depreciation, and amortization (EBITDA) is a non-GAAP financial measurement that is calculated as net income excluding interest, taxes, depreciation and amortization. Adjusted EBITDA (EBITDA excluding discontinued operations and change of control expense) was \$14.2 million, or 20.9% of net revenue, for the fourth quarter of 2008 compared to \$13.7 million, or 19.2% of net revenue, for the same period of 2007. Adjusted EBITDA was \$51.5 million, or 19.3% of net revenue for the year ended December 31, 2008 compared to \$52.7 million, or 18.0% of net revenue, for the same period of 2007. The improvement in adjusted EBITDA as a percentage of net revenue in the fourth quarter and current year is attributable to improved operating efficiencies resulting in reduced operating costs and improved accounts receivable collection processes resulting in reduced bad debt expense.

Net income for the fourth quarter of 2008 was \$1.5 million, or \$0.09 per diluted share, compared to a net loss of \$(0.3) million, or \$(0.02) per diluted share, for the fourth quarter of 2007. Net income for the year ended December 31, 2008 was \$0.5 million, or \$0.03 per diluted share, compared to a net loss of \$(5.5) million, or \$(0.31) per diluted share, for the same period of 2007. The comparison of net income for the year ended December 31, 2008 to the same period in 2007 was affected by the recording in 2007 of a change of control expense of \$5.6 million, partially offset by a gain on discontinued operations of \$1.8 million. The improvement in net income in the fourth quarter and current year, excluding the change of control expense and gain on discontinued operations in 2007, is primarily the result of the improved operating efficiencies and improved accounts receivable collection processes, as mentioned above.

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 upcoming 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

(In thousands, except per share data)

Schedule A

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|---------------------------------|------------------|----------------------------------|-------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | (unaudited) | | (unaudited) | |
| Revenues, net | \$ 67,805 | \$ 71,469 | \$ 266,854 | \$ 293,027 |
| Cost of sales and related services | 15,299 | 15,529 | 56,612 | 70,601 |
| Cost of rentals and other revenues, including rental equipment depreciation | 8,217 | 10,040 | 34,682 | 41,412 |
| Operating expenses | 32,617 | 35,681 | 132,931 | 140,028 |
| Bad debt expense | 614 | 1,250 | 4,635 | 8,164 |
| General and administrative expenses | 5,320 | 5,218 | 19,841 | 19,194 |
| Depreciation, excluding rental equipment, and amortization | 1,012 | 986 | 4,102 | 3,361 |
| Interest expense, net | 3,860 | 3,755 | 15,618 | 15,828 |
| Other income, net | (389) | (721) | (1,040) | (2,249) |
| Change of control (income) expense | (3) | 60 | (77) | 5,637 |
| Earnings from unconsolidated joint ventures | (1,795) | (1,540) | (6,201) | (5,754) |
| Income (loss) from continuing operations before income taxes | 3,053 | 1,211 | 5,751 | (3,195) |
| Provision for income taxes | 1,362 | 1,196 | 5,054 | 4,097 |
| Net income (loss) from continuing operations | 1,691 | 15 | 697 | (7,292) |
| Discontinued operations: | | | | |
| (Loss) income from discontinued operations, including gain on disposal | (183) | (360) | (183) | 1,770 |
| Net income (loss) | \$ 1,508 | \$ (345) | \$ 514 | \$ (5,522) |
| <i>Basic income (loss) per common share - Continuing operations</i> | \$ 0.10 | \$ - | \$ 0.04 | \$ (0.41) |
| <i>Basic (loss) income per common share - Discontinued operations</i> | (0.01) | (0.02) | (0.01) | 0.10 |
| <i>Basic income (loss) per common share</i> | <u>\$ 0.09</u> | <u>\$ (0.02)</u> | <u>\$ 0.03</u> | <u>\$ (0.31)</u> |
| <i>Diluted income (loss) per common share - Continuing operations</i> | \$ 0.10 | \$ - | \$ 0.04 | \$ (0.41) |
| <i>Diluted (loss) income per common share - Discontinued operations</i> | (0.01) | (0.02) | (0.01) | 0.10 |
| <i>Diluted income (loss) per common share</i> | <u>\$ 0.09</u> | <u>\$ (0.02)</u> | <u>\$ 0.03</u> | <u>\$ (0.31)</u> |

| | December 31, | December 31, |
|---|-------------------|-------------------|
| | 2008 | 2007 |
| | (unaudited) | |
| Cash and cash equivalents | \$ 13,488 | \$ 11,018 |
| Restricted cash | 250 | 250 |
| Net patient receivables | 38,284 | 44,549 |
| Other receivables | 777 | 593 |
| Total receivables | 39,061 | 45,142 |
| Net inventories | 10,789 | 11,616 |
| Other current assets | 9,863 | 13,099 |
| Total current assets | 73,451 | 81,125 |
| Property and equipment, net | 32,042 | 40,731 |
| Goodwill | 122,093 | 122,093 |
| Other assets | 26,940 | 26,179 |
| Total Assets | \$ 254,526 | \$ 270,128 |
| Current portion of long-term debt and capital leases | \$ 234,259 | \$ 8,221 |
| Accounts payable | 11,989 | 16,558 |
| Other current liabilities | 24,535 | 31,500 |
| Total current liabilities | 270,783 | 56,279 |
| Long-term debt and capital leases, less current portion | 51 | 236,189 |
| Deferred tax liability | 7,841 | 3,474 |
| Other noncurrent liabilities | 8 | 51 |
| Total liabilities | 278,683 | 295,993 |
| Minority interest | 462 | 550 |
| Total shareholders' deficit | (24,619) | (26,415) |
| Total Liabilities and Shareholders' Deficit | \$ 254,526 | \$ 270,128 |

American HomePatient, Inc.

Schedule B

Reconciliation of Non-GAAP Financial Measurements to GAAP Financial Statements

(In thousands)

| | <u>Three Months Ended December 31,</u> | | <u>Twelve Months Ended December 31,</u> | |
|--|--|------------------|---|------------------|
| | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> |
| | <u>(unaudited)</u> | | <u>(unaudited)</u> | |
| Net income (loss) | \$ 1,508 | \$ (345) | \$ 514 | \$ (5,522) |
| Add: | | | | |
| Provision for income taxes | 1,362 | 1,196 | 5,054 | 4,097 |
| Interest expense, net | 3,860 | 3,755 | 15,618 | 15,828 |
| Rental equipment depreciation | 6,263 | 7,718 | 26,085 | 31,055 |
| Other depreciation and amortization (Note A) | 1,012 | 986 | 4,102 | 3,361 |
| Earnings before interest, taxes, depreciation, and amortization (EBITDA) | <u>\$ 14,005</u> | <u>\$ 13,310</u> | <u>\$ 51,373</u> | <u>\$ 48,819</u> |
| Change of control (income) expense (Note B) | (3) | 60 | (77) | 5,637 |
| Discontinued operations (Note C) | 183 | 360 | 183 | (1,770) |
| Adjusted EBITDA | <u>\$ 14,185</u> | <u>\$ 13,730</u> | <u>\$ 51,479</u> | <u>\$ 52,686</u> |

Note A: Includes depreciation expense related to discontinued operations for three months and twelve months ended December 31, 2007. No depreciation expense related to discontinued operations for the three months and twelve months ended December 31, 2008.

Note B: Change of control (income) expense is excluded to determine adjusted EBITDA, as the (income) expense is non-recurring.

Note C: Discontinued operations are excluded to determine adjusted EBITDA, as the gain on disposal and related operations are non-recurring.