



Allscripts Revises Third Quarter Estimates

October 5, 2001

CHICAGO, Oct. 5 /PRNewswire/ -- Allscripts Healthcare Solutions, Inc. (Nasdaq: MDRX) today reported that, based on preliminary financial information, it expects third quarter revenues to be in the range of \$16-17 million and cash loss per share to be in the range of \$0.30-\$0.35, excluding the effects of restructuring and other special charges. The Company also stated that previous guidance for 2001 is no longer applicable and that it will provide revised estimates for the remainder of 2001 on October 25th in conjunction with the release of its third quarter results.

"The tragic events of September 11th and the subsequent travel disruptions affected our ability to close key sales that would have contributed to revenue in the quarter, prevented a number of reference site visits by potential clients, and postponed our ability to generate revenue from new and ongoing client implementations," commented Glen Tullman, Allscripts Chief Executive Officer. "Despite these setbacks, we remain very encouraged by the response from academic medical centers, large physician groups and integrated delivery networks to our TouchWorks(TM) offering. During the third quarter, we signed the largest TouchWorks contract in our history, to implement over 450 physicians, and, despite the lower than expected revenues, we anticipate an increase in our backlog." The Company also noted that more than 10 significant contracts were delayed and remain in its sales pipeline.

In July of 2001, Allscripts announced a restructuring plan that it indicated would result in a charge of \$3-5 million in the third quarter. The Company did not disclose estimated savings at that time. Based on its current progress, the Company now believes the restructuring will result in cost reductions of approximately \$15 million on an annual run rate basis, continuing Allscripts progress toward profitability in 2002. The Company also noted that the exit from certain unprofitable contracts had a negative impact on third quarter revenues. In addition, the Company will take a charge against earnings in the third quarter related to the carrying value of goodwill and other acquisition-related intangible assets.

"We continue to be excited about both our position and our traction in this marketplace. Customers are demonstrating real demand for our TouchWorks suite of products and for our Physicians Interactive physician education tools. The restructuring of our business and the steps we have taken to reduce operating expenses will position us well for achieving profitability in 2002," Tullman commented. "Our shift to sales of enterprise solutions remains a key component of our strategy as we have quickly transitioned our organization to focus on more profitable opportunities within healthcare information technology."

About Allscripts Healthcare Solutions

Allscripts Healthcare Solutions is the leading provider of point-of-care decision support solutions for physicians. The Company's TouchWorks software products enhance physician productivity and are accessed using a wireless handheld or desktop workstation to automate the most common physician activities including prescribing, capturing charges, dictating, ordering labs and viewing results, providing patient education, and taking clinical notes. Additionally, Allscripts provides patient compliance and healthcare product education services for physicians through its Physicians Interactive unit. Allscripts provides services to over 15,000 physicians at more than 4,000 sites across the U.S.

TouchWorks is a trademark of Allscripts Healthcare Solutions. Visit Allscripts on the Web at allscripts.com .

This announcement may contain forward-looking statements about Allscripts Healthcare Solutions that involve risks and uncertainties. These statements are developed by combining currently available information with Allscripts beliefs and assumptions. Forward-looking statements do not guarantee future performance. Because Allscripts cannot predict all of the risks and uncertainties that may affect it, or control the ones it does predict, Allscripts' actual results may be materially different from the results expressed in its forward-looking statements. For a more complete discussion of the risks, uncertainties and assumptions that may affect Allscripts see the Company's 2000 Annual Report on Form 10-K, available through the Web site maintained by the Securities and Exchange Commission at www.sec.gov .

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