



Allscripts Reports Third Quarter 2001 Results

October 25, 2001

CHICAGO, Oct. 25 /PRNewswire/ -- Allscripts Healthcare Solutions, Inc. (Nasdaq: MDRX), the leading provider of point-of-care decision support tools for physicians, announced today its results for the three and nine month periods ended September 30, 2001.

Total revenue for the three months ended September 30, 2001 was \$16.4 million. Software and related service revenue for the three months ended September 30, 2001 increased by 30% from \$3.7 million in 2000 to \$4.8 million in 2001. Prepackaged medication revenue increased by 5% from \$11.1 million in 2000 to \$11.6 million in the third quarter of 2001.

The results of operations include a charge of \$8.6 million related to a restructuring plan announced in July and a non-cash asset impairment charge of \$355.0 million related to acquired intangible assets and related goodwill.

Pro forma net loss, which excludes the restructuring and asset impairment charges described above, as well as amortization of intangibles, net of tax effect, for the third quarter of 2001 was \$11.8 million, or \$0.31 per share compared with a pro forma net loss of \$5.6 million, or \$0.19 per share in the same period last year. Net loss for the third quarter was \$351.9 million, or \$9.26 per share, compared with a loss of \$15.2 million, or \$0.52 per share in the same period last year.

"The market for mobile, modular clinical applications that can be quickly and cost-effectively deployed is growing rapidly. The third quarter, while challenging, demonstrated that our products continue to gain traction," commented Glen Tullman, Chairman and Chief Executive Officer. "During the quarter, we signed a number of large contracts for our TouchWorks(TM) clinical suite, including a multi-million dollar agreement with the University of Minnesota Physicians Group. Additionally, our Physicians Interactive(TM) unit signed contracts with a number of the largest pharmaceutical companies in the world, including an agreement, which we are announcing today, where we will deliver certain e-Detailing(TM) physician education services for Novartis."

"Our financial position remains very strong with no debt and over \$83 million in cash and marketable securities," Tullman continued. "The restructuring we announced, which will save in excess of \$15 million annually in expenses, paired with the revenue growth we anticipate, positions us to generate cash from operations by the fourth quarter of 2002."

For the nine months ended September 30, 2001 total revenue was \$52.1 million, up 42% from the comparable period in 2000. Software and related service revenue for the nine months ended September 30, 2001 increased by 97% from \$7.7 million in 2000 to \$15.2 million in 2001. Prepackaged medication revenue increased by 28% from \$28.9 million in the first nine months of 2000 to \$36.9 million in the same period in 2001.

Pro forma net loss was \$31.6 million, or \$0.84 per share for the nine months ended September 30, 2001 compared with a pro forma net loss of \$12.7 million, or \$0.46 per share in the same period last year. Net loss for the nine months ended September 30, 2001 was \$410.4 million, or \$10.86 per share, compared with a net loss of \$42.1 million, or \$1.54 per share, for the same period in 2000.

Allscripts will conduct a conference call on Thursday, October 25, 2001 at 4:30 PM Eastern time. The conference call can be accessed by dialing 1-800-374-0526, or via the Internet at www.allscripts.com. A recording of the conference call will be available for review through November 12, 2001 at www.allscripts.com or by calling 1-800-642-1687, ID #2053839.

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, Physicians Interactive, and e-Detailing are trademarks of Allscripts Healthcare Solutions. Visit Allscripts on the Web at www.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.

Allscripts Healthcare Solutions, Inc.
Condensed Consolidated Balance Sheets
(amounts in thousands)

	September 30, 2001	December 31, 2000
Assets		
	(unaudited)	
Current assets		

Cash and cash equivalents	\$40,576	\$76,513
Marketable securities	6,395	20,663
Accounts receivable, net	15,447	13,850
Other receivables	1,608	1,291
Inventories	6,296	5,290
Prepaid expenses and other current assets	2,817	1,724
Total current assets	73,139	119,331
Long-term marketable securities	36,277	22,661
Fixed assets, net	9,782	11,792
Intangible assets, net	5,769	149,690
Other assets	3,524	1,946
Total assets	\$128,491	\$305,420

Liabilities and Stockholders' Equity

Current liabilities

Accounts payable	\$6,416	\$7,269
Accrued expenses	2,526	2,546
Accrued compensation	1,941	2,525
Accrued restructuring and other charges	4,340	-
Deferred revenue	3,404	1,877
Total current liabilities	18,627	14,217
Deferred taxes	2,188	-
Other liabilities	405	228
Total liabilities	21,220	14,445
Stockholders' equity	107,271	290,975
Total liabilities and stockholders' equity	\$128,491	\$305,420

Allscripts Healthcare Solutions, Inc.
Condensed Consolidated Statements of Operations
(amounts in thousands, except per-share amounts)

	Three Months Ended		Nine Months Ended	
	September 30, 2001	2000	September 30, 2001	2000
	(unaudited)		(unaudited)	
Revenue	\$16,415	\$14,838	\$52,133	\$36,601
Cost of revenue	16,352	11,654	48,754	28,743
Gross profit	63	3,184	3,379	7,858
Operating expenses:				
Selling, general and administrative expenses	14,873	11,624	44,956	31,317
Amortization of intangibles	18,478	9,020	54,894	15,037
Restructuring and other charges	8,636	-	8,636	-
Asset impairment charge	354,984	-	354,984	-
Write-off of acquired in-process research and development	-	-	3,000	13,729
Loss from operations	(396,908)	(17,460)	(463,091)	(52,225)
Interest income, net	1,032	2,300	3,948	5,824

Other income, net	7	(53)	398	(122)
Loss from continuing operations before taxes	(395,869)	(15,213)	(458,745)	(46,523)
Income tax benefit	44,012	-	48,360	-
Loss from continuing operations	(351,857)	(15,213)	(410,385)	(46,523)
Discontinued operations	-	-	-	4,436
Net loss	\$(351,857)	\$(15,213)	\$(410,385)	\$(42,087)
Pro forma net loss (See Footnote 1)	\$(11,831)	\$(5,614)	\$(31,591)	\$(12,742)
Per-share data - basic and diluted:				
Continuing operations	\$(9.26)	\$(0.52)	\$(10.86)	\$(1.70)
Discontinued operations	-	-	-	0.16
Net loss	\$(9.26)	\$(0.52)	\$(10.86)	\$(1.54)
Pro forma net loss per share (See Footnote 1)	\$(0.31)	\$(0.19)	\$(0.84)	\$(0.46)
Weighted average shares of common stock outstanding used in computing per-share data-- basic and diluted	38,005	29,342	37,775	27,409

Footnote 1

Pro forma net loss and related per-share data -- basic and diluted excludes restructuring and other charges, asset impairment charge, amortization of intangibles, and the expensing of acquired in-process research and development, net of tax effect . For the three and nine months ended September 30, 2000, pro forma net loss also excludes the amortization of acquired software in connection with acquisitions of \$579,000 for both periods. For the three and nine months ended September 30, 2001, pro forma net loss also excludes the amortization of acquired software in connection with acquisitions of \$1,940,000, and \$5,640,000, respectively. This amortization has been included in cost of revenue.

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