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2004 Amedisys Annual Report

Tenet Acquisition

Amedisys purchased ten home care agencies, and two hospice agencies, from Tenet Healthcare Corporation.

Forbes Magazine Ranks Amedisys as #4 in Top 200 Growth Companies

Caregivers made over 1.6 million individual visits to patients' homes during the year.

Raised \$68m in Equity

We completed our first public offering, with net proceeds of approximately \$68 million.

Revenue Up 59%, EPS Up 82%

www.amedisys.com



"We're Beyond Compare"

We offer excellent opportunities for health care professionals.

Amedisys Recognizes Top Employees

Clockwise from bottom:

Eric Thoresen, Overall Spirit Award Winner; Martha (Mott) Aldrich, Home Health Aide of the Year; Gerald Calhoun, Caregiver of the Year; Mazelle Melton, Home Health Aide of the Year; Shelia Woods, Christen Award Recipient; and Louise Mullins, Home Health Aide of the Year.



(Amounts in thousands, except Per Share Data)

Years Ended December 31,	2004	2003	2002
Net Service Revenue	\$227,089	\$142,473	\$129,424
Operating Income	\$ 33,378	\$ 14,338	\$ 6,480
Net Income	\$ 20,504	\$ 8,407	\$ 752
Net Income per Diluted Common Share	\$ 1.51	\$ 0.83	\$ 0.08
Weighted Average Common Shares Outstanding – Diluted	13,543	10,074	9,007
Stockholders' Equity	\$148,473	\$ 51,399	\$ 16,963

Dear Fellow Shareholders:

The past year was one of unprecedented growth throughout all aspects of our business. Our 2004 revenues were the highest in Amedisys' history, a 59 percent increase over last year to \$227 million, and our operational infrastructure continues to evolve in order to support our expansion. In addition, we completed our first public offering, with net proceeds of approximately **\$68 million**, in 2004.

We continue to focus on being the premier low cost, high quality provider in home health, while simultaneously continuing to generate favorable returns for our investors. In order to achieve these goals, Amedisys remains committed to a strategy centered on internal growth supplemented with acquisitions that meet our stated criteria. We believe a strict adherence to this strategy, as well as a healthy balance sheet, provide a solid foundation for continued success at Amedisys.

This success has been and will continue to be driven by the internal growth rate of Medicare admissions, which in 2004 was 28 percent. This growth was attributable to an underlying market growing at least seven percent annually, the expansion of our sales force, the continued rollout of disease management programs, as well as the 13 start-up locations opened in 2004. Due to the favorable demographics, coupled with general trends towards less invasive surgery and patient preference as to modality of care, we see this industry growth trend continuing. In light of these secular trends, we are comfortable in our ability to deliver 15-20 percent internal growth in Medicare admissions over the medium term. With approximately 20 start-ups expected to commence operations in 2005, of which five are already in operation at the end of the first quarter, this aspect of our growth strategy is poised to play an increasingly important role.

While we continue to emphasize internal growth initiatives, we are mindful of the numerous external opportunities available to us. During 2004, Amedisys completed a number of strategic acquisitions, including acquisitions of single home health agencies in

the Certificate of Need (C.O.N.) states of Mississippi, Georgia and North Carolina. C.O.N. designation creates a barrier to entry and limits other providers' ability to begin operations in these markets. Most notably, though, Amedisys **purchased ten home care agencies, and two hospice agencies, from Tenet Healthcare Corporation**, including three in C.O.N. states, which contributed approximately \$17 million to 2004 revenues. We also acquired a successful home health agency with three locations in Richmond, Virginia that is expected to contribute approximately \$7 million to Amedisys' revenues in 2005.

Already in 2005, we have announced a significant acquisition in South Carolina with ten separate locations and approximately \$16 million in annual revenues. Along with our first entry into the Maryland market, these C.O.N. states have considerable opportunities for further market growth. Acquisitions form an integral piece of Amedisys' growth strategy, and the Company intends to continue selectively acquiring companies that fit its acquisition profile.

Along with the strong fundamentals of our business, we continue operating in a relatively benign reimbursement climate. Amedisys' weighted average reimbursement increase for full-year 2005 is expected to be approximately 1.95 percent. We remain mindful of the budget pressures in Washington, and continue to advance the important role that home health nursing plays in reducing overall healthcare costs, including lower hospitalization rates.

Our solid financial position also continues to support our growth platform. As I mentioned above, we raised nearly \$68 million through an equity offering in 2004, resources that may, in part, be utilized for potential acquisitions. In addition to this offering, the Company secured a \$15 million revolving credit facility with GE Healthcare Financial Services, which may be increased up to \$25 million, and which provides an additional source of capital for potential acquisitions. Amedisys ended the

year with cash balances of approximately \$90 million. In addition, I am extremely pleased to report that total debt totaled just \$3 million at December 31, 2004, as compared to \$18 million at the same time last year.

Looking ahead, we see our internal and external growth strategies, aided by technological enhancements to our infrastructure and our expanding disease management programs, as the cornerstones to our continued achievements. These strategies, combined with a \$35 billion home care nursing industry that continues to grow due to an aging population and a shift toward non-facility based care, a relatively stable reimbursement environment, and a healthy balance sheet, position us well to fulfill our mission of providing cost-efficient, quality healthcare services to the patients entrusted to our care while continuing to create significant value for our shareholders.

I would like to take this opportunity to express my heartfelt thanks to the nearly 65,000 patients who put their trust in Amedisys in 2004. In addition, I am extremely grateful to our shareholders, customers, employees, and vendors for their continued steadfast support.

Amedisys was proud to receive an award from Forbes' magazine in 2004, an award that is a result of the extraordinary efforts of all our employees, but especially the caregivers as they made **over 1.6 million individual visits to patients' homes** during the year.

I look forward to additional success in 2005 and the years beyond, and, as always, am excited to have the opportunity to report Amedisys' progress to you.

Sincerely,



William F. Borne
Chairman and Chief Executive Officer

Board of Directors

William F. Borne
Chairman of the Board
Chief Executive Officer
Amedisys, Inc.

Ronald A. LaBorde
Private Investments

Jake L. Netterville
Chairman of the Board
Postlethwaite & Netterville,
A Professional Accounting Corporation

David R. Pitts
Chairman and Chief Executive Officer
Pitts Management Associates, Inc.

Peter F. Ricchiuti
Assistant Dean and Director of Research of
BURKENROAD REPORTS
Tulane University's A.B. Freeman
School of Business

Donald Washburn
Private Investments

Executive Officers

William F. Borne
Chief Executive Officer

Larry R. Graham
President and Chief Operating Officer

Gregory H. Browne
Chief Financial Officer

Jeffrey D. Jeter
Chief Compliance Officer/
Senior Vice President

Alice Ann Schwartz
Chief Information Officer

Shareholder Information

Corporate Headquarters
11100 Mead Road, Suite 300
Baton Rouge, Louisiana 70816
225.292.2031

Independent Accountants

KPMG LLP
Baton Rouge, Louisiana

Investor Relations

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200 Madison Avenue
7th Floor
New York, New York 10016
212.845.4200
Brian Ritchie
brian.ritchie@eurorscg.com

Annual Meeting

The Annual Meeting of Shareholders will take place on June 9, 2005 at 4 p.m. (CDT) at the Company's Corporate Headquarters, 11100 Mead Road, Suite 300, Baton Rouge, Louisiana.

Stock Listing

The Company's common stock is listed on the Nasdaq National Market under the symbol "AMED".

Transfer Agent and Registrar

American Stock Transfer
40 Wall Street, 46th Floor
New York, New York 10005
718.921.8293

Form 10-K/A

A copy of the Company's Annual Report on Form 10-K/A as filed with the Securities and Exchange Commission will be available without charge by contacting:

Amedisys, Inc.
Investor Relations Department
11100 Mead Road, Suite 300
Baton Rouge, Louisiana 70816
investor@amedisys.com

Amedisys on the Internet

You may access quarterly and annual financial information and obtain company information at <http://www.amedisys.com>.

Forward-Looking Statements

Investors are cautioned that certain statements contained in this document, as well as some statements by the Company in periodic press releases and some oral statements of Company officials during presentations about the Company, are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, which include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," or similar expressions.

In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future Company actions, which may be provided by management are also forward-looking statements as defined by the Act. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties, and assumptions about the Company, economic and market factors and the industry in which the Company does business, among other things. These statements are not guaranties of future performance and the Company has no specific intention to update these statements.

Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The principal important risk factors that could cause the Company's actual performance and future events and actions to differ materially from such forward-looking statements, include, but are not limited to, changes in Medicare/Medicaid payment amounts for covered services, changes in services covered by Medicare/Medicaid, changes in Federal income tax laws, and changes in general economic and market factors that affect the prices of securities or the industry in which Amedisys and its affiliates do business.



Amedisys *Home Health Services*

2004 OCS OVERALL VISION WINNER

We are pleased to present Amedisys with the overall vision award from amongst the hundreds of applications from healthcare organizations we received this year. Their use of OCS provided data led to increased operational efficiencies and, in our opinion, truly benefited the clinical outcomes of their patients.

*Amanda Twiss
OCS President*

We are proud to have received the 2004 Overall Vision Award from Outcomes Concept Systems (OCS). As we congratulate and thank our staff for all their hard work and great patient care, we also recognize and appreciate the confidence and trust you have placed in us to care for your patients.

OCS
Outcome Concept Systems

