



# Jefferies Annual Healthcare Conference

June 2008

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# Forward Looking Statements

This presentation contains, and answers given to questions that may be asked today may constitute, forward-looking statements that are subject to a number of risks and uncertainties, many of which are outside our control. All statements regarding our strategy, future operations, financial position, estimated revenues or losses, projected costs, prospects, plans and objectives, other than statements of historical fact included in our prospectus, are forward-looking statements. When used in this presentation or in answers given to questions asked today, the words “may,” “will,” “could,” “would,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “project,” “potential,” “continue,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. You should not place undue reliance on forward-looking statements. While we believe that we have a reasonable basis for each forward-looking statement that we make, we caution you that these statements are based on a combination of facts and factors currently known by us and projections of future events or conditions, about which we cannot be certain. For a more complete discussion regarding these and other factors which could affect the Company's financial performance, refer to the Company's various filings with the Securities and Exchange Commission, including its filing on Form 10-K for the year ended December 31, 2007, in particular information under the headings "Special Caution Regarding Forward-Looking Statements" and "Risk Factors." These cautionary statements qualify all of the forward-looking statements. In addition, market and industry statistics contained in this presentation are based on information available to us that we believe is accurate. This information is generally based on publications that are not produced for purposes of securities offerings or economic analysis.

All forward-looking statements speak only as of the date of this presentation. Except as required by law, we assume no obligation to update these forward-looking statements publicly or to update the factors that could cause actual results to differ materially, even if new information becomes available in the future.

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# Investment Highlights

- Leading regional home health provider
  - 40+% three year revenue CAGR
  - Decentralized operating model
- Strong capital position
  - Raised \$42 million in equity in 2008
- Disciplined approach to acquisitions driven by seasoned management
- Growing force in consolidating home health care market
  - 12 acquisitions in three years
  - Three geographic clusters: Northeast, Southeast and Midwest
- Patient Care acquisition brings annual revenue run rate to \$200 million

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# Patient Care Acquisition

- Acquiring Patient Care for \$46.5 million
  - 8 branch locations, \$47 million in revenue
  - **Strong local brand**
  - **Tremendous growth opportunity**
- Major expansion of Northeast operations
  - Enter New Jersey with 3 branches
  - Densify Connecticut adding 4 branches for 10 total branches with ~\$30 million in revenue
  - Initial presence in Pennsylvania

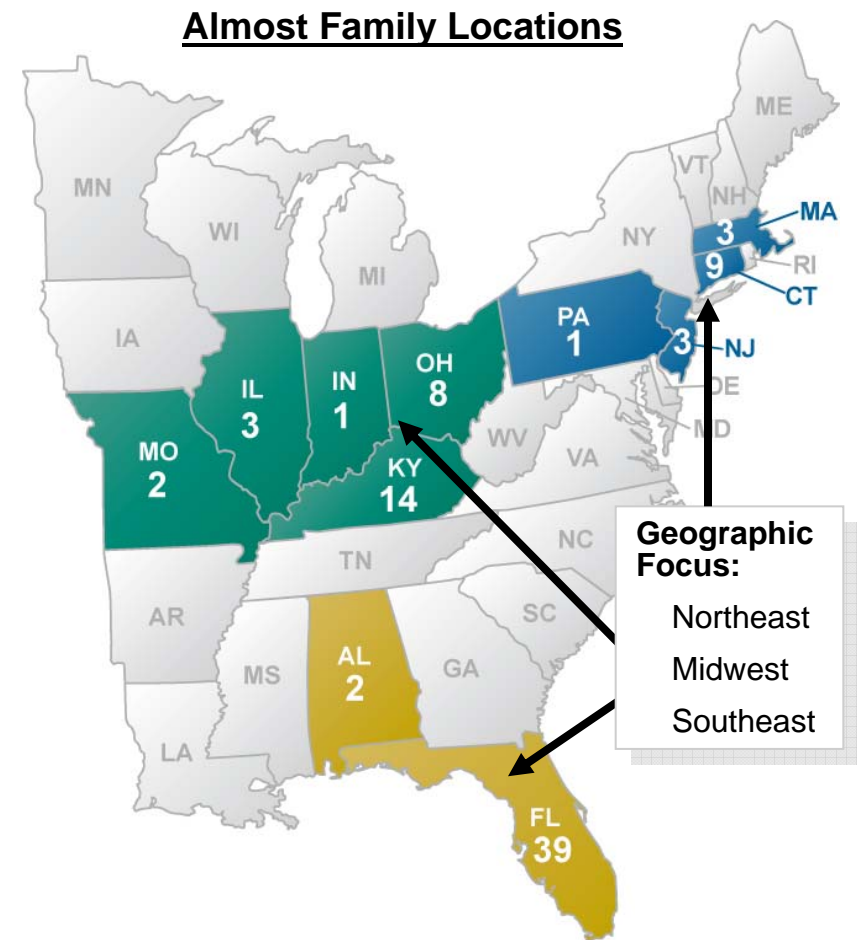
★ Locations



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# Almost Family Overview

- **Founded Louisville, KY -- 1976**
- **Two home health segments:**
  - **Visiting Nurse** Medicare-certified (~80% of revenue)
  - **Personal Care** primarily Medicaid-Waiver (~20% of revenue) Non-skilled
- **89 locations** in three geographic clusters, spanning 11 states
- **Revenue run rate over \$200 million with Patient Care**



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# Experienced Management Team

## Core Team Together for Over a Decade

### William Yarmuth – CEO

26 years as AFAM CEO  
Founding shareholder

### Steve Guenthner – SVP and CFO

15 years as AFAM CFO  
9 years Big Six public accounting

### Todd Lyles – SVP Administration

10 years as AFAM SVP  
13 years hospital management

### Anne Liechty – SVP VN Operations North

18 years at AFAM as senior operator

### David Pruitt – VP Operations Personal Care

10 years at AFAM

## Recently Added Talent to Manage Growth

### Phyllis Montville – SVP VN Operations South Florida

2+ years at AFAM, 20+ years as senior operator of home health businesses

### Cathy Newhouse – SVP Clinical Programs, Sales and Marketing

22 years with Gentiva

### Michael Moses – VP Group Living Programs

Founder Quality of Life Home Care

### Nancy Ralston and James Spriggs – VPs Operations North Florida

Founders Apex Home Health Care

### Ray Rasa – VP Operations Northeast

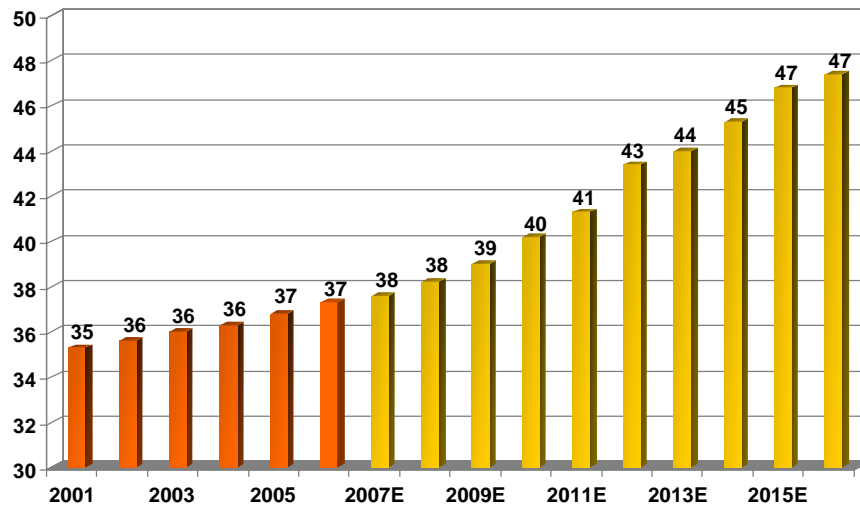
20+ years home health, Gentiva and Patient Care

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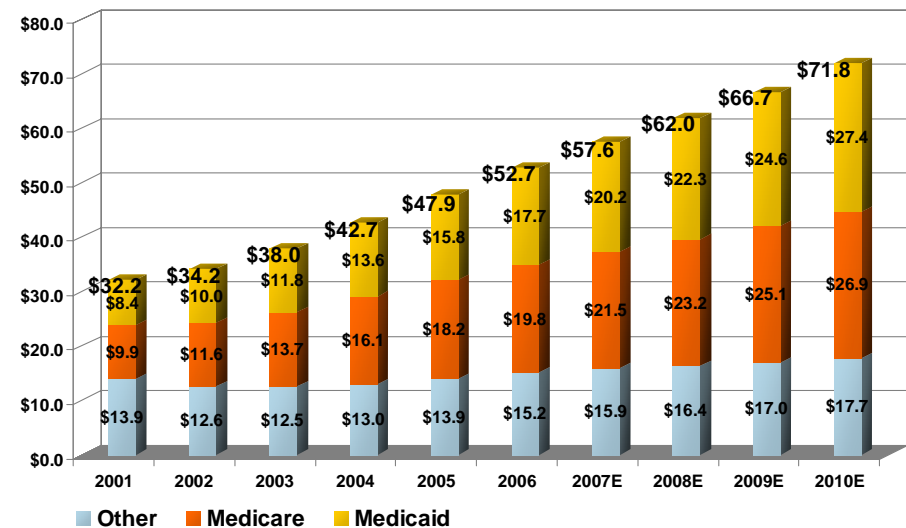
# Compelling Market Opportunity

- Aging U.S. population with higher incidence of chronic illness
- Patient preference for home care and payor preference for cost-effective care settings
- Spending: \$19.8B Medicare, \$17.7B Medicaid in 2006

U.S. Population age 65 and over  
(Millions)



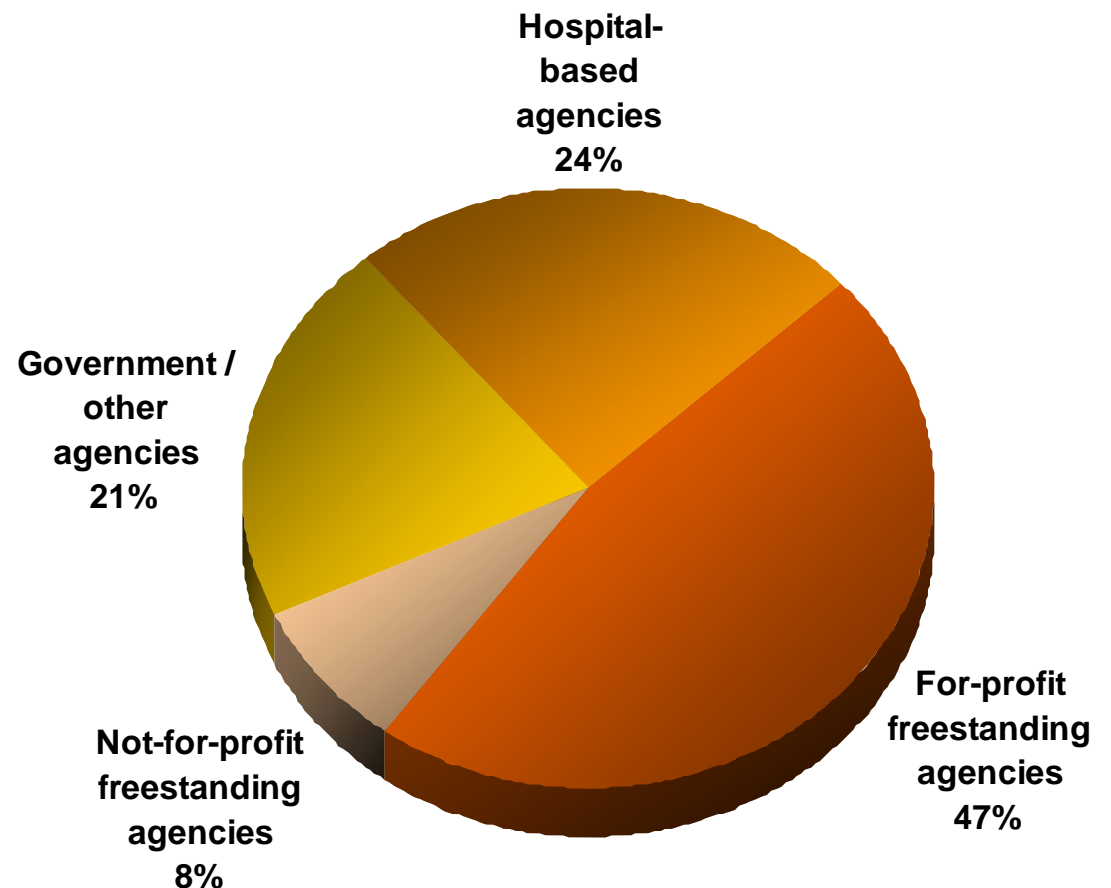
Home Health Expenditures  
(\$Billions)



Source: CMS

# Fragmented Home Health Market - Calls for Consolidation

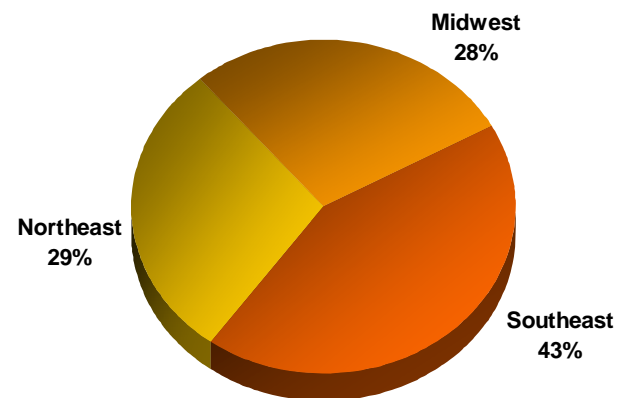
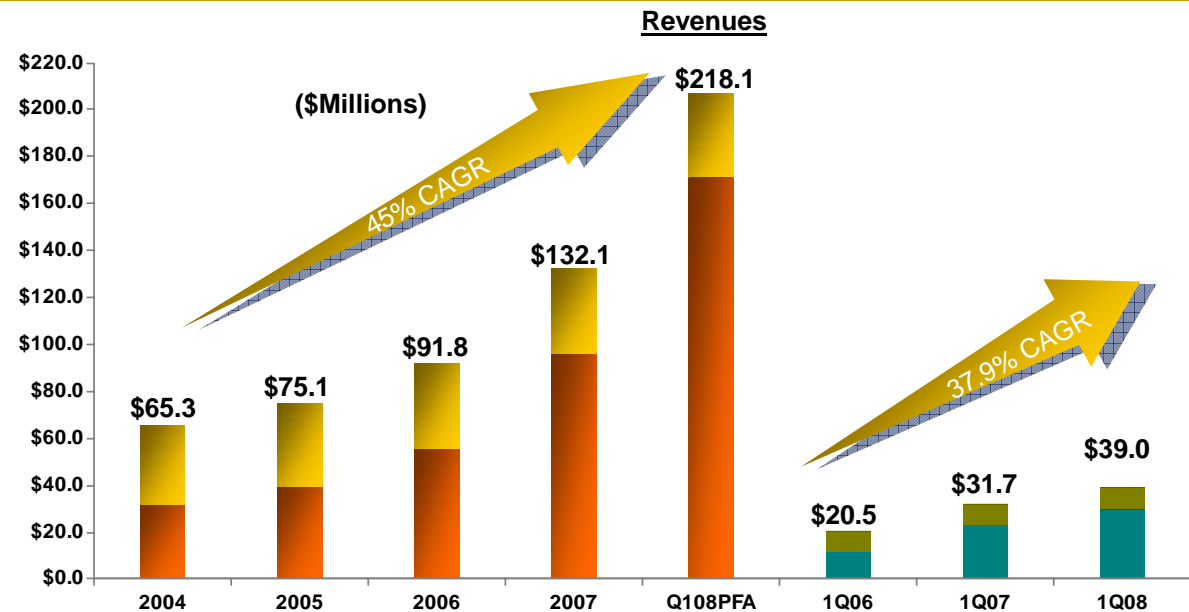
- ~8,800 Medicare-certified home health agencies in U.S.
- ~7,000 agencies are independently-owned operations
- Almost Family's acquisition criteria
  - Geographically complementary markets
  - Multi-site, free-standing agencies or hospital-based agencies



Source: CMS, MedPAC, National Association for Home Care and Hospice

# Track Record of Strong Performance

- 45% revenue CAGR
- 61% EPS CAGR
- Last 18 months:
  - 30% organic growth
  - Acquired \$98M revenue
- Balanced geography



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# Local Emphasis Drives Growth

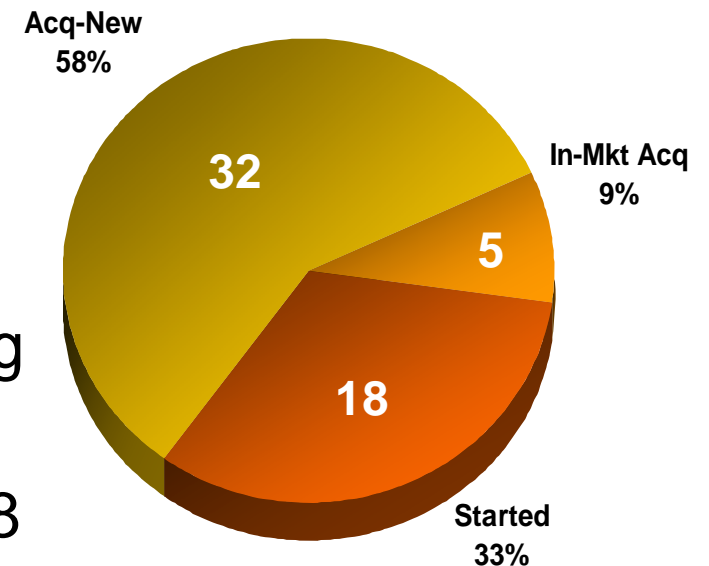
- **Local emphasis** leads to increased market share
  - Local brands, local managers and sales maintain referral relationships
- **Senior Advocacy** philosophy is Common Bond
  - Singular focus on home-bound, geriatric population
  - Individualized approach **advocates** for patients and their needs
  - Curative and Restorative Care
  - Frail Elderly Management and Disease State Management
  - Increase referrals by improving outcomes
- **Specialty programs** in response to local needs
- **Consistent delivery** of highest quality patient care
  - Same store revenue growth is best quality measure

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# Disciplined Development Strategy

- **“Densification”** – Increase density of geographic clusters
- Enter non-contiguous states/markets through acquisition
- **Build on Local Brand**
  - Use start-ups as extenders of existing service area
  - Plan to open 5 to 10 start-ups in 2008
- Optimize span of control

Branch Development  
Last 4 Years



# Bringing it All Together – Rapid Growth with Local Emphasis

- **Continuing Local Brand Identity** – Loyalty of employees, patients and referral sources to the local brand
- **Managing Successfully:**
  - Placing senior management closer to the local market
  - Local “course knowledge”, hometown business
  - Standard local office operating model, with local office flexibility in marketing and clinical programs
  - Information system allows effective control through study and analysis of local activities
- **Proven model** for consolidation of fragmented industry

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# Strong Florida Market Track Record

- Proven, replicable model for targeted states
- Largest Medicare U.S home care market
- Completed 10 acquisitions and 400+% revenue growth over four years
- ~\$80 million provider in Florida, 32 locations
- Seek continued densification
  - Cover 80% of population
  - Plan 3-5 startups in 2008

★ VN Location

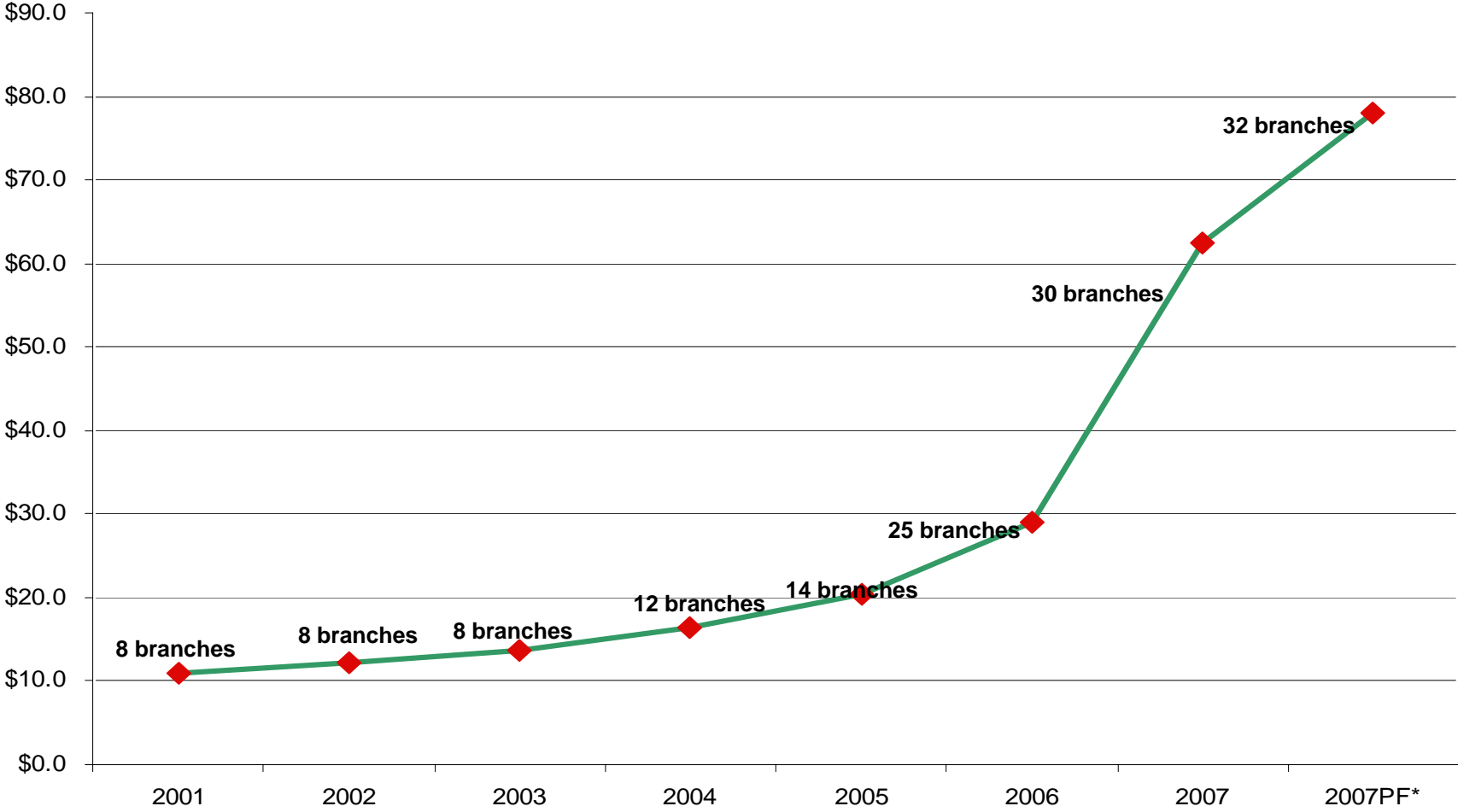


Year	# Brchs	Rev \$ in (000's)	% Rev Growth	Branches		
				Start	Acq	Comb
2001	8	\$ 11,038		3	5	
2002	8	\$ 12,203	10.6%			
2003	8	\$ 13,583	11.3%			
2004	12	\$ 16,272	19.8%	4		
2005	14	\$ 20,362	25.1%	1	2	(1)
2006	25	\$ 29,089	42.9%	1	18	(8)
2007	26	\$ 55,301	90.1%		1	
2007PF*	32	\$ 78,547	170.0%		6	
2004-2008			478.3%	6	27	-

\* Proforma Full Year Quality of Life & Apex

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# Strong Florida Market Track Record



\*Pro forma full year Apex acquisition

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# Replicating Florida Success In Northeast and Midwest

- Shifting development emphasis to Northeast and Midwest
- Patient Care quadruples Northeast presence
  - Annual revenue increases from \$16 million to \$63 million pro forma
- Service quality and specialties drive organic growth
- Geographic clusters leverage:
  - Span of control
  - Referral relationships
- Significant acquisition focus in Midwest

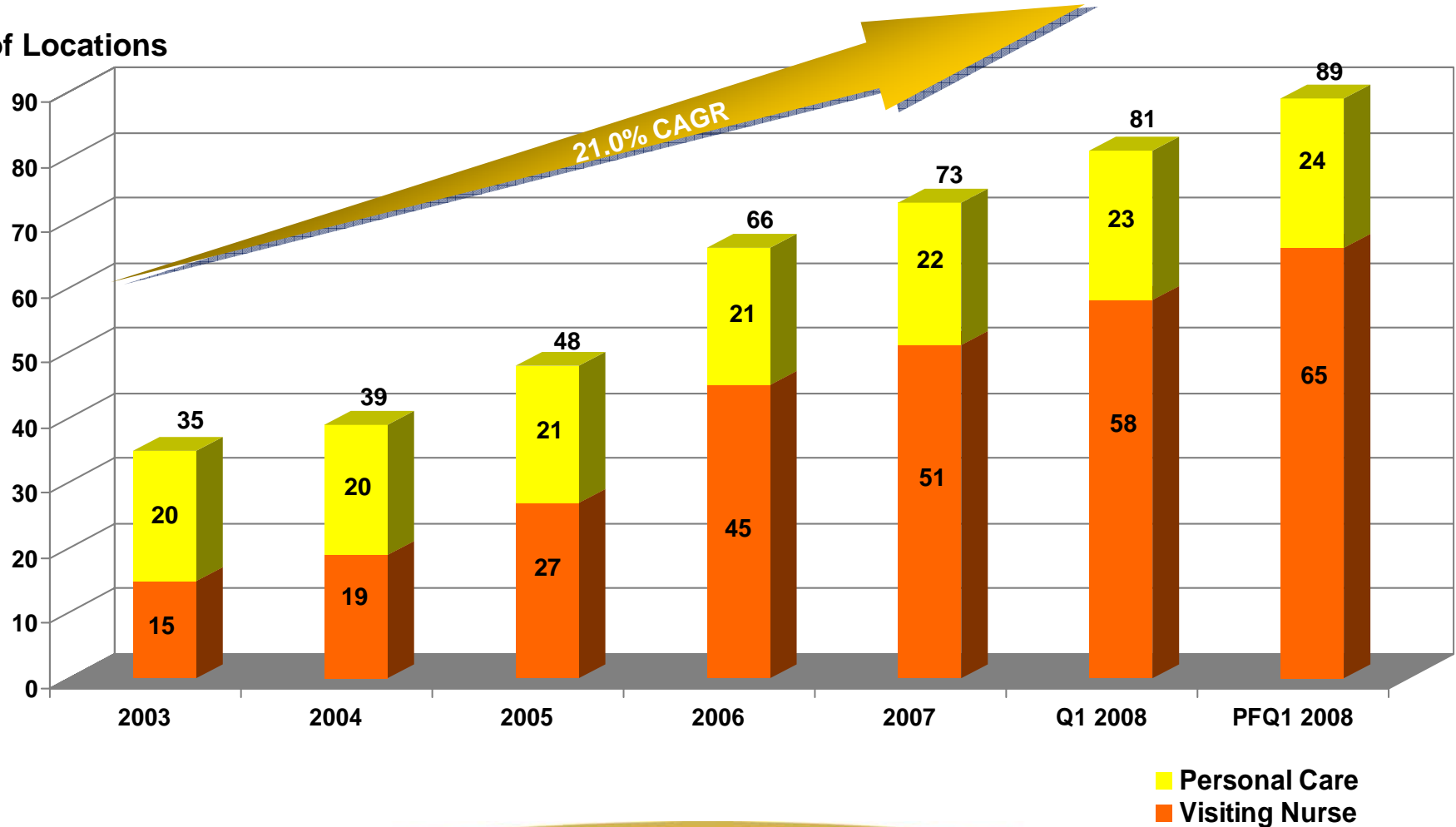
# Financial Highlights

- Long term EPS growth driven by organic volumes
- Prudent management of capital structure with **appropriate** leverage
- Proven ability to access debt and equity
- Scalable infrastructure keeps tight rein on operating costs
- Strong track record of investing capital in accretive acquisitions

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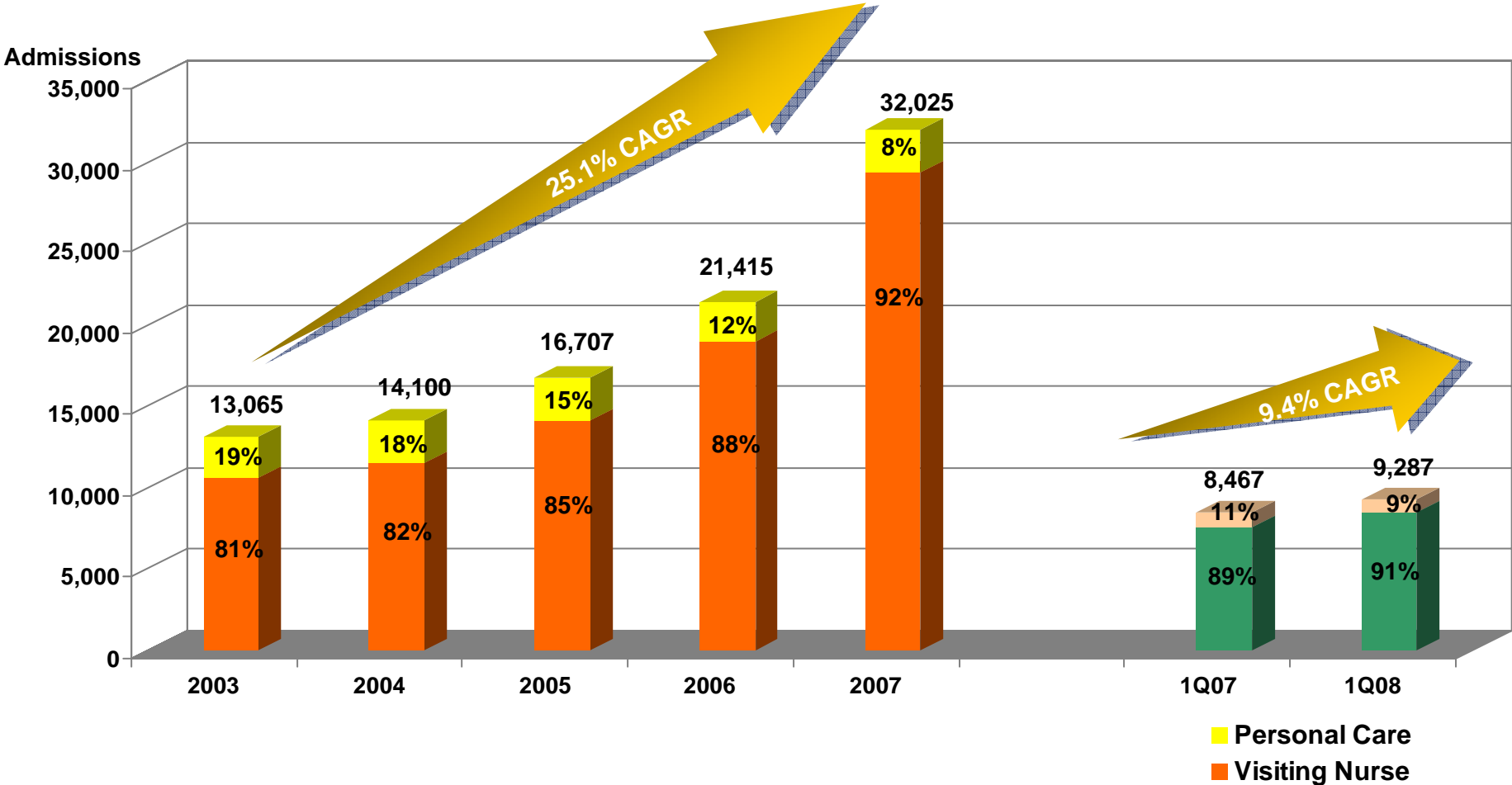
# Track Record of Increasing Locations

# of Locations



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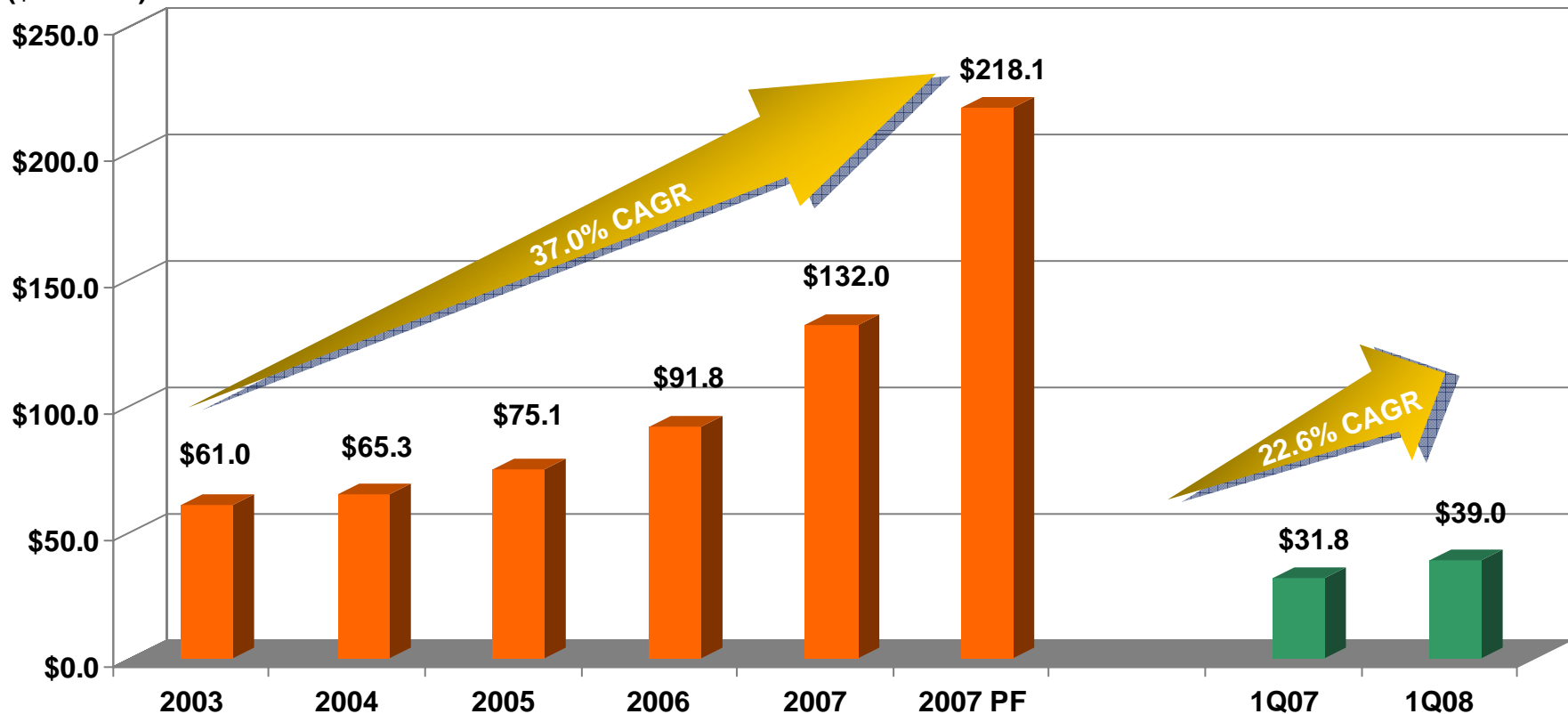
# Growing Patient Admissions



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# Proven Revenue Performance

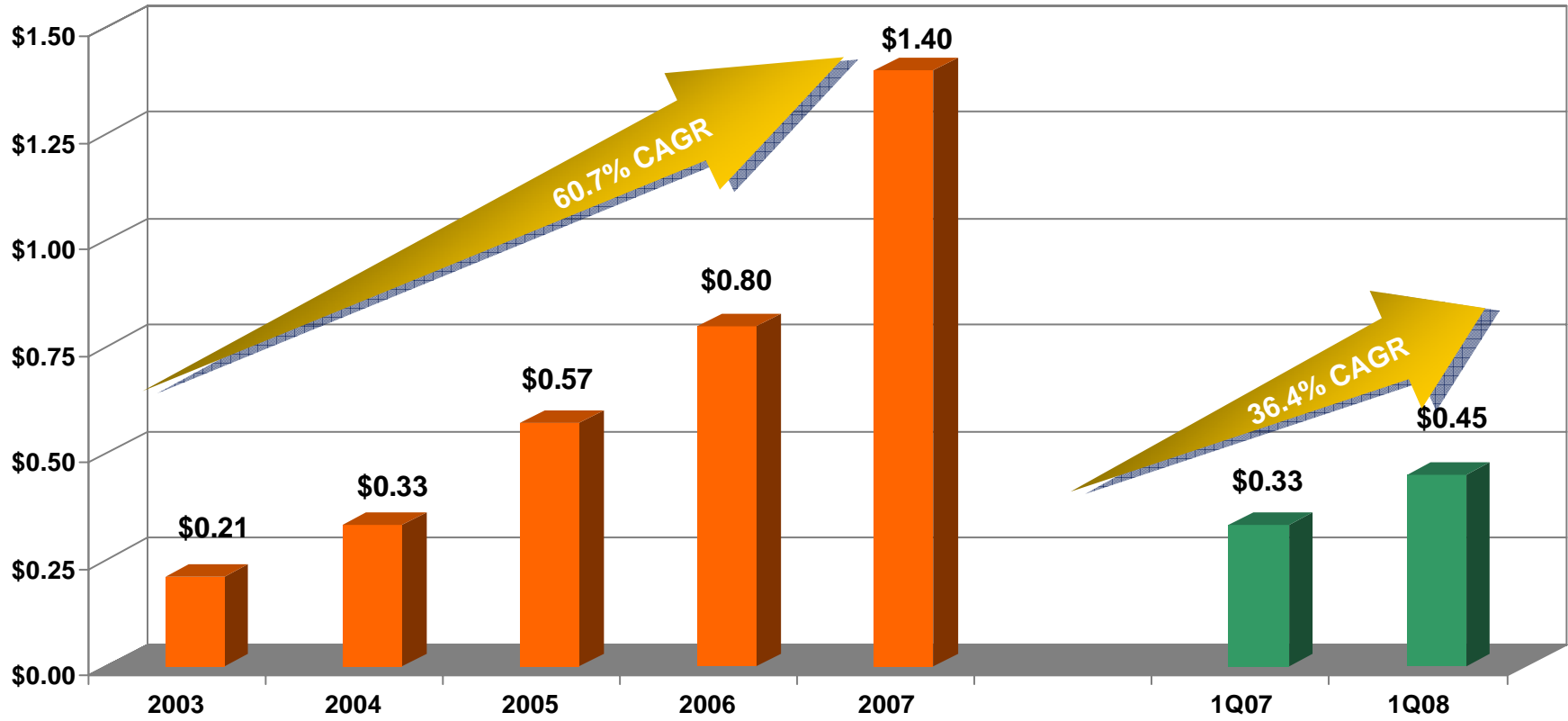
Continuing Operations  
(\$Millions)



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# Proven EPS Growth

Continuing Operations EPS  
(\$Millions)



Based on diluted shares.

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# Recent Patient Care Acquisition

- Balances geography – Northeast represents ~30% of revenue
- Strong local brand with tremendous opportunities for branch expansion
  - New Jersey
    - Only for-profit provider in four Northeast counties
    - Easily support more branches
  - Connecticut
    - Regulations allow unlimited branches anywhere in state
  - Pennsylvania
    - Just getting started
- Earnings accretion:
  - Limited in 2008, due to timing and transition costs
  - 2009, similar margins to rest of VN business
- Pro forma leverage below 2X EBITDA

# Investment Thesis: Long-Term EPS Growth

- Same store sales growth (including post-acquisition)
  - 10%-15% same store volume growth
  - Incremental 30%-40% same store revenue margin
- Favorable acquisition economics
  - Agency contribution 20%-25% of revenue, paying 4x-5x
  - Incremental overhead 2%-3% of revenue
  - Strong ROI, accretive investments
- Follow-on startups enhance returns
- Margin implications
  - Volume-based incremental margin largely offsets rate cuts (case-mix creep adj)
- EPS implications
  - Conditions right for long-term EPS growth as a consolidator