



**“To Serve All People During  
the End of Life’s Journey”**

# FORWARD-LOOKING STATEMENTS

Certain statements contained in this presentation are forward-looking statements within the meaning of the federal securities laws. Such forward-looking statements are based on management's current expectations and are subject to known and unknown risks, uncertainties and assumptions which may cause the forward-looking events and circumstances discussed in this presentation to differ materially from those anticipated or implied by the forward-looking statements. Such risks, uncertainties and assumptions include, but are not limited to, general market conditions; adverse changes in reimbursement levels under Medicare and Medicaid programs; adverse changes in the Medicare payment cap limits and increases in the Company's estimated Medicare cap contractual adjustment; decline in patient census growth; increases in inflation including inflationary increases in patient care costs; challenges inherent in and potential changes in the Company's growth and development strategy; our ability to effectively implement the Company's 2007 operations and development initiatives; the Company's dependence on patient referral sources and potential adverse changes in patient referral practices of those referral sources; our ability to implement a new integrated billing and clinical management and electronic medical records system; the ability to attract and retain healthcare professionals; increases in the Company's bad debt expense due to various factors including an increase in the volume of pre-payment reviews by the Company's Medicare fiscal intermediaries; adverse changes in the state and federal licensure and certification laws and regulations; adverse results of regulatory surveys; delays in licensure and/or certification; government and private party, legal proceedings and investigations; cost of complying with the terms and conditions of our corporate integrity agreement; adverse changes in the competitive environment in which the Company operates; changes in state or federal income, franchise or similar tax laws and regulations; adverse impact of natural disasters; changes in our estimate of additional compensation costs under FASB Statement No. 123(R); and the disclosures contained under the headings "Government Regulation and Payment Structure" in "Item 1. Business" and "Item 1A. Risk Factors" of Odyssey's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 9, 2007, and its most recent report on Form 10-Q and in its other filings with the Securities and Exchange Commission. Many of these factors are beyond the ability of the Company to control or predict. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements, which reflect management's views only as of the date hereof. The Company undertakes no obligation to revise or update any of the forward-looking statements or publicly announce any updates or revisions to any of the forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions, circumstances or assumptions underlying such statements.

# ODYSSEY... A LEADER IN HOSPICE CARE

**76**

Medicare Certified  
Programs in  
30 states

**33,226**

admissions in  
2006

**CAGR**

revenue =

**25.1%**

# WHY ODYSSEY?

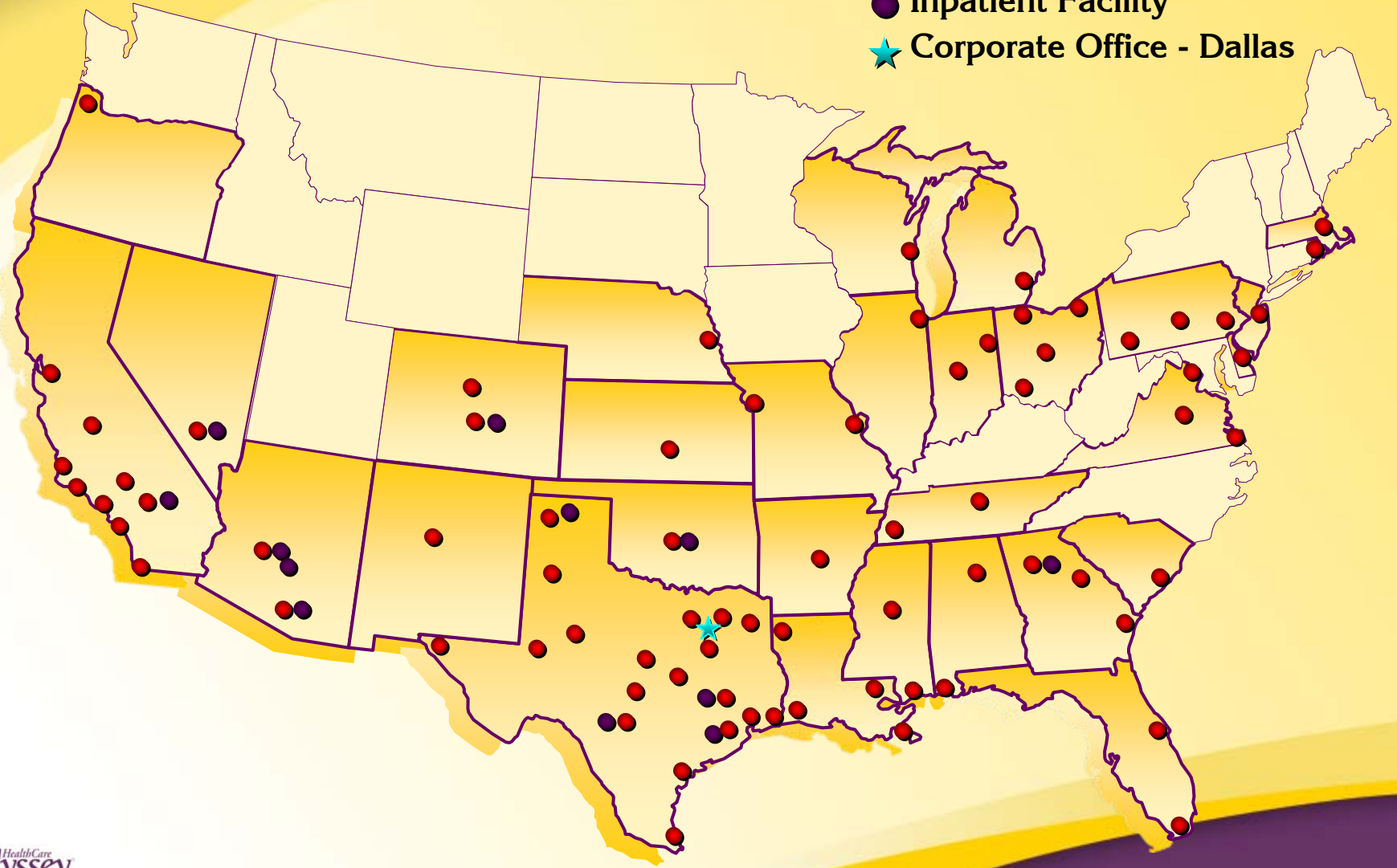
- Growing recognition of end of life services
- Aging population assures increased demand
- Strong balance sheet/cash surplus
- Compelling operating/growth strategy

# VALUE PROPOSITION

- Ideally positioned in growing industry
- Company is fulfilling documented social need
- Sufficient funding to support growth plan and operate in current reimbursement environment
- Experienced management team with strong operating background

# ODYSSEY LOCATIONS

- Hospice Office
- Inpatient Facility
- ★ Corporate Office - Dallas



# WHAT IS HOSPICE?

**Services  
provided  
primarily in  
home**

**More cost  
effective**

**Focus on  
physical,  
emotional  
and  
spiritual**

**Provides  
quality of life  
for terminal  
patients and  
families**

# COVERED BY MEDICARE

**Benefit  
enacted in  
1983**

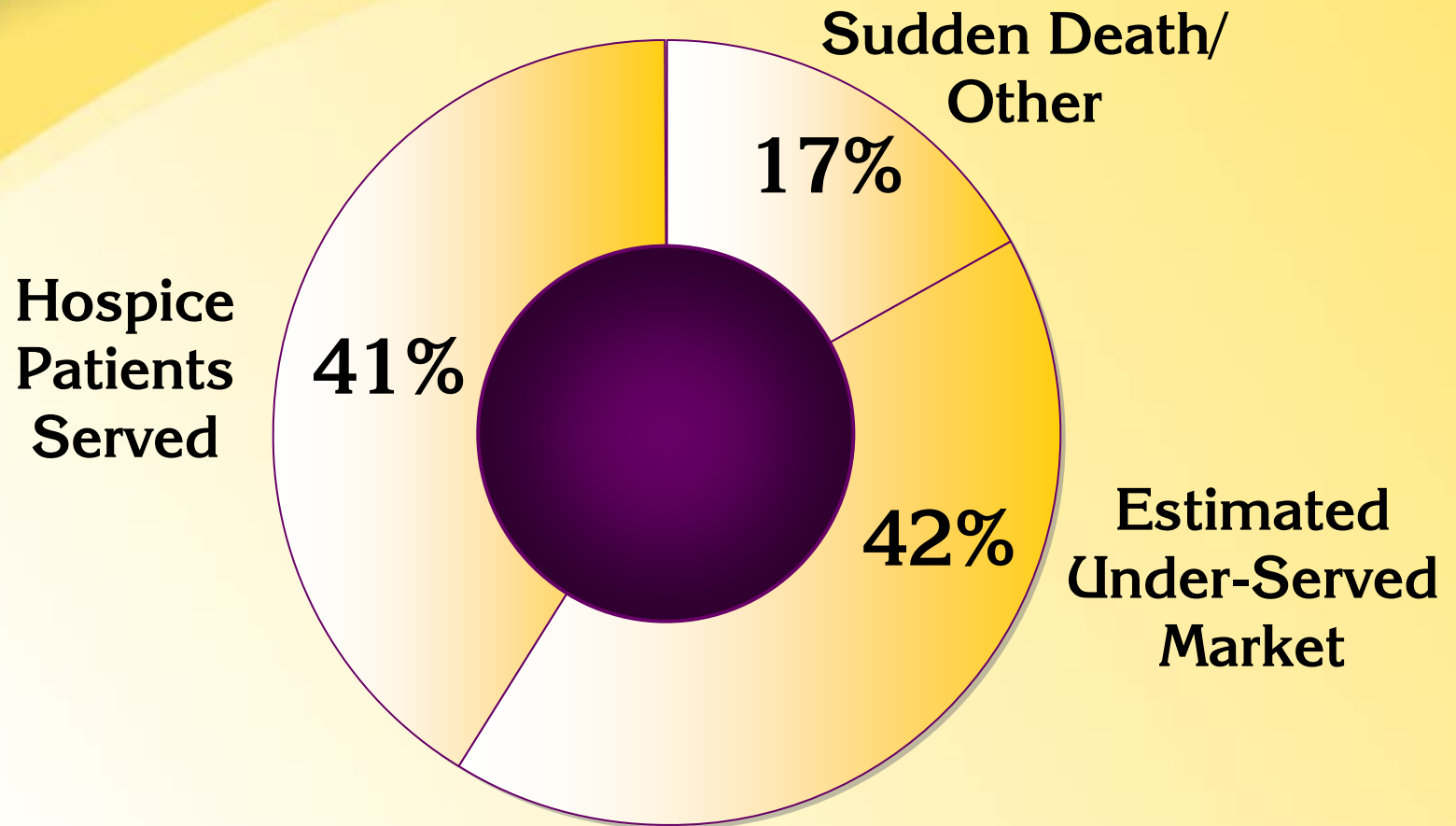
**Aggregate  
per  
beneficiary  
cap of  
\$21,410**

**Largest  
payer at  
> 90% is  
Medicare**

**Six  
months  
life  
expectancy**

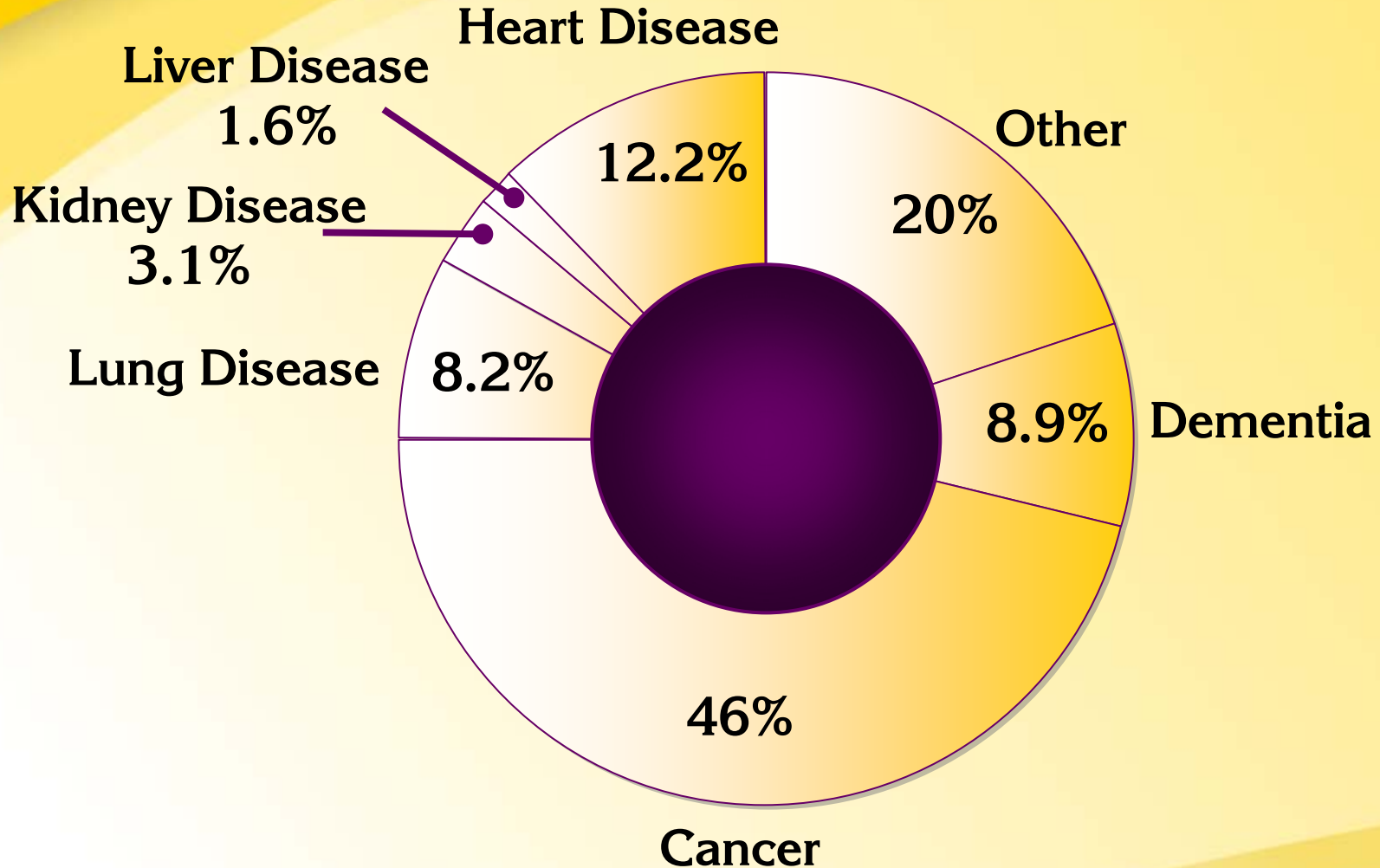
**Service  
promoted  
by CMS**

# MARKET OPPORTUNITY



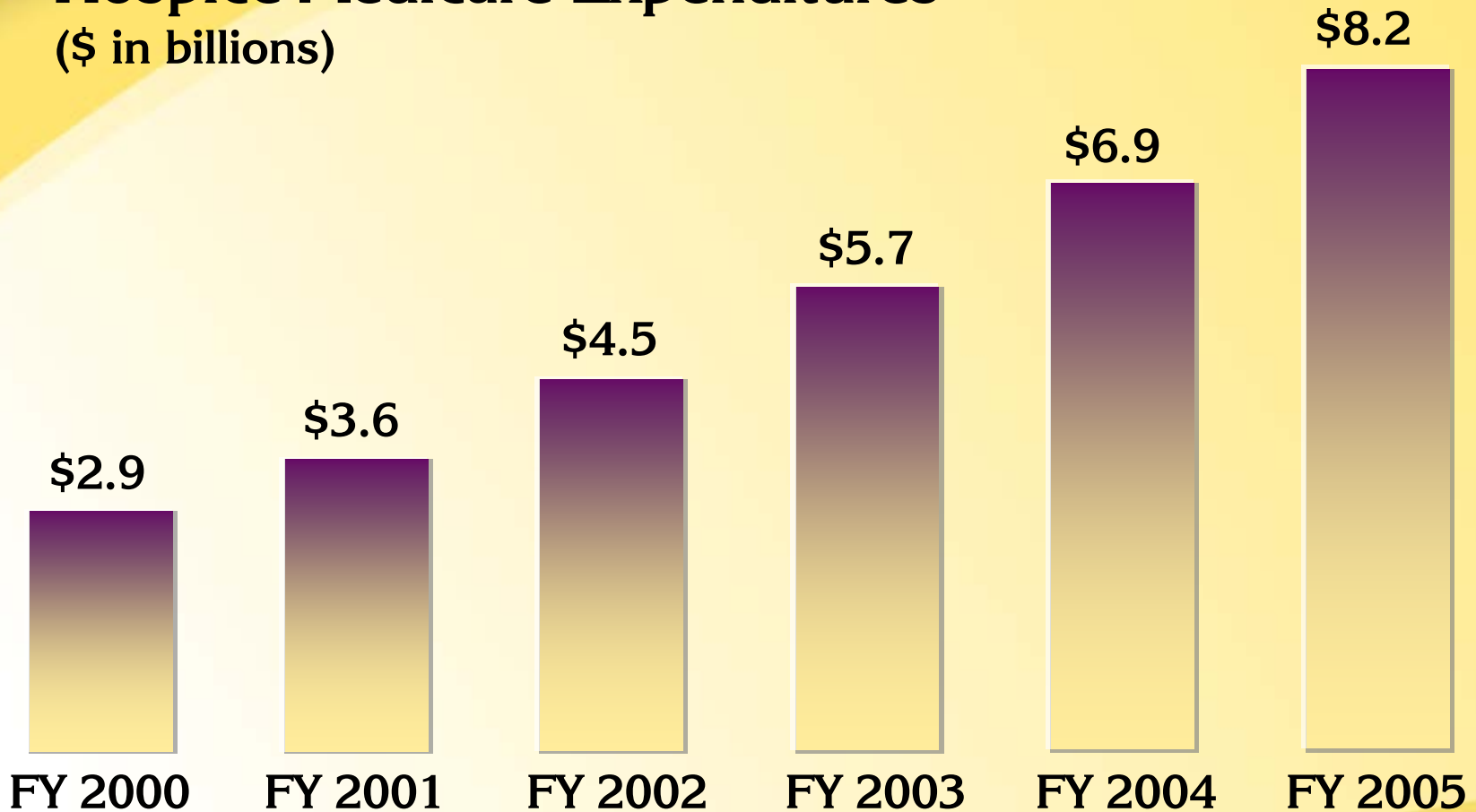
**2.5 million deaths annually in U.S.**

# PATIENTS BY DIAGNOSIS IN THE INDUSTRY

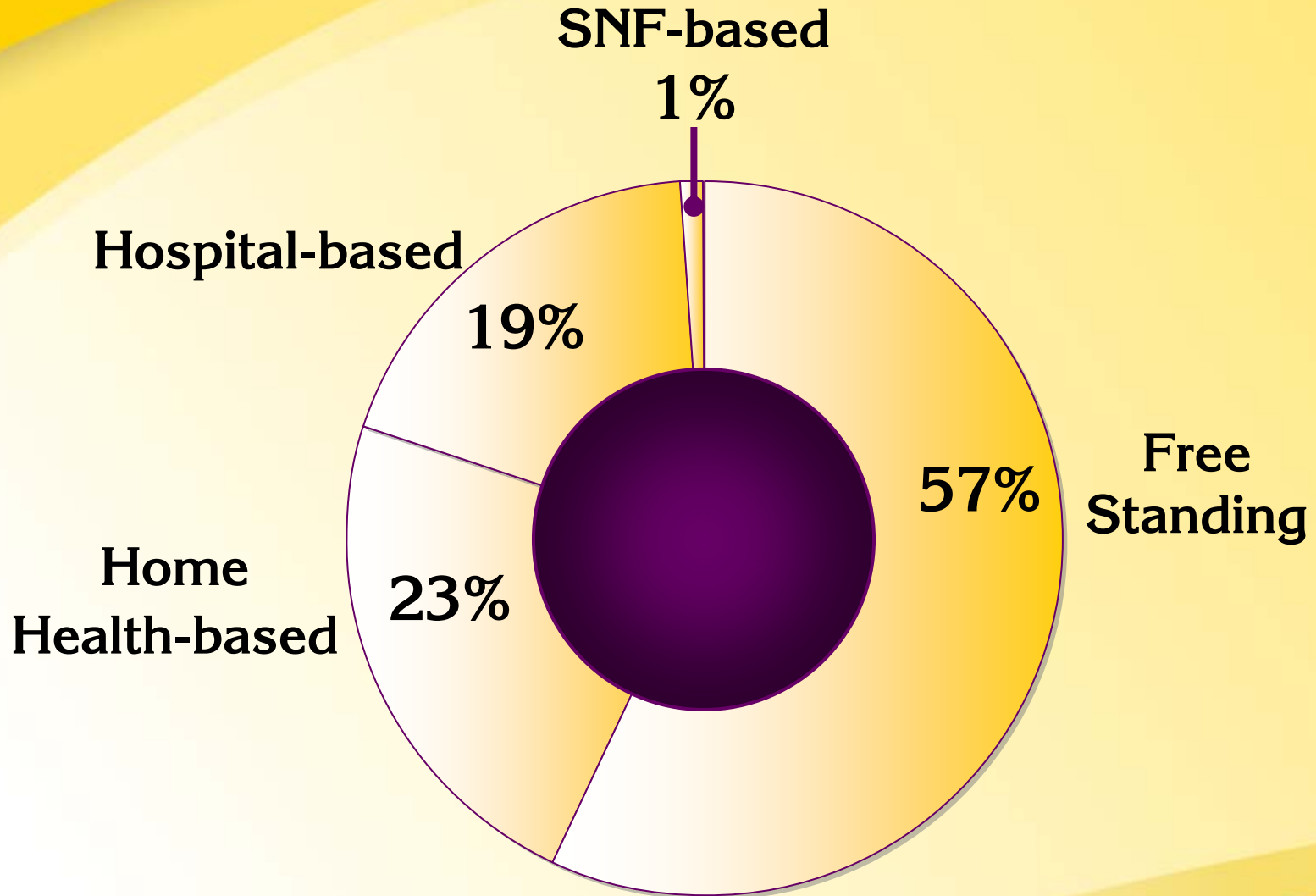


# RAPIDLY GROWING MARKET

## Hospice Medicare Expenditures (\$ in billions)



# HOSPICE TYPES



# STRATEGIC FOCUS

**Service  
excellence**

**Refine  
growth  
strategies**

**Accelerate  
revenue  
growth,  
increase  
volume and  
manage costs**

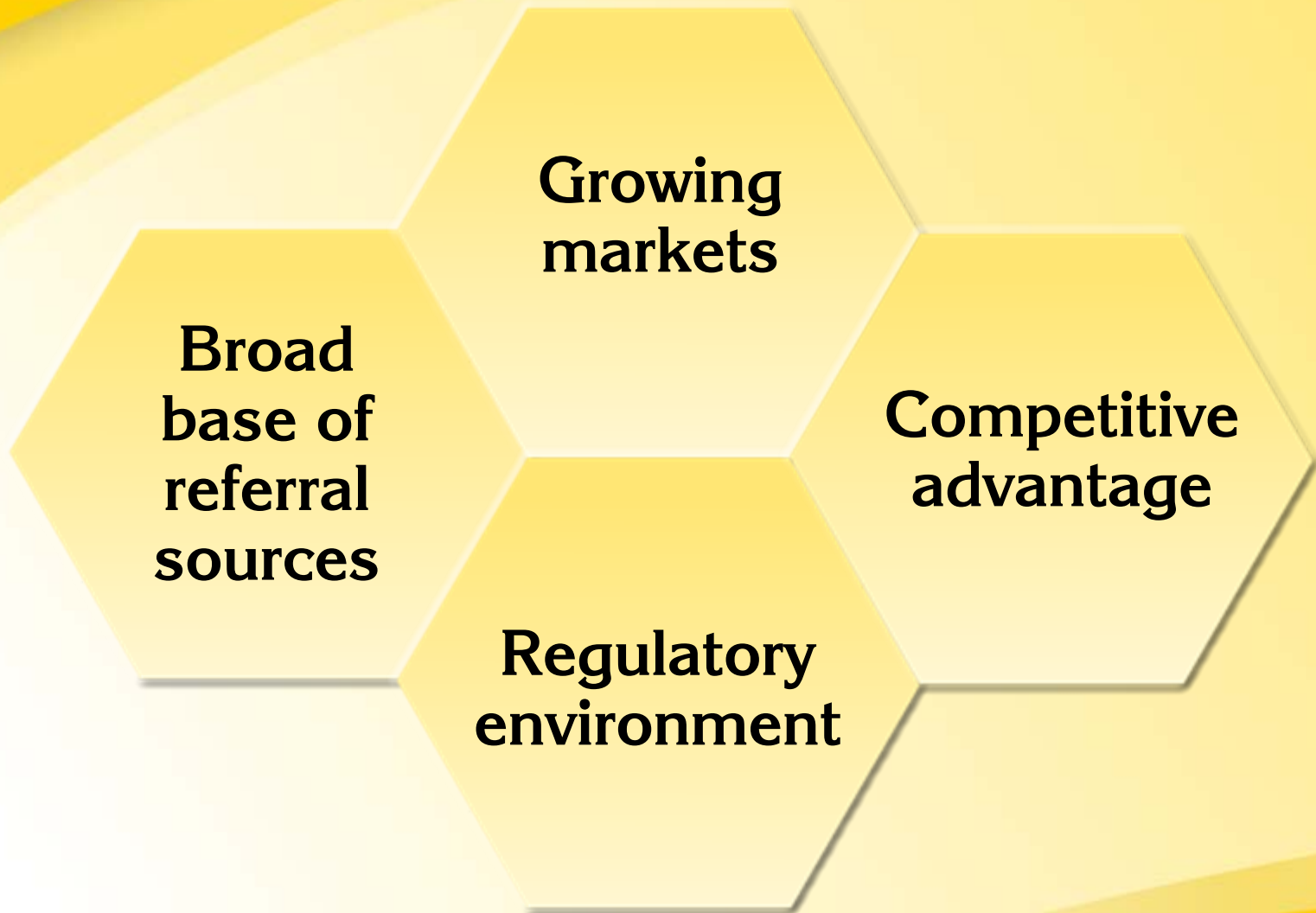
# GROWTH STRATEGY



# SAME STORE GROWTH

- Continue to refine marketing strategies
- Continue offering full spectrum of services to increase market share
- Leverage footprint by opening alternate delivery sites

# CRITERIA FOR DE NOVOS



# ACQUISITIONS

## Strategic acquisitions

- Cap management
- Market entry
- Market consolidation

Disciplined  
pricing  
strategy

Strong cash  
position and  
balance sheet

# **MEDICARE CAP MANAGEMENT**

- **Increase short-term admissions**
- **Balance mix of patients**
- **Open inpatient units**

# INPATIENT UNIT DEVELOPMENT

## Two strategies

- Medicare cap – acute, short stay patients
- Grow market share – create differentiation

One to two  
new projects  
per year

Opening  
losses  
approximating  
\$700,000

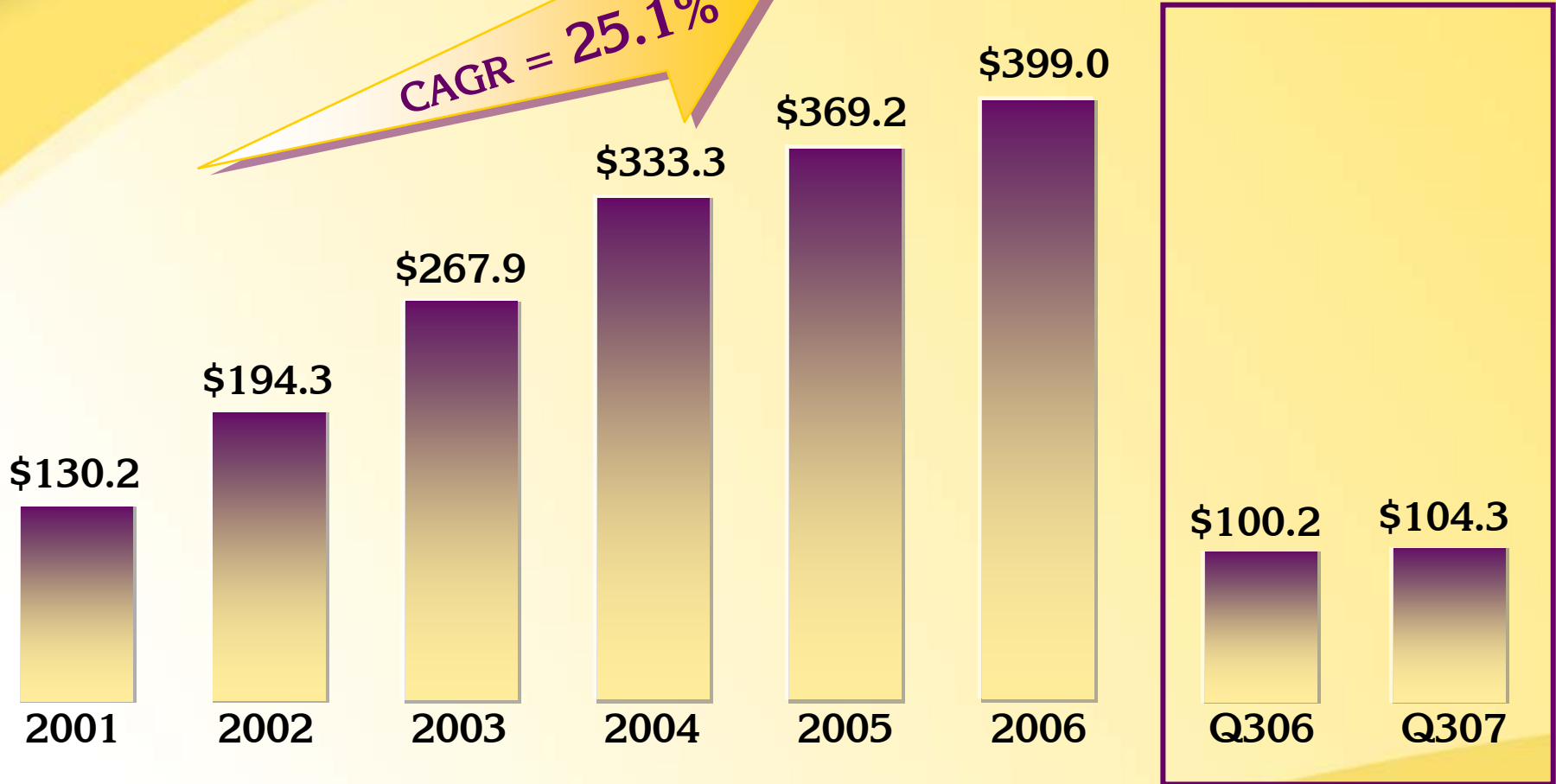


# FINANCIAL SUMMARY

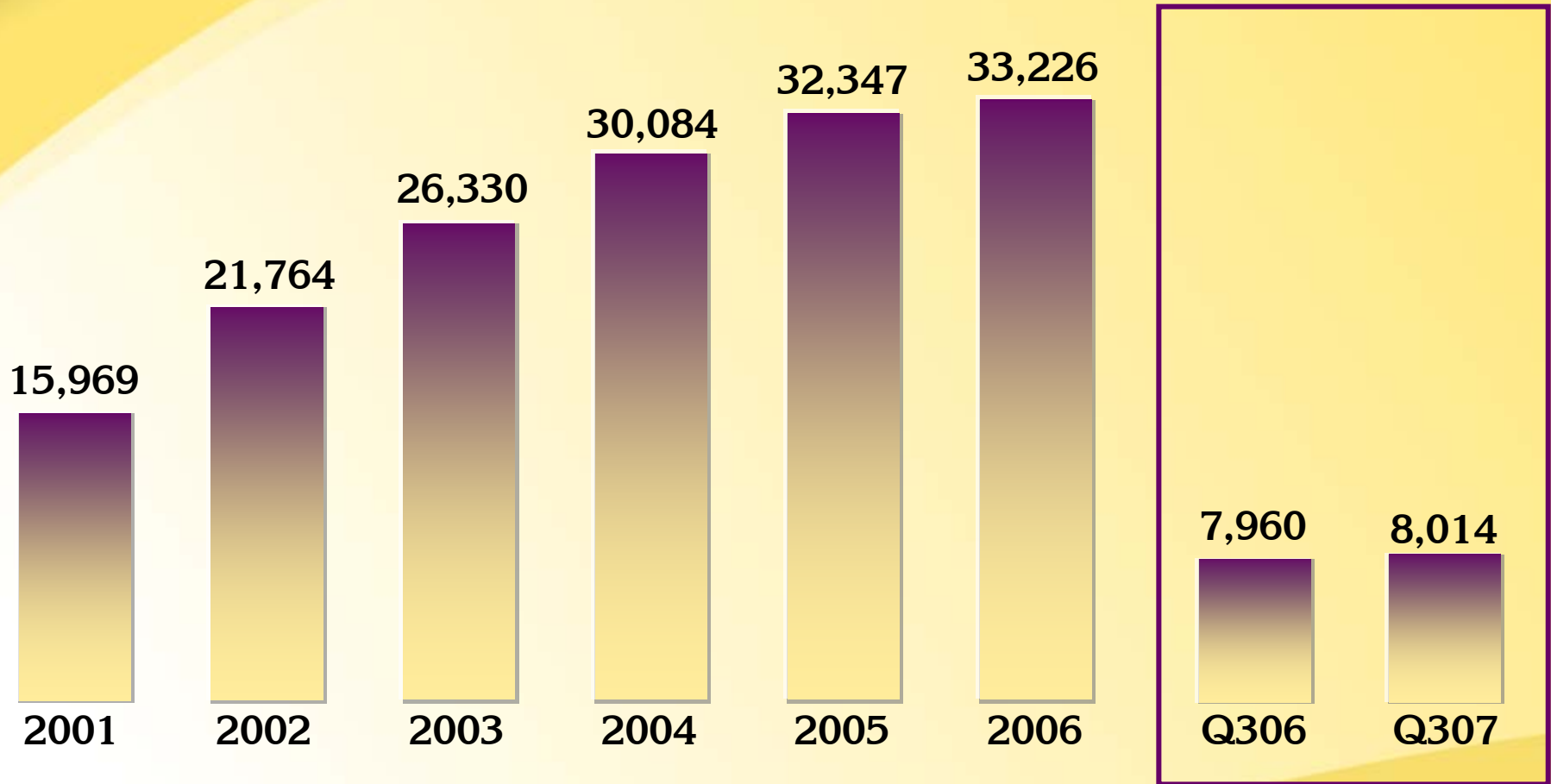
# NET REVENUE GROWTH FROM CONTINUING OPERATIONS

(\$ in millions)

CAGR = 25.1%

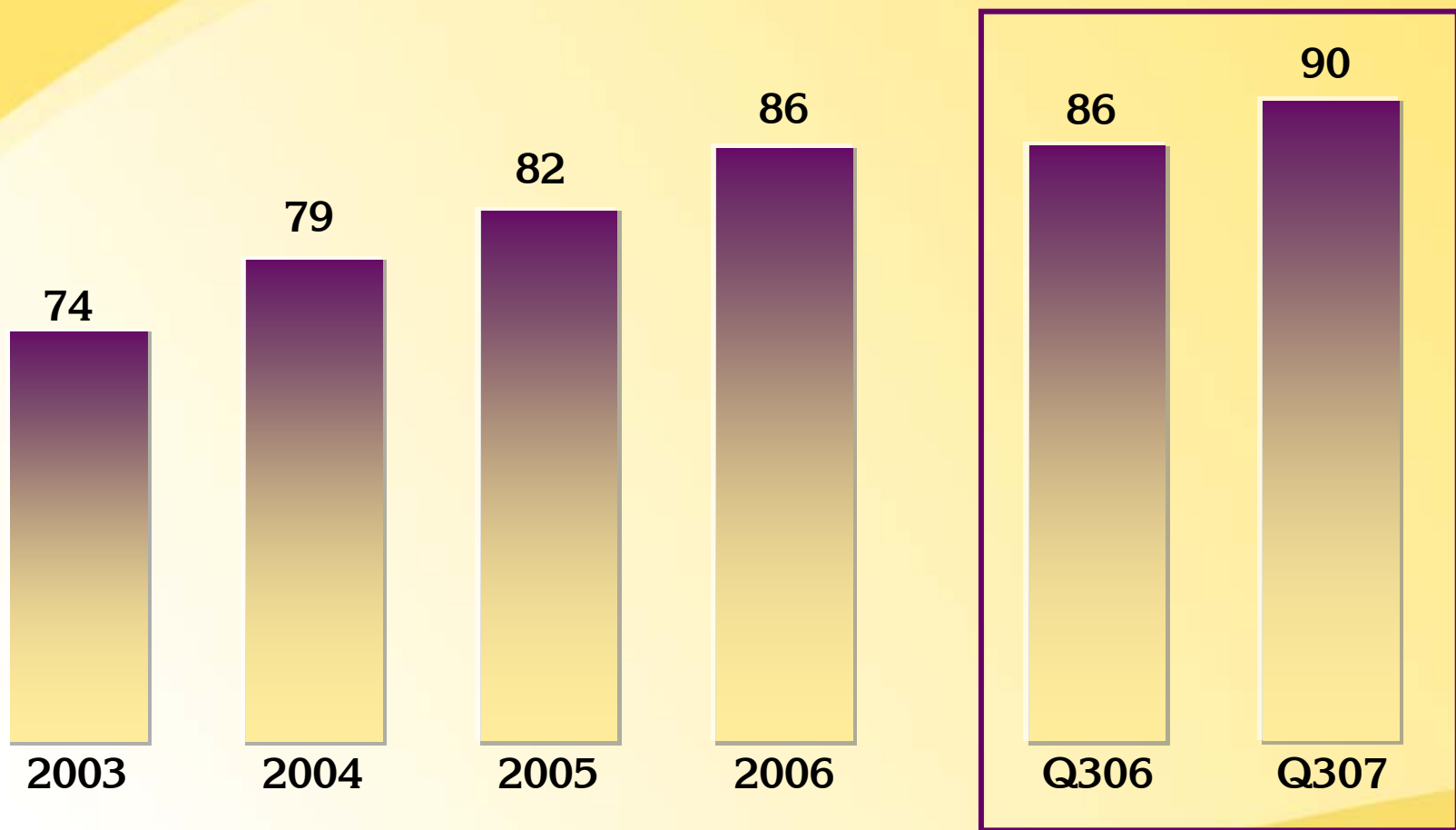


# ADMISSIONS FROM CONTINUING OPERATIONS

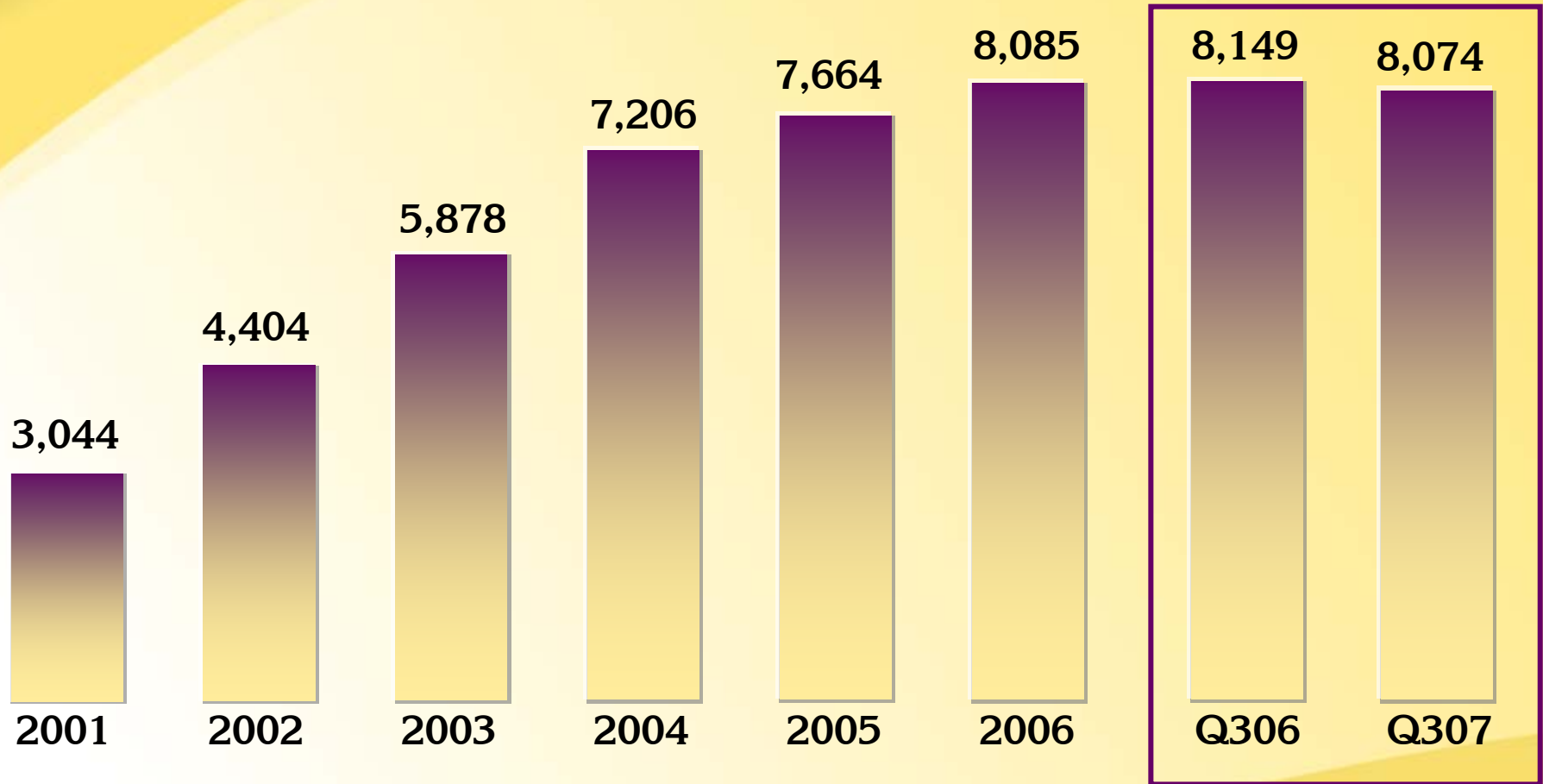


# AVERAGE LENGTH OF STAY FROM CONTINUING OPERATIONS

(Days)

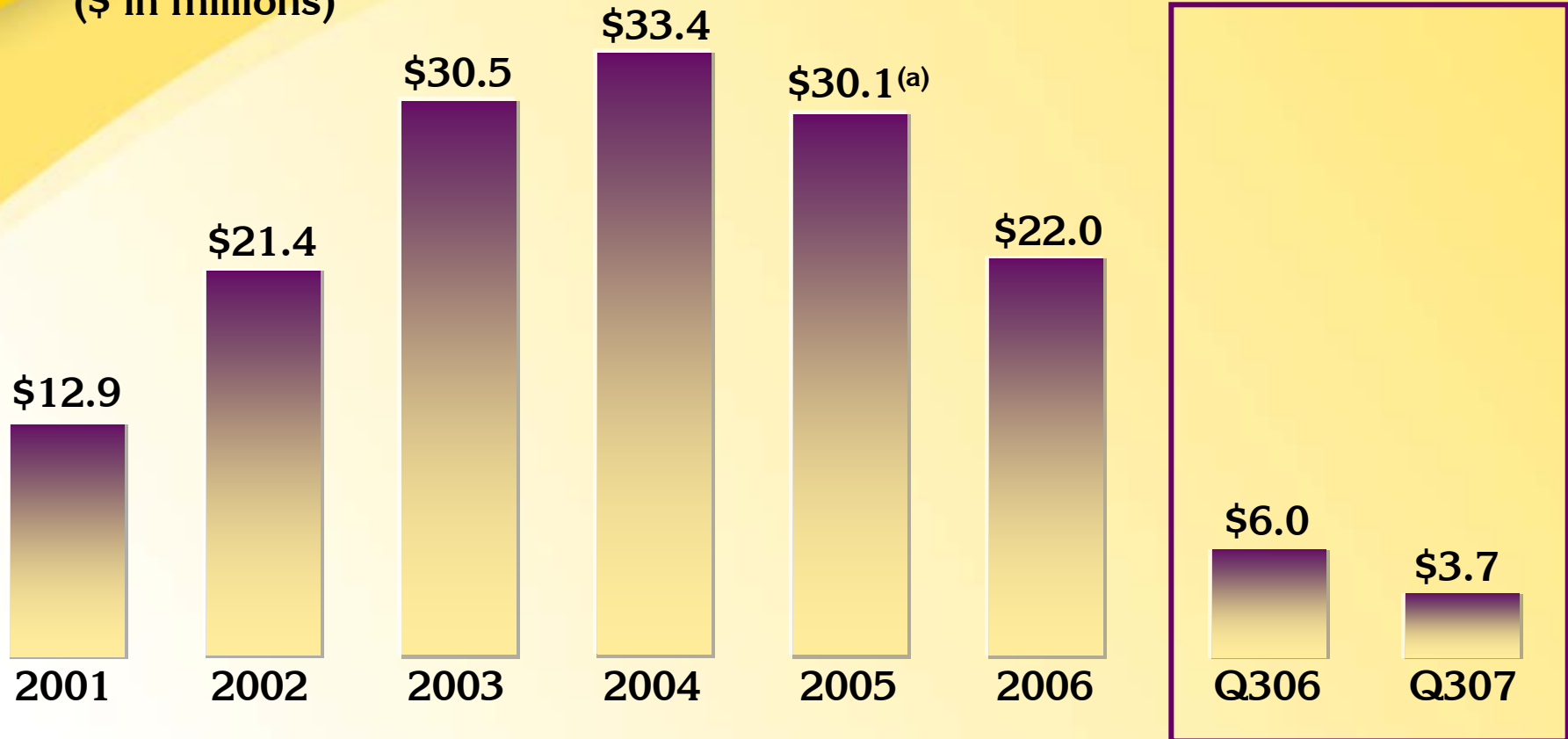


# AVERAGE DAILY CENSUS FROM CONTINUING OPERATIONS



# INCOME FROM CONTINUING OPERATIONS

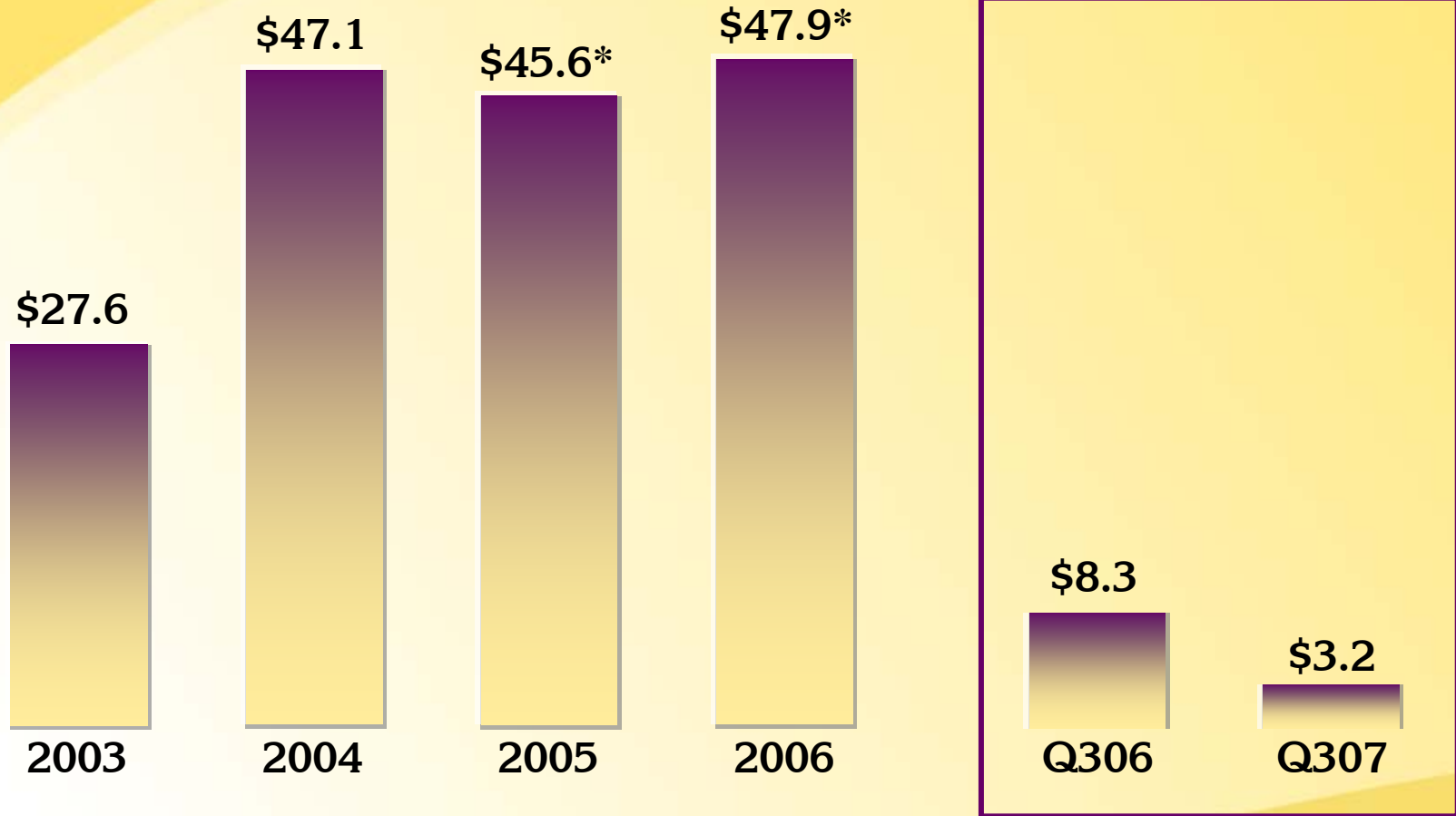
(\$ in millions)



(a) Excludes charge for settlement with Department of Justice of \$9.6 million, net of tax. A reconciliation of GAAP to non-GAAP financial measures are available on the Investor Relations page of Odyssey's website at [www.odsyhealth.com](http://www.odsyhealth.com).

# NET CASH FROM CONTINUING OPERATIONS

(\$ in millions)



\* Exclusive of \$13 million for Department of Justice payment

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