





This presentation includes certain forward-looking statements (statements other than solely with respect to historical fact), including statements regarding expectations for the financial performance for 2005 that involve risks and uncertainties regarding HealthStream. These statements are based upon management's beliefs, as well as assumptions made by and data currently available to management. This information has been, or in the future may be, included in reliance on the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such results or events predicted in these statements may differ materially from actual future events or results. The Company's preliminary financial results, while presented with numerical specificity, are forward-looking statements which are based on a variety of assumptions regarding the Company's operating performance that may not be realized, and which are subject to significant uncertainties and potential contingencies associated with the Company's year-end financial and accounting procedures and other matters referenced from time to time in the Company's filings with the Securities and Exchange Commission. Consequently, such forward-looking information should not be regarded as a representation or warranty by the Company that such projections will be realized. Actual results may differ materially from those anticipated in any such forward-looking statements. The Company undertakes no obligation to update or revise any such forward-looking statements.

VISION

To improve the quality of healthcare by improving the quality and accessibility of healthcare education.



HealthStream Learning Center™

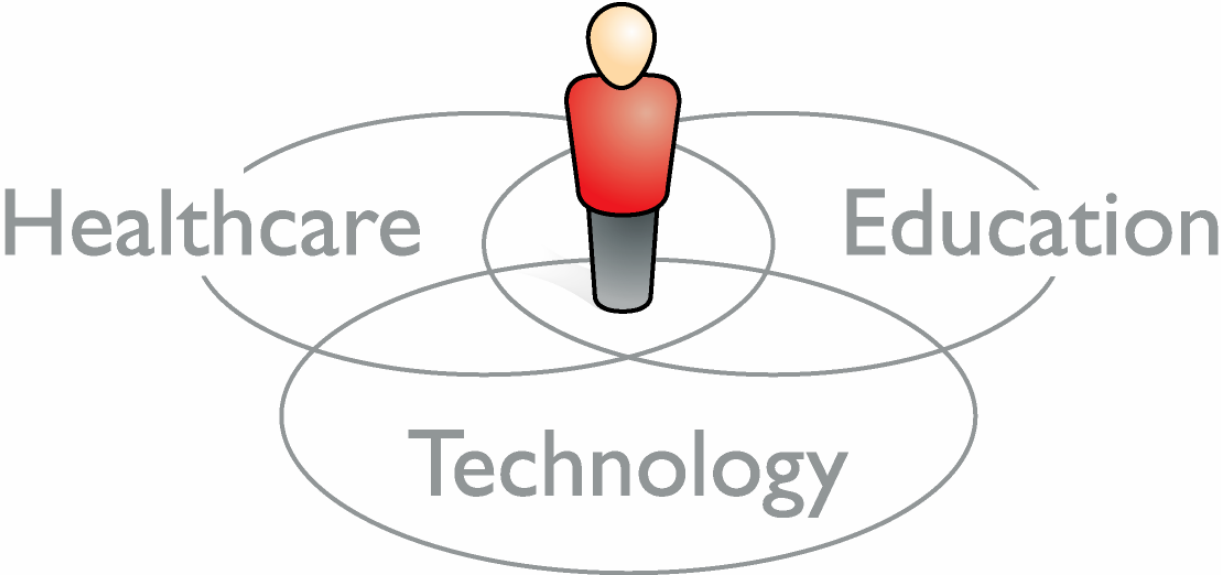
Used by approximately
1 out of every 4 healthcare
Professionals in acute-care
Hospitals

Over 26 million courses have
been completed
(cumulatively, as of 14 November 2005)

91% Renewal Rate
(by FTEs, YTD 2005)



HealthStream Positioning



HealthStream Target Market

4,900,000 Acute-Care Hospital Employees



HealthStream's Growth Strategy

1

Expanding the Subscriber Base

2

Increasing the Value of Each Subscriber

3

**Delivering Access to Subscriber Base:
Adding Value to Network**

Customer Value Proposition



A safer organization for patient care through required regulatory training

HealthStream
Learning Center™



Workforce Development for hospital staff

HealthStream
Assessment, Competency, Curriculum



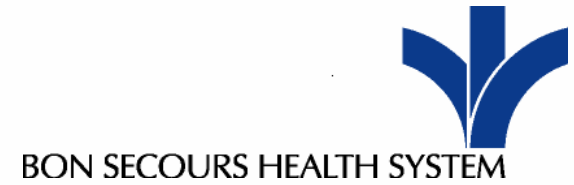
Facilitating rapid adoption of new technologies for better patient outcomes

HealthStream
HospitalDirect®

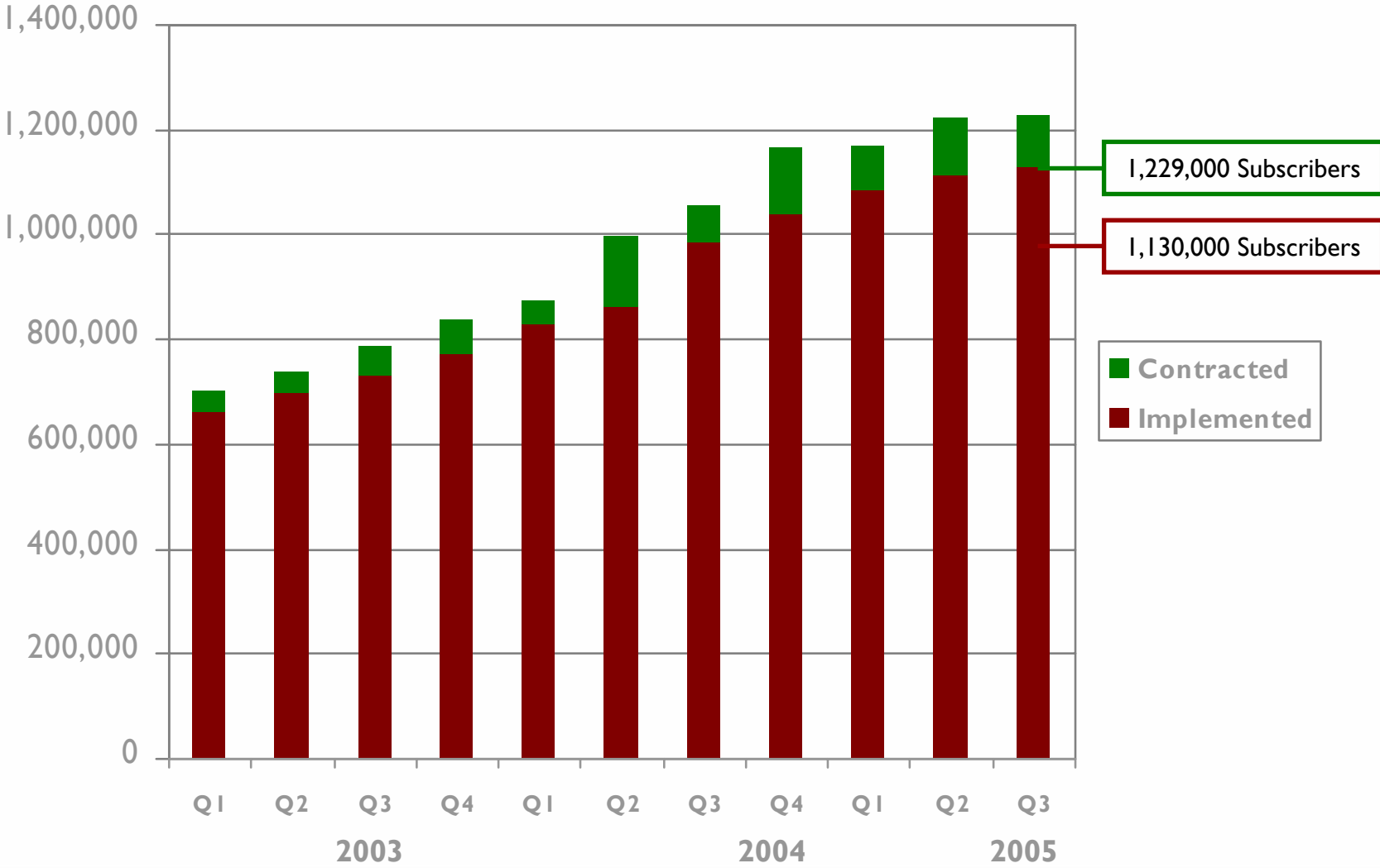
HealthStream Customer Hospitals

Approximately 1,100 facilities, representing 1,130,000 fully implemented healthcare professionals

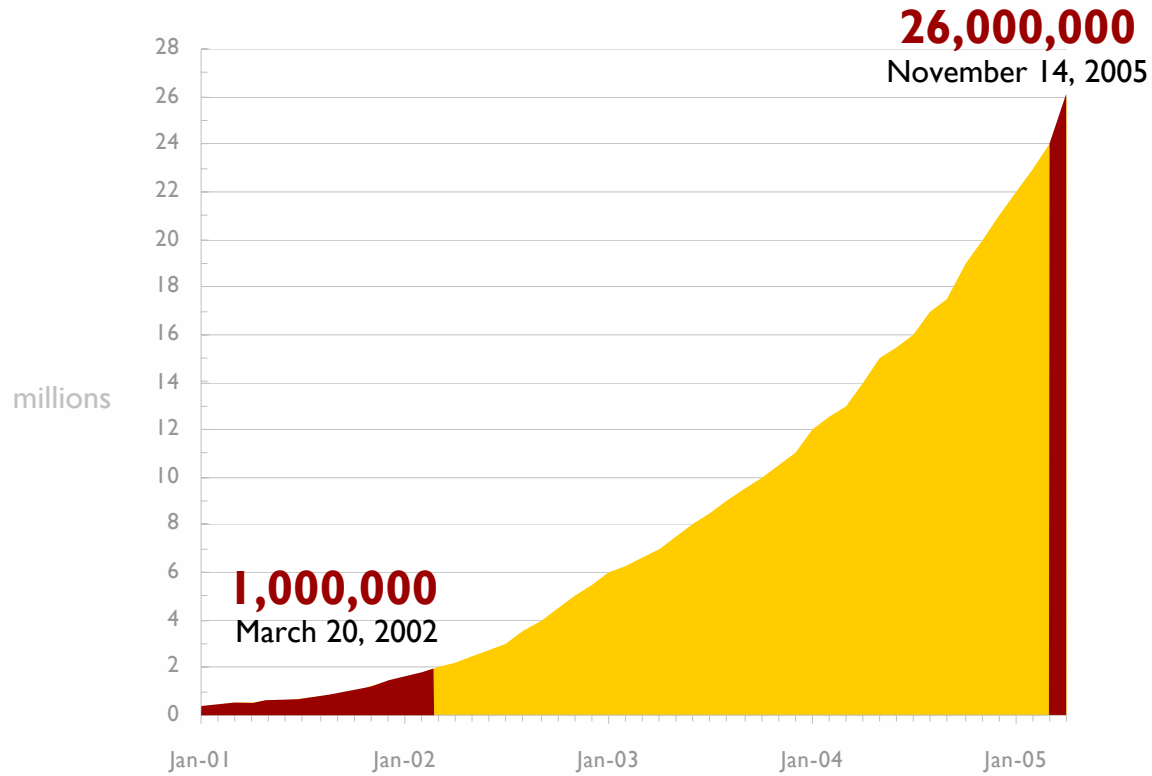




Growth of HLC Customer Base



Course Completions



Increasing the Value of Each Subscriber

AACN Courseware Series from HealthStream

- 4,300 subscriptions
- \$250 per user
- Over 100 Customer Contracts

AACN - Microsoft Internet Explorer

TEXT

The heart is located in the mediastinum, above the diaphragm, and is surrounded on both sides by lung. The heart resembles a triangle; the base is parallel to the right edge of the sternum. The point represents the apex and is usually found at or just medial to the left midclavicular line (MCL) at the fifth intercostals space (ICS). It is important to remember where the heart is located as you do your assessment, which will be discussed later in this module.

Lesson 1, Section A, Slide 6 of 26

JUMP TO TOPICS:

- Lesson 1 Anatomy, Physiology and Assessment
- Lesson 2 Cardiovascular Monitoring
- Lesson 3 Cardiovascular Diseases
- Lesson 4 Invasive Procedures

Location

Clavicle
Mediastinum
Sternum
Diaphragm
Midclavicular line
Lungs
Base of the Heart
Heart
Apex
Intercostal Space

AMERICAN ASSOCIATION OF CRITICAL CARE NURSES

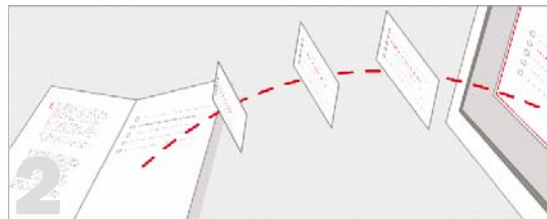
SUPPORT EXIT

Allowing Pharmaceutical / Medical Device companies to deliver innovative product training to approximately 1,100,000 hospital-based professionals nationwide.

Three easy steps:



Target facilities



Deliver courses

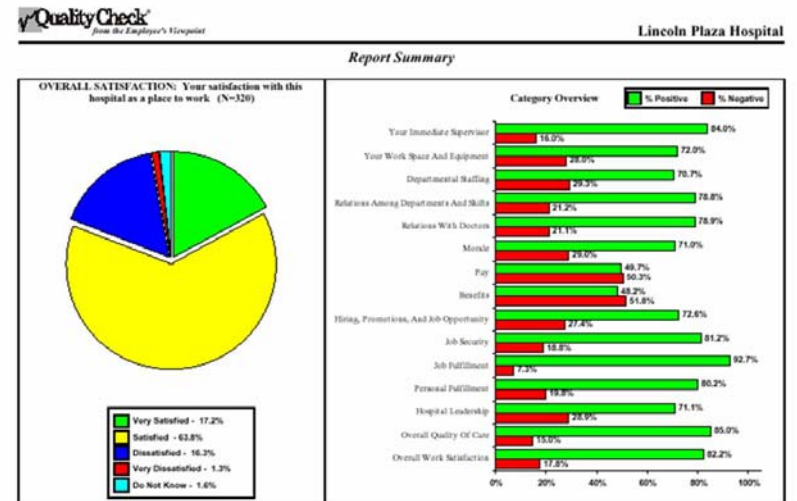


Receive feedback

Recent Acquisition

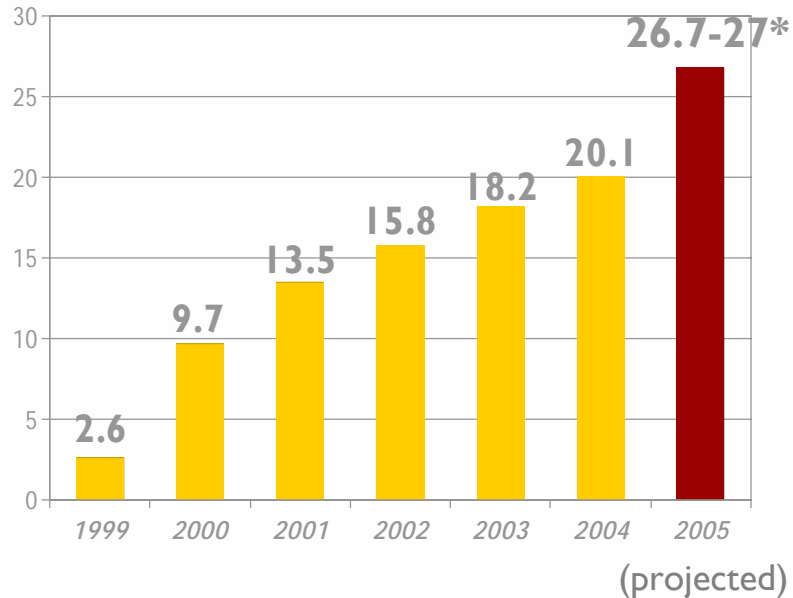


- Offers physician, employee, and patient surveys
- 29 health system customers
- Survey analyses provide roadmaps for workforce development



Financial Strength

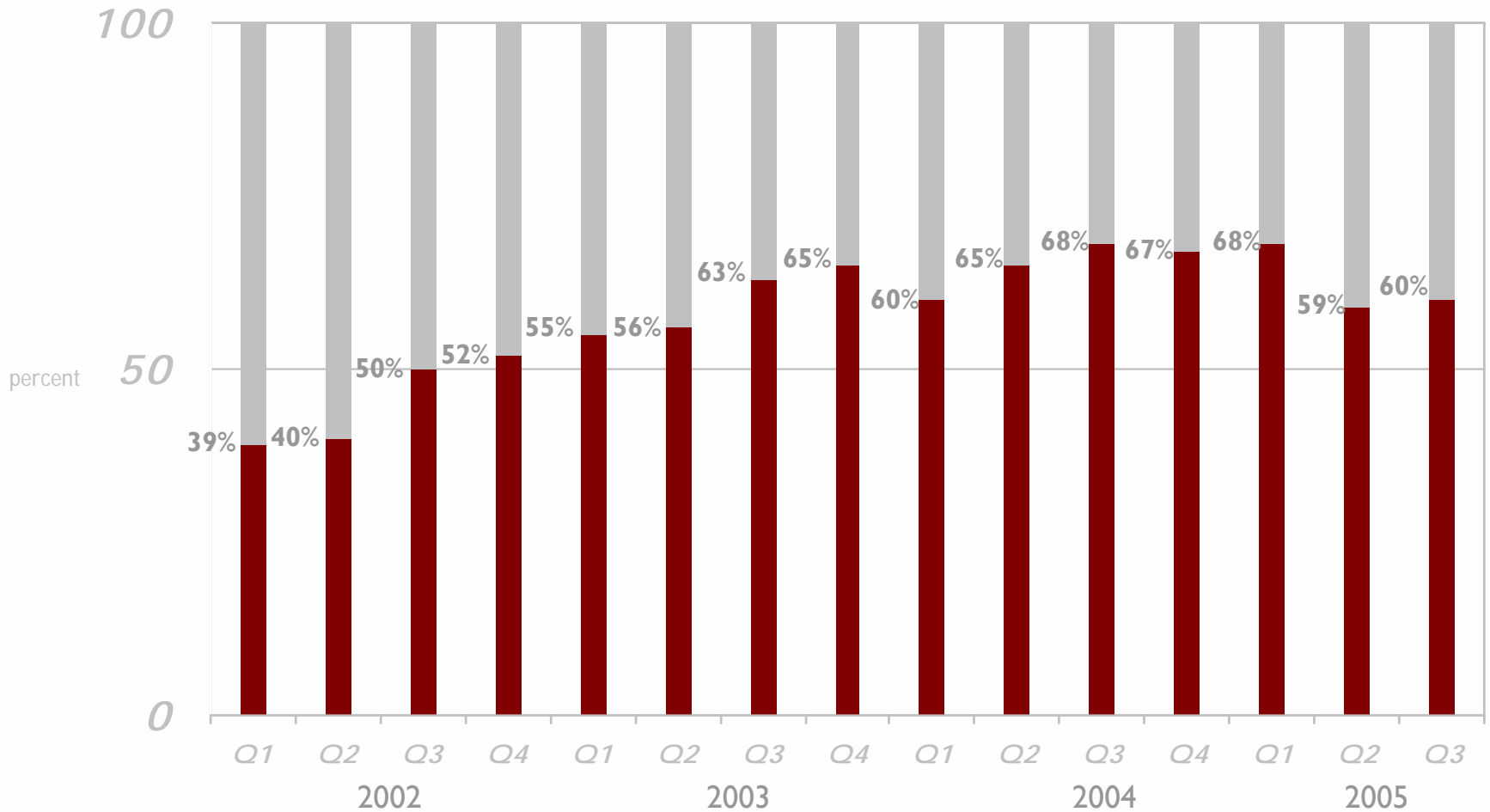
Seven Year Revenue Growth
(\$ millions)



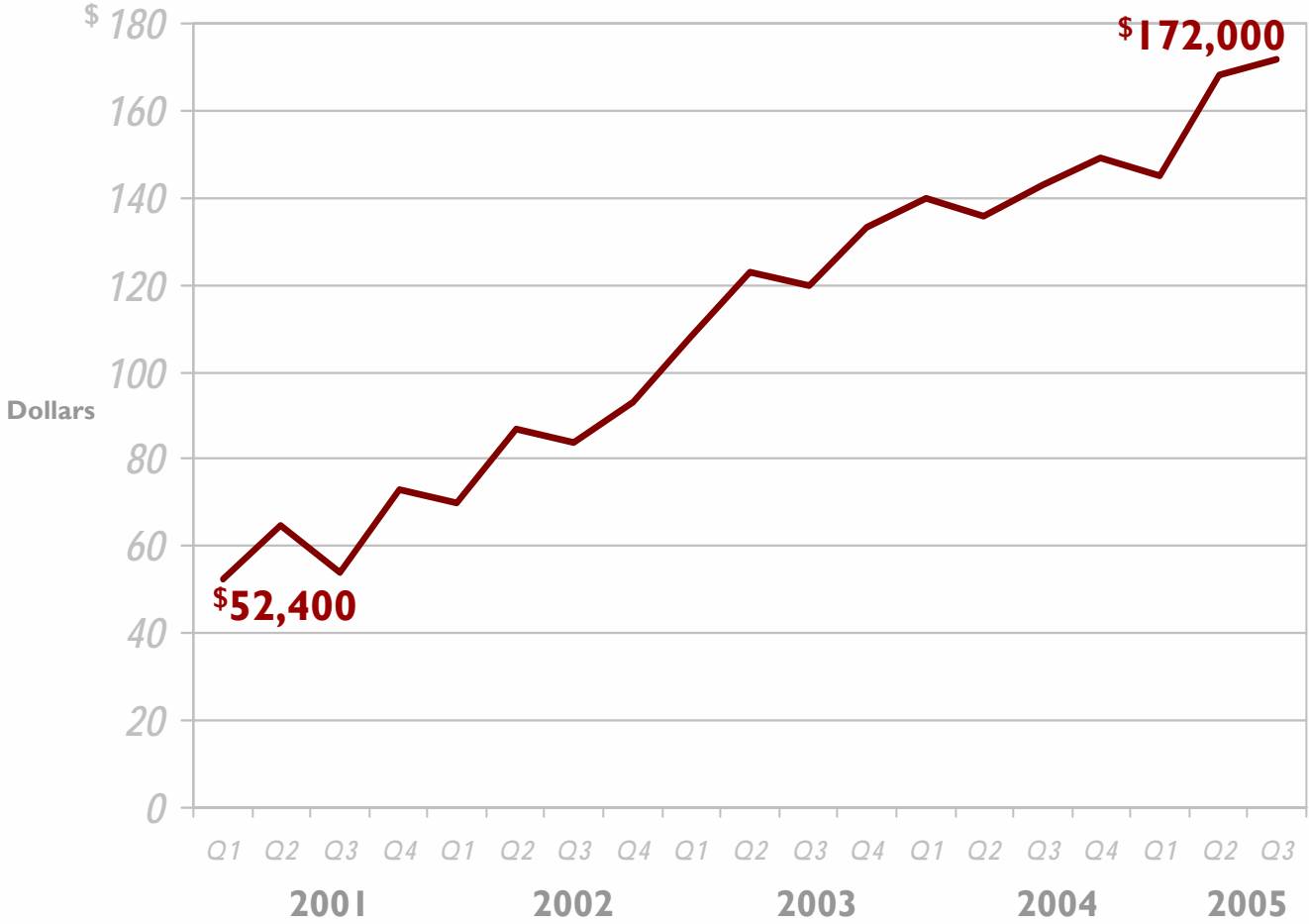
Cash, Investments and Interest Receivable



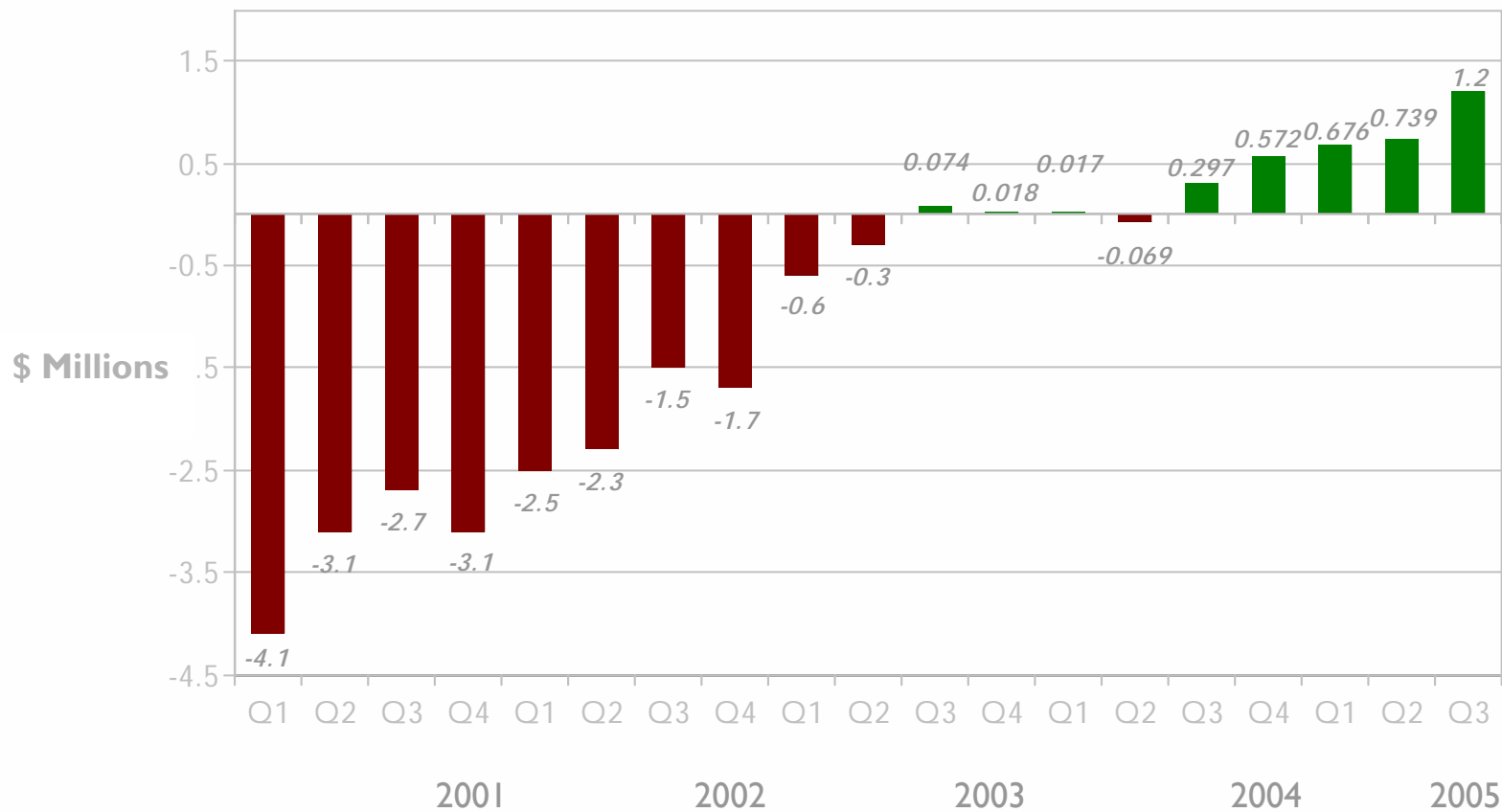
Internet-based HealthStream Learning Center Revenues



Revenue per Employee

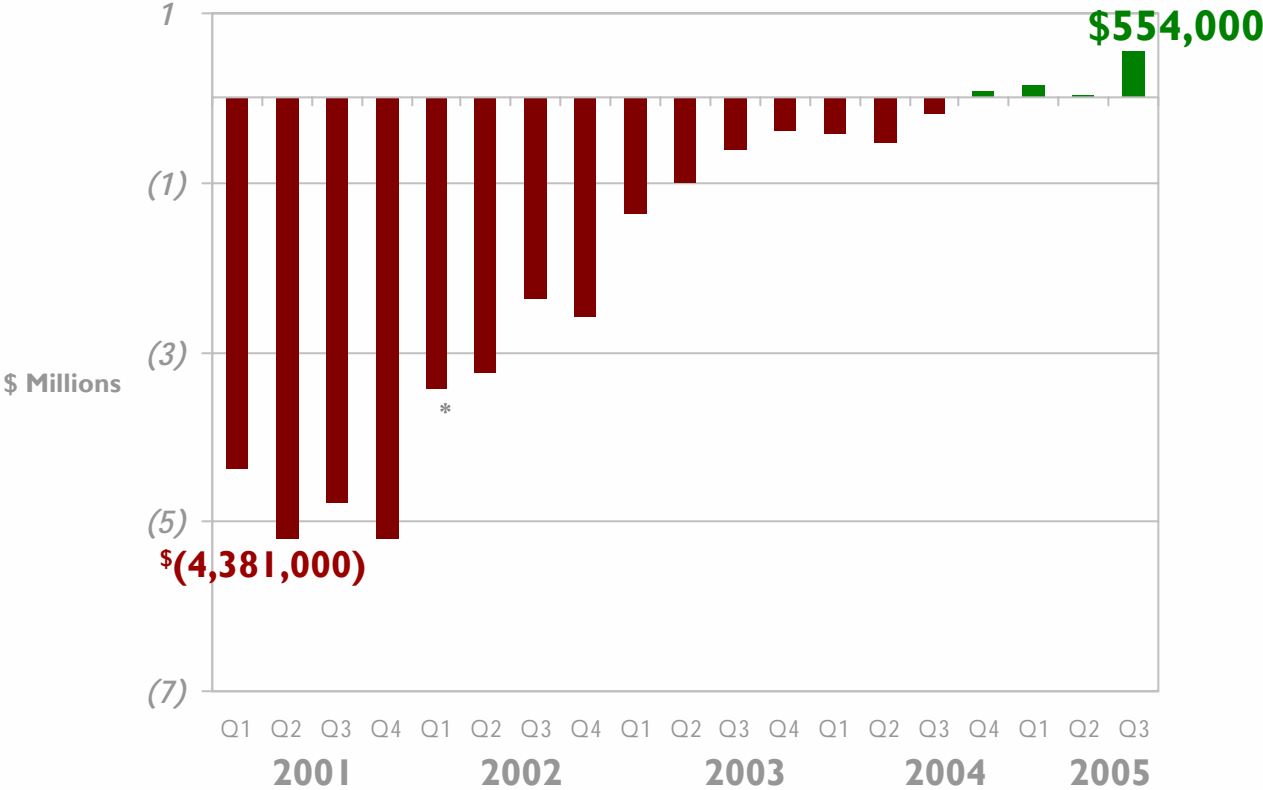


EBITDA* (\$millions)



*Excluding one-time gain and cumulative effect of change in accounting principle.
Does not exclude warrant expense, impairment losses, and other similar charges.

Net Income



* Excludes \$5 million charge for change in accounting principle for goodwill.

HealthStream's Management Team



Robert A. Frist

Chief Executive Officer &
Chairman of the Board

16 years



Arthur E. Newman

Chief Financial Officer &
Senior Vice President

6 years



Fred Perner

Senior Vice President

5 years



Susan A. Brownie

Senior Vice President

6 years

Independent Board of Directors

		<u>Years of Service</u>
Jeffrey McLaren	Safer Sleep	16 years
James Daniell, M.D.	Centennial Medical Center	10 years
Thompson S. Dent	Med-Tel International	10 years
Frank Gordon	Crofton Capital	2 years
Linda Rebrovick	Dell Computer Corporation	3 years
William Stead, M.D.	Vanderbilt Medical Center	6 years
Ron Hinds	Deloitte and Touche and Renal Care Group	2 years
Mike Shmerling	Marsh Kroll	1 year
<hr/>		
Robert Frist ¹	HealthStream Chairman & CEO	16 years

¹ Management is not independent.



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