



HealthStream Acquires SynQuest Technologies

Acquisition adds 300 hospital customers and experienced healthcare sales force
HealthStream (Nasdaq: HSTM), the leading provider of e-learning solutions to healthcare organizations and professionals, announced the completion of a transaction to acquire substantially all of the assets of SynQuest Technologies (SynQuest), a provider of online training and education to hospitals and healthcare organizations. With the acquisition of SynQuest Technologies, based in Raleigh, North Carolina, HealthStream adds more than 300 hospital customers, bringing its total hospital customer base to over 850 hospitals. In addition, SynQuest effectively doubles the size of HealthStream's existing national sales organization by adding a team of sales professionals experienced in penetrating hospitals.

The acquisition will be accounted for as a purchase. The consideration paid for SynQuest includes issuance of approximately 820,000 shares of HealthStream common stock and the assumption of approximately \$2.5 million of liabilities. In 1999, SynQuest generated approximately \$2.0 million in revenues. Before the impact of acquisition-related charges and expenses, HealthStream expects that the addition of SynQuest will improve the combined operating results for the remainder of 2000 and going forward.

SynQuest provides online OSHA and regulatory training for more than 300 hospitals and health systems, including nationally renowned clients such as Rush System for Health in Chicago, Emory Clinic, the US Navy, and the Department of Veterans Affairs. In addition, SynQuest's joint-marketing agreement with Premier, Inc., allows SynQuest to market to more than 1,700 healthcare organization members in 50 states as a preferred education and training solution.

"The acquisition of SynQuest furthers HealthStream's strategy of being the leading provider of e-learning services for the \$1.2 trillion healthcare industry," said Robert A. Frist, Jr., chief executive officer of HealthStream. "The acquisition adds an experienced healthcare sales and technology team that has a proven track record in delivering solutions into hospitals. These teams will improve our ability to add new hospital customers as well as offer existing hospital customers additional courseware from HealthStream's library of more than 2,000 hours of healthcare courses."

John Schultz, chief executive officer of SynQuest Technologies, added, "We value our customer relationships above all else and view our combined customer base as the key to our long-term success. Teaming up with HealthStream gives us access to an outstanding team of customer support, marketing, content development, and technology development. We now have new courses, new products, and new partners to bring to our hospital customers."

Approximately four million people are employed in 5,500 hospitals across the country. After this acquisition, HealthStream will provide electronically delivered learning solutions to over 850 of the nation's hospitals. By migrating these customers to HealthStream's ASP-based e-learning platform, HealthStream will have a powerful channel to market additional professional education solutions.

About HealthStream.

HealthStream, Inc. (Nasdaq: HSTM), based in Nashville, Tenn., with offices in Dallas, Tex., Denver, Co, and Boston, Mass, is the leading provider of e-learning solutions to the healthcare industry.

Healthcare organizations use HealthStream's e-learning solutions to improve learning, increase compliance, and enhance organizational effectiveness for nurses, technicians, staff workers, physicians, and all clinical and non-clinical healthcare employees throughout the enterprise. Pharmaceutical and medical device companies use HealthStream's e-learning solutions to launch educational programs and reach healthcare professionals. Content providers use HealthStream's e-learning solutions to expand the reach of their programs worldwide. Healthcare portals for professionals use HealthStream's e-learning solutions to provide an instant, co-branded e-learning Web sites for their users. HealthStream can be visited on the Web at www.HealthStream.com.

This press release contains forward-looking statements that involve risks and uncertainties regarding HealthStream. Investors are cautioned that such results or events predicted in these statements may differ materially from actual future events or results. Factors that could cause actual events or results to differ from anticipated events or results include HealthStream's limited operating history, its ability to integrate the operations and realize the results of recently completed acquisitions, the ability of the Company to satisfactorily resolve with WebMD implementation of its existing agreement or to reach accord on a revised agreement on acceptable terms as well as other risks that are contained in HealthStream's Registration Statement on Form S-1, together with other reports and documents filed from time to time with the Securities and Exchange Commission. Some of these risks and uncertainties relate to HealthStream's ability to: attract and maintain a large base of end users; develop its infrastructure, including additional hardware and software, customer support, personnel and facilities, to support its

business; develop and introduce desirable services and compelling content; establish and maintain strategic relationships with content and distribution partners; establish and maintain relationships with sponsors and advertisers; and respond effectively to competitive and technological developments.

Call us today at 615 301 3100 to find out more. Or email us at info@healthstream.com. We look forward to hearing from you!