



## QUALITY SYSTEMS REPORTS FIRST QUARTER RESULTS AND INCREASES DIVIDEND

**IRVINE, Calif.--(BUSINESS WIRE)- August 7, 2008--** Quality Systems, Inc. (NASDAQ:QSII - news) today announced the results of operations for its fiscal 2009 first quarter ended June 30, 2008. The Company posted record net revenues of \$55.2 million in the first quarter, an increase of 31% from the \$42.0 million generated during the same quarter of the prior year. The Company reported net income of \$11.1 million, an increase of 40% over net income of \$7.9 million earned in the comparable quarter of the prior year. Fully diluted earnings per share was \$0.40 in the quarter, an increase of 38% over the fully diluted \$0.29 per share earnings recorded in same quarter last year.

For the quarter, the Company's NextGen Healthcare Information Systems division posted record revenue of \$51.2 million, up 34% over the same quarter prior year and record operating income of \$19.9 million, up 43% over the same quarter of the prior year. The Company's Healthcare Strategic Initiatives acquisition, which closed on May 20, 2008, contributed approximately \$1.7 million to NextGen revenue during the quarter.

On August 4, 2008, the Company's Board of Directors declared a quarterly cash dividend of \$0.30 per share on the Company's outstanding shares of common stock, payable to shareholders of record as of September 15, 2008 with an anticipated distribution date on or about October 1, 2008. The \$0.30 per share cash dividend represents a 20% increase in the Company's previous regular quarterly dividend of \$0.25 per share.

Quality Systems, Inc. will hold a conference call to discuss first quarter financial results August 7, 2008 at 4:30 p.m. EDT (1:30 p.m. PDT). To participate in the conference call, please dial the following number five to ten minutes prior to the scheduled conference call time: (877) 586-7724. There is no pass code required for this call. If you are unable to participate in the call at this time, a replay will be available on Thursday, August 7, 2008 at 6:30 p.m. EDT through Thursday, August 14, 2008 at midnight EDT. To access the replay dial 800-642-1687 and enter the conference ID number 59190344.

A transcript of the conference call will be made available on the QSII web site ([www.qsii.com](http://www.qsii.com)).

### **About Quality Systems, Inc.**

Quality Systems, Inc. and its NextGen Healthcare Information Systems subsidiary develop and market computer-based practice management, patient records, revenue cycle management, connectivity, and other applications and services for medical and dental group practices. Visit [www.qsii.com](http://www.qsii.com), [www.nextgen.com](http://www.nextgen.com) and [www.hsillc.com](http://www.hsillc.com) for additional information.

QUALITY SYSTEMS, INC.  
CONSOLIDATED STATEMENTS OF INCOME  
(IN THOUSANDS, EXCEPT PER SHARE DATA)  
(Unaudited)

	Three Months Ended	
	June 2008	June 2007
Revenues:		
Software, hardware and supplies.....	\$ 21,369	\$ 16,739
Implementation and training services.....	3,585	3,248
System sales.....	<u>24,954</u>	<u>19,987</u>
Maintenance.....	17,136	12,559
Electronic data interchange services.....	6,670	5,024
Revenue cycle management and related services.....	1,957	134
Other services.....	4,507	4,328
Maintenance, EDI, revenue cycle management and other services.....	<u>30,270</u>	<u>22,045</u>
Total revenue.....	<u>55,224</u>	<u>42,032</u>
Cost of revenue:		
Software, hardware and supplies.....	3,486	2,488
Implementation and training services.....	3,015	2,409
Total cost of system sales.....	<u>6,501</u>	<u>4,897</u>
Maintenance.....	3,082	3,127
Electronic data interchange services.....	4,891	3,509
Revenue cycle management and related services.....	1,305	98
Other services.....	3,448	2,911
Total cost of maintenance, EDI, revenue cycle management and other services.....	<u>12,726</u>	<u>9,645</u>
Total cost of revenue.....	<u>19,227</u>	<u>14,542</u>
Gross profit.....	<u>35,997</u>	<u>27,490</u>
Operating expenses:		
Selling, general and administrative.....	15,252	12,643
Research and development costs.....	3,119	2,800
Total operating expenses.....	<u>18,371</u>	<u>15,443</u>
Income from operations.....	<u>17,626</u>	<u>12,047</u>
Interest income.....	<u>374</u>	<u>739</u>
Income before provision for income taxes.....	18,000	12,786
Provision for income taxes.....	<u>6,886</u>	<u>4,846</u>
Net income.....	<u>\$ 11,114</u>	<u>\$ 7,940</u>
Net income per share:		
Basic.....	\$ 0.40	\$ 0.29
Diluted.....	\$ 0.40	\$ 0.29
Weighted average shares outstanding:		
Basic.....	27,465	27,134
Diluted.....	27,771	27,657
Dividends declared per common share.....	\$ 0.25	\$ 0.25

QUALITY SYSTEMS, INC.  
CONSOLIDATED BALANCE SHEETS  
(IN THOUSANDS, EXCEPT PER SHARE DATA)

⊕ (UNAUDITED)

	June 2008	30, 2008	March 2008	31, 2008
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents.....	\$	61,399	\$	59,046
Restricted cash.....		1,455		-
Marketable securities.....		2,947		2,500
Accounts receivable, net.....		83,372		76,585
Inventories, net.....		1,104		1,024
Net current deferred tax assets.....		6,402		6,397
Other current assets.....		4,258		4,596
Total current assets.....		<u>160,937</u>		<u>150,148</u>
Marketable securities.....		15,095		20,124
Equipment and improvements, net.....		5,163		4,773
Capitalized software costs, net.....		9,361		8,852
Intangibles, net.....		5,549		-
Goodwill.....		12,659		1,840
Other assets.....		2,240		2,171
Total assets.....	\$	<u>211,004</u>	\$	<u>187,908</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Current liabilities:				
Accounts payable.....	\$	5,484	\$	4,685
Deferred revenue.....		45,884		44,389
Accrued compensation and related benefits.....		8,029		8,346
Income taxes payable.....		6,414		1,541
Dividends payable.....		6,872		6,861
Other current liabilities.....		7,794		4,394
Total current liabilities.....		<u>80,477</u>		<u>70,216</u>
Deferred revenue, net of current.....		364		506
Net deferred tax liabilities.....		1,259		1,575
Deferred compensation.....		1,974		1,906
Total liabilities.....		<u>84,074</u>		<u>74,203</u>
Commitments and contingencies.....				
Shareholders' equity:				
Common stock				
\$0.01 par value; authorized 50,000 shares; issued and outstanding 27,765 and 27,448 shares at June 30, 2008 and March 31, 2008, respectively.....				
		278		274
Additional paid-in capital.....		85,068		75,556
Retained earnings.....		42,314		38,071
Accumulated other comprehensive loss.....		(730)		(196)
Total shareholders' equity.....		<u>126,930</u>		<u>113,705</u>
Total liabilities and shareholders' equity...	\$	<u>211,004</u>	\$	<u>187,908</u>