UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) **October 28, 2004**

MIM Corporation
(Exact Name of Registrant as Specified in its Charter)

Delaware	**0-28740**	**05-0489664**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

100 Clearbrook Road, Elmsford, New York	**10523**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code **(914) 460-1600**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

____ Written communications pursuant to Rule 425 under the Section Act (17 CFR 230.425)

____ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12).

____ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240-14d-2(b)).

____ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)).

Item 1.01 Entry into a Material Definitive Agreement.

On October 28, 2004, MIM Corporation entered into amendments to its employment agreements with Richard H. Friedman, Barry A. Posner and James S. Lusk. Copies of such amendments are attached hereto as exhibits 10.1, 10.2 and 10.3, respectively.

Item 2.02 Results of Operations and Financial Condition.

The press release dated October 28, 2004 identified in Exhibit 99.1, and which announces earnings for our third quarter, includes "non-GAAP financial measures" as defined by SEC rules.

The Reconciliation Table presented in our third quarter 2004 press release demonstrates the differences between the non-GAAP financial measures and the most directly comparable GAAP financial measures. As required by Regulation G, the Company has provided a quantitative comparison between the GAAP and disclosed non-GAAP financial measures. We believe that the non-GAAP financial measures presented provide important insight into our ongoing operations and a meaningful comparison of revenue, gross profit, selling, general and administrative expenses, operating income, net income and earnings per share.

We believe that meaningful analysis of our financial performance requires an understanding of the factors underlying that performance and our judgments about the likelihood that particular factors will repeat. For that reason, we believe that investors may find it useful to see the financial results without the effects of the lost TennCare PBM and Synagis business so that they may evaluate the Company's business comparatively while giving consistent effect to material occurrences.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits. The following Exhibits are filed with this Report:

Exhibit	Description of Exhibit
10.1	Amendment, dated October 28, 2004, to Employment Agreement for Richard H. Friedman
10.2	Amendment, dated October 28, 2004, to Employment Agreement for Barry A. Posner
10.3	Amendment, dated October 28, 2004, to Employment Agreement for James S. Lusk
99.1	Press Release issued by MIM Corporation on October 28, 2004

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned duly authorized.

Date: October 28, 2004	MIM CORPORATION
	By: /s/ Barry A. Posner
	Barry A. Posner, Executive Vice President, Secretary and General Counsel

October 28, 2004

Mr. Richard H. Friedman
Chairman and CEO
MIM Corporation
100 Clearbrook Road
Elmsford, NY 10523

Re: Employment Agreement

Dear Rich:

Reference is made to the Employment Agreement, dated as of December 1, 1998, by and between MIM Corporation, a Delaware corporation, and yourself (as amended to date, the "Employment Agreement"). Capitalized terms used herein and not defined shall have the meanings ascribed thereto in the Employment Agreement.

This letter confirms our agreement that if the Employment Agreement is not renewed by the Company (or any successor) upon expiration of the Term, such non-renewal shall be deemed a termination of your employment without cause. In such event you shall be entitled to receive the termination benefits set forth in Section 5.2(b) of the Employment Agreement, except that the period during which you shall be entitled to receive continuation of your Annual Salary as set forth in Section 5.2(b)(ii) shall be for a period of one (1) year from the date of termination.

Except as modified hereby, the Agreement shall remain unmodified and in full force and effect.

This letter amendment shall be construed in accordance with, and its interpretation shall otherwise be governed by, the laws of the State of New York, without giving effect to otherwise applicable principles of conflicts of law.

Kindly signify your agreement to the foregoing by signing below and forward an executed copy to me for our files.

Sincerely,

MIM Corporation

By: /s/ Barry A. Posner
Barry A. Posner, Executive Vice President

Agreed and Accepted as of
the 28th day of October, 2004:

/s/ Richard H. Friedman
Richard H. Friedman

October 28, 2004

Mr. Barry A. Posner
Executive Vice President and
General Counsel
MIM Corporation
100 Clearbrook Road
Elmsford, NY 10523

Re: Employment Agreement

Dear Barry:

Reference is made to the Employment Agreement, dated as of March 1, 1999, by and between MIM Corporation, a Delaware corporation, and yourself (as amended to date, the "Employment Agreement"). This letter shall serve to further amend the Agreement, effective as of the date hereof, on the following terms and conditions:

1. Capitalized terms used herein and not defined herein shall have the meanings given to those terms in the Agreement.

2. Section 5.2(a) of the Employment Agreement is hereby amended to read in its entirety as follows:

"For purposes of this Agreement, "Good Reason" shall mean the existence of any one or more of the following conditions that shall continue for more than 45 days following written notice thereof by the executive to the Company: (i) the material reduction of the Executive's authority, duties and responsibilities, or the assignment to the Executive of duties materially inconsistent with the Executive's position or positions with the Company; (ii) the Company's material and continuing breach of this Agreement; (iii) the reduction of your then current annual salary rate, without your consent or (iv) the relocation of Executive's principal location of employment more than 50 miles from Executive's current site without Executive's consent.

3. This letter also confirms our agreement that if the Employment Agreement is not renewed by the Company (or any successor) upon expiration of the Term, such non-renewal shall be deemed a termination of your employment without cause. In such event you shall be entitled to receive the termination benefits set forth in Section 5.2(b) of the Employment Agreement, except that the period during which you shall be entitled to receive continuation of your Annual Salary as set forth in Section 5.2(b)(ii) shall be for a period of one (1) year from the date of termination.

4. Except as modified hereby, the Agreement shall remain unmodified and in full force and effect

5. This letter amendment shall be construed in accordance with, and its interpretation shall otherwise be governed by, the laws of the State of New York, without giving effect to otherwise applicable principles of conflicts of law.

Kindly signify your agreement to the foregoing by signing below and forward an executed copy to me for our files.

Sincerely,

MIM Corporation

By: /s/ Richard H. Friedman
Richard H. Friedman

Agreed and Accepted as of
the 28th day of October, 2004:

/s/ Barry A. Posner
Barry A. Posner

October 28, 2004

Mr. James S. Lusk
42 Colts Glen Lane
Basking Ridge, NJ 07920

Re: Amendment to Employment Letter Agreement

Dear Jim:

Reference is made to that certain Employment Letter Agreement (the "Agreement") entered into as of October 1, 2002, by and between MIM Corporation, a Delaware corporation and yourself ("Employee"). This letter shall serve to further amend the Agreement, effective as of the date hereof, on the following terms and conditions:

6. Capitalized terms used herein and not defined herein shall have the meanings given to those terms in the Agreement.

7. Section 8 of the Employment Agreement is hereby deleted in its entirety and substituted in lieu thereof shall be the following:

   "SECTION 8. Termination; Severance; Change of Control.

   If you are terminated by the Company (or any successor) other than for "Cause" (as defined below) or you terminate your employment with the Company for "Good Reason" (as defined below), (i) you will be entitled to receive severance payments equal to one year of salary at your then current salary level, payable in accordance with the Company's then applicable payroll practices and subject to all applicable federal, state and local withholding; (ii) all outstanding unvested Options granted to you (or hereafter under the Bonus Program) and held by you shall vest and become immediately exercisable and shall otherwise be exercisable in accordance with their terms and you shall become vested in any pension or other deferred compensation other than pension or deferred compensation under a plan intended to be qualified under Section 401(a) or 403(a) of the Internal Revenue Code of 1986, as amended (the "Code"); and (iii) you shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment or any other rights hereunder. If your employment with the Company is terminated for any reason whatsoever, whether by you or the Company, the Company would not be liable for, or obligated to pay you any bonus compensation or any other compensation contemplated hereby not already paid or not already accrued at the date of such termination, and no other benefits shall accrue or vest subsequent to such date.

   In addition, if you are terminated by the Company (or any successor) within one year of a "Change of Control" (as defined below) or, within such one (1) year period, you elect to terminate your employment for "Good Reason," (I) you shall receive severance payments equal to one year of your then current salary (and reimbursement for expenses incurred prior to the effective date of the termination of employment; (II) all outstanding unvested Options granted to you (or hereafter under the Bonus Program) and held by you shall vest and become immediately exercisable and shall otherwise be exercisable in accordance with their terms and you shall become vested in any pension or other deferred compensation other than pension or deferred compensation under a plan intended to be qualified under

Section 401(a) or 403(a) of the Code; ; and (III) you shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment or any other rights hereunder. If your employment with the Company is terminated for any reason whatsoever, whether by you or the Company, the Company would not be liable for, or obligated to pay you any bonus compensation or any other compensation contemplated hereby not already paid or not already accrued at the date of such termination, and no other benefits shall accrue or vest subsequent to such date.

For purposes of this Agreement, "Cause" shall mean any of the following: (1) commission by you of criminal conduct which involves moral turpitude; (2) acts which constitute fraud or self-dealing by or on the part of you against the Company, including, without limitation, misappropriation or embezzlement; (3) your willful engagement in conduct which is materially injurious to the Company; or (4) your gross misconduct in the performance of duties as an employee of the Company, including, without limitation, failure to obey lawful written instructions of the Board of Directors of the Company, any committee thereof or any executive officer of the Company or failure to correct any conduct which constitutes a breach of any written agreement between you and the Company or of any written policy promulgated by the Board of Directors of either the Company, any committee thereof or any executive officer of the Company, in either case after not less than ten days' notice in writing to you of the Company's intention to terminate you if such failure is not corrected within the specified period (or after such shorter notice period if the Company in good faith deems such shorter notice period to be necessary due to the possibility of material injury to the Company).

For purposes of this Agreement, "Change of Control" means the occurrence of one or more of the following: (i) a "person" or "group" within the means the meaning of sections 13(d) and 14(d) of the Securities and Exchange Act of 1934 (the "Exchange Act") becomes the "beneficial owner" (within the meaning of Rule l3d-3 under the Exchange Act) of securities of the Company (including options, warrants, rights and convertible and exchangeable securities) representing 50.1% or more of the combined voting power of the Company's then outstanding securities in any one or more transactions unless approved by at least two-thirds of the Board of Directors then serving at that time; provided, however, that purchases by employee benefit plans of the Company and by the Company or its affiliates shall be disregarded; or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the operating assets of the Company; or (iii) a merger or consolidation, or a transaction having a similar effect, where (A) the Company is not the surviving corporation, (B) the majority of the Common Stock of the Company is no longer held by the stockholders of the Company immediately prior to the transaction, or (C) the Company's Common Stock is converted into cash, securities or other property (other than the common stock of a company into which the Company is merged), unless such merger, consolidation or similar transaction is with a subsidiary of the Company or with another company, a majority of whose outstanding capital stock is owned by the same persons or entities who own a majority of the Company's Common Stock at such time; or (iv) at any annual or special meeting of stockholders of the Company at which a quorum is present (or any adjournments or postponements thereof), or by written consent in lieu thereof, directors (each a "New Director" and collectively the "New Directors") then constituting a majority of the Company's Board of Directors shall be duly elected to serve as New Directors and such New Directors shall have been elected by stockholders of the Company who shall be an (I) "Adverse Person(s)"; (II) "Acquiring Person(s)"; or (III) "40% Person(s)" (as each of the terms set forth in (I), (II), and (III) hereof are defined in that certain

Amended and Restated Rights Agreement, dated May 20, 1999, between the Company and American Stock Transfer & Trust Company, as Rights Agent.

For purposes of this Agreement, "Good Reason" shall mean the existence of any one or more of the following conditions that shall continue for more than 30 days following written notice thereof by the Employee to the Company: (i) the assignment to the Employee of duties materially inconsistent with the Employee's position or positions with the Company, (ii) the reduction of your then current annual salary rate, without your consent or (iii) the relocation of your principal location of employment more than 50 miles from your current location without your consent.

8. Except as modified hereby, the Agreement shall remain unmodified and in full force and effect.

9. This letter amendment shall be construed in accordance with, and its interpretation shall otherwise be governed by, the laws of the State of New York, without giving effect to otherwise applicable principles of conflicts of law.

Kindly signify your agreement to the foregoing by signing below and forward an executed copy to me for our files.

Sincerely,

MIM Corporation

By: /s/ Barry A. Posner
Barry A. Posner, Executive Vice President

Agreed and Accepted as of
the 28th day of October, 2004:

/s/ James S. Lusk
James S. Lusk

mimcorporation

MIM Reports 47% Increase in Specialty Revenues and EPS of $0.08 for Third Quarter 2004

Merger On Track to Deliver Enhanced Competitive Positioning

ELMSFORD, NY - October 28, 2004 - MIM Corporation (NASDAQ:MIMS) (CBOE:OQX) (PCX:OQX) , a pharmaceutical healthcare organization, today reported third quarter 2004 results.

Financial Highlights

- Third quarter total revenues increased 25% over 3Q03
- Third quarter Specialty revenues increased 47% over 3Q03, and 8% sequentially over 2Q04
- Third quarter total prescriptions dispensed increased 25% over 3Q03
- Selling, general and administrative expenses declined as a percentage of revenue to 8% as compared to 9.7% in 3Q03

Richard H. Friedman, Chairman and Chief Executive Officer commented, "Third quarter continued to deliver strong sales growth across all business segments. We have expanded customer relationships, increased market penetration, and extended the geographic span of our Specialty business. However, as we and most of our competitors have discussed, we are experiencing the pressure of lower reimbursement rates. This pressure has offset the Company's significant increases in revenues and our success in keeping expenses flat. We continue to look for ways to increase volume and improve margins to offset these pricing pressures."

Revenues for third quarter 2004 increased 25% to $161.5 million compared to $129.6 million in third quarter 2003. Third quarter Specialty revenues grew 47% to $65.6 million compared to $44.6 million for the same period last year. PBM Services segment revenues for the quarter, which includes traditional mail service, increased 13% to $95.9 million compared to $85.0 million for the same period last year. Third quarter 2004 total prescriptions dispensed increased 25% to 927,000 from 744,000 a year ago.

Operating income for third quarter was $3.1 million compared to $2.3 million for third quarter 2003. As previously reported, third quarter 2003 included $1.0 million in employee severance payments related to the loss of the TennCare PBM business.

Net income for third quarter was $1.7 million or $0.08 per diluted share compared to $1.3 million or $0.06 per diluted share for third quarter 2003. Excluding the employee severance payments, net income for third quarter 2003 was $1.8 million or $0.08 per diluted share.

Cost of revenue for third quarter was $144.8 million, compared with $114.2 million for the same period last year. This increase reflects continued growth in the Company's sales volume.

Gross profit for the quarter was $16.7 million or 10.4% compared to $15.4 million or 11.9% in the prior year's period. The decrease in gross margins reflects pricing pressures experienced in the Specialty segment, primarily in IVIG.

Chief Financial Officer James S. Lusk stated, "Third quarter revenue was strong. Like others in our sector, we have experienced reimbursement pressure primarily in the IVIG market. As previously reported, the continued ramp up of a major exclusive Specialty contract which included pricing concessions has also impacted gross margins for the quarter. Volume from expanded territories under this contract is expected to compensate for these concessions in future quarters."

Selling, general and administrative expenses were $12.8 million for third quarter 2004 compared to $12.6 million for the same period a year ago. "We have been successful in reducing selling, general and administrative expenses as a percentage of revenue," said Mr. Lusk.

Revenues for the nine-month period ended September 30, 2004 were $463.7 million compared to $453.0 million for the first nine months of 2003. Revenues for the period increased 25% over the prior year's nine months, excluding the results from TennCare and Synagis. (1)

Specialty revenues for the first nine months increased 27% to $183.7 million from $145.0 million for the same period in 2003. Nine-month Specialty revenues increased 40% over the same period in 2003, excluding the results from Synagis.(1)

Nine-month revenues from PBM Services, which includes Mail, were $279.9 million compared to $308.0 million in the 2003 period. Revenues from PBM Services grew 17% in the first nine months of 2004, excluding the results from TennCare. (1)

Operating income for the nine month period was $10.4 million compared to $14.3 million for the same period in 2003. The nine months ended September 30, 2003 included $1.6 million in employee severance payments related to the loss of the TennCare PBM business. Excluding the results of Synagis and TennCare and its related severance charge, operating income for the same period in 2003 was $9.4 million. (1)

Net income for the first nine months was $5.8 million or $0.26 per diluted share compared to $8.2 million or $0.36 per diluted share for the prior year's period. Excluding the results of Synagis and TennCare and its related severance charge, net income for the first nine months of 2003 was $5.2 million or $0.23 per diluted share. (1)

Cost of revenue for the first nine months of 2004 was $413.1 million, compared with $399.8 million for the first nine months of 2003. Excluding the results from TennCare and Synagis, cost of revenue for the same period in 2003 was $324.7 million. (1)

Gross profit for the first nine months of 2004 was $50.5 million or 10.9% compared to $53.3 million or 11.8% in the prior year's period. Excluding the results from TennCare and Synagis, gross profit for the prior year's period was $46.8 million. (1)

Selling, general and administrative expenses for the first nine months of 2004 were $37.9 million compared to $37.6 million for the same period in 2003.

Inventory turns for Specialty and Mail remained strong for the quarter at 42. Days sales outstanding decreased to 37 days at September 30, 2004 from 40 days at June 30, 2004. "We remain aggressive in managing our balance sheet," added Mr. Lusk.

The Company generated $3.7 million in operating cash flow for the quarter. Stockholders' equity for the first nine months of 2004 increased to $114.3 million from $107.2 million at the end of 2003.

Mr. Lusk noted that the Company continues to experience healthy cash flow and has reduced the outstanding balance on its line of credit to $8.2 million from $10.6 million at June 30, 2004. "Our balance sheet remains strong and we are well positioned for the merger."

"As we proceed into the fourth quarter, we would like to address the outlook for the remainder of the year," said Mr. Lusk. "Given the margin trends we are experiencing as a result of reimbursement pressure, we expect diluted earnings per share for 2004 to be in the low to mid thirty cent range."

Mr. Friedman continued, "The increasing need to manage the escalating healthcare costs of the chronically ill and the growth of biologics in the market remain the key drivers of our industry.

"The merger with Chronimed is progressing in line with our expectations and we are excited by the opportunities it presents for all of our shareholders. By forming one of the largest specialty pharmaceutical providers in the nation, we have created a platform that will provide a broad range of services at both the local and national levels. Our management team is in place and we have a clear strategy to capitalize on market and operational opportunities. The merger will permit us to better leverage our assets and reduce costs to meet the market challenge."

MIM will host a conference call to discuss results today at 11:00 AM ET. Interested parties may participate in the conference call by dialing 800-762-6558 (US), or 480-629-9565 (International), 5-10 minutes prior to the start of the call. A replay of the conference call will be available from 2:30 PM ET on October 28 through 11:59 PM ET on November 4, by dialing 800-475-6701 (US), or 320-365-3844 (International), and entering access code 751542. A webcast of the conference call will also be available under the investor information section of the MIM Corporation website, www.mimcorporation.com.

MIM Corporation (www.mimcorporation.com) is a pharmaceutical healthcare organization delivering innovative pharmacy benefit and healthcare solutions that provide results beyond expectations. We excel by harnessing our clinical expertise, sophisticated data management, and therapeutic fulfillment capability, and combine it with our dedicated, responsive team of professionals that understands our partners' needs. The result is cost-effective solutions enhancing the quality of patient life.

This press release may contain statements which constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the intent, belief or current expectations of the Company, its directors, or its officers with respect to the future operating performance of the Company. Investors are cautioned that any such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward looking statements as a result of various factors. Important factors that could cause such differences are described in the Company's periodic filings with the Securities and Exchange Commission.

Contacts:

James S. Lusk
Executive Vice President/Chief Financial Officer
MIM Corporation
914-460-1648
Email: jlusk@mimcorporation.com

Rachel Levine
Investor Relations
The Anne McBride Co.
212-983-1702 x.207
Email: rlevine@annemcbride.com

(1) See Table of Reconciliation for the differences between the non-GAAP financial measures and the most directly comparable GAAP measures. As required by Regulation G, the Company has provided a quantitative comparison between the GAAP and disclosed non-GAAP financial measures. The non-GAAP measures presented provide important insight into the ongoing operations and a meaningful comparison of revenue, gross profit, selling, general and administrative expenses, operating income, net income and earnings per share.

FINANCIAL TABLES AND SUPPLEMENTAL DATA FOLLOW

MIM CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	September 30, 2004 (Unaudited)	December 31, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,264	$ 9,428
Receivables, less allowance for doubtful accounts of $3,295 and $3,870 at September 30, 2004 and December 31, 2003, respectively	63,350	60,861
Inventory	10,050	8,553
Prepaid expenses and other current assets	2,386	2,160
Short-term deferred taxes	2,864	3,235
Total current assets	81,914	84,237
Property and equipment, net	4,172	5,247
Long term deferred taxes, net	2,732	4,554
Other assets and investments	440	514
Goodwill, net	71,215	61,085
Intangible assets, net	18,942	15,554
Total assets	$ 179,415	$ 171,191
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of capital lease obligations	$ 137	$ 399
Line of credit	8,169	-
Accounts payable	19,504	16,857
Claims payable	28,851	27,359
Payables to plan sponsors	2,504	11,228
Accrued expenses and other current liabilities	5,923	8,111
Total current liabilities	65,088	63,954
Capital lease obligations, net of current portion	-	35
Total liabilities	65,088	63,989
Stockholders' equity:		
Common stock, $.0001 par value: 40,000,000 shares authorized, 22,306,658 and 22,101,827 shares outstanding at September 30, 2004 and December 31, 2003, respectively	2	2
Treasury stock, 2,198,076 shares at cost at September 30, 2004 and December 31, 2003	(8,002)	(8,002)
Additional paid-in capital	130,860	129,583
Accumulated deficit	(8,533)	(14,381)
Total stockholders' equity	114,327	107,202
Total liabilities and stockholders' equity	$ 179,415	$ 171,191

MIM Corporation and Subsidiaries
Consolidated Statements of Operations
(In thousands, except per share amounts)

	Three months ended September 30,	
	2004	2003
	(Unaudited)	(Unaudited)
Revenue	$ 161,498	$ 129,644
Cost of revenue	144,764	114,249
Gross profit	16,734	15,395
Selling, general and administrative expenses	12,843	12,589
Amortization of intangibles	817	507
Income from operations	3,074	2,299
Interest income (expense), net	(204)	(216)
Income before taxes	2,870	2,083
Provision for income taxes	1,148	833
Net income	$ 1,722	$ 1,250
Weighted average common shares outstanding:		
Basic	22,301	22,021
Diluted	22,730	22,553
Earnings per share (basic)	$ 0.08	$ 0.06
Earnings per share (diluted)	$ 0.08	$ 0.06

MIM Corporation and Subsidiaries
Consolidated Statements of Operations
(In thousands, except per share amounts)

	Nine months ended September 30, 2004 (Unaudited)	Nine months ended September 30, 2003 (Unaudited)
Revenue	$ 463,676	$ 453,026
Cost of revenue	413,128	399,755
Gross profit	50,548	53,271
Selling, general and administrative expenses	37,944	37,570
Amortization of intangibles	2,225	1,400
Income from operations	10,379	14,301
Interest income (expense), net	(632)	(683)
Income before taxes	9,747	13,618
Provision for income taxes	3,899	5,447
Net income	$ 5,848	$ 8,171
Weighted average common shares outstanding:		
Basic	22,225	22,181
Diluted	22,734	22,647
Earnings per share (basic)	$ 0.26	$ 0.37
Earnings per share (diluted)	$ 0.26	$ 0.36

MIM Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)

	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
	(Unaudited)	
Cash flows from operating activities:		
Net income	$ 5,848	$ 8,171
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,518	2,446
Amortization	2,225	1,498
Non cash compensation expense	69	254
Provision for losses on receivables	1,224	1,258
Changes in assets and liabilities, net of acquired assets:		
Receivables, net	(1,376)	8,068
Inventory	(712)	2,914
Prepaid expenses and other current assets	(120)	(703)
Accounts payable	(484)	(3,098)
Claims payable	1,492	(11,460)
Payables to plan sponsors	(8,724)	(7,123)
Accrued expenses and other current and non current liabilities	(66)	5,067
Net cash provided by operating activities	894	7,292
Cash flows from investing activities:		
Purchase of property and equipment, net of disposals	(444)	(897)
Cost of acquisitions, net of cash acquired	(14,256)	-
(Increase) decrease in other assets	(640)	222
Net cash used in investing activities	(15,340)	(675)
Cash flows from financing activities:		
Net borrowings on line of credit	8,169	(4,608)
Purchase of treasury stock	-	(5,068)
Proceeds from exercise of stock options	876	594
Principal payments on short term debt	(467)	-
Principal payments on capital lease obligations	(296)	(486)
Net cash provided by (used in) financing activities	8,282	(9,568)
Net decrease in cash and cash equivalents	(6,164)	(2,951)
Cash and cash equivalents--beginning of period	9,428	5,751
Cash and cash equivalents--end of period	$ 3,264	$ 2,800

MIM Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)

	Nine Months Ended September 30, 2004	2003
	(Unaudited)	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ 572	$ 344
Cash paid during the period for income taxes	$ 2,942	$ 1,167
SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION:		
Increase in equity from change in deferred tax assets	$ 332	$ 321

Supplemental Data

(In thousands, except per Rx amounts)

	Three months ended September 30, 2004	2003
PBM pharmacy network claims processed	2,446	2,147
Mail (adjusted) and specialty pharmacy prescriptions dispensed internally	927	744
Gross profit per Rx	$4.93	$5.33
Revenue per Rx	$47.59	$44.84

	Nine months ended September 30, 2004	2003
PBM pharmacy network claims processed	7,125	9,030
Mail (adjusted) and specialty pharmacy prescriptions dispensed internally	2,683	2,138
Gross profit per Rx	$5.15	$4.77
Revenue per Rx	$47.28	$40.57

MIM Corporation & Subsidiaries
Statement of Operations Reconciliation Between Non-GAAP and GAAP Measures

	For the Three Months Ended September 30, 2003				
	As Reported	TennCare	Synagis	Business Restructuring	As Adjusted
Revenue					
Specialty	$ 44,630	$ -	$ (8)	$ -	$ 44,622
PBM/Mail	$ 85,015	$ 2	$ -	$ -	$ 85,017
Revenue	$ 129,644	$ 2	$ (8)	$ -	$ 129,638
Cost of Revenue					
Specialty	$ 35,924	$ -	$ (7)	$ -	$ 35,917
PBM/Mail	$ 78,325	$ (25)	$ -	$ -	$ 78,301
Cost of Revenue	$ 114,249	$ (25)	$ (7)		$ 114,218
Gross Profit					
Specialty	$ 8,706	$ -	$ (1)	$ -	$ 8,705
GP%	19.5%				19.5%
PBM/Mail	$ 6,689	$ 27	$ -	$ -	$ 6,716
GP%	7.9%				7.9%
Gross Profit	$ 15,395	$ 27	$ (1)	$ -	$ 15,421
GP%	11.9%	1222.4%	12.7%		11.9%
Selling, general and administrative	$ 12,588	$ -	$ -	$ (973)	$ 11,615
Amortization	$ 507	$ -	$ -	$ -	$ 507
Income from Operations	$ 2,300	$ 27	$ (1)	$ 973	$ 3,299
Interest Income (Expense)	$ (217)	$ -	$ -	$ -	$ (217)
Income Before Taxes	$ 2,083	$ 27	$ (1)	$ 973	$ 3,082
Taxes	$ 833	$ 11	$ 0	$ 389	$ 1,233
%	40.0%	40.0%	40.0%	40.0%	40.0%
Net Income	$ 1,250	$ 16	$ (1)	$ 584	$ 1,849
Weighted average number of shares outstanding					
Basic Shares	22,020,544				22,020,544
Diluted Shares	22,553,149				22,553,149
Earnings per share (basic)	$ 0.06				$ 0.08
Earnings per share (diluted)	$ 0.06				$ 0.08

MIM Corporation & Subsidiaries
Statement of Operations Reconciliation Between Non-GAAP and GAAP Measures

	For the Nine Months Ended September 30, 2003				
	As Reported	TennCare	Synagis	Business Restructuring	As Adjusted
Revenue					
Specialty	$ 144,979	$ -	$ (13,740)	$ -	$ 131,240
PBM/Mail	$ 308,047	$ (67,814)	$ -	$ -	$ 240,232
Revenue	$ 453,026	$ (67,814)	$ (13,740)	$ -	$ 371,472
Cost of Revenue					
Specialty	$ 115,989	$ -	$ (12,833)	$ -	$ 103,156
PBM/Mail	$ 283,766	$ (62,238)	$ -	$ -	$ 221,528
Cost of Revenue	$ 399,755	$ (62,238)	$ (12,833)	$ -	$ 324,684
Gross Profit					
Specialty	$ 28,991	$ -	$ (907)	$ -	$ 28,084
GP%	20.0%				21.4%
PBM/Mail	$ 24,281	$ (5,576)	$ -	$ -	$ 18,704
GP%	7.9%				7.8%
Gross Profit	$ 53,271	$ (5,576)	$ (907)	$ -	$ 46,788
GP%	11.8%	8.2%	6.6%		12.6%
Selling, general and administrative exp	$ 37,570	$ -	$ -	$ (1,590)	$ 35,980
Amortization	$ 1,400	$ -	$ -	$ -	$ 1,400
Income from Operations	$ 14,301	$ (5,576)	$ (907)	$ 1,590	$ 9,408
Interest Income (Expense)	$ (684)	$ -	$ -	$ -	$ (684)
Income Before Taxes	$ 13,618	$ (5,576)	$ (907)	$ 1,590	$ 8,725
Taxes	$ 5,447	$ (2,230)	$ (363)	$ 636	$ 3,490
%	40.0%	40.0%	40.0%	40.0%	40.0%
Net Income	$ 8,171	$ (3,346)	$ (544)	$ 954	$ 5,235
Weighted average number of shares outstanding					
Basic Shares	22,181,106				22,181,106
Diluted Shares	22,646,704				22,646,704
Earnings per share (basic)	$ 0.37				$ 0.24
Earnings per share (diluted)	$ 0.36				$ 0.23