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

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**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): May 4, 2007**

**BioScrip, Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation)

**0-28740**  
(Commission File Number)

**05-0489664**  
(IRS Employer  
Identification No.)

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

**10523**  
(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 Securities 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)).
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**Item 2.02 Results of Operations and Financial Condition.**

On May 4, 2007, BioScrip, Inc. issued a press release reporting its earnings for the quarter ended March 31, 2007. A copy of that press release is furnished with this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

The press release includes certain non-GAAP financial measures as described therein. As required by Regulation G, a reconciliation between any non-GAAP financial measures presented and the most directly comparable GAAP financial measures is also provided.

As provided in General Instruction B.2 to Form 8-K, the information furnished in this Item 2.02 and in Exhibit 99.1 hereto shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing with the Securities and Exchange Commission, except as shall be expressly provided by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits. The following information is furnished as an exhibit to this Current Report:

| <u>Exhibit No.</u> | <u>Description of Exhibit</u>    |
|--------------------|----------------------------------|
| 99.1               | Press Release dated May 4, 2007. |

**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: May 4, 2007

BIOSCRIP, INC.

By: /s/ Barry A. Posner

Barry A. Posner,  
Executive Vice President, Secretary  
and General Counsel

## BioScrip, Inc. Reports Significant Increase In Operating Income

ELMSFORD, N.Y.—(BUSINESS WIRE)—May 04, 2007—BioScrip, Inc. (NASDAQ: BIOS) today reported a first quarter 106% increase in operating profit over the fourth quarter 2006, on revenues of \$296.3 million. First quarter 2007 operating profit was \$136,000; EBITDAO (earnings before interest, taxes, depreciation, amortization and option expense) was \$3.0 million with a net loss of \$1.3 million, or \$0.04 per share. This compares to first quarter 2006 revenues of \$299.7 million, an operating loss of \$1.6 million, EBITDAO of \$1.7 million, and a net loss of \$1.2 million, or \$0.03 per share. The Company adopted FIN 48 effective January 1, 2007. As a result, the Company recorded a \$2.4 million tax liability with a corresponding charge to retained earnings.

Chairman and CEO, Richard H. Friedman, stated “Our first quarter 2007 results indicate that we are making substantial progress on our plan of returning BioScrip to profitability. The Company reported a \$2.5 million sequential increase in quarterly operating income and increasingly positive EBITDAO which is consistent with our commitment to shareholders.”

### First Quarter Reported Results

First quarter 2007 Specialty Services revenue was \$234.9 million, an increase of \$31.3 million, or 15.4% over the prior year, due primarily to revenues associated with preferred distribution arrangements with manufacturers for newly approved drugs, strong growth in infusion and new business resulting from CAP.

First quarter 2007 PBM Services revenue was \$61.4 million, a decrease of \$34.6 million, or 36.0%, as compared to the first quarter of 2006. The decline in revenue is primarily due to the loss of a major PBM customer previously announced.

As a result, revenue for the first quarter 2007 was \$296.3 million compared to \$299.7 million for the same period a year ago.

Gross profit for the first quarter 2007 was \$32.9 million, or 11.1%, compared to \$30.3 million, or 10.1%, for the same period of 2006. Gross margin dollar improvement is primarily due to higher margin Specialty sales.

First quarter 2007 total operating expenses increased by a net \$0.9 million to \$32.8 million, or 11.1%, of total revenue from \$31.9 million, or 10.7%, of total revenue for the first quarter of 2006. The increase is primarily due to ongoing operating expenses associated with the acquisition of our California-based infusion center, operating expense increases related to CAP, and an increase in bad debt expense, partially offset by last year’s cost reduction efforts.

### CAP Update

First quarter 2007 CAP revenues increased 38% over fourth quarter 2006 to \$9.9 million. BioScrip has initiated marketing programs in order to maximize efforts to support the upcoming physician election period which occurs from May 1, 2007 through June 15, 2007 for enrollments effective August 1, 2007

### Conference Call Information

BioScrip will host a conference call to discuss first quarter 2007 financial results on Friday, May 4 at 10:00 a.m. EDT. Interested parties may participate in the conference call by dialing 800-266-1825 (US), or 212-676-4900 (International), 5-10 minutes prior to the start of the call. A replay of the conference call will be available from 12:30 PM EDT on May 4 through 12:30 PM EDT on May 10, by dialing 800-633-8284 (US), or 402-977-9140 (International), and entering reservation #21337474. An audio webcast and archive of the conference call will also be available under the investor relations section of the BioScrip website, [www.bioscrip.com](http://www.bioscrip.com).

### About BioScrip, Inc.

BioScrip, Inc. provides comprehensive pharmaceutical healthcare solutions. We partner with healthcare payors, pharmaceutical manufacturers, government agencies, physicians and patients to deliver cost effective programs in an effort to optimize the quality of patient life. We focus our products and services in two core areas: Specialty pharmaceutical services, both nationally and community-based, and Pharmacy Benefit Management services. Our specialty services capabilities include condition-specific distribution and clinical management programs for individuals living with health conditions such as HIV/AIDS, cancer, immune deficiency, Hepatitis C, Rheumatoid Arthritis, Multiple Sclerosis, transplantation and Crohn’s disease. Our pharmacy benefit management programs include benefit plan design, pharmacy network management and sophisticated reporting capabilities. In addition, we have 36 community, mail service and infusion pharmacies across the U.S., providing nationwide access to prescription medications and clinical services.

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## Forward Looking Statements

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.

Earnings before interest, taxes, depreciation, amortization, and option expense ("EBITDAO") is a non-GAAP financial measure as defined under U.S. Securities and Exchange Commission Regulation G. As required by Regulation G, BioScrip has provided a reconciliation of this measure to the most comparable GAAP financial measure.

See Schedule 2 for a reconciliation of the differences between the non-GAAP financial measures and the most directly comparable GAAP financial measures. As required by Regulation G under the Securities Exchange Act, the Company has provided a quantitative comparison between GAAP and disclosed non-GAAP financial measures. The non-GAAP measure presented provides important insight into the ongoing operations and a meaningful benchmark to evidence the Company's trend towards a return to profitability.

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Craig Allison, 914-460-1636  
Investor Relations  
callison@bioscrip.com

SOURCE: BioScrip, Inc.

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**BIOSCRIP, INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
(in thousands, except per share data)

|  | Three Months Ended<br>March 31, |            |
|--|---------------------------------|------------|
|  | 2007                            | 2006       |
| Revenue                                      | \$ 296,342                      | \$ 299,718 |
| Cost of revenue                              | 263,394                         | 269,388    |
| Gross profit                                 | 32,948                          | 30,330     |
| % of revenue                                 | 11.1%                           | 10.1%      |
| Selling, general and administrative expenses | 28,369                          | 27,886     |
| Bad debt expense                             | 2,996                           | 2,299      |
| Amortization of intangibles                  | 1,447                           | 1,622      |
| Merger related expenses                      | —                               | 131        |
| Total operating expenses                     | 32,812                          | 31,938     |
| % of revenue                                 | 11.1%                           | 10.7%      |
| Income (loss) from operations                | 136                             | (1,608)    |
| Interest expense, net                        | (1,085)                         | (450)      |
| Loss before income taxes                     | (949)                           | (2,058)    |
| Provision for (benefit from) income taxes    | 398                             | (902)      |
| Net loss                                     | (\$1,347)                       | (\$1,156)  |
| Basic net loss per share                     | (\$0.04)                        | (\$0.03)   |
| Diluted net loss per share                   | (\$0.04)                        | (\$0.03)   |
| Basic weighted-average shares                | 37,490                          | 37,202     |
| Diluted weighted-average shares              | 37,490                          | 37,202     |



**BIOSCRIP, INC.**  
**RECONCILIATION BETWEEN GAAP AND NON-GAAP MEASURES**  
**(in thousands)**

|  | Three Months Ended |                 |
|--|--------------------|-----------------|
|  | March 31,          |                 |
|  | 2007               | 2006            |
| Income (loss) from operations  | \$ 136             | (\$1,608)       |
| Addback items:   |                    |                 |
| Depreciation   | 1,044              | 1,042           |
| Amortization of intangibles  | 1,447              | 1,622           |
| SFAS 123R stock option expense   | 342                | 645             |
| Earnings before interest, taxes, depreciation, amortization and stock option expense (EBITDAO) | <u>\$ 2,969</u>    | <u>\$ 1,701</u> |

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**BIOSCRIP, INC.**  
**CONSOLIDATED BALANCE SHEET**  
(in thousands, except share and per share data)

|  | <u>March 31, 2007</u><br>(unaudited) | <u>December 31, 2006</u> |
|--|--------------------------------------|--------------------------|
| <b>ASSETS</b>  |                                      |                          |
| <b>Current assets</b>  |                                      |                          |
| Cash and cash equivalents  | \$ 1                                 | \$ —                     |
| Receivables, less allowance for doubtful accounts of \$12,612 and \$13,774 at March 31, 2007 and December 31, 2006, respectively   | 136,095                              | 135,139                  |
| Inventory  | 36,616                               | 33,471                   |
| Prepaid expenses and other current assets  | 4,845                                | 2,090                    |
| <b>Total current assets</b>  | <u>177,557</u>                       | <u>170,700</u>           |
| Property and equipment, net  | 10,160                               | 10,409                   |
| Other assets and investments   | 464                                  | 681                      |
| Goodwill   | 114,824                              | 114,991                  |
| Intangible assets, net   | 7,228                                | 8,675                    |
| <b>Total assets</b>  | <u>\$ 310,233</u>                    | <u>\$ 305,456</u>        |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                                      |                          |
| <b>Current liabilities</b>   |                                      |                          |
| Line of credit   | \$ 50,185                            | \$ 52,895                |
| Accounts payable   | 52,669                               | 51,724                   |
| Claims payable   | 14,611                               | 9,548                    |
| Payables to plan sponsors  | 590                                  | 589                      |
| Payor Allowance  | 10,492                               | 9,691                    |
| Accrued expenses and other current liabilities   | 8,697                                | 9,230                    |
| <b>Total current liabilities</b>   | <u>137,244</u>                       | <u>133,677</u>           |
| Unrecognized tax benefits  | 4,070                                | —                        |
| Deferred taxes, net  | 10,663                               | 9,946                    |
| <b>Total liabilities</b>   | <u>151,977</u>                       | <u>143,623</u>           |
| <b>Stockholders' equity</b>  |                                      |                          |
| Preferred stock, \$.0001 par value; 5,000,000 shares authorized, no shares issued or outstanding   | —                                    | —                        |
| Common stock, \$.0001 par value; 75,000,000 shares authorized; shares issued: 40,859,726 and 40,680,233 respectively; shares outstanding: 37,492,757 and 37,488,257, respectively; | 4                                    | 4                        |
| Treasury stock, 2,247,150 shares at cost   | (8,002)                              | (8,002)                  |
| Additional paid-in capital   | 239,506                              | 239,315                  |
| Accumulated deficit  | (73,252)                             | (69,484)                 |
| <b>Total stockholders' equity</b>  | <u>158,256</u>                       | <u>161,833</u>           |
| <b>Total liabilities and stockholders' equity</b>  | <u>\$ 310,233</u>                    | <u>\$ 305,456</u>        |