

QUALITY SYSTEMS REPORTS FOURTH QUARTER AND FISCAL YEAR-END RESULTS

IRVINE, Calif.--(BUSINESS WIRE)-- June 13, 2005--Quality Systems, Inc. (NASDAQ:QSII - news) today announced the results of operations for its fiscal 2005 fourth quarter and fiscal year ended March 31, 2005. The Company posted net revenues of \$25.5 million in the fourth quarter, an increase of 36% from the \$18.8 million generated during the same quarter last year. The Company reported net income of \$4.8 million an increase of 54% over net income of \$3.1 million earned in the comparable quarter of the prior year. Fully diluted earnings per share was \$0.36 in the quarter, an increase of 50% over the fully diluted \$0.24 per share earnings recorded in the same quarter last year.

Revenue for the fiscal year ended March 31, 2005 was \$89.0 million, an increase of 25% over fiscal 2004 revenue of \$70.9 million. Net income for fiscal year 2005 was \$16.1 million, an increase of 55% over fiscal 2004's net income of \$10.4 million. Fully diluted earnings per share increased to \$1.22 in fiscal year 2005 from \$0.80 earned during fiscal year 2004, an increase of 53%.

Quality Systems, Inc. will hold a conference call to discuss fourth quarter and fiscal year-end financial results Monday June 13, 2005 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 Monday, June 13 at approximately 6:30 p.m. EDT, through Monday, June 20 at midnight EDT. To access the replay dial (800) 642-1687 and enter conference ID number 6977665.

A transcript of the conference call will be made available on the QSII Web site (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, and connectivity applications for medical and dental group practices. Visit www.qsii.com and www.nextgen.com for additional information.

This news release may contain forward-looking statements within the meaning of the federal securities laws. Statements regarding future events, developments, the Company's future performance, as well as management's expectations, beliefs, intentions, plans, estimates or projections relating to the future (including, without limitation, statements concerning revenue and net income), are forward-looking statements within the meaning of these laws and involve a number of risks and uncertainties. Moreover, these forward-looking statements are subject to a number of risks and uncertainties, some of which are outlined below. As a result, actual results may vary materially from those anticipated by the forward-looking statements. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are: the volume and timing of systems sales and installations; length of sales cycles and the installation process; the possibility that products will not achieve or sustain market acceptance; seasonal patterns of sales and customer buying behavior; the timing, cost and success or failure of new product and service introductions, development and product upgrade releases; undetected errors or bugs in software; changing economic, political or regulatory influences in the health-care industry; changes in product-pricing policies; availability of third-party products and components; competitive pressures including product offerings, pricing and promotional activities; the Company's ability or inability to attract and retain qualified personnel; possible regulation of the Company's software by the U.S. Food and Drug Administration; uncertainties concerning threatened, pending and new litigation against the Company including related professional services fees; uncertainties concerning the amount and timing of professional fees incurred by the Company generally; changes of accounting estimates and assumptions used to prepare the prior periods' financial statements; general economic conditions; and the risk factors detailed from time to time in Quality Systems' periodic reports and registration statements filed with the Securities and Exchange Commission. A significant portion of the Company's quarterly sales of software product licenses and computer hardware is concluded in the last month of the fiscal quarter, generally with a concentration of such revenues earned in the final ten business days of that month. Due to these and other factors, the Company's revenues and operating results are very difficult to forecast. A major portion of the Company's costs and expenses, such as personnel and facilities, are of a fixed nature and, accordingly, a shortfall or decline in quarterly and/or annual revenues typically results in lower profitability or losses. As a result, comparison of the Company's period-to-period financial performance is not necessarily meaningful and should not be relied upon as an indicator of future performance. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

[financial highlights follow]

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

	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	MARCH 31, 2005	MARCH 31, 2004	MARCH 31, 2005	MARCH 31, 2004
Revenues:				
Software, hardware and supplies.....	\$ 11,765	\$ 8,501	\$ 39,672	\$ 32,632
Implementation and training services.	2,402	1,665	8,856	6,893
System sales.....	14,167	10,166	48,528	39,525
Maintenance and other services.....	8,483	6,446	29,945	23,117
Electronic data interchange services.	2,876	2,175	10,488	8,292
Maintenance, EDI and other services....	11,359	8,621	40,433	31,409
Total revenue.....	25,526	18,787	88,961	70,934
Cost of revenue:				
Software, hardware and supplies.....	2,097	1,600	7,525	8,141
Implementation and training services.	1,754	1,388	6,300	5,197
Total cost of system sales.....	3,851	2,988	13,825	13,338
Maintenance and other services.....	3,394	2,739	12,120	10,313
Electronic data interchange services.	1,871	1,321	6,724	5,022
Total cost of maintenance, EDI and other services.....	5,265	4,060	18,844	15,335
Total cost of revenue.....	9,116	7,048	32,669	28,673
Gross profit.....	16,410	11,739	56,292	42,261
Operating expenses:				
Selling, general and administrative.	7,989	5,072	24,776	19,482
Research and development.....	1,766	1,643	6,903	6,139
Total operating expenses.....	9,755	6,715	31,679	25,621
Income from operations.....	6,655	5,024	24,613	16,640
Investment income.....	323	102	876	386
Income before provision for income taxes.....	6,978	5,126	25,489	17,026
Provision for income taxes.....	2,187	2,022	9,380	6,626
Net income.....	\$ 4,791	\$ 3,104	\$ 16,109	\$ 10,400
Net income per share:				
Basic.....	\$ 0.37	\$ 0.25	\$ 1.25	\$ 0.84
Diluted.....	\$ 0.36	\$ 0.24	\$ 1.22	\$ 0.80
Weighted-average shares used in per share calculation:				
Basic.....	13,089	12,624	12,872	12,436
Diluted.....	13,370	13,164	13,203	12,996

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

	<u>March 31,</u> <u>2005</u>	<u>March 31,</u> <u>2004</u>
ASSETS	(UNAUDITED)	
Current assets:		
Cash and cash equivalents.....	\$ 51,157	\$ 51,395
Accounts receivable, net.....	33,362	20,280
Inventories, net.....	960	725
Income tax receivable.....	15	--
Net current deferred tax assets.....	1,796	2,979
Other current assets.....	<u>1,677</u>	<u>1,493</u>
Total current assets.....	88,967	76,872
Equipment and improvements, net.....	2,697	2,012
Capitalized software costs, net.....	4,334	3,608
Deferred tax assets.....	--	1,104
Goodwill.....	1,840	1,840
Other.....	<u>1,604</u>	<u>1,242</u>
Total assets.....	<u>\$ 99,442</u>	<u>\$ 86,678</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.....	\$ 2,284	\$ 1,655
Deferred revenue.....	24,115	16,060
Accrued compensation and related benefits.....	3,436	2,610
Income taxes payable.....	--	273
Other current liabilities.....	<u>4,021</u>	<u>2,859</u>
Total current liabilities.....	33,856	23,457
Deferred revenue.....	1,362	1,203
Deferred tax liability.....	291	--
Deferred compensation.....	<u>1,202</u>	<u>1,013</u>
Total liabilities.....	36,711	25,673
Commitments and contingencies.....	--	--
Shareholders' equity:		
Common stock, \$0.01 par value; 20,000 shares authorized; 13,111 and 12,650 shares issued and outstanding at March 31, 2005 and March 31, 2004, respectively.....	131	127
Additional paid-in capital.....	44,499	39,671
Retained earnings.....	19,213	22,750
Deferred compensation.....	<u>(1,112)</u>	<u>(1,543)</u>
Total shareholders' equity.....	62,731	61,005
Total liabilities and shareholders' equity.....	<u>\$ 99,442</u>	<u>\$ 86,678</u>

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