

## **WebMD Acquires Medscape Portals to Create Largest Network of Online Medical Professionals and Consumers**

*Integration of Assets to Strengthen WebMD's Offerings to Physicians, Consumers and Health Plans*

**Elmwood Park, New Jersey (December 26, 2001)** - WebMD Corporation (NASDAQ: HLTH) today announced that the Company has acquired the portal assets of MedicaLogic/Medscape, Inc. (NASDAQ: MDLI), including the Medscape Medical Professional and Medscape Health for Consumers web sites, for \$10 million in cash effective immediately. Medscape's Medical Professional portal will become the Company's online brand of information, research and educational services for physicians and allied medical professionals. WebMD HealthSM will continue as the Company's brand of online information, community and services for consumers.

With the addition of the Medscape assets, the Company's newly expanded WebMD Medscape Health Network will reach more than 15 million cumulative monthly visitors, including approximately 575,000 members registered as physicians worldwide.

"This acquisition is a great opportunity to further strengthen our product offering for physicians and is in keeping with our goal of creating the leading communication channels connecting physicians and their patients with health plans, providers and suppliers," said Martin J. Wygod, Chairman of the Board and Chief Executive Officer of WebMD. "Although there are strategic synergies, we expect to incur certain costs and expenses related to the combination of the respective operations. The acquisition may impact our financial expectations by \$1-2 million for each of the next two quarters as we complete the integration."

The Company plans to integrate the Medscape Medical Professional portal into its suite of professional products and services. The Medscape services will become part of the integrated portal offering of the Medical Manager®, the leading brand of physician practice management software, used by more than 185,000 physicians, and into WebMD Envoy®, the leading provider of electronic transaction services, used by more than 300,000 physicians.

"When consumers or medical professionals look for information online, they seek objective, credible and trustworthy sources for that information. The Medscape editorial team brings a longstanding track record for the highest quality medical journalism," said Roger C. Holstein, Chief Executive Officer, WebMD Health. "With unmatched brand awareness, distribution and utilization, the WebMD Medscape Health Network is now the most effective way, online or offline, to reach physicians in virtually every specialty, as well as healthcare involved consumers with specific diseases or conditions."

Both WebMD and Medscape are founding members of HI-Ethics, and WebMD was one of the first websites to receive the new URAC e-health accreditation. Going forward, WebMD is committed to continuing the standards of excellence in content delivery and information practices already in place.

### **About WebMD**

WebMD Corporation provides services that help physicians, consumers, providers and health plans navigate the complexity of the healthcare system. Our products and services streamline administrative and clinical processes, promote efficiency and reduce costs by facilitating information exchange, communication and electronic transactions between healthcare participants.

WebMD Medical Manager is the leading provider of physician practice management software and related services. WebMD Envoy is the leading provider of electronic data interchange services for healthcare providers and commercial health plans. WebMD Health, through the WebMD Medscape Health Network, is the leading provider of online information, research, educational services and communities for physicians and consumers.

All statements contained in this press release, other than statements of historical fact, are forward-looking statements, including those regarding: future financial results of WebMD; the amount and timing of the benefits expected from the transactions referred to in this press release; and potential changes in WebMD's business relationships. These statements are based on WebMD's current plans and expectations and

involve risks and uncertainties that could cause actual future events or results to be different from those described in or implied by such forward-looking statements. These risks and uncertainties include those relating to: market acceptance of WebMD's products and services; operational difficulties relating to combining acquired companies and businesses; the profit potential of WebMD's strategic relationships and customer contracts; economic conditions and regulatory matters affecting the Internet, information technology and healthcare industries; and the ability of WebMD to attract and retain qualified personnel. Further information about these matters can be found in WebMD's Securities and Exchange Commission filings. WebMD expressly disclaims any intent or obligation to update these forward-looking statements.