

# INDUSTRY NEWS

## CARDINAL HEALTH TO ACQUIRE VIASYS HEALTHCARE FOR \$1.5 BILLION



Cardinal Health and Viasys Healthcare, today announced a definitive agreement for Cardinal Health to acquire VIASYS for approximately \$1.5 billion, including the assumption of outstanding debt. Under the agreement, Cardinal Health will make a cash tender offer to acquire all outstanding shares of VIASYS common stock at a price of \$42.75 per share.

With 2006 revenue of \$610 million, VIASYS is a leader in respiratory care, developing and marketing systems for critical care and diagnostic use. VIASYS is also a leader in neurological, audio and vascular diagnostics, disposable medical products used in surgical procedures and enteral feeding, orthopedic implant manufacturing and clinical services.

The acquisition will expand Cardinal Health's clinical and medical product offerings for global, acute-care customers and, combined with its complementary respiratory products business, will establish the company as a leader in the more than \$4 billion respiratory care market.

The acquisition will also provide a range of complementary products to Cardinal Health's medical disposables business and will leverage its integrated hospital selling organization in the U.S. Worldwide, VIASYS has more than 7,000 hospital customers in 100 countries and generates 40 percent of its revenue from customers outside the U.S., adding substantially to Cardinal Health's international presence.

"VIASYS is a perfect strategic fit with our mission to help providers make health care safer and offers immediate revenue and earnings opportunities in key geographies worldwide," said R. Kerry Clark, chief executive officer of Cardinal Health. "With a strong platform and excellent momentum in our Clinical and Medical Products businesses, we think the timing is ideal to broaden our offering. We have developed a process through our recent acquisitions - particularly Alaris - that will serve as a model for the rapid integration and realization of synergies with the VIASYS acquisition."

## RESPIRONICS ACQUIRES J.H. EMERSON COMPANY



Respironics is pleased to announce that it has acquired substantially all of the operating assets of the J. H. Emerson Company ("Emerson") for a purchase price of approximately \$23.0 million. Emerson is involved primarily in the manufacture and distribution of the CoughAssist(R) device that Respironics had previously distributed. The CoughAssist(R) device provides secretion clearance to patients with Chronic Obstructive Pulmonary Disease as well as certain other respiratory ailments and conditions. CoughAssist(R) gives these patients an effortless way to remove respiratory secretions that could otherwise instigate an exacerbation of their illness. Emerson achieved revenues for calendar year 2006 of approximately \$8.0 million.

## SUNRISE MEDICAL ANNOUNCES NEW FOCUS



Sunrise Medical announced plans today to evolve into two separate organizations -- A mobility-focused business and a respiratory-focused business. Sunrise Mobility will supply Quickie(R), Jay(R), Guardian(R), Hoyer(R), and Bio Clinic(R) products. In addition Sunrise Mobility will offer the A.R.T. Group(R) portfolio of products which includes Whitmyer(R), AES(R), Rehabilitech(R), Kid Kart(R) and Kid's Up(R) brands. DeVilbiss Healthcare, Inc. will supply the DeVilbiss respiratory and sleep therapy product lines.

This evolution of Sunrise Medical as two distinct businesses is expected to improve agility, flexibility and responsiveness to industry demands for both organizations. "We're in a time of change -- as an industry. And in time of change high performing organizations need to improve and adjust business structures -- to evolve and reinvent themselves. And that is exactly what Sunrise is doing. Ultimately the creation of the two separate organizations will improve focus and create long-term value for customers. A truly focused approach can make all the difference in the world and we just couldn't provide the necessary focus as one organization," commented Michael N. Hammes, Chairman and CEO of Sunrise Medical.

## NEW RESEARCH SHOWS MASIMO ACOUSTIC RESPIRATORY MONITORING TECHNOLOGY PROVIDES 'SIGNIFICANTLY MORE RELIABLE MONITORING OF RESPIRATION RATE'



Masimo, the inventor of Pulse CO-Oximetry and Read-Through Motion and Low Perfusion pulse oximetry, reported that three new independent studies, concluded that Masimo Acoustic Respiratory Monitoring technology (ARM) is "at least as accurate as capnometry" and "significantly more reliable" for monitoring respiration in spontaneously breathing patients.

In the study conducted by M. R. Macknet, MD and a team of researchers at Loma Linda University's Department of Anesthesiology, fifteen pediatric PACU patients were monitored with Masimo's ARM technology consisting of an adhesive bioacoustic sensor applied to the patient's neck and connected to a breathing frequency monitor prototype. In addition, a nasal cannula was placed, secured with tape, and connected to a capnometer. The study showed that "premature cannula dislodgement occurred in 14 patients" in less than 20 minutes, while "in no patient was the bioacoustic sensor dislodged before the end of the stay in the PACU."

"This data shows the relative ease and high incidence of capnometer cannula dislodgement compared to the new bioacoustic sensor," the researchers commented. "In clinical settings where continuous and reliable monitoring of spontaneous respiration is important, the new bioacoustic sensor provides significantly greater patient connection time, which should lead to significantly more reliable monitoring of respiration rate."

## INDUSTRY'S SMALLEST INTEGRATED CPAP SYSTEM, EVEREST 2, NOW DISTRIBUTED EXCLUSIVELY BY EVO MEDICAL SOLUTIONS



With more than 20 years experience in providing respiratory products to the home health marketplace, evo Medical Solutions was the logical choice for exclusive distribution of the eveRest™ 2 Integrated CPAP System from AEIOMed®.

As one of the largest distributors to home medical equipment providers in America and Europe, evo has helped to create competitive advantages for many of the industry's most technologically advanced products. The portable Everest 2, which weighs only 2.1 pounds, is available with optional system battery and numerous features ideal for active patients. "Exclusive distribution through evo is a real plus," said AEIOMed founder and CEO, Steve Bordewick. "It's the perfect fit between two companies focused on innovations to improve the lives of people with sleep disorders."

Bryan Hansel, evo president and CEO, agreed. "Our combined focus on what patients and physicians need can extend the advantages of the eveRest 2 to a much wider circle." For more information, call 800-759-3038 or visit [www.evomedical.com](http://www.evomedical.com)

## CHAD THERAPEUTICS ANNOUNCES INTRODUCTION OF THREE NEW OXYGEN PRODUCTS



CHATSWORTH, California, CHAD Therapeutics, Inc. (ASE:CTU) announced today the introduction of three new products designed to enhance patient care and reduce costs for providers. The new BONSAI™ OXYpneumatic conserving is an exciting addition to CHAD's extensive line of oxygen conserving devices. With its sleek, light weight design and conserving ratios of up to 6 to 1, CHAD is reinforcing its longstanding leadership in the conserving market. Weighing less than 10 ounces, the BONSAI offers 8 flow settings and an adjustable continuous flow feature. It also utilizes a single-lumen cannula. "A pneumatic conserving device that offers a 6:1 savings ratio while ensuring adequate oxygen saturation for patients is a groundbreaking achievement," said Earl Yager, President and CEO.

CHAD is also introducing the OMNI-5™ and OMNI-2™ oxygen transfilling devices, which represent significant upgrades to CHAD's pioneering Total O2® Delivery System. The OMNI-5 offers multiple new features including stationary oxygen up to 5 liters per minute and an automatic restart upgrade on the cylinder transfilling process. The OMNI-2 is specially designed for pediatric patients, a feature many providers have requested. Both units are available with seven different cylinder sizes and are compatible with over twenty CHAD oxygen conserving devices.

"These new products demonstrate CHAD's ongoing commitment to technology that improves patient care," said Yager, "Moreover, these products will provide additional tools for homecare providers to reduce operating costs and take advantage of the new Medicare transfilling reimbursement category enacted January 1, 2007."