I-Flow Corporation is rapidly expanding its reputation in the medical and health care industry as an innovator in acute and chronic pain management. An important fear of most patients having surgery is the expectation of pain after the operation. I-Flow’s product lines for pain management help get patients on their feet faster, allowing for shorter hospital stays and quicker recoveries.

I-Flow manufactures a growing line of compact, portable infusion pumps, catheters and pain kits that administer medication directly to the wound site as well as chemotherapy drugs, antibiotics, nutritional supplements and other medications. The company has continued to introduce reliable, lightweight, portable infusion pumps enabling patients to live ambulatory and, therefore, more productive lifestyles. I-Flow distributes its products throughout the United States, Canada, Europe, Asia, Mexico, Brazil and the Middle East.

Introduction

Incorporated in July 1985, I-Flow is headquartered in Lake Forest, California, in the heart of the growing high technology community of south Orange County.

Acquisitions

A number of recent strategic acquisitions have strengthened I-Flow’s position at the forefront of pain management and infusion technologies. In January of this year, the Company’s acquisition of Spinal Specialties, Inc. (San Antonio, Texas) brought on board custom kit capabilities, pain management expertise and a strong customer base. InfuSystem II, Inc. and Venture Medical, Inc. became a wholly-owned subsidiary of I-Flow in February 1998 under the InfuSystem name. InfuSystem is a market leader in infusion pump management for oncology practices and clinics and is based in Madison Heights, Michigan. I-Flow also acquired Block Medical, Inc., a San Diego-based manufacturer and marketer of ambulatory infusion devices in July 1996.

Strategic Alliances

In June 1999, the company announced a distribution agreement with Ethicon Endo-Surgery, Inc., a Johnson & Johnson Company, under which Ethicon became the exclusive
worldwide distributor of I-Flow’s ON-Q™ Pain Management System for all surgical applications, excluding orthopedics.


B. Braun Medical is a worldwide distributor for Homepump Eclipse®.

**Market Overview & Growth Potential**

Over the last two years, I-Flow dramatically expanded its product line and distribution capabilities to establish itself as a leading player in the pain management arena. This, coupled with the Company’s constant innovations in pain management and infusion technologies, has put I-Flow in a strong position for growth.

The hospital market for I-Flow’s simple and portable infusion technologies is currently a virtually untapped market. There are more than 39 million operative procedures performed in the U.S. every year. I-Flow estimates that more than 10 million per year are excellent candidates for the ON-Q™ and PainBuster® systems. There are also four million live births in the U.S., most of which are targets for Spinal Specialties product lines. Chronic pain affects approximately 45 percent of American adults who could benefit from medical treatment.

The alternate site health care industry has grown significantly in the past few years with ambulatory infusion devices as one of the fastest growing segments. An ambulatory pump allows patients to leave the hospital earlier, making it very attractive to cost-conscious hospitals and to patients who favor home treatment.

**Product Lines**

I-Flow offers the health care professional a complete line of cost-effective infusion therapy devices designed to meet the needs of today’s managed care environment, both in the hospital and alternate site setting. The company also produces custom spinal, epidural and nerve block infusion kits through its wholly-owned subsidiary, Spinal Specialties, Inc.

**Elastomerics**

I-Flow’s complete family of Elastomeric pumps deliver medication from an elastic “balloon” that does not rely on gravity for proper delivery. These pumps are small enough to fit into the patient’s pocket or be clipped to the patient’s clothing, allowing for better mobility and a quicker transition to rehabilitation. This easy-to-use technology provides the health care professional with a device that is both safe and simple enough for patients to use for self-administration. The company’s elastomeric line of products can be used for
pain management medications, antibiotics or other medications that often require complex
protocols for volume and delivery rate.

Elastomeric products include the patented Homepump Eclipse®, Homepump Eclipse “C”
Series and One-Step KVO™.

**Pain Kits**

This new product line through I-Flow Corporation’s January 2000 acquisition of Spinal
Specialties, Inc. includes custom spinal, epidural and nerve block kits. These disposable
products for chronic pain management are tailored to the specific needs of the hospital,
anesthesiologist and pain management clinic. The spinal tray line can be combined with
I-Flow’s infusion systems to create new products for managing acute and chronic pain.

The pain kit product line includes the PainBuster® kit, ON-Q™ Pain Management system,
the C-Bloc Continuous Nerve Block system, the Paragon Epidural kit, and custom spinal,
epidural and discogram trays.

**Soaker™ Catheter**

This new device was granted FDA permission to be marketed for pain management of
large surgical incisions in November 1999. The Soaker Catheter, which attaches to
I-Flow’s diverse line of infusion systems, provides a continuous infusion of a non-narcotic,
local anesthetic directly along incisions for post-operative pain management. It is
available in lengths of 2.5 and 5 inches.

**Syringe Delivery Systems**

I-Flow’s Syringe Delivery Systems are designed to provide accurate intravenous push
delivery from a syringe. It is cost-effective for both single and multiple doses and provides
health care professionals with a safe and accurate alternative to gravity or IV push methods
with a relatively easy learning curve for patients.

Products include Medi-SIS™ 20 and Medi-SIS 60.

**Non-Electronic IV Bag Delivery Systems**

I-Flow’s non-electric products provide a safe and easy-to-use system for controlled
infusion.

Products include the Paragon® ambulatory infusion pump, Paragon Epidural Pump and

**Electronic Pumps**

Products include I-Flow VIP™ which can be used with Voicelink®. Voicelink enables
caregivers to monitor and program the devices for their patients with just a touch-tone
phone. The Vivus 4000® is the only ambulatory, multi-channel, multi-therapy electronic
infusion pump available that provides accurate and safe programming via the computer
with delivery of up to four individual protocols regardless of complexity.
Key Management

Donald M. Earhart
Chairman, President and Chief Executive Officer

James J. Dal Porto
Executive Vice President and Chief Operating Officer

Gayle L. Arnold
Chief Financial Officer

Donald L. Florey
Vice President, Manufacturing

Stan Fry
Vice President, Regulatory and Legal Affairs

Eric T. Fox
Vice President, Domestic Sales

Eric Mabry
Vice President, International Sales and Marketing

Roger Massengale
Vice President, Marketing and Business Development

Kenneth W. Rake
Vice President, Engineering

Board of Directors

Donald M. Earhart
Chairman, President and Chief Executive Officer of I-Flow Corporation

John H. Abeles, M.D.
President of MedVest, Inc.; Director of Dusa Pharmaceuticals, Inc., Encore Medical Group, Inc., PharmaPrint Corp. and Oryx Technology, Inc.

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Executive Vice President and Chief Operating Officer of I-Flow Corporation

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Joel S. Kanter  
*President of Windy City, Inc. and Walnut Financial Services, Inc.; Director of Encore Medical Group, Inc., Magna-Labs, Inc., Mariner Post-Acute Network, Inc. and Walnut Financial Services, Inc.*

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Henry T. Tai, Ph.D., M.D.  
*Practicing consultant in hematology and oncology; academic appointment at University of Southern California School of Medicine*

**Key Management – InfuSystem, Inc.**

Steve E. Watkins  
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Jeffrey P. Lundy  
*Vice President, Sales, Eastern Region*

Danny L. McColl  
*Vice President, Managed Care*

Anthony E. Norkus  
*Vice President, Sales, Western Region*

Matt Mitchell  
*Vice President, Sales, Southern Region*

Janet L. Skonieczny  
*Vice President, Operations*

**Key Management – Spinal Specialties, Inc.**

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