



Liberator Medical Supply Inc. Case Study

Liberator Medical Supply, Inc., a wholly owned subsidiary of Liberator Medical Holdings, Inc., (OTC:LBMH), is one of America's fastest growing, leading national providers of direct to consumer medical supplies, with a prime focus on sterile urinary catheters and urological supplies. The company specializes in servicing patients covered by Medicare, Medicaid and private health insurance. Liberator Medical Supply, Inc. is a wholly owned subsidiary of Liberator Medical Holdings, Inc., (OTC: LBMH). The company offers a simple, reliable way to purchase medical supplies needed on a regular, ongoing and recurring basis with the added convenience of direct billing to Medicare and private insurance.

Background

Seven years ago, Mark Libratore, Founder and CEO of Liberator Medical Holdings, Inc., and his team knew how to create a highly successful medical supply company. They had done it before with their previous company, Liberty Medical Supply, Inc., a supplier of medical supplies for diabetes. With Liberty, Mr. Libratore and his team originated the innovative, advertising-driven marketing model that eventually grew that company into the nation's largest direct-to-consumer diabetic supplier with sales approaching \$1 billion.

Liberty's advertising-driven national marketing model included the creation, execution and supervision of tens-of-millions of dollars in direct-response marketing and multi-media messaging to Medicare-eligible diabetics, generating an unprecedented 10 to 1 return of revenue to advertising spending. This was unheard of in a market where customers were obtained by referrals from physicians, discharge planners, or other health care providers.

In 2001, after selling Liberty to Polymedica Corporation in 1996, Mr. Libratore and his team knew that the same advertising-driven strategy used for diabetic medical supplies would also work for four of the highest growth opportunities in the industry – mastectomy, urology, ostomy and mobility patients. With the proven success of his business model – advertising expenditures drive new sales and revenue-, Mr. Libratore founded Liberator Medical Supply, Inc., offering multiple product lines to meet the needs of the growing Medicare-eligible population.

The rest, as they say, is history, except that, as we all know, advertising is expensive.

Littlebanc Advisors, LLC. | 601 S Federal Hwy, Boca Raton, FL 33432 | 561-922-3700 | www.littlebanc.com



 LIBERATOR MEDICAL SUPPLY, INC. \$3,500,000 PIPE May 2008	 LIBERATOR MEDICAL SUPPLY, INC. \$2,500,000 PIPE October 2008	 LIBERATOR MEDICAL SUPPLY, INC. \$ 7,000,000 Private Placement March 2010
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Study

Liberator joins forces with the Littlebanc Team

From its founding in 2001 until early 2008, Mr. Libratore and his team grew their business by reinvesting their profits into the advertising-driven model. But, in 2007 after Medicare eliminated the rule limiting approval of single-use devices to four per month, Mr. Libratore realized that if they wanted to capitalize on this opportunity for hyper-growth, they would need a large infusion of cash.

This is when they joined forces with Littlebanc, an investment firm with the ability to not only raise capital but also one who would be a true partner for the long haul.

"The Littlebanc team came in and quickly understood our business as well as our capital needs.

They were able to very effectively prepare documents that communicated our story and business model to their impressive funding sources.

This resulted in very quick completion of three capital raises within a two year timeframe with partner-minded investors. And, most importantly, they were able to minimize capital dilution with each capital raise reflecting our improved valuation. They, of course, continue to be our banker and most trusted advisor today. And, our revenue has grown from \$3 million in 2007 to \$29.6 million in 2009."

Mark Libratore, CEO, Liberator Medical Supply, Inc.

May 2010

The Power of Liberator and the Littlebanc Team

Advertising \$\$ Drive Sales

May 2008

\$3.5 m Capital Raise

Valuation \$23.4m

Oct. 2008

\$2.5 m Capital Raise

Valuation \$24.1m

March 2010

\$7.0m Capital Raise

Valuation \$67.2m

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Sales Skyrocket

The Market recognizes Liberator’s Success

LBMH Financial Summary (\$000)

		\$33,457
	\$35,000	
	\$30,000	
	\$25,000	
	\$20,000	
	\$15,000	
	\$10,000	
	\$5,000	
		\$0
\$25,818		
\$21,693		
\$16,768		
\$9,550		
\$6,111		
\$5,562		
\$3,595		
\$2,977		
\$1,787		
FY 2007		
FY 2008		
FY 2009		
LTM Q1 2010		

Liberator Medical Supply Inc. is now in a strong position to achieve financial goals that will continue to build the company and provide ever better value for its shareholders.

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LBMH Price & Market Cap

\$3.00

\$2.00

\$1.00

\$0.00

Share Pricing

Market Capitalization (\$000)

0

50

Revenue

Gross Profit

EBITDA