

May 12, 2011



InfuSystem Holdings, Inc. Reports \$13.0 Million of Revenues and \$3.3 Million of Adjusted EBITDA for the First Quarter of 2011

- *Revenues for the quarter increased 19%*
- *Adjusted EBITDA for the quarter increased to \$3.3 million*
- *Cash from operations increased 47% from prior year*
- *Fourteenth straight quarter of year over year growth*

MADISON HEIGHTS, Mich., May 12, 2011 (GLOBE NEWSWIRE) -- InfuSystem Holdings, Inc. (NYSE Amex:INFU), the leading provider of infusion pumps and related services, today reported results for the first quarter ended March 31, 2011.

Revenues for the first quarter of fiscal 2011 were \$13.0 million compared with \$10.9 million for the prior year, up 19 percent. Adjusted EBITDA for the first quarter of fiscal 2011 was \$3.3 million, versus \$3.2 million a year ago.

Mr. Sean McDevitt, Chief Executive Officer and Chairman, commented, "I am extremely pleased with the first quarter 2011 results. It is clear that the strategic decisions we have made are producing tangible benefits. The increased focus on operational improvements and execution are generating positive results today and position us well for the future. Looking forward, we continue to evaluate additional growth opportunities that would leverage our penetration in the oncology and the infusion markets, our expertise in billing, as well as our strong reputation for customer service."

Revenues for the first quarter ending March 31, 2011 were \$13.0 million, up 19 percent from \$10.9 million in the prior year period. The increase in revenues is related to obtaining business at new customer facilities and expansion into new product lines associated with our acquisitions.

Gross profit for the three months ending March 31, 2011 was \$9.1 million, up 11 percent from \$8.1 million in the prior year period. It represented 70 percent of revenues for the latest year, compared with 74 percent in the prior year period. The decrease in the gross margin percentage was primarily related to higher pump depreciation and disposal costs with a higher mix of pump sales and services, as compared to third party billings.

Selling, general and administrative expenses (SG&A) for the first quarter of fiscal 2011 were \$8.8 million, 33 percent higher than the prior period's \$6.6 million. As a percent of revenues, SG&A was 68 percent compared to 61 percent for the prior period. The

increases were primarily related to an increase in stock based compensation, increased investment in sales and marketing, and expenses associated with the acquired businesses.

Adjusted EBITDA was \$3.3 million for the first quarter of 2011 versus \$3.2 million in the prior period. The company utilizes Adjusted EBITDA as a means to measure its operating performance. A reconciliation from Adjusted EBITDA, a non-GAAP measure, to net income can be found in the appendix.

Other loss for the first quarter of 2011 was \$0.5 million versus \$1.2 million other loss in the prior period, reflecting reduced interest expense and no loss on derivatives. As a result, the first quarter net loss was \$171 thousand, equal to \$0.01 loss per diluted share, versus a \$12 thousand net loss, equal to \$0.00 income per diluted share in the prior period.

Financial Condition

Net cash provided by operations for the first quarter ending March 31, 2011 was \$2.1 million, up 40 percent from \$1.5 million for the prior period. The latest quarter's results reflected higher levels of stock based compensation, depreciation and amortization of intangibles. The company had capital expenditures of \$2.4 million, an increase of \$1.9 million compared to the prior period. The cash balance decreased by \$1.8 million from the previous period and the company ended the quarter with a cash balance of \$3.2 million with \$25.6 million in long-term debt, net of current.

Conference Call

InfuSystem Holdings, Inc. will host a conference call to share the results of its first quarter fiscal 2011 results on Thursday, May 12, at 10:00 a.m. Eastern Time. Chairman and Chief Executive Officer Sean McDevitt and Jim Froisland, Chief Financial Officer, will discuss the company's financial performance and answer questions from the financial community.

The company invites interested investors to listen to the presentation, which will be carried live on the company's Web site: www.infusystem.com in the Investors section. To participate by telephone, the dial-in number is 800-447-0521 with confirmation number 29553628. Those who wish to listen should either dial in or go to the web site several minutes prior to the call to register. A replay of the call can be accessed by dialing 888-843-7419, pass-code 29553628#. An online archive of the conference call will remain on the company's Web site for the following 30 days.

About InfuSystem Holdings, Inc.

InfuSystem Holdings, Inc. is the leading provider of infusion pumps and related services to hospitals, oncology practices and other alternate site healthcare providers. Headquartered in Madison Heights, Michigan, the company delivers local, field-based customer support, and also operates Centers of Excellence in Michigan, Kansas, California, and Ontario, Canada. The company's stock is traded on the NYSE Amex under the symbol INFU.

Forward-Looking Statements

Except for the historical information contained herein, the matters discussed in this press release are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those predicted by such forward-looking statements. These risks and uncertainties include general economic conditions, as well as other risks, detailed from time to time in the company's publicly filed documents.

Additional information about InfuSystem Holdings, Inc. is available at www.infusystem.com.

FINANCIAL TABLES FOLLOW

INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

| <i>(in thousands, except share data)</i> | March 31, | December 31, |
|--|--------------------|-------------------|
| | 2011 | 2010 |
| | <i>(Unaudited)</i> | |
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 3,176 | \$ 5,014 |
| Accounts receivable, less allowance for doubtful accounts of \$1,912 and \$1,796 at March 31, 2011 and December 31, 2010, respectively | 7,056 | 6,679 |
| Inventory | 1,555 | 1,699 |
| Prepaid expenses and other current assets | 699 | 750 |
| Deferred income taxes | <u>1,127</u> | <u>1,147</u> |
| Total Current Assets | 13,613 | 15,289 |
| Property & equipment, net | 16,663 | 16,672 |
| Deferred debt issuance costs, net | 596 | 658 |
| Goodwill | 64,092 | 64,092 |
| Intangible assets, net | 33,416 | 33,252 |
| Other assets | <u>552</u> | <u>401</u> |
| Total Assets | <u>\$ 128,932</u> | <u>\$ 130,364</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Accounts payable | \$ 1,808 | \$ 2,016 |
| Other current liabilities | 4,449 | 4,631 |
| Derivative liabilities | 116 | 183 |
| Current portion of long-term debt | <u>5,900</u> | <u>5,551</u> |

| | | |
|---|-------------------|-------------------|
| Total Current Liabilities | 12,273 | 12,381 |
| Long-term debt, net of current portion | 25,628 | 26,646 |
| Deferred income taxes | 5,642 | 5,788 |
| Other liabilities | <u>407</u> | <u>406</u> |
| Total Liabilities | <u>\$ 43,950</u> | <u>\$ 45,221</u> |
| Stockholders' Equity | | |
| Preferred stock, \$.0001 par value: authorized 1,000,000 shares; none issued | -- | -- |
| Common stock, \$.0001 par value; authorized 200,000,000 shares; issued 21,179,712 and 21,163,337, respectively; outstanding 21,055,953 and 21,117,516, respectively | 2 | 2 |
| Additional paid-in capital | 86,967 | 87,004 |
| Accumulated other comprehensive loss | (17) | (64) |
| Retained (deficit) earnings | <u>(1,970)</u> | <u>(1,799)</u> |
| Total Stockholders' Equity | <u>84,982</u> | <u>85,143</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 128,932</u> | <u>\$ 130,364</u> |

INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

| <i>(in thousands, except share data)</i> | <i>Three Months Ended</i> | |
|---|---------------------------|--------------|
| | <i>March 31</i> | |
| | <u>2011</u> | <u>2010</u> |
| Net revenues | \$ 12,957 | \$ 10,934 |
| Cost of revenues: | | |
| Cost of revenues — Product, service and supply costs | 2,143 | 1,675 |
| Cost of revenues — Pump depreciation, sales and disposals | <u>1,761</u> | <u>1,139</u> |
| Gross profit | <u>9,053</u> | <u>8,120</u> |
| Sales, general and administrative expenses: | | |
| Provision for doubtful accounts | 1,222 | 1,393 |
| Amortization of intangibles | 645 | 487 |
| Selling and marketing | 2,442 | 1,442 |
| General and administrative | <u>4,517</u> | <u>3,306</u> |
| Total sales, general and administrative expenses | <u>8,826</u> | <u>6,628</u> |
| Operating income | 227 | 1,492 |

| | | |
|--------------------------------------|------------------------|-----------------------|
| Other loss: | | |
| Loss on derivatives | -- | (389) |
| Interest expense | (541) | (805) |
| Other expense | <u>(3)</u> | <u>--</u> |
| Total other loss | <u>(544)</u> | <u>(1,194)</u> |
| (Loss) income before income taxes | (317) | 298 |
| Income tax benefit (expense) | <u>146</u> | <u>(310)</u> |
| Net loss | <u><u>\$ (171)</u></u> | <u><u>\$ (12)</u></u> |
| Net loss per share: | | |
| Basic and diluted | \$ (0.01) | \$ (0.00) |
| Weighted average shares outstanding: | | |
| Basic and diluted | 21,102,312 | 19,903,611 |

INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

| <i>(in thousands)</i> | <i>Three Months Ended</i> | |
|--|---------------------------|-------------|
| | <i>March 31</i> | |
| | <u>2011</u> | <u>2010</u> |
| OPERATING ACTIVITIES | | |
| Net (loss) | \$ (171) | \$ (12) |
| <i>Adjustments to reconcile net (loss) to net cash provided by operating activities:</i> | | |
| Loss on derivative liabilities | -- | 389 |
| Provision for doubtful accounts | 1,222 | 1,393 |
| Depreciation | 1,558 | 1,141 |
| Loss on disposal of pumps | 271 | 65 |
| Amortization of intangible assets | 645 | 487 |
| Amortization of deferred debt issuance costs | 62 | 107 |
| Stock-based compensation | 248 | 100 |
| Deferred income taxes | (146) | -- |
| <i>Changes in assets and liabilities, exclusive of effects of acquisitions:</i> | | |
| (Increase) in accounts receivable, net of provision | (1,599) | (2,392) |
| Decrease in other current assets | 195 | 60 |
| (Increase) in other assets | (11) | (7) |
| (Decrease) increase in accounts payable and other liabilities | <u>(152)</u> | <u>132</u> |

| | | |
|---|------------------------|------------------------|
| <i>NET CASH PROVIDED BY OPERATING ACTIVITIES</i> | <u>2,122</u> | <u>1,463</u> |
| <i>INVESTING ACTIVITIES</i> | | |
| Capital expenditures | <u>(2,438)</u> | <u>(537)</u> |
| <i>NET CASH USED IN INVESTING ACTIVITIES</i> | <u>(2,438)</u> | <u>(537)</u> |
| <i>FINANCING ACTIVITIES</i> | | |
| Principal payments on term loan | (1,030) | (818) |
| Treasury shares repurchased | (229) | |
| Principal payments on capital lease obligations | <u>(263)</u> | <u>(140)</u> |
| <i>NET CASH USED IN FINANCING ACTIVITIES</i> | <u>(1,522)</u> | <u>(958)</u> |
| <i>Net change in cash and cash equivalents</i> | (1,838) | (32) |
| <i>Cash and cash equivalents, beginning of period</i> | <u>5,014</u> | <u>7,750</u> |
| <i>Cash and cash equivalents, end of period</i> | <u><u>\$ 3,176</u></u> | <u><u>\$ 7,718</u></u> |

INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES
GAAP RECONCILIATION
(UNAUDITED)

| <i>(in thousands, except share data)</i> | <i>Three Months Ended</i> | |
|--|---------------------------|------------------------|
| | <u>March 31</u> | |
| | <u>2011</u> | <u>2010</u> |
| Net loss | \$ (171) | \$ (12) |
| Adjustments: | | |
| Interest expense | 541 | 805 |
| Income tax (benefit) expense | (146) | 310 |
| Depreciation | 1,558 | 1,141 |
| Amortization | <u>645</u> | <u>487</u> |
| EBITDA | <u>2,427</u> | <u>2,731</u> |
| Adjustments: | | |
| Loss on derivatives | -- | 389 |
| Stock based compensation | 248 | 100 |
| Sales incentives and related expense | 391 | -- |
| Acquisition related expenses | <u>185</u> | <u>--</u> |
| Adj. EBITDA | <u><u>\$ 3,251</u></u> | <u><u>\$ 3,220</u></u> |

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