

August 5, 2010



InfuSystem Holdings Reports 14% Revenue Increase and \$3.2 Million of Adjusted EBITDA for the Second Quarter of 2010

MADISON HEIGHTS, MI--(Marketwire - August 5, 2010) - InfuSystem Holdings, Inc. (OTCBB: INHI) (OTCBB: INHIW) (OTCBB: INHIU), the leading provider of infusion pumps and associated products and services, today announced financial results and provided a business update for the second quarter ended June 30, 2010.

Revenue for the second quarter ended June 30, 2010 was \$10.5 million, a 14% improvement compared to \$9.2 million for the same period in 2009. The increase in revenue was predominantly the result of maturation of new accounts signed during the past several months combined with continued growth of new customers gained during the period.

Mr. Sean McDevitt, Chief Executive Officer, commented, "In the second quarter we continued to experience growth in our ambulatory infusion business. With our recent milestone acquisition of First Biomedical, Inc., InfuSystem has successfully broadened our service offerings to our oncology customers and now serves an even larger infusion market, including outside of oncology. Furthermore, the acquisition diversifies our revenue sources and provides us with numerous complementary opportunities that will continue to fuel our strong organic growth. In addition, InfuSystem continues to explore additional complementary businesses as potential acquisition candidates to further bolster our long term growth prospects."

Financial Results for the Second Quarter 2010

Revenue for the second quarter ended June 30, 2010 was \$10,487,000, a 14% improvement compared to \$9,173,000 for the same period in 2009. The increase in revenues is primarily due to increased penetration at facilities added during the past few months, as therapies are initiated for more and more patients at these facilities, combined with the addition of new customer accounts won during the quarter.

Adjusted EBITDA for the second quarter ended June 30, 2010 was \$3,171,000, a 3% improvement compared to \$3,083,000 for the same period in 2009. The increase in EBITDA for the second quarter of 2010 was primarily due to higher gross profit, partially offset by higher provision for doubtful accounts and higher selling expenses. The Company defines Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, and excludes gain (loss) on derivative financial instruments and stock-based compensation, and other non-recurring charges. Adjusted EBITDA is not a measure of performance calculated in accordance with generally accepted accounting principles in the United States ("GAAP").

The Company believes the presentation of Adjusted EBITDA is a relevant and useful measure to assist a reader's ability to understand the Company's operating performance. The Company's management likewise utilizes Adjusted EBITDA as a means to measure its operating performance. Reconciliation from Adjusted EBITDA, a non-GAAP measure, to net income can be found in the appendix.

The acquisition of First Biomedical in the final weeks of our second quarter had significant one-time impacts on our financial reporting. Operating loss for the second quarter of 2010 was (\$254,000), compared to operating income of \$1,344,000 for the same period in 2009. The decrease in operating income was primarily due to costs related to the recent First Biomedical acquisition, higher stock-based compensation expense and higher provision for doubtful accounts, partially offset by higher gross profit. Costs related to the acquisition of First Biomedical totaled approximately \$785,000 in the second quarter. Net income for the second quarter of 2010 was \$135,000 or \$0.01 per diluted share, compared to net income of \$2,760,000 or \$0.15 per diluted share, for the same period in 2009. Net income for the second quarter of 2010 included a (\$71,000) loss on derivative financial instruments, which was predominantly attributable to the change in the value of the Company's warrants, compared to a \$2,006,000 gain on derivative financial instruments in the second quarter of 2009.

Total cash and cash equivalents were \$3,016,000 at the end of the second quarter, compared to \$7,750,000 at the end of 2009. As of June 30, 2010, InfuSystem had \$34,246,000 of debt outstanding, compared to \$24,141,000 at year end 2009. Both the decrease in cash and the increase in debt, as compared to year end 2009, are primarily related to the acquisition of First Biomedical and the refinancing of the Company's debt, partially offset by continued strong operating cash flows. The Company also had a \$5,000,000 undrawn revolving credit facility in place at June 30, 2010.

Conference Call

The company will host an investor conference call today at 5:00 p.m. ET to discuss its financial results for the second quarter 2010. The investor conference call will be available via live webcast on InfuSystem's website at www.infusystem.com in the Investors section. To participate by telephone, the dial-in number is (888) 713-4485. The access code is 9667934. Investors are advised to dial into the call at least ten minutes prior to the call to register. A replay of the call can be accessed by dialing (888) 203-1112, confirmation number 9667934. An online archive of the conference call will remain on the Company's website for at least 90 days after the call.

About InfuSystem Holdings, Inc.

InfuSystem is the leading supplier of infusion services to oncologists and other outpatient treatment settings. The Company provides pole mounted and ambulatory pumps, supplies and related clinical, biomedical and billing services to practices and patients, nationwide. The Company's unique suite of services appeals to practices, patients and payors by improving access to clinically necessary medical equipment, while driving down costs and maximizing clinical outcomes.

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 InfuSystem's publicly filed documents.

INFUSYSTEM HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS

| (in thousands, except share data) | June 30, 2010 | December 31, 2009 |
|---|------------------|----------------------|
| | ----- | ----- |
| | (Unaudited) | |
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 3,016 | \$ 7,750 |
| Accounts receivable, less allowance for doubtful accounts of \$2,178 and \$1,842 at June 30, 2010 and December 31, 2009, respectively | 7,459 | 5,517 |
| Inventory | 1,650 | 925 |
| Prepaid expenses and other current assets | 614 | 395 |
| Deferred income taxes | 255 | 125 |
| | ----- | ----- |
| Total Current Assets | 12,994 | 14,712 |
| Property & equipment, net | 16,994 | 13,499 |
| Deferred debt issuance costs, net | 804 | 781 |
| Goodwill | 64,068 | 56,580 |
| Intangible assets, net | 34,312 | 28,911 |
| Other assets | 286 | 207 |
| | ----- | ----- |
| Total Assets | \$ 129,458 | \$ 114,690 |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Accounts payable | \$ 1,893 | \$ 1,306 |
| Other current liabilities | 2,219 | 1,573 |
| Derivative liabilities | 750 | 2,670 |
| Current portion of long-term debt; December 31, 2009 includes \$4,928 payable to Kimberly-Clark (I-Flow) | 5,011 | 5,501 |
| | ----- | ----- |
| Total Current Liabilities | 9,873 | 11,050 |
| Long-term debt, net of current portion; December 31, 2009 includes \$16,757 payable to Kimberly-Clark (I-Flow) | 29,235 | 18,640 |
| Deferred income taxes | 5,354 | 3,314 |
| Other Liabilities | 488 | 221 |
| | ----- | ----- |
| Total Liabilities | \$ 44,950 | \$ 33,225 |
| | ----- | ----- |
| 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 and outstanding 19,869,239 and 18,734,144, respectively | 2 | 2 |
| Additional paid-in capital | 84,330 | 81,410 |

| | | |
|--|------------|------------|
| Retained earnings | 176 | 53 |
| Total Stockholders' Equity | 84,508 | 81,465 |
| Total Liabilities and Stockholders' Equity | \$ 129,458 | \$ 114,690 |

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|----------|------------------------------|-----------|
| | 2010 | 2009 | 2010 | 2009 |
| (in thousands, except per share data) | | | | |
| Net revenues | \$ 10,487 | \$ 9,173 | \$ 21,421 | \$ 18,400 |
| Operating expenses: | | | | |
| Cost of Revenues -- | | | | |
| Product and supply costs | 1,719 | 1,384 | 3,394 | 2,654 |
| Cost of Revenues -- Pump depreciation and disposals | 1,248 | 894 | 2,387 | 1,734 |
| Provision for doubtful accounts | 1,076 | 875 | 2,469 | 1,844 |
| Amortization of intangibles | 534 | 457 | 991 | 914 |
| Selling and marketing | 1,595 | 1,419 | 3,036 | 2,739 |
| General and administrative | 4,569 | 2,800 | 7,905 | 5,910 |
| Total Operating Expenses | 10,741 | 7,829 | 20,182 | 15,795 |
| Operating (loss) income | (254) | 1,344 | 1,239 | 2,605 |
| Other (loss) income: | | | | |
| (Loss) gain on derivatives | (71) | 2,006 | (460) | (636) |
| Interest expense | (1,366) | (851) | (2,172) | (1,837) |
| Other income | 1,118 | - | 1,118 | - |
| Total other (loss) income | (319) | 1,155 | (1,514) | (2,473) |
| (Loss) income before income taxes | (573) | 2,499 | (275) | 132 |
| Income tax benefit | 708 | 261 | 398 | 121 |
| Net income | 135 | 2,760 | 123 | 253 |
| Net income per share: | | | | |
| Basic | 0.01 | 0.15 | 0.01 | 0.01 |
| Diluted | 0.01 | 0.15 | 0.01 | 0.01 |
| Weighted average shares | | | | |

| | | | | |
|--------------|------------|------------|------------|------------|
| outstanding: | | | | |
| Basic | 19,798,719 | 18,566,748 | 19,353,638 | 18,549,389 |
| Diluted | 20,811,813 | 18,943,962 | 19,922,468 | 18,915,995 |

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

| (in thousands) | Six Months Ended June 30 | |
|---|-----------------------------|----------------|
| | 2010 | 2009 |
| OPERATING ACTIVITIES | | |
| Net Income | 123 | 253 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Loss on derivative liabilities | 460 | 636 |
| Gain on extinguishment of long-term debt | (1,118) | - |
| Provision for doubtful accounts | 2,469 | 1,844 |
| Depreciation and loss on disposal of pumps | 2,559 | 2,093 |
| Amortization of intangible assets | 991 | 914 |
| Amortization of deferred debt issuance costs | 834 | 264 |
| Stock-based compensation | 997 | 545 |
| Deferred income taxes | (814) | 787 |
| Changes in assets and liabilities, exclusive of effects of acquisitions: | | |
| Increase in accounts receivable, net of provision | (2,682) | (2,653) |
| Increase in other current assets | (318) | (1,317) |
| Increase in other assets | (906) | (511) |
| Increase in accounts payable and other liabilities | 1,134 | 657 |
| Decrease in derivative liabilities from termination of interest rate swap | (365) | - |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 3,364 | 3,512 |
| INVESTING ACTIVITIES | | |
| Capital expenditures | (743) | (2,672) |
| Cash paid for acquisition, net of cash acquired | (16,418) | - |
| Proceeds from sale of property | - | 1 |
| Other assets | - | (18) |
| NET CASH USED IN INVESTING ACTIVITIES | (17,161) | (2,689) |
| FINANCING ACTIVITIES | | |
| Principal payments on term loan | (20,568) | (6,929) |
| Cash proceeds from term loan | 30,000 | - |
| Common stock repurchased to satisfy statutory withholding on Stock-based compensation | (38) | - |
| Principal payments on capital lease obligation | (331) | (43) |

| | | |
|--|---------|---------|
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | 9,063 | (6,972) |
| Net change in cash and cash equivalents | (4,734) | (6,149) |
| Cash and cash equivalents, beginning of period | 7,750 | 11,513 |
| Cash and cash equivalents, end of period | 3,016 | 5,364 |

INFUSYSTEM HOLDINGS, INC.
GAAP RECONCILIATION
(UNAUDITED)

Reconciliation from Net Income to Adjusted EBITDA

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------------------|-----------------------------------|----------|---------------------------------|----------|
| | 2010 | 2009 | 2010 | 2009 |
| Net Income | \$ 135 | \$ 2,760 | \$ 123 | \$ 253 |
| Adjustments: | | | | |
| Interest expense | 1,366 | 851 | 2,172 | 1,837 |
| Income tax benefit | (708) | (261) | (398) | (121) |
| Depreciation | 1,209 | 1,015 | 2,380 | 1,886 |
| Amortization | 534 | 457 | 991 | 914 |
| EBITDA | \$ 2,536 | \$ 4,822 | \$ 5,268 | \$ 4,769 |
| Adjustments: | | | | |
| Loss (gain) on derivatives | 71 | (2,006) | 460 | 636 |
| Stock based compensation | 897 | 267 | 997 | 545 |
| Acquisition costs | 785 | - | 785 | - |
| Gain on debt extinguishment | (1,118) | - | (1,118) | - |
| Adj. EBITDA | \$ 3,171 | \$ 3,083 | \$ 6,392 | \$ 5,950 |

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