

August 11, 2009



## **InfuSystem Holdings Reports \$9.2 Million of Revenue and \$3.1 Million of Adjusted EBITDA for the Second Quarter of 2009**

MADISON HEIGHTS, MI--(Marketwire - August 11, 2009) - InfuSystem Holdings, Inc. (OTCBB: INHI) (OTCBB: INHIW) (OTCBB: INHIU), the leading provider of ambulatory infusion pumps and associated clinical services, today announced financial results and provided a business update for the second quarter ended June 30, 2009.

Revenue for the second quarter ended June 30, 2009 was \$9.2 million, a 4% improvement compared to \$8.8 million for the same period in 2008. The increase in revenue was a result of obtaining business at new customer facilities and increased reimbursement.

Mr. Steve Watkins, Chief Executive Officer, commented, "During the second quarter, we implemented a number of broad strategic changes within our organization that position us for the future and significantly enhance our long-term prospects. Foremost among these was a substantial reorganization of our sales force, led by our new chief commercial officer, Bryan Russo. In addition, we have taken steps to improve our operational efficiency. We are confident these changes will have a lasting and positive impact."

Mr. Watkins continued, "Another important development during the quarter was our accreditation from the Community Health Accreditation Program (CHAP). All durable medical equipment (DME) suppliers are required by the Centers for Medicare and Medicaid Services (CMS) to obtain accreditation by September 30, 2009 in order to retain their Medicare Part B DME supplier number allowing them to receive reimbursement on submitted claims."

"We continue to generate strong cash flow, as evidenced by \$3.1 million of adjusted EBITDA for the second quarter of 2009. This strong cash flow has allowed us to reduce our term note by over \$6.9 million since the beginning of 2009. Looking ahead, we remain confident in the long-term outlook for the company and the industry."

### **Financial Results**

Revenue for the second quarter ended June 30, 2009 was \$9.2 million, a 4% improvement compared to \$8.8 million for the same period in 2008. Operating income for the second quarter of 2009 was \$1.3 million versus operating income of \$1.1 million for the same period in 2008. The increase in operating income for the second quarter of 2009 was primarily due to revenue growth, which was partially offset by an increase in selling and marketing expenses.

The net income for the second quarter of 2009 was \$2.8 million, or \$0.15 per diluted share,

compared to a net loss of (\$1.8) million or (\$0.10) per diluted share, for the same period in 2008. The net income for the second quarter of 2009 included a \$2.0 million gain on derivative financial instruments, which was predominantly attributable to the decrease in the publicly traded value of the Company's warrants during the quarter, compared to a (\$1.9) million loss on derivative financial instruments in the second quarter of 2008.

Adjusted EBITDA for the second quarter ended June 30, 2009 was \$3.1 million, compared to \$3.2 million for the same period in 2008. Adjusted EBITDA was impacted in the quarter as a result of our sales force reorganization. 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. 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.

Total cash and cash equivalents were \$5.4 million at the end of the second quarter, compared to \$11.5 million at the end of 2008. At the end of the second quarter, InfuSystem had \$23.7 million of debt outstanding, compared to \$30.7 million at year end 2008.

#### Conference Call

The company will host an investor conference call today at 4:30 p.m. ET to discuss its financial results for the second quarter 2009. The investor conference call will be available via live webcast on InfuSystem's website at [www.infusystem.com](http://www.infusystem.com) in the Investors section. To participate by telephone, the dial-in number is (888) 500-6974. The access code is 1747857. 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 1747857. 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 provider of ambulatory infusion pumps and associated clinical services for oncology practices and their patients in the U.S. These pumps allow for the gradual delivery of a drug over a period of days in the privacy of one's home, compared to bolus infusion chemotherapy treatments that are given in a single high dose over a short period of time. Improved efficacy of the drugs, patient comfort, reimbursement to doctors for appropriate services and continuity of care all play a role in the growing trend toward this form of treatment. InfuSystem's pumps are primarily used for colorectal cancer, but they have been approved for other forms of cancer, thereby greatly enhancing the market opportunity for InfuSystem.

#### 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,<br>2009     | December 31,<br>2008 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                                                                                                                                               | -----<br>(Unaudited) | -----                |
| <b>ASSETS</b>                                                                                                                                                                                                                 |                      |                      |
| <b>Current Assets:</b>                                                                                                                                                                                                        |                      |                      |
| Cash and cash equivalents                                                                                                                                                                                                     | \$ 5,364             | \$ 11,513            |
| Accounts receivable, less allowance for doubtful accounts of \$1,564 and \$1,552 at June 30, 2009 and December 31, 2008, respectively; June 30, 2009 and December 31, 2008 include \$8 and \$72 due from I-Flow, respectively | 4,977                | 4,168                |
| Accounts receivable - federal income taxes                                                                                                                                                                                    | 1,317                | -                    |
| Inventory                                                                                                                                                                                                                     | 774                  | 391                  |
| Prepaid expenses and other current assets                                                                                                                                                                                     | 804                  | 676                  |
|                                                                                                                                                                                                                               | -----                | -----                |
| Total Current Assets                                                                                                                                                                                                          | 13,236               | 16,748               |
| Property & equipment, net                                                                                                                                                                                                     | 12,445               | 10,878               |
| Deferred debt issuance costs, net                                                                                                                                                                                             | 1,011                | 1,276                |
| Goodwill                                                                                                                                                                                                                      | 56,580               | 56,580               |
| Intangible assets, net                                                                                                                                                                                                        | 29,825               | 30,738               |
| Other assets                                                                                                                                                                                                                  | 18                   |                      |
|                                                                                                                                                                                                                               | -----                | -----                |
| Total Assets                                                                                                                                                                                                                  | \$ 113,115           | \$ 116,220           |
|                                                                                                                                                                                                                               | =====                | =====                |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                                                                                                                                   |                      |                      |
| <b>Current Liabilities:</b>                                                                                                                                                                                                   |                      |                      |
| Accounts payable                                                                                                                                                                                                              | \$ 2,101             | \$ 1,012             |
| Deferred income taxes                                                                                                                                                                                                         | 54                   | 55                   |
| Other current liabilities                                                                                                                                                                                                     | 1,495                | 939                  |
| Derivative liabilities                                                                                                                                                                                                        | 3,229                | 2,592                |
| Current portion of long-term debt; June 30, 2009 and December 31, 2008 include \$3,270 and \$8,565 payable to I-Flow, respectively                                                                                            | 3,353                | 8,644                |
|                                                                                                                                                                                                                               | -----                | -----                |
| Total Current Liabilities                                                                                                                                                                                                     | 10,232               | 13,242               |
| Long-term debt, net of current portion; June 30, 2009 and December 31, 2008 include \$20,050 and \$21,685 payable to I-Flow, respectively                                                                                     | 20,344               | 22,025               |
| Deferred income taxes                                                                                                                                                                                                         | 1,668                | 880                  |
|                                                                                                                                                                                                                               | -----                | -----                |
| Total Liabilities                                                                                                                                                                                                             | \$ 32,244            | \$ 36,147            |
|                                                                                                                                                                                                                               | -----                | -----                |
| <b>Stockholders' Equity</b>                                                                                                                                                                                                   |                      |                      |
| Preferred stock, \$.0001 par value: authorized 1,000,000 shares; none issued                                                                                                                                                  |                      | -                    |
| Common stock, \$.0001 par value: authorized 200,000,000 shares; issued 18,635,671 and 18,512,671, respectively; outstanding 18,635,671 and 17,278,626, respectively                                                           | 2                    | 2                    |
| Additional paid-in capital                                                                                                                                                                                                    | 81,337               | 80,792               |
| Retained deficit                                                                                                                                                                                                              | (468)                | (721)                |

|                                            |            |            |
|--------------------------------------------|------------|------------|
| Total Stockholders' Equity                 | 80,871     | 80,073     |
| Total Liabilities and Stockholders' Equity | \$ 113,115 | \$ 116,220 |

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

| (in thousands, except per<br>share data) | Three Months Ended<br>June 30, |            | Six Months Ended<br>June 30, |            |
|------------------------------------------|--------------------------------|------------|------------------------------|------------|
|                                          | 2009                           | 2008       | 2009                         | 2008       |
| Net revenues                             | \$ 9,173                       | \$ 8,835   | \$ 18,400                    | \$ 17,365  |
| Operating expenses:                      |                                |            |                              |            |
| Cost of Revenues --                      |                                |            |                              |            |
| Product and supply costs                 | 1,384                          | 1,377      | 2,654                        | 2,842      |
| Cost of Revenues -- Pump<br>depreciation | 894                            | 967        | 1,734                        | 1,930      |
| Provision for doubtful<br>accounts       | 875                            | 914        | 1,844                        | 1,775      |
| Amortization of<br>intangibles           | 457                            | 457        | 914                          | 914        |
| Selling and marketing                    | 1,419                          | 1,193      | 2,739                        | 2,270      |
| General and<br>administrative            | 2,800                          | 2,848      | 5,910                        | 6,034      |
| Total Operating Expenses                 | 7,829                          | 7,756      | 15,795                       | 15,765     |
| Operating income                         | 1,344                          | 1,079      | 2,605                        | 1,600      |
| Other income (loss):                     |                                |            |                              |            |
| Gain (loss) on<br>derivatives            | 2,006                          | (1,947)    | (636)                        | 3,284      |
| Interest income                          | 1                              | -          | 4                            | 3          |
| Interest expense                         | (852)                          | (933)      | (1,841)                      | (1,891)    |
| Total other income (loss)                | 1,155                          | (2,880)    | (2,473)                      | 1,396      |
| Income (loss) before<br>income taxes     | 2,499                          | (1,801)    | 132                          | 2,996      |
| Income tax benefit                       | 261                            | -          | 121                          | -          |
| Net income (loss)                        | 2,760                          | (1,801)    | 253                          | 2,996      |
| Net income (loss) per share:             |                                |            |                              |            |
| Basic                                    | 0.15                           | (0.10)     | 0.01                         | 0.17       |
| Diluted                                  | 0.15                           | (0.10)     | 0.01                         | 0.16       |
| Weighted average shares<br>outstanding:  |                                |            |                              |            |
| Basic                                    | 18,566,748                     | 17,996,437 | 18,549,389                   | 17,410,366 |
| Diluted                                  | 18,943,962                     | 17,996,437 | 18,915,995                   | 18,442,363 |

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

|                                                                                   | Six Months Ended June 30 |              |
|-----------------------------------------------------------------------------------|--------------------------|--------------|
| (in thousands)                                                                    | 2009                     | 2008         |
| <b>OPERATING ACTIVITIES</b>                                                       |                          |              |
| Net Income                                                                        | 253                      | 2,996        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                          |              |
| Loss (gain) on derivative liabilities                                             | 636                      | (3,284)      |
| Provision for doubtful accounts                                                   | 1,844                    | 1,775        |
| Depreciation                                                                      | 1,886                    | 2,016        |
| Amortization of intangible assets                                                 | 914                      | 914          |
| Amortization of deferred debt issuance costs                                      | 264                      | 338          |
| Loss on disposal of assets                                                        | 207                      | 302          |
| Stock-based compensation                                                          | 545                      | 687          |
| Deferred income taxes                                                             | 787                      | -            |
| Changes in current assets and liabilities:                                        |                          |              |
| (Increase) decrease in accounts receivable, net of provision                      | (2,653)                  | 104          |
| Increase in accounts receivable - federal income taxes                            | (1,317)                  | -            |
| (Increase) decrease in prepaid expenses and other current assets                  | (511)                    | 830          |
| Increase (decrease) in accounts payable and other current liabilities             | 657                      | (747)        |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>                                  | <b>3,512</b>             | <b>5,931</b> |
| <b>INVESTING ACTIVITIES</b>                                                       |                          |              |
| Capital expenditures                                                              | (2,672)                  | (575)        |
| Proceeds from sale of property                                                    | 1                        | -            |
| Other assets                                                                      | (18)                     | -            |
| Payment of deferred acquisition costs                                             | -                        | (105)        |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                                      | <b>(2,689)</b>           | <b>(680)</b> |
| <b>FINANCING ACTIVITIES</b>                                                       |                          |              |
| Principal payments on term loan                                                   | (6,929)                  | (818)        |
| Principal payments on capital lease obligation                                    | (43)                     | (20)         |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                                      | <b>(6,972)</b>           | <b>(838)</b> |
| Net change in cash and cash equivalents                                           | (6,149)                  | 4,413        |
| Cash and cash equivalents, beginning of period                                    | 11,513                   | 3,960        |
| Cash and cash equivalents, end of period                                          | 5,364                    | 8,373        |

(UNAUDITED)

| Reconciliation from Net Income to Adjusted EBITDA: | Three Months Ended<br>June 30, |            |
|----------------------------------------------------|--------------------------------|------------|
|                                                    | 2009                           | 2008       |
| Net Income                                         | \$ 2,760                       | \$ (1,801) |
| Adjustments:                                       |                                |            |
| Interest expense                                   | 852                            | 933        |
| Interest income                                    | (1)                            | -          |
| Income tax benefit                                 | (261)                          | -          |
| Depreciation -- Pumps                              | 894                            | 967        |
| Depreciation -- Other                              | 121                            | 45         |
| Amortization                                       | 457                            | 457        |
| EBITDA                                             | \$ 4,822                       | \$ 601     |
| Adjustments:                                       |                                |            |
| Loss (gain) on derivatives                         | (2,006)                        | 1,947      |
| Stock based compensation                           | 267                            | 687        |
| Adj. EBITDA                                        | \$ 3,083                       | \$ 3,235   |
|                                                    | =====                          | =====      |

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