

December 20, 2010



Natus Medical Announces 2011 Annual and First Quarter Financial Guidance

SAN CARLOS, Calif.-- Natus Medical Incorporated (Nasdaq:BABY) today announced its financial guidance for the first quarter and full year 2011.

For the full year 2011, the Company expects to report revenue of \$247 million to \$250 million and non-GAAP earnings per share of \$0.77 to \$0.80. For the first quarter of 2011, the Company expects to report revenue of \$56.5 million to \$58.5 million and non-GAAP earnings per share of \$0.10 to \$0.12.

The Company's full year and first quarter 2011 non-GAAP earnings per share guidance excludes amortization expense associated with acquisition-related intangible assets, which the Company expects to be approximately \$5 million and \$1.2 million for the full year and first quarter 2011, respectively, and which the Company expects will reduce GAAP earnings per share by approximately \$0.11 and \$0.03 in the respective periods. The non-GAAP earnings per share guidance for both periods also excludes the effects of restructuring charges that the Company expects to incur in 2011 associated with recent acquisitions, the amount and timing of which have not yet been determined, as well as the impact any future acquisitions might have on its results of operations.

The Company's non-GAAP guidance includes the impact of expensing employee share based compensation. All earnings per share amounts are on a diluted basis.

Use of Non-GAAP Financial Guidance

This release contains financial guidance that excludes amortization of acquisition related intangible assets, restructuring charges, and the impact future potential acquisitions may have on results of operations. The Company believes that the presentation of financial guidance excluding these factors provides meaningful information to both management and investors that is indicative of the Company's core operating results. Therefore, the Company believes its non-GAAP financial guidance facilitates comparison of operating results across reporting periods.

About Natus Medical Incorporated

Natus is a leading provider of healthcare products used for the screening, detection, treatment, monitoring and tracking of common medical ailments such as hearing impairment, neurological dysfunction, epilepsy, sleep disorders, and newborn care. Product offerings include computerized neurodiagnostic systems for audiology, neurology, polysomnography, and neonatology, as well as newborn care products such as hearing screening systems, phototherapy devices for the treatment of newborn jaundice, head-cooling products for the treatment of brain injury in newborns, and software systems for managing and tracking disorders and diseases for public health laboratories.

Additional information about Natus Medical can be found at www.natus.com.

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, particularly statements regarding the expectations, beliefs, plans, intentions and strategies of Natus. These forward-looking statements include statements regarding the anticipated revenue and non-GAAP earnings per share for the first quarter and full year 2011, the impact of amortization expense associated with acquisition-related intangible assets, the potential for future restructuring charges, and the potential for future acquisitions. These statements relate to current estimates and assumptions of our management as of the date of this press release, and future events or Natus' future financial performance or results, and involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance, or achievements to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements are only predictions and the actual events or results may differ materially. Natus cannot provide any assurance that its future results or the results implied by the forward-looking statements will meet expectations. Our future results could differ materially due to a number of factors, including the effects of competition, the demand for our products and services, the impact of adverse global economic conditions on our target markets, our ability to expand our sales in international markets, our ability to maintain current sales levels in a mature domestic market, our ability to control costs, and risks associated with bringing new products to market, integrating acquired businesses, and our ability to fulfill product orders on a timely basis. Natus disclaims any obligation to update information contained in any forward-looking statement.

More information about potential risk factors that could affect the business and financial results of Natus is included in Natus' annual report on Form 10-K for the year ended December 31, 2009, and its quarterly reports on Form 10-Q, and in other reports filed from time to time by Natus with the U.S. Securities and Exchange Commission.

Source: Natus Medical Incorporated