



Health Robotics Reports Record-Breaking Revenues, EBITDA, Net Profits, and Cash-Flow for its Fiscal Year 2009

Bozen, Sud-Tirol, Italy – March 15th, 2010. Health Robotics today announced FY2009 results, delivering once again record levels of revenues, profits and cash flow, overcoming a difficult global economic climate and the short-term consequences of its decision to terminate non-performing sales and service channels in North America and Asia-Pacific.

"We are obviously very proud of FY2009 results, which reflect: our strength and relative immunity versus the global economic crisis; our continued dominance of the world's IV Automation sector; and our resilience in quickly overcoming the decision to terminate Devon and its short-term financial consequences. I'm also satisfied to see that while our direct IV Robotics competitors fail to even disclose financial results, with tens of millions of dollars in debt and massive lay-offs as their only available public information, Health Robotics has no debt, has improved its cash-on-hand position ten-fold [\$1.6M] year-over-year, and for the second consecutive year distributes in excess of two million US dollars in cash dividends to its shareholders" stated Werner Rainer, CEO of Health Robotics.

Gross Revenues in FY2009 were \$15.1 million, a 31% increase year-over-year as the company began to record the benefits of its multi-product offering and continued to profit from its recurring revenue model and growth in both products and customer base.

Gross Margins including extraordinary items in FY2009 were \$8 million, in line with the prior annual period, as the company recorded an extraordinary charge of bad debt in connection with the termination of Devon. Not including the effects of the extraordinary Devon's items, Gross Margins in FY2009 were \$10.7 million, a 32% increase year-over-year. Operating Expenses in FY2009 were \$3.4 million, a \$1.3 million decrease year-over-year, as the company benefited from consolidating intellectual property and research and development activities into a single location, and profiting from the cost advantages associated with in-sourcing of intellectual property and manufacturing operations at Trieste as opposed to Loccioni Group's outsourcing operations at Ancona.

EBIDTA Earnings in FY2009 including extraordinary items were \$4.6 million, a 38% increase year-over-year as the company recorded EBITDA Earnings of 37% of revenues versus 29% in the prior annual period. Not including the effects of extraordinary items, EBITDA Earnings in FY2009 were \$7.2 million, a 117% increase year-over-year.

Net Profits including extraordinary items were \$2.56 million, a 10.1% increase year-over-year [17% of revenues]. Excluding extraordinary items, Health Robotics' Net Profits in FY2009 were \$4.9 million, a 115% increase year-over-year [34% of revenues].



“While it was obviously stressful to make drastic changes to our distribution channels and to take a \$2.4 million extraordinary charge to earnings in FY2009, our decision to irrevocably terminate Devon was consistent with the importance to Health Robotics of customer satisfaction and the long-term success of the business over short-term financial gain. Devon was more preoccupied suing¹ and making legal threats to its own customers and investors than with staffing service levels to provide adequate customer support, while concurrently failing to pay Health Robotics during a six-month period for CytoCare leases and service fees in connection with its customer installations in America and China, hence our decision to terminate Devon’s contracts for cause. We have now put this unfortunate situation behind the company, without any lawsuits² ever filed against Health Robotics by anyone anywhere in the world, and starting anew with fiscally responsible and customer-focused sales and service channels, such as McKesson, SinoPharm, and HRCI. We will continue to assist as much as legally possible the innocent victims of Devon’s actions and omissions: hospitals who are now unfortunately embarked in a trail of lawsuits and legal threats to them by Devon’s seeking payments from hospitals for services which Devon didn’t perform and for which Devon did not pay to Health Robotics, as the bad debt write-offs on our financial statements (attached hereto) denote” concluded Mr. Rainer.

Additionally, Health Robotics reached many other important non-financial milestones and success highlights during FY2009: we reached the 50-hospital customer mark with CytoCare; we installed our second robot for hospital pharmacies [i.v.STATION]; we successfully launched a new product [i.v. SOFT] to serve as a back-up to our CytoCare, i.v.STATION and TPNstation robots, and as the company’s entry point into manual sterile compounding; we started the development of TPNstation; we launched the I.V. Room of the Future initiative, a joint-development project with selected hospitals to set up 10 centers of I.V. Room excellence around the world (4 in the USA, 1 in Canada, 3 in Europe, and 2 in Asia Pacific); we extended our global reach to 5 continents and more than 20 countries; we were awarded ISO 9001:2008 certification of quality; we translated our products to Czech, Japanese, French, Spanish, Chinese, Turkish, and German, and more importantly, we successfully concluded the Safe Chemo project with European Union Government approval, including peer-reviewed scientific research establishing the fact that CytoCare is a million times safer than manual compounding.

¹ Devon Robotics LLC versus the Regents of the University of Pennsylvania. Court of Common Pleas, Philadelphia.

² The only litigation related matter (not a lawsuit) for Health Robotics was a Devon-filed subpoena simply seeking information from Health Robotics. This subpoena was quashed by US Federal Court in Las Vegas, even ordering Devon to pay for Health Robotics’ legal expenses. US District Court, State of Nevada, Case 2:10-cv-00018-RLH-LRL.



HEALTH ROBOTICS GmbH/S.r.l. (Fiscal Code 02493250217)
 UNAUDITED STATEMENT OF EARNINGS (Thousands of US Dollars)

| | 2009 | 2008 | \$ Δ | % Δ |
|--------------------------|----------|----------|-----------|---------|
| | ----- | ----- | ----- | ----- |
| Gross Revenues | \$15.061 | \$11.465 | \$3.597 | 31.4% |
| Restructuring B/D (a) | \$2.630 | \$0 | \$2.630 | DIV/0 |
| Revenues Net of B/D | \$12.431 | \$11.465 | \$967 | 8.4% |
| Cost of Goods Sold | \$4.403 | \$3.372 | \$1.031 | 30.6% |
| Gross Margin | \$8.028 | \$8.092 | (\$64) | (0.8%) |
| GM% | 53% | 71% | | |
| Operating Expenses | | | | |
| General & Administrative | \$2.783 | \$3.727 | (\$944) | (25.3%) |
| Other | \$645 | \$1.029 | (\$385) | (37.4%) |
| Total Op. Expenses | \$3.427 | \$4.756 | (\$1.328) | (27.9%) |
| EBIDTA | \$4.601 | \$3.337 | \$1.264 | 37.9% |
| EBIDTA % | 37.0% | 29.1% | | |
| Interest Revenue | \$100 | \$99 | \$1 | 1% |
| Restructuring Charge (b) | \$942 | \$0 | \$942 | DIV/0 |
| Income Taxes | \$1.200 | \$1.111 | \$89 | 8% |
| Effective Tax Rate | 32% | 33% | | |
| Net Earnings | \$2.560 | \$2.325 | \$235 | 10.1% |
| NET PROFIT % | 17% | 20% | | |

Note a): Bad Debt Write-Off arising from the termination of Devon as the distribution channel in North America and China, and Devon's unpaid balance for CytoCare leases.

Note b): Extraordinary item: one-time legal and employee expenses arising from Devon's abandonment of customers in North America and China, Devon's lay-offs of all USA-based employees, and Health Robotics stepping up to the plate, and responding to both Devon's and customers' requests for Health Robotics' no-charge CytoCare customer support, during the eight-month transition of support responsibilities to McKesson Corporation.



HEALTH ROBOTICS GmbH/S.r.l. (Fiscal Code 02493250217)
UNAUDITED BALANCE SHEET (Thousands of US Dollars)

| | 2009 | 2008 | \$ Δ | % Δ |
|---------------------------------|----------------|----------------|----------------|----------------|
| | ----- | ----- | ----- | ----- |
| Assets | | | | |
| Cash | \$1.583 | \$154 | \$1.429 | 927.4% |
| Fixed Assets | \$2.607 | \$395 | \$2.212 | 560.0% |
| Inventory | \$992 | \$218 | \$774 | 354.7% |
| Accounts Receivable | \$2.234 | \$5.289 | (\$3.055) | (57.8%) |
| | ----- | ----- | ----- | ----- |
| Total Assets | \$7.416 | \$6.056 | \$1.360 | 22.5% |
| Liabilities | | | | |
| Accounts Payable | \$1.732 | \$1.766 | (\$34) | (1.9%) |
| Prov. Income Taxes | \$1.025 | \$682 | \$342 | 50.1% |
| Accrued Payroll | \$141 | \$84 | \$57 | 67.7% |
| Short-Term Debt | \$552 | \$874 | (\$323) | (36.9%) |
| Long-Term Debt | \$1.669 | \$0 | \$1.669 | DIV/0 |
| | ----- | ----- | ----- | ----- |
| Total Liabilities | \$5.119 | \$3.407 | \$1.712 | 50.3% |
| | ----- | ----- | ----- | ----- |
| Stockholders' Equity | \$2.297 | \$2.649 | (\$352) | (13.3%) |
| | ----- | ----- | ----- | ----- |
| Liabilities & Equity | \$7.416 | \$6.056 | \$1.360 | 22.5% |
| | ===== | ===== | ===== | ===== |

About Health Robotics:

Health Robotics is the undisputed global leading supplier of life-critical intra-venous medication robots, providing healthcare facilities in 5 continents with robotics technology and software automation solutions. Its world-leading solutions CytoCare™ [hazardous IVs], i.v.STATION™ [non-hazardous IVs], i.v.SOFT™ [workflow engine for manual compounding, powered by MEDarchiver], and TPNstation™ [totally-automated parenteral nutrition] have and will greatly contribute to ease hospitals' growing pressures to improve patient safety, increase throughput and contain costs. Through the effective and efficient production of sterile, accurate, tamper-evident and ready-to-administer IVs, Health Robotics' solutions help hospitals eliminate life-threatening drug-exchange errors, decrease other therapy oversights and sterility risks, work more efficiently, reduce waste and controlled substances' diversion, and diminish the gap between rising patient volume/acuity and scarce nursing and pharmacy staff. For more information, please visit <http://www.health-robotics.com>



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