

Enabling Technology of the Year, Remote Patient Monitoring North America, 2011

Frost & Sullivan's Global Research Platform

Frost & Sullivan is entering its 50th year in business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The Company's research philosophy originates with the CEO's 360-Degree Perspective,* which in turn serves as the foundation of its TEAM Research** methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the findings of this Best Practices research, Frost & Sullivan is proud to present the 2010 North American Enabling Technology of the Year Award in Remote Patient Monitoring to Cardiocom.

Significance of the Enabling Technology Award

Key Industry Challenges

A majority of Healthcare expenditure worldwide comes from managing resources for treating patients with chronic diseases like heart failure, diabetes, chronic obstructive pulmonary disease, asthma, and obesity. It has been estimated that more than 47 million deaths globally in the next 25 years will be directly linked to improper management of chronic diseases. According to the Milken Institute in Santa Monica, CA, the cost of treating chronic disease and loss of productivity each year in the US is estimated to be \$1.3 trillion, which could reach \$6 trillion by 2050.

The introduction of information and telecommunication technologies, especially "Telehealth" has had a lasting impact in the delivery of Healthcare in recent years, shaping every aspect of the patient's life while managing their disease in a better manner. Healthcare providers, including nurses, have been using these technologies due to the benefits received in the form of cost containment, increases in access to care, and the ability to cater to short-term increases in demand of care from the aging population.

Despite large-scale benefits offered by Telehealth technologies over the past 10 years, their wide scale deployment is still limited. Liability, privacy, and confidentiality while ensuring better quality of care to the patients remain key barriers to implementing Telehealth solutions. In overcoming the technology barriers, Cardiocom has evolved as an end-to-end solution provider for all remote monitoring needs of the Healthcare community. Cardiocom's products and solutions offer significant cost saving to the Healthcare continuum by adopting the role of an enabling technology provider. Products offered by Cardiocom such as COMMANDER®, TELESCALE®, AUTOLINK®, GLUCOCOM® and OMNIVISOR® leverage advanced connectivity in both hardware and software technologies. Cardiocom's Integrated Nurse Services program is unique-in-the-industry. This program provides a turn-key solution with rapid ramp-up, predictable costs and proven outcomes. Cardiocom's combination of advanced technologies, expert nurse services and vertical integration enable it to achieve a superior customer relationship and a competitive edge over other players in the market.

Key Benchmarking Criteria for Enabling Technology Award

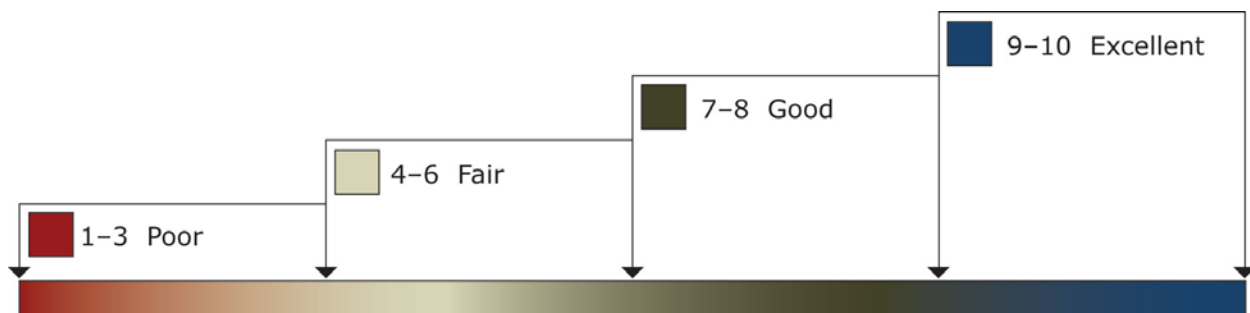
For the Enabling Technology Award, the following criteria were used to benchmark Cardiocom's performance against key competitors:

- **Enhances Current Products**
- **Enables New Applications**
- **Potential for Market Acceptance**

Decision Support Matrix and Measurement Criteria

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Matrix (DSM). The DSM is an analytical tool that compares companies' performance relative to each other with an integration of quantitative and qualitative metrics. The DSM features criteria unique to each award category and ranks importance by assigning weights to each criterion. The relative weighting reflects current market conditions and illustrates the associated importance of each criterion according to Frost & Sullivan. Fundamentally, each DSM is distinct for each market and award category. The DSM allows our research and consulting teams to objectively analyze each company's performance on each criterion relative to its top competitors and assign performance ratings on that basis. The DSM follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are shown in Chart 2.

Chart 2: Performance-based Ratings for Decision Support Matrix



This exercise encompasses all criteria, leading to a weighted average ranking of each company. Researchers can then easily identify the company with the highest ranking. As a final step, the research team confirms the veracity of the model by ensuring that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

Chart 3: Frost & Sullivan’s 10 Step Process for Identifying Award-Recipients



Best Practice Award Analysis for Cardiocom

The Decision Support Matrix, shown in Chart 4, illustrates the relative importance of each criterion for the Enabling Technology Award and the ratings for each company under evaluation. To remain unbiased while also protecting the interests of the other organizations reviewed, we have chosen to refer to the other key players as Competitor 1 and Competitor 2.

Chart 4: Decision Support Matrix for Enabling Technology Award

<i>Measurement of 1–10 (1 = lowest; 10 = highest)</i>	Award Criteria			
	Enhances Current Products	Enables New Applications	Potential for Market Acceptance	Weighted Rating
Relative Weight (%)	35%	35%	30%	100%
Cardiocom	9.5	9.7	9.5	9.57
Competitor 1	8.5	8.3	8.8	8.52
Competitor 2	8.1	8.5	8.1	8.24

Criterion 1: Enhances Current Products

Since its inception, Cardiocom has aligned itself as a Healthcare service provider that offers vertically integrated remote monitoring solutions to end-users. The company’s COMMANDER telemonitoring devices are designed as an integrated system with a range of

Cardiocom developed peripheral biometric devices to monitor weight, blood pressure, blood glucose, oxygen saturation, and peak flow. By manufacturing both the central telehealth platform and peripheral devices, Cardiocom delivers a seamless patient experience. Cardiocom's monitoring devices also feature an intelligent clinical branching logic and an algorithm that selects questions based on the patient's response to previous questions. Cardiocom has developed the algorithm in a way that questions can be customized and changed remotely by the nurse attending a patient at any point of time to meet the needs of the specific program being used. Optional education content can be selected based on symptomatic patient responses. Blood pressure measurement has also been directly integrated into the COMMANDER's base system, which also enables voice-guided instruction (in both English and Spanish) and measurement. This integrated approach features patient specific automatic inflation pressure and superior noise filtering for home use. The COMMANDER device embeds innovative features like automatic peripheral recognition, eight ports for connecting peripheral devices, and internal surge protection. For those patients who do not have a POTS line, the COMMANDER has an internal cellular modem for cellular data transmission.

TELESCALE comes with an integrated messaging and weighing system along with waist-height patient interface. The system is programmed to provide instant feedback to users based on the weight level variance measured everyday. Telescale can weigh patients up to 500 lbs., with an accuracy and consistency of ± 0.1 lb. AUTOLINK communicates with GLUCOCOM, Cardiocom's proprietary blood glucose meter, to measure blood glucose levels remotely. The trended information is then accessed through OMNIVISOR. Nurses can trend blood glucose levels to share with physicians and patients in various actionable report formats.

OMNIVISOR is a sophisticated chronic care management software system that facilitates efficient and effective clinical interventions. It includes monitoring a range of vital sign parameters including, blood pressure, weight, oxygen saturation, and other patient specific symptom management data. Unlike other patient management software that merely report vital sign readings, OMNIVISOR is designed to offer detailed analysis of daily vital signs and health status of patients. The software also embeds innovative features like patient demographics, healthcare and emergency contacts, medications, blood chemistries, functional labs, clinical notes, daily objective monitoring parameters, and symptom data. A key feature with OMNIVISOR is that it embeds an N-tier architecture that increases performance and scalability of the application. OMNIVISOR can exchange data with electronic medical records using industry standard interface methodologies.

Criterion 2: Enables New Applications

In addition to leveraging advanced R&D in designing its hardware and software products, Cardiocom provides expert clinical telehealth care services to its customers under its internal Nurse Call Center.

Cardiocom's Nurse Call Center offers a comprehensive chronic condition telehealth management program suitable for high-risk patients. According to conditions of the plan, an experienced telehealth nurse analyzes vital signs and symptoms data sent by Cardiocom's remote monitoring devices each day. On notice of any discrepancy compared

to other pre-set parameters, a detailed 'Exception Report' is faxed to the designated physician's office. As a proactive measure, the Company's nurses follow up with patients to determine whether physician intervention has occurred. The goal of Cardiocom's Nurse Call Center is to provide timely interventions at the "teachable moment" to reduce hospitalization and ER visits.

Criterion 3: Potential for Market Acceptance

Cardiocom's Nurse Call Center forms an innovative monitoring service that the Company offers to its customers. Today, a majority of global telehealth providers offer either products or disease management services to patients, which doesn't differentiate their offerings in terms of product value. On the contrary, Cardiocom has implemented a comprehensive, analytical approach incorporating an effective care management nurse services program to its products. By offering such a service, Cardiocom differentiates itself from other large players in the market. In the company's Nurse Call Center, each nurse is capable of monitoring and coordinating care with 250 to 400 patients, delivering a highly efficient service at a low cost. Through their Nurse Call Center Service, Cardiocom is able to provide a wide array of clinical management services including identification, stratification, enrollment, intake assessment, health survey screening, coaching, intervention, high-risk management and outcome reporting.

Adopting Cardiocom's range of solutions offers numerous benefits to value, creating opportunities in markets for accountable care organization, medical homes, health plans, hospitals, home health, and specialty care organizations. In summary, Cardiocom's products and solutions provide superior chronic care management by addressing the nation's demand to manage threats from Congestive Heart Failure, COPD, Asthma, Diabetes, Hypertension, and Obesity.

Cardiocom periodically obtains feedback from customers, which forms a vital component for their strategic planning when developing or releasing a new product to the market. Such an activity is bound to create an enhanced value for Cardiocom's programs.

Based on Frost & Sullivan's independent analysis of the North American Remote Patient Monitoring market, Cardiocom is being recognized with the 2011 Enabling Technology of the Year Award.

The CEO 360-Degree Perspective™ - Visionary Platform for Growth Strategies

The CEO 360-Degree Perspective model provides a clear illustration of the complex business universe in which CEOs and their management teams live today. It represents the foundation of Frost & Sullivan's global research organization and provides the basis on which companies can gain a visionary and strategic understanding of the market. The 360-Degree perspective is also a "must-have" requirement for the identification and analysis of best-practice performance by industry leaders.

The 360-Degree model enables our clients to gain a comprehensive, action-oriented understanding of market evolution and its implications for their companies' growth

strategies. As illustrated in Chart 5 below, the following six-step process outlines how our researchers and consultants embed the 360-Degree perspective into their analyses and recommendations:

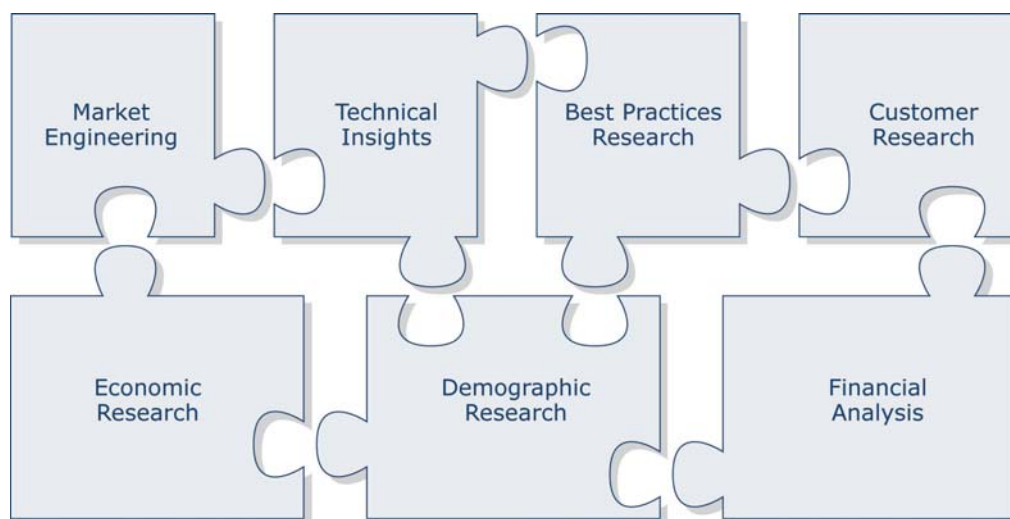
Chart 5: How the CEO's 360-Degree Perspective Model Directs Our Research



Critical Importance of TEAM Research

Frost & Sullivan's TEAM Research methodology represents the analytical rigor of our research process: it offers a 360-Degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Our experience has shown over the years that companies too often make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Frost & Sullivan contends that the successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices and demographic analyses. In that vein, the letters T, E, A and M reflect our core technical, economic, applied (financial and best practices) and market analyses. The integration of these research disciplines into the TEAM Research methodology provides an evaluation platform for benchmarking industry players and for creating high-potential growth strategies for our clients.

Chart 6: Benchmarking Performance with TEAM Research



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.