



## PRESS RELEASE

### HOSPITALS SEE INFECTION RATES MORE THAN HALVED, PATIENT STAYS SHORTENED BY 27 PERCENT IN NEW STUDY ANNOUNCED BY I-FLOW

Dramatic Benefits For Hospital's Most Infection-Prone Surgery Presented At 47th Annual Interscience Conference On Antimicrobial Agents & Chemotherapy (ICAAC); Benefits May Have Implications Across Many Surgeries

**CHICAGO, IL-September 18, 2007** --An innovative medical device is responsible for reducing surgical site infection rates by more than 50 percent and for significantly shortening hospital stays when compared with traditional narcotic pain care, according to a study presented today at the 47th Annual Interscience Conference on Antimicrobial Agents & Chemotherapy (ICAAC). These results indicate that ON-Q® PainBuster with ON-Q SilverSoaker™ Antimicrobial Catheter from I-Flow Corporation (NASDAQ: IFLO) may have the potential to save hospitals billions of dollars if used for post-surgical pain relief across multiple surgeries. ON-Q is the only pain relief pump to include an antimicrobial catheter and the first and only to document an infection reduction capability.

The multi-center infection surveillance study comparing two types of post-surgical pain relief – the use of ON-Q PainBuster with ON-Q SilverSoaker and local anesthetic versus systemic narcotics – following colorectal surgeries was conducted at 14 U.S. surgical sites. It measured the surgical site infection rates 30 days after surgery and length of stay for 289 patients, including any hospital re-admissions or other necessary infection treatment after they were released from the hospital. Colorectal surgery was chosen for the study as it is the most infection-prone surgery in most hospitals. Patients were randomized to receive either continuous infusion of local anesthetic using ON-Q or traditional narcotic pain management. Results showed that the ON-Q patients were 55 percent less likely to develop a surgical site infection when compared to the control group (6.6 percent versus 14.6 percent; p-value of 0.033). The patient's average length of stay dropped to 6.1 days for ON-Q patients from 8.4 days for the control group, a 27 percent reduction (p-value of 0.0003). The co-lead investigators of the study were Dr. Jay Singh, of Piedmont Colorectal Associates, Director of Surgical Residency, Piedmont and Associate Professor of Surgery, Emory University in Atlanta, and Dr. Alan Thorson, Clinical Associate Professor of Surgery and Program Director of Colon and Rectal Surgery at Creighton University.

"I have used ON-Q for post-surgical pain relief for hundreds of my patients and have seen them experience significantly less pain, a quicker recovery and fewer infections when recuperating from surgery," said Dr. Singh. "I plan to continue to use ON-Q as my standard of care post-surgically to provide superior pain relief and to lower the risk of infection for my patients."

The Centers for Medicare & Medicaid Services (CMS) recently announced that for discharges occurring on or after October 1, 2008, hospitals will not receive additional payment for patients in which certain conditions were not present on admission, such as hospital-acquired infections. CMS reserved the right to add to the list of hospital-acquired infections, which may result in higher costs to hospitals if infection rates are not reduced. Based on this study, ON-Q shows potential to help hospitals control costs related to surgical site infections. Using data from the

ON-Q Colorectal Infection Study and a systematic audit published in the American Journal of Infection Control, it appears that ON-Q may save thousands of dollars for an average surgical recovery by decreasing the risk of infection, length of hospital stay and post-discharge complications. If the data is projected across all post-surgical situations where the system would be appropriate, potential savings to the healthcare system could be billions of dollars.

The unique infection prevention capability of the system is enhanced by the ON-Q SilverSoaker catheter that is treated with an antimicrobial silver agent in nanotechnology form and has been shown in in-vitro testing to be 99.9 percent effective in decreasing bacteria and fungus commonly associated with hospital-acquired infections. Silver has long been known as an antimicrobial agent and is now used in many modern medical devices. In addition, when patients are treated with ON-Q, they often do not experience the immune-suppressive response of narcotics, which can essentially weaken patients and make it more difficult for their bodies to fight an infection.

“ON-Q PainBuster with ON-Q SilverSoaker Antimicrobial Catheter is considered the market leader in pain relief pumps due to its superior pain relief, ease of use, faster recovery times for patients and antimicrobial benefits,” stated Donald M. Earhart, President and CEO of I-Flow Corporation. “We are extremely encouraged about the role ON-Q may now be able to play in infection prevention and surgical site care, potentially lowering healthcare cost across hospitals and health systems.”

### **About ON-Q**

ON-Q PainBuster from I-Flow Corporation (NASDAQ: IFLO) is the market leader in continuous surgical-site pain relief systems – commonly known as “pain pumps” or “pain relief pumps.” It consists of a small balloon pump that holds local anesthetic (a pain-numbing medicine) and delivers it automatically through its proprietary ON-Q SilverSoaker catheter treated with an antimicrobial silver agent to provide even distribution of local anesthesia over a wider area than competitive devices. ON-Q is the only pain relief pump to include an antimicrobial catheter and the first and only to document an infection reduction capability.

ON-Q is labeled to significantly reduce pain better than narcotics and to significantly reduce narcotics intake after surgery. ON-Q was upheld as a best practice for post-surgical pain relief and its widespread use was encouraged as part of a in an independent study published in the prestigious Journal of American College of Surgeons. Currently, more than 55 studies on the use of ON-Q have been completed and published or presented, and more research is being conducted to explore the benefits of ON-Q in such areas as infection prevention, combination therapies (e.g., local anesthetic and antibiotic mixtures, a combination of a local anesthetic and an anti-inflammatory), pediatrics and chronic pain. Medicare recognizes ON-Q as a payable covered benefit and therefore medically necessary.

To learn more about the benefits of ON-Q visit [www.AskYourSurgeon.com](http://www.AskYourSurgeon.com).

### **About I-Flow**

I-Flow Corporation ([www.IFLO.com](http://www.IFLO.com)) designs, develops and markets technically advanced, low cost drug delivery systems and services that are redefining the standard of care by providing life enhancing, cost effective solutions for pain relief.

### **“Safe Harbor” Statement**

Statements by the Company in this press release and in other reports and statements released by the Company are and will be forward-looking in nature and express the Company’s current opinions about trends and factors that may impact future operating results. Statements that use words such as “may,” “will,” “should,” “believes,” “predicts,” “estimates,” “projects,” “anticipates” or “expects” or use similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to material risks, assumptions and uncertainties, which could cause actual results to differ materially from those currently expected, and readers are cautioned not to place undue

reliance on these forward-looking statements. Except as required by applicable law, the Company undertakes no obligation to publish revised forward-looking statements to reflect the occurrence of unanticipated or subsequent events. Readers are also urged to carefully review and consider the various disclosures made by the Company in this press release that seek to advise interested parties of the risks and other factors that affect the Company's business. Interested parties should also review the Company's reports on Forms 10-K, 10-Q and 8-K and other reports that are periodically filed with or furnished to the Securities and Exchange Commission. The risks affecting the Company's business include, among others: successful consummation of the previously announced sale of InfuSystem, Inc; physician acceptance of infusion-based therapeutic regimens; implementation of the Company's direct sales strategy; dependence on the Company's suppliers and distributors; the Company's continuing compliance with applicable laws and regulations, such as the Medicare Supplier Standards and the Food, Drug and Cosmetic Act, and the Medicare's and FDA's concurrence with management's subjective judgment on compliance issues; the reimbursement system currently in place and future changes to that system; product availability, acceptance and safety; competition in the industry; technological changes; intellectual property challenges and claims; economic and political conditions in foreign countries; currency exchange rates; inadequacy of booked reserves; and reliance on the success of the home health care industry. All forward-looking statements, whether made in this release or elsewhere, should be considered in context with the various disclosures made by the Company about its business.

Media Contact: Kelli Perkins Kampanis Company Contact: Orlando Rodrigues

310-625-3248 or 212-601-8220  
kperkins@fischerhealth.com

949-206-2619 (direct)  
orlandorodrigues@iflo.com