

Pulmonetic Systems, Inc. Acquired by VIASYS Healthcare Inc. June 2005

"The Mercanti Group's ability to provide excellent counsel in the form of transaction timing, understanding our true value and guiding us through the process were all major factors in making this transaction a success. Mercanti effectively explored our strategic alternatives and executed a highly competitive sales process. VIASYS Healthcare is a great fit for Pulmonetic Systems. We believe the combined organization will become the worldwide leader in the mechanical ventilation industry."
– Jim Hickey, President and CEO of Pulmonetic Systems

About Pulmonetic Systems

Pulmonetic Systems ("Pulmonetics" or "the Company") is a designer, manufacturer and marketer of respiratory products and services. The Minneapolis, MN-based Company offers home care, sub acute care and critical care portable ventilators to the worldwide pulmonary markets.

Transaction Background

Mercanti had a long-standing relationship with the CEO of Pulmonetics, Jim Hickey, dating back to the sale of Aequitron Medical to Nellcor Puritan Bennett in September 1996. In March 2003, Mercanti acted as the financial advisor for the Company's \$2 million private placement of common stock. Following Mercanti's presentation of strategic alternatives to the board of directors, Mercanti was engaged to act as Pulmonetic's exclusive financial advisor in connection with a potential sale of the Company in September 2004.

Transaction Process

Mercanti advised Pulmonetic Systems to conduct a targeted auction process. After identifying and prioritizing multiple interested parties, Mercanti orchestrated a very competitive auction resulting in multiple indications of interest. VIASYS Healthcare, Inc. emerged as the leader in the process and Mercanti delivered a fairness opinion to the holders of capital stock in Pulmonetic Systems.

VIASYS Healthcare engages in the development, manufacture, marketing and service of medical devices, instruments and medical and surgical products worldwide. The Company operates in four segments: Respiratory Care, NeuroCare, MedSystems and Orthopedics.

Successful Transaction Outcome

Mercanti was able to achieve an outstanding outcome for all of Pulmonetic's shareholders in a \$98 million all cash transaction with VIASYS. VIASYS gained a next generation portable ventilator platform to fuel future growth.

