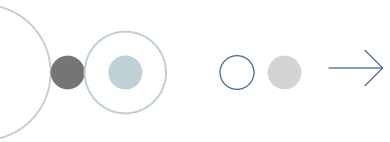


Presented by:
John Tierney
SVP, US & Canada
May 18, 2011



Company Profile

U.S. and Canadian Business Organization

Why did we Partner with Ops & Supply Chain

How do we Work Together?

Strategic Collaboration Going Forward



Company Profile

- **Founded:** 1915
- **Business:** Global developer and manufacturer of medical devices and technologies
- **Ownership:** Privately-held (family-owned)
- **Corporate headquarters:** Skaneateles, N.Y.
- **Operations:** Sales, service, research and development, and manufacturing facilities in more than 50 countries
- **Employees:** 2,600 (worldwide)
- **CEO:** Julie A. Shimer, Ph.D.

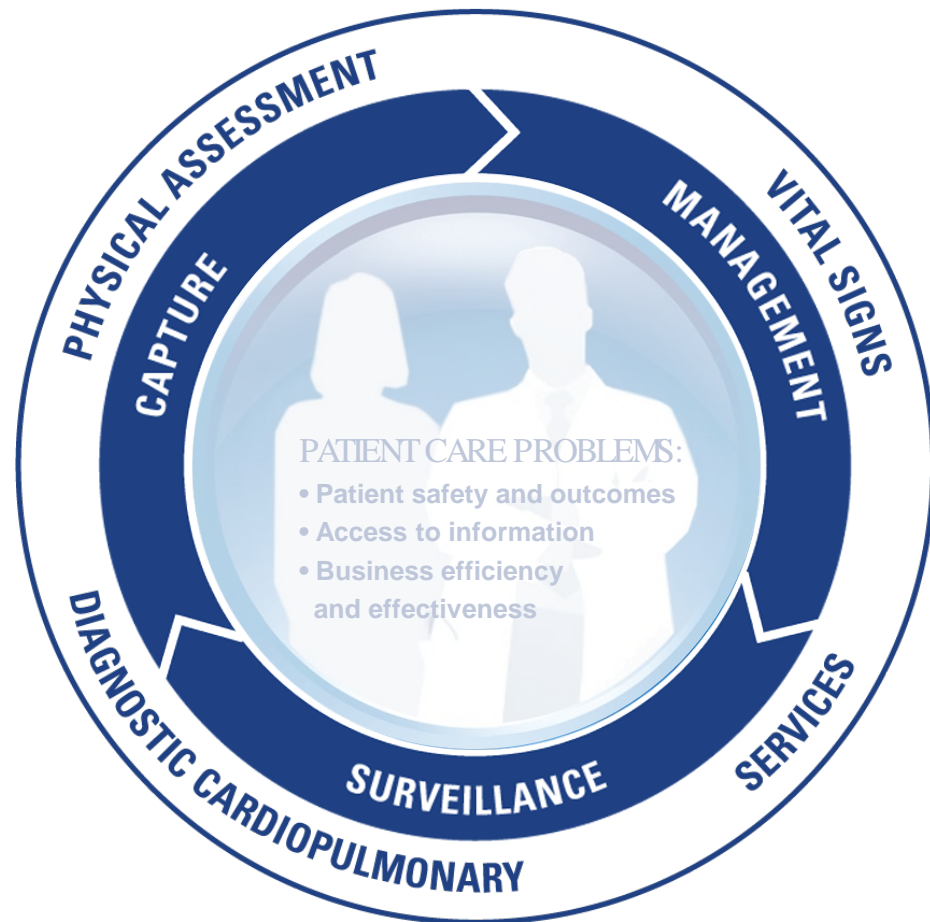
Welch Allyn Strategic Direction

Excellence in Core Categories

Our **focus** is the surveillance, capture and management of diagnostic information across the categories of:

- Physical Assessment
- Vital Signs
- Diagnostic Cardiopulmonary

And the **services** to ensure our solutions are meeting our customer's requirements



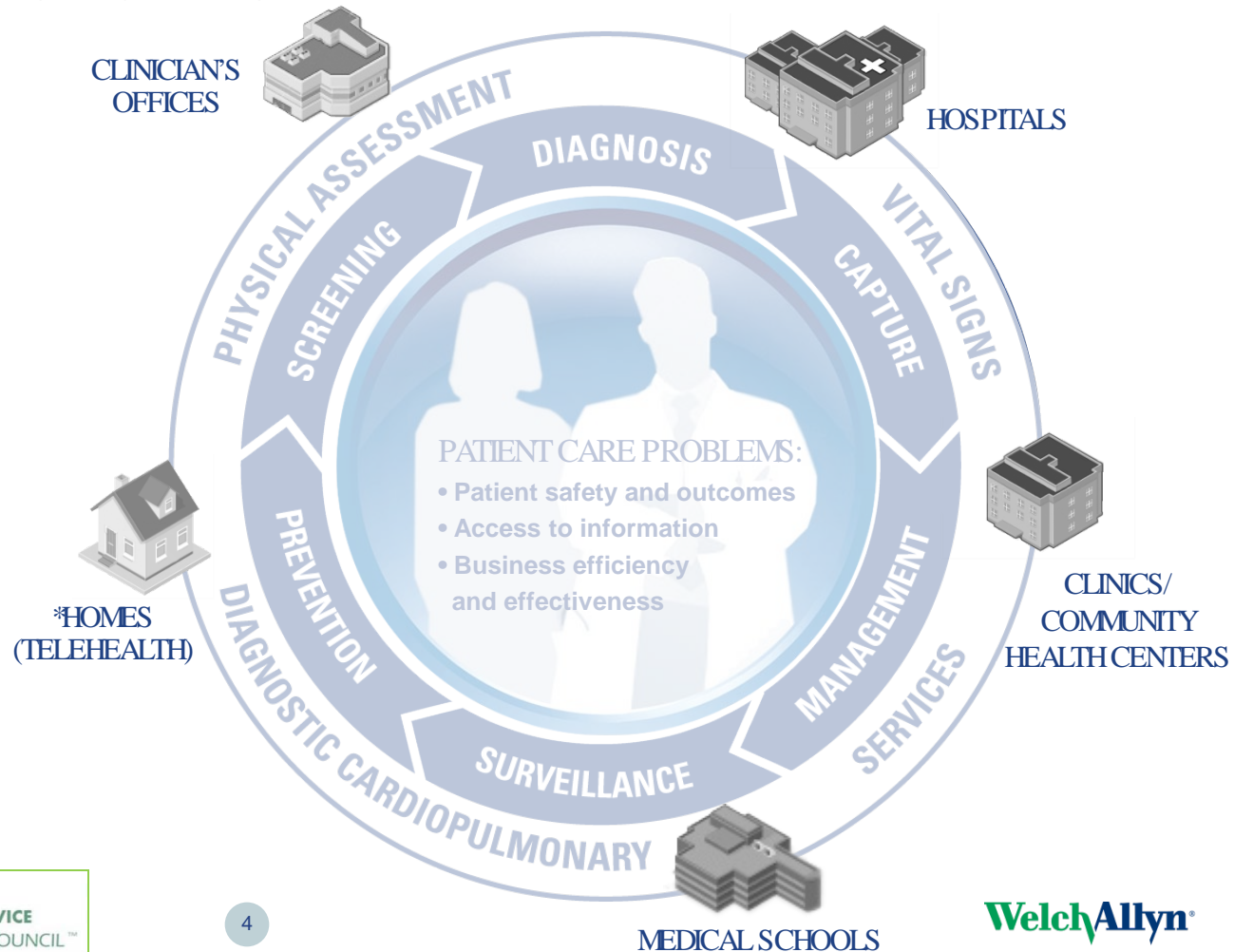
Welch Allyn Strategic Direction

Customers We Serve

The customers we serve are healthcare professionals providing care in the following settings around the world:

- Clinician's offices
- Hospitals
- Clinics & Community Health Centers
- Medical Schools
- Homes via telehealth*

*Future growth initiative



U.S. & Canadian Business Organization

Product Mix

- 33% Disposables
- 33% Instruments (*non-surgical*)
- 33% Capital Equipment

Market Segments

- 50% Hospital
- 40% Physician Office
- 10% Special Markets

Go to Market Model

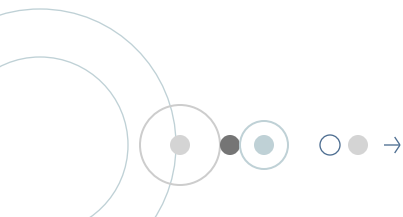
- Predominately utilize medical/surgical distribution as our supply chain.

U.S. & Canada Organization

- Acute Care team
- Ambulatory Care team
 - Both are supported by Corporate Accounts and Strategic Accounts*
- Canadian team
- Special Markets team
- Franchise Marketing
- Sales Operations
- Business Intelligence

Functional matrix support

- Ops & Supply Chain, HR, Finance, Service, QA/RA



Why did we partner with Ops & Supply Chain?

Things are changing!

- Historically, had many smaller, regional channel partners with limited systems capabilities and virtually no supply chain initiatives or expertise. Functionally, Sales was the only contact with channel partners.
- Roll-up within the medical distribution industry has changed things:
 - Acute Care: 2 dominate national distributors, 1 fast growing national distributor, and a few regional's.
 - Physician: 4 national distributors, and still many regional's.
- Supply Chain executives now in place with many distributors and expectations are changing.



“Big 5” Team Approach

- ✓ National channel partners require , and benefit from, multi-functional support and relationships.
 - Sales Management
 - Marketing
 - Supply Chain
 - Customer Service

We all work together, with close communications, to build our business and relationships across all functions.

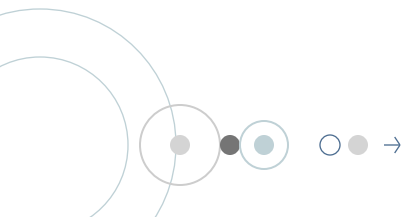
Business Development Partnership



- ✓ 2010 acquisition and integration was lead by Operations and Sales.
 - Close collaboration on building the financial model, go to market strategies, and integration plans.

Regional Strat Planning Leadership Team

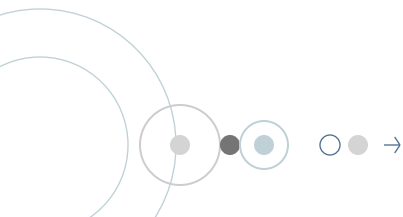
- ✓ US/C Regional leadership team, consisting of functional leads which includes Supply Chain, meets regularly to review results, progress and discuss changes to the strategies we have identified for our success.

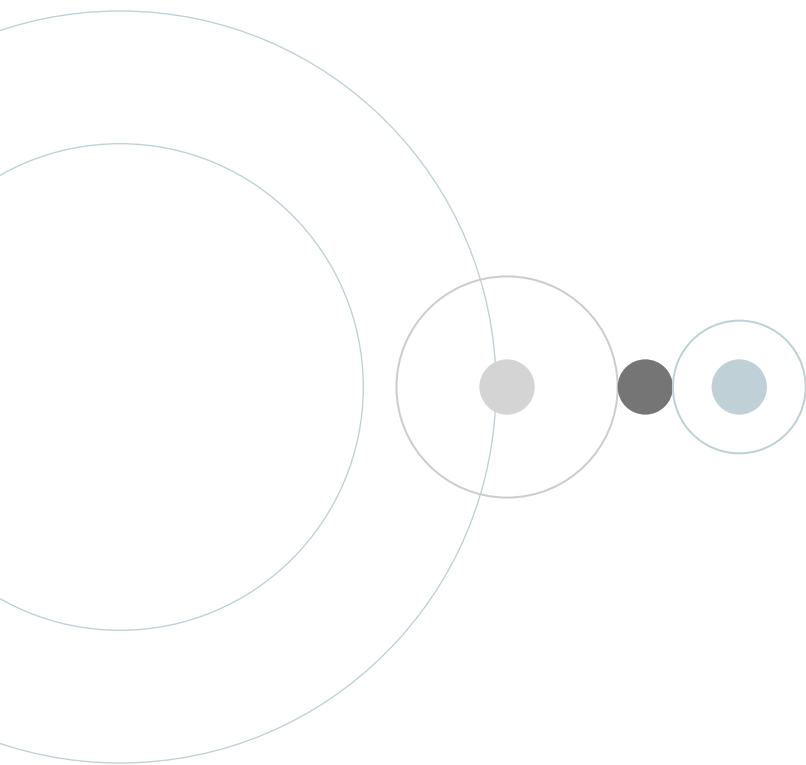


So, is there a future for Operations/Supply Chain and Sales to continue to work together?

Absolutely!

- ✓ Channel is continuing to change, “Walmart model” may not be far away?
- ✓ Increasing global competition, combined with the global supply chain, creates challenges/opportunities for all of us.
- ✓ Pressures on margins mean we all have to work together to find solutions.





Q & A?



MEDICAL DEVICE
SUPPLY CHAIN COUNCIL™

WelchAllyn®