

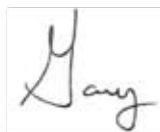


On the growing path again . . .

GENICON is growing again! With the completion of 2009, and the brutal financial conditions that faced almost every economy throughout the world, firms have been forced to re-evaluate their efficiency and effectiveness for the markets that they serve. For GENICON, we elected to make the difficult decision to discontinue the development and distribution of the medical video product group, as we discovered almost all markets, unilaterally, were contracting their capital equipment budgets. Fortunately for GENICON, this only represented less than 20% of our annual revenues, and upon inspection, we discovered that the ongoing Research & Development (R & D), Material Handling and Support required to properly support this product group, was exorbitant when compared to our core competencies within our Single Use Product Group.

With this in mind, we faced the same financial challenges as many firms did, as to how to regroup, restructure and prepare for the emerging recovery economy of 2010. In an unparalleled effort, GENICON was able to secure the capital through traditional lending markets and applied this cash into the company's supply chain, distribution support as well as R & D. The result has produced a revitalized organization, additional and upgraded products through leaner processes and increased capability.

Moving through 2010, GENICON will be hosting several Customer meetings at it's facility in Winter Park, Florida; that will allow our clients to experience first hand the company's renewed capabilities. The challenges of 2009 are not behind us, and it is clear that not all financial systems that support our global healthcare market are completely recovered. However, as the markets continue to recover, GENICON is poised to support the expanding global healthcare demand, forecasted to be 11% C.A.G.R. through 2015 with state-of-the-art products, service and support.



Gary Haberland
President / CEO



Interactive Lab Trainings for U.S. and International Reps



GENICON has been working hard to support the ever changing needs of the Global Healthcare Market. The past few months have been very eventful, filled with animal lab training sessions focusing on GENICON'S new and improved products, as well as new contracts awarded with U.S. GPO's (Group Purchasing Organizations). Theresa White, U.S. Market Business Development Manager, has taken responsibility of coordinating these events and her efforts combined with the entire GENICON team, have proven to be very successful.

In order to survive in such a competitive market, GENICON realizes the importance of proper Customer support in the field by means of in-servicing and training. We can accomplish this through the proper educating and training of sales representatives and distributors on GENICON'S products. GENICON has hosted three Animal Labs over the last three months with more scheduled in 2010. The focus of these labs is to educate our distributors and sales representatives on new and improved technology such as:



GENICON's new "plastic tip Pyramidal Trocar" – one single-piece molded trocar made out of a plastic material was given two thumbs up in product performance and cost savings to the end user



New "Palm Grip style Bladeless Trocar" – designed with our patented wedge bladeless tip, provides smooth insertion, smaller wound defect size with less need to suture/close the wound, safer mode of entry for tubal ligation surgery, ease of use, and ergonomic handle for added comfort



New "disposable monopolar Johan Grasper" – a new addition to the GENICON disposable monopolar family, available in two forceps jaw sizes (22mm or 40mm) enables effortless manipulation of tissue/bowel, coupled with single-finger operable 360 degree rotation, ergonomic handle and ratcheting jaw



New "disposable Gastric Band Introducer" – designed for introducing and placing Gastric Bands, the "Lynx" is disposable and works with both bands available in the U.S. market allowing reduced costs to healthcare facilities focusing on obesity procedures. Available only in Bariatric Length (45cm)



New and improved "Reducer Valve" – This valve will put GENICON on the map in design concept and performance deliverability. GENICON'S fully removable disposable reducer valve allows multiple instrument exchanges (4mm-15mm instrumentation, including larger staplers and gastric bands) all the while maintaining pneumoperitoneum through any procedure durations



"Veress Needle" – new design incorporates easy and smooth insertion, better flow of CO2, new grip for better control, and louder audible click



"Suction-Irrigation handpiece" – More ergonomics went into this design for added comfort to fit any size grip, easier control of suction and irrigation, and better flow through the trumpet valve



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New G.P.O. contracts awarded to GENICON

In conjunction with innovative new and improved products, GENICON has also been working on gaining as much access as possible to opportunities that exist within GPO procurement activities. These contracts allow GENICON the opportunity to be considered as a preferred supplier for many large hospital systems (Integrated Delivery Networks IDN's) and alternative care surgery centers, thus opening doors to reach our expansion goals within the United States market.

Premier, Inc. is considered the largest GPO with the highest Annual Purchasing Volume of around \$36 Billion in 2009. Premier, Inc. is entirely owned by more than 200 of the nation's leading hospital and healthcare systems. These systems operate or are affiliated with more than 1,500 hospital facilities and hundreds of other care sites. Premier, Inc. provides group purchasing for more than \$31 billion annually in supplies and equipment and services. Premier, Inc.'s alternate site programs represent approximately 58,000 alternate sites including physician practices, clinics, long-term care facilities, ambulatory care centers and others. Broadlane is considered to be the 4th or 5th largest based on unconfirmed APV, behind Premier, Inc., Novation LLC, MedAssets Supply Chain Services, and HealthTrust Purchasing Group. Sources: Premier Purchasing Partners, 2009; Healthcare Purchasing News research, October 2009

Theresa White, U.S. Market Business Development Manager, has been able to secure renewal and newly awarded contracts with the following **Group Purchasing Organizations:**

Broadlane: Trocars and Accessories

Premier: Trocars and Accessories, Disposable Endomechanical, Reusable Laparoscopic Instruments, Resposable Instruments, Laparoscopic Suction-Irrigation

Other contracts currently in management are:

Novation: Disposable Endomechanical

VA: Trocars and Accessories, Disposable Endomechanical, Reusable Laparoscopic Instruments, Resposable Instruments, Suction-Irrigation

Amerinet: Reusable Lap Instruments (IN PROGRESS)

HPG: Reusable Lap Instruments (IN PROGRESS)

What's happening at GENICON ?

GENICON continues to move forward with attention on the horizon of minimally invasive surgery and always with the end-user satisfaction in mind.

For this calendar year, GENICON will be completing the refinements within its Trocar product groups, including the addition of a single incision port that we look to showcase in the later part of the year. We have increased our production capacity by adding additional shifts into our Production schedule, and internalized several of the manufacturing processes within our Winter Park, Florida facility to further our commitment toward Quality and on-time delivery.

Additionally, we recently completed our I.S.O. 13485 recertification as well as added a U.S. F.D.A. market approved titanium ligation clip to the product portfolio which will begin shipping to our customers in March 2010.

We are pleased as an organization to have expanded our markets into the Pacific Rim region as well as a continued growth into the Latin American, Middle Eastern, European, and U.S. based markets. Our organizational goals have been set to put GENICON on a positive path through this year and well into the future.



Medica 2009

Thank you for taking the time to visit our booth at MEDICA 2009 in Dusseldorf, Germany.

We had many visitors at our booth that expressed a strong interest in our products and we concluded the show with great success with your support. Given your interest in our expanding range of laparoscopic products, a Market Manager in your area will be contacting you to discuss the possibility of product distribution. If you would like to contact them directly, their contact information is provided below.

GENICON is dedicated to the field of minimally invasive surgery with a focus in laparoscopic surgery. Our products are distributed throughout the United States and 44 countries spanning the globe. We strive to provide the highest quality products dedicated to improving patient care while providing a needed economic advantage for today's healthcare facilities.

Once again, thank you for visiting our booth and we look forward to having the opportunity to work with you further. Have an excellent day!

For more information, please contact us at: [+1.407.657.4851](tel:+14076574851)



Arab Health



Over 50,000 visitors from around the world gathered at the Dubai International Convention and Exhibition Center last week for Arab Health, the largest international health-care event in the Middle East.

The show continues to be a successful and productive event for the company and a perfect stage for distributor meetings, new product showcases, and a source for new distribution opportunities.

We would like to thank all visitors that came to our booth, we hope to see you again soon.

