

MED-Tech Outsourcing Brings U.S. Companies to CeBIT

01 March 2005, Melbourne, Florida

Fierce competition in the medical device market is inciting industry giants to outsource an increasing number of IT projects to U.S. companies. American companies like DTx Inc. view CeBIT as the first step in developing relationships abroad.

In the highly competitive medical industry, manufacturers are under constant pressure to release new, more advanced products into the market. As a result, medical technology companies are turning in increasing numbers to contractors as a way to get their products to market quickly, while focusing their attention on marketing and new product development. U.S. Information Technology (IT) integrators who at one time sold only on a regional or national level, are expanding into the global marketplace to become more attractive to the leading medical manufacturers. The CeBIT Trade Fair in Hanover, Germany is an ideal opportunity for U.S. med-tech companies to introduce their products and network with possible European tech partners.

DTx Inc. is an American company that provides engineering support and manufacturing services for 7 of the 10 largest medical manufacturers in the world. "The systems we build in Florida are shipped to laboratories and hospitals all over the world," says Phillip Gerard of DTx Inc. "We are opening service and logistics overseas to ensure they can be fully supported."

In the 1990's, the benefits of outsourcing were realized in the computer and telecommunications industries. Now, the trend is gaining momentum in the medical device industry. The number of outsourced projects has increased steadily since 1999 and is expected to continue to grow at a rate of 17% annually over the coming years, according to data from Frost & Sullivan, an industry consultant.

"Medical OEMs are discovering their strength is in research and development," says DTx President Art Schmitt. "A company like ours functions as a specialized extension of their engineering and manufacturing departments. We can provide the technical expertise they need to successfully deploy embedded IT solutions and they can focus on developing new technologies."

CeBIT, the world's largest information and communications technology tradeshow, is an opportunity for U.S. companies ready to expand into Europe to take the first step.

"DTx is here to meet potential partners to assist in setting-up our European distribution, service and sales operations," says Gerard.

The U.S. Government is helping American companies make the necessary connections at the show. One of its organizations, Enterprise Florida, Inc. (EFI), has rented a pavilion in Hall 1 of the exhibit.

"Enterprise Florida promotes economic development through job creation," says Michael Schiffhauer, an International Trade Specialist with EFI. "One of the ways we help companies grow is by assisting them in selling their products worldwide." EFI is a public-private partnership responsible for leading Florida's statewide economic development efforts, which include international trade and statewide business marketing.

"We offer counseling and education, export financing programs, trade missions and matchmaking programs to set-up alliances between Florida companies and overseas organizations," says Schiffhauer. "And it couldn't be a better time. Right now, U.S. companies are particularly appealing to European organizations because the strengthened Euro makes U.S. products less expensive than they have been in years."

"Enterprise Florida is playing an integral role in helping us move into Europe," says Gerard. "They helped us prepare for CeBIT so we can be as productive as possible while we're here. They have assisted with everything from the logistics of lodging and transportation to setting

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up meetings with potential partners. At the show, we will have access to a central meeting area and translators, all for a very reasonable price."

According to Enterprise Florida, "a single appearance at CeBIT is more effective than several separate presentations at other trade shows...and can eliminate months or even years of marketing abroad."

Everyone wins. The alliances developed at this year's conference will benefit both the European and American economies.

Gerard says, "We're confident the show will be a valuable investment that will help grow both our company and our new European partners'."

About DTx

DTx, Inc. is based in Melbourne, Florida and specializes in providing embedded computing solutions for medical device manufacturers. Unlike mass-produced technology like cell-phones or personal computers, medical device makers must adhere to strict regulatory requirements. DTx's unique Planned Technology Control™ Program resists the rapid changes in commercial technology that can jeopardize regulatory certifications by constantly tracking even the smallest components. DTx delivers stable, managed computing solutions whose life cycles far exceed commercial marketplace offerings. Services include custom product design and development, conformance engineering, manufacturing, supply chain management, product warranty and life cycle management.

For more information, contact:
Robin McDonald, Marketing Manager
321.728.0172
robin.mcdonald@dtx.com

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