

A Message from the CEO



At Electromed, Inc. we work with physicians and other health care professionals to support improvements in the pulmonary (lung) health of patients. We achieve this by developing and applying technologies that can clear patient lungs of chronic mucus. By achieving clear lungs, patients are much less likely to develop life-threatening lung infections such as pneumonia, a leading cause of death across the world.

During the period from 1992-2001, Electromed, Inc.'s R&D staff worked diligently to develop a convenient and comfortable means to clear lungs applying High Frequency Chest Wall Oscillation (HFCWO). Our goal was to make this therapy simple, effective, and easy to apply for both children and adults. Today, thousands of people worldwide are benefiting from HFCWO therapy supplied by the **SmartVest® Airway Clearance System**. We believe that advances in innovation can and do lead to superior care, and that conviction continues to inspire us.

Streamlining health care requires technical and clinical expertise, a commitment to detail, compassion, and an unrelenting effort to improve the lives of others. I am proud that these goals are fostered at Electromed, Inc. In uncertain times we can be sure that applying our gifts for the betterment of others will always be valued.

Sincerely,

Robert D. Hansen
Chairman and CEO



Accredited by
The Joint Commission

ELECTROMED, INC.

Creating superior care through innovation®

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New Prague, MN 56071
Phone: 800-462-1045 or 952-758-9299
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www.Electromed.com | www.SmartVest.com

Ticker Symbol: ELMD

Made in USA

ELECTROMED, INC.

Creating superior care through innovation®

THE INNOVATIVE LEADER IN **AIRWAY CLEARANCE**

MISSION STATEMENT

Electromed, Inc. is dedicated to serving the needs of people with impaired lung conditions on a global basis. We deliver innovative airway clearance products of world-class quality supported by exceptional customer service, while providing superior shareholder return and operating in a fair and ethical manner.

About Electromed, Inc.

Founded in 1992 by brothers Robert and Craig Hansen, Electromed, Inc. is the designer, manufacturer, and worldwide provider of its patented **SmartVest® Airway Clearance System**. Electromed, Inc. is dedicated to "Creating superior care through innovation®."

The Company creates products that help patients become more self sufficient by clearing their lungs of excess mucus (secretions) that may cause lung infections. Effective October 2011, Electromed, Inc. trades on the NYSE Amex under the ticker symbol "ELMD." The strength and momentum gained from this move to the NYSE can produce added opportunities for current and future shareholders.

Electromed, Inc.'s reputation for achieving sustained growth and product excellence, while maintaining strong financial performance, has placed it among the Top 25 Medical Technology Companies in the Minneapolis/St. Paul metro area as reported by the Minneapolis/St. Paul Business Journal in April 2011. Furthermore, in April 2011, Electromed, Inc. was ranked among the Top 100 Public Companies in Minnesota by both the StarTribune and the Minneapolis/St. Paul Business Journal.

The Company's first product, known as the MedPulse® Airway Clearance System, was introduced in 2000. It was the first *portable* HFCWO system. Reflecting Electromed's dedication to innovation, three models have been introduced since that date. Each has been designed to incorporate convenience of use features that have been developed in response to patients' needs. Of particular importance is the product's unique single-hose design, which contributes to a more comfortable and relaxed treatment experience for the patient.

Electromed, Inc.'s current flagship product is the **SmartVest® Airway Clearance System**, used in both HomeCare and Institutional settings.

ELECTROMED, INC.
Maker of the
SmartVest®
AIRWAY CLEARANCE SYSTEM



**The Innovative Leader
in Airway Clearance**



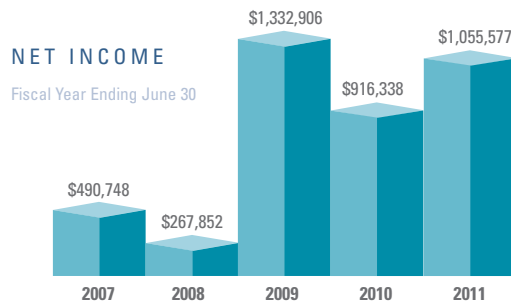
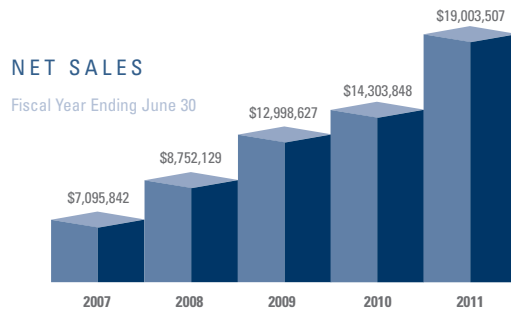
Located, designed,
and manufactured in
New Prague, MN

Dedication to innovation has resulted in more than 20 patents being awarded by the U.S. Patent Office to Electromed, Inc. All Electromed, Inc. products have been cleared for sales by the United States Food and Drug Administration (FDA). Electromed, Inc. is ISO 9001: 2008 and ISO 13485: 2003 certified. As a result, it has also been certified to apply the CE Mark for sales in the European Union and has received regulatory approval for sales in Canada, Japan, and other countries. Electromed, Inc. is the only HFCWO manufacturer to have earned the Joint Commission's Gold Seal of Approval for Home Care.



**Electromed, Inc.
Demonstrates Consistent Growth**

Electromed, Inc. has experienced impressive growth in the last five years despite economic adversity. Company sales have advanced at an Annual Rate of Growth exceeding 27% since FY 2007. Much of its success is anchored in strong and innovative technology. The Company's rapid growth has been secured by achieving pulmonary care advantages; advancing health management cost savings; and retaining disciplined, motivated, and value-oriented employees.



TOTAL ASSETS

Fiscal Year 2011
Ending June 30

\$20.9 million

EQUITY

Fiscal Year 2011
Ending June 30

\$14.7 million

**A Growing Number
of Dedicated Employees**



Electromed, Inc. employs a dedicated employee and contract* staff trained in the following disciplines:

- Engineering/R&D
- Finance/Accounting
- Human Resources
- Manufacturing
- Marketing*
- Patient/Customer Service
- Product Development
- Quality Assurance
- Regulatory Affairs
- Reimbursement
- Sales
- Training

**Electromed, Inc.
is Committed to Patient Service**

Electromed, Inc. is committed to providing exceptional service to its patients. A licensed Respiratory Therapist answers each phone call to the Patient Services Department. Furthermore, greater than half of the Clinical Area Managers (domestic sales force) are also licensed Respiratory Therapists.

Of Electromed, Inc.'s 92 employees, 28% are respiratory therapists licensed by appropriate state professional organizations. This contributes to Electromed, Inc.'s commitment to providing a continuum of product service from hospital to home. When surveyed following receipt and use of the **SmartVest®**...

Over **90%** of respondents stated that they **would recommend** the **SmartVest® Airway Clearance System** and Electromed, Inc. to other family and friends.

