



Masimo Corporation | 40 Parker, Irvine, CA 92618 | Tel 800-257-3810 | Fax 949-297-7599 | www.masimo.com



I AM MASIMO

I AM MASIMO: A diversity of talents, a unity of purpose.

Each morning, a global team of more than 1,500 Masimo purists starts the day with a single focus. Whether it's a research engineer working to solve the next "unsolvable" problem, a clinical specialist helping a customer understand how our technology can enhance patient safety, or a member of our logistics team making sure that a critical delivery gets out on time, their motivation is the same—to do what is best for patient care. At Masimo, we know that what we do matters. It matters to the clinicians around the world who rely on our technologies to help them make accurate and timely diagnoses and treatment decisions. And it matters to the patients for whom they are caring—whose lives are touched and enhanced by our single-minded focus.



Masimo Team (from left): Meghan Corradino, Human Resources; Anna Do, Finance; Juan Ayala, International Sales; Amir Moradi, Product Management; Man Minh Pham, Manufacturing; Jamison Gorin, Information Technologies; Dana Banks, Public Relations



A letter from the Chairman.

“We established Masimo with a strong set of guiding principles and a bold mission. Today, it is the purity of our mission and guiding principles that underpin a Masimo brand built on truth.”

JOE E. KIANI
Chairman & CEO
Masimo Corporation

A YEAR OF IMPORTANT MILESTONES

Since this is our first Annual Report as a public company, we thought it would be appropriate to introduce you to some of the people who have helped make Masimo what it is today, as well as explain some of the underlying philosophies that guide us.

2007 was a year of important milestones for Masimo. It began with the prestigious Excellence in Technology Innovation award from the Society of Technology in Anesthesia (STA) for demonstrating the feasibility of noninvasive total hemoglobin (SpHb) monitoring. We launched PVI, which we believe is the first noninvasive way to measure patient volume and fluid responsiveness in mechanically ventilated patients. And we expanded our Rainbow SET monitoring platform with the launch of our Radical-7 bedside monitor and family of Rainbow sensors. Numerous EMS and fire associations recommended the use of Pulse CO-Oximetry to screen for carbon monoxide poisoning in firefighters, emergency personnel, and patients. And last but not least, we closed the year by shipping our 500,000th pulse oximeter and Pulse CO-Oximeter.

These milestones, built on a solid foundation, fueled our strong financial performance in 2007—helping us achieve record revenues as we helped clinicians around the world provide better care for their patients. We delivered double-digit growth in both product revenues, which increased 29 percent to a record \$199.7 million, and product shipments, which grew by 20 percent as we shipped a record 116,300 new Masimo SET and Masimo Rainbow SET oximeters worldwide.

I am particularly proud that our progress was achieved by adhering to our guiding principles and staying focused on our long-standing mission of “improving patient outcomes and reducing cost of care by taking noninvasive monitoring to new sites and applications.” By remaining dedicated to innovation and patient care, we have continually overcome the technological challenges of noninvasive patient monitoring. We have developed important new noninvasive measurements and dramatically improved existing ones by making them more accurate, reliable, and clinically relevant than anyone ever imagined possible.

Our innovations have not only helped healthcare professionals save the lives of patients—and the eyesight of premature infants—but have also opened up new markets for us. According to industry analysts, our new technologies have created new market opportunities that expand our market potential from \$1 billion to nearly \$3 billion. With a continuing commitment to innovation, accomplishment, and truth, we hope to continue to enhance patient care and expand the worldwide community's access to our technologies. In so doing, we will continue to build our total market opportunity and increase value for our shareholders.

A BRAND BUILT ON TRUTH

Nineteen years ago, we established Masimo with a strong set of guiding principles and a bold mission that underpins a Masimo brand built on truth: truth in the pursuit of new, clinically-needed technologies that place patient safety and care above all else; truth in the ability to accurately deliver trustworthy physiological information, even under the most difficult patient conditions; truth in the independent and objective scientific research that underscores the ethics of the medical community; truth in our enduring commitment to providing clinicians with the tools they need to rapidly diagnose, treat, and deliver the most appropriate care with confidence; and truth in our unwavering commitment to do what is best for patient care.

In every way, in all that we do, Masimo stands for and is guided by truth. We have been since day one, customer one, and shipment one—and will continue to strive to deliver truth through the Masimo brand.

A COMPANY OF "PURISTS"

We define purists as people who do what they do because of the passion they have for their chosen field, not merely for financial gain. Masimo is full of purists who love what they do, are passionate about their work, and are committed to going above and beyond what is expected to deliver solutions to unsolvable problems.

When solving the unsolvable problem of inaccurate arterial oxygen saturation and pulse rate measurements during motion and low perfusion required going to great lengths to achieve the "impossible," we did it. When others couldn't, wouldn't, or simply didn't go far enough to innovate the solution, we did it. When bringing noninvasive monitoring technologies to new sites and new applications required starting a "second revolution" in patient monitoring, we did it. When doing what was best for patient safety and healthcare meant making technology upgrades available through simple software upgrades—again, we did it.

None of this would have been possible without a dedicated team of purists—a team with a shared passion, vision, and single-minded focus to do what is best for patient care. This team is not confined within the walls of Masimo, but is comprised of an extended group of purists, including passionate clinical researchers, clinicians, biomedical engineers, materials managers, OEM partners, and other stakeholders who love what they do and strive to make a difference. As we continue to grow and expand, our greatest focus will be to continue to retain and attract Masimo purists.

WHAT A DIFFERENCE MASIMO PRODUCTS HAVE MADE

Each day, all over the world, our noninvasive blood constituent and hemodynamic monitoring technologies are helping clinicians save, extend, or improve the lives of people of all ages, in all walks of life. This year, we witnessed countless EMS and fire departments using our portable, hand-held Pulse CO-Oximeters to save the lives of victims of carbon monoxide poisoning.

We watched as neonatal clinicians used our pulse oximeters to monitor their patients not only to protect the brains, but save the eyesight of extremely low birth-weight infants by significantly reducing the risk of retinopathy of prematurity (ROP). In addition, clinicians conducting newborn screenings used our "gold standard" pulse oximeter's measurement of arterial oxygen saturation and perfusion index to improve their detection rate for congenital heart defects (CHD).

It was gratifying to see our noninvasive Rainbow SET platform warning clinicians of life-threatening levels of dyshemoglobins—like methemoglobinemia induced by neonatal inhaled nitric oxide therapy or by drugs like

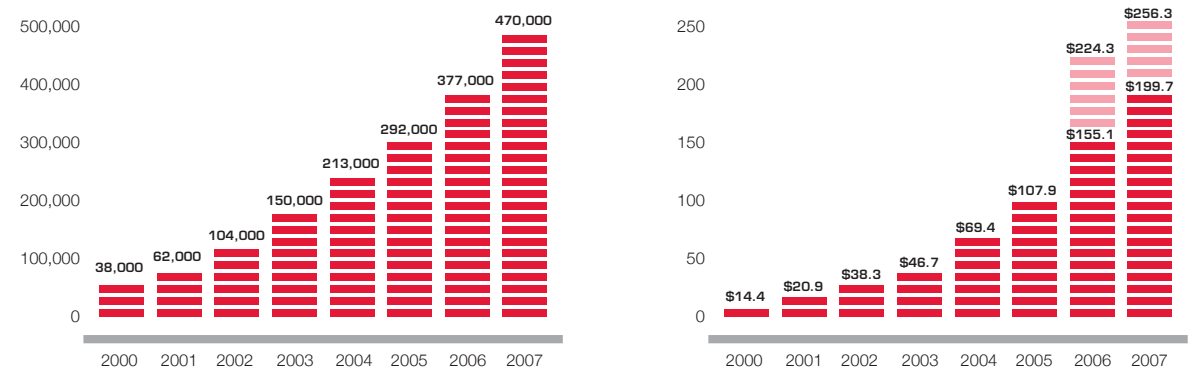
Benzocaine administered during surgery to otherwise healthy adults. We were encouraged to see clinicians use PVI to determine patients' fluid responsiveness, which helped them to more rapidly diagnose and treat patients who were dehydrated, overhydrated, or developing heart complications. And we saw a preview of the future benefits our technologies will bring when an engineering prototype of our noninvasive hemoglobin monitor helped save a doctor's life (please see page 22 for the details).

EXTENDING THE VISION, FULFILLING THE PROMISE

Looking ahead, we anticipate that our latest revolutionary measurements—including our most recent introduction of noninvasive and continuous hemoglobin monitoring—will continue to make significant clinical contributions to patient care. Our new measurements allow us to extend the vision and promise of Masimo technologies beyond the hospital walls to the scenes of emergencies, outpatient surgery centers, alternate care sites, and physician offices worldwide. And, as more healthcare professionals gain access to our products, we look forward to saving and improving more lives and growing our business worldwide.

Our guiding principles, clinical contributions, and business model have allowed us to build a solid business. At the heart of this business is a great innovation engine with bright and talented engineers eager to solve a new set of clinical problems and a team of purists ready to do what is right for patient care.

Joe E. Kiani



Masimo SET Installed Base (estimated units)*

* Excludes Handheld Devices

Revenues (millions)

■ = Product Revenues
 ■ = Royalty Revenues

The Masimo Product Offering:



Circuit Boards

The leading measure-through-motion-and-low-perfusion pulse oximetry solution, available in more than 100 OEM monitors from more than 40 leading brands.



Monitors

A complete line of bedside and handheld devices delivering Masimo SET and Masimo Rainbow SET to clinicians in acute care, alternate care, and EMS/fire settings.



Monitoring Systems

Masimo recently introduced Patient SafetyNet, a wireless patient monitoring and clinician notification system designed to keep patients safe on general-care floors.



Sensors

Available for either single-patient or multi-patient use, we offer more than 100 different sensor and cable combinations for virtually any clinical need.

I AM INNOVATION

When Walt Weber joined Masimo as one of our first engineers more than 16 years ago, he was drawn by the opportunity to make a difference in the lives of people. Coming from the defense industry, Walt sought a career that would allow him to develop innovations that positively impacted society, yet still challenged him to push the boundaries of what was possible. Driven by a desire to look beyond the obvious, Walt's commitment to exploration and excellence helped bring some of our earliest technologies to market. And his continuing focus on "solving the unsolvable" helps him lead and motivate the team to break new barriers today.

A single-minded dedication to discovery.

Masimo engineers and scientists are a rare breed—a group of more than 100 purists who share a vision and a passion to make a difference for patient care. Driven by fascination and accomplishment, they are the reason we have overcome challenges in noninvasive patient monitoring that others believed were impossible.

That's what we did in 1996 with Masimo SET, the first pulse oximetry technology that continued to measure when there was patient motion and low perfusion—something other companies had given up trying to do. We followed up that accomplishment in 2005 with the "second revolution," Masimo Rainbow SET, the first noninvasive technology platform that—with a single noninvasive sensor—can continuously measure many blood constituents that previously required invasive blood sampling and laboratory analysis.

But we're not done yet. Innovation has been and will continue to be our passion. Today, Masimo scientists are hard at work developing a whole new generation of breakthrough technologies, building on a solid foundation and continually looking beyond what others believe is possible.

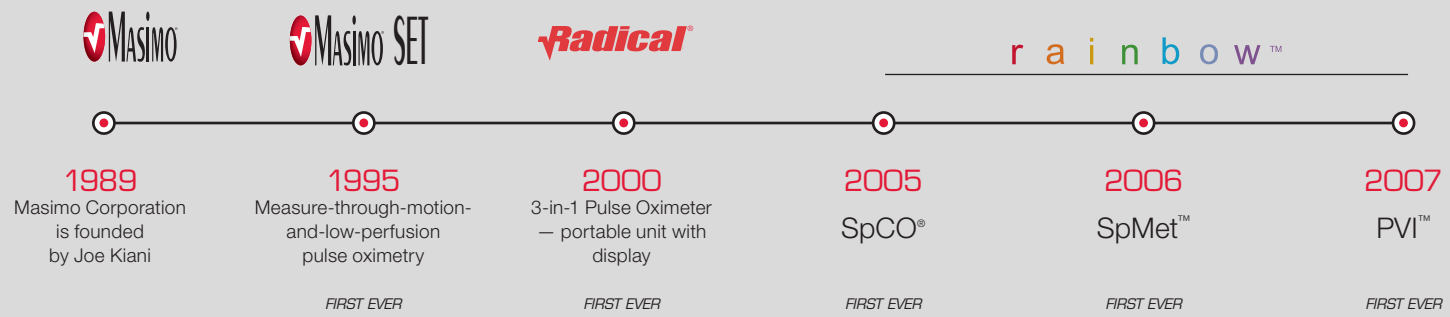
WALT WEBER, VICE PRESIDENT, ALGORITHM DEVELOPMENT

After more than 16 years at Masimo, Walt has helped bring some of our most innovative technologies to market—and his focus on solving the "unsolvable" is helping shape the technologies of tomorrow.



COMMITMENT TO CONTINUED GROWTH

- > More than 100 engineers in R&D
- > Solving "unsolvable" clinically relevant problems



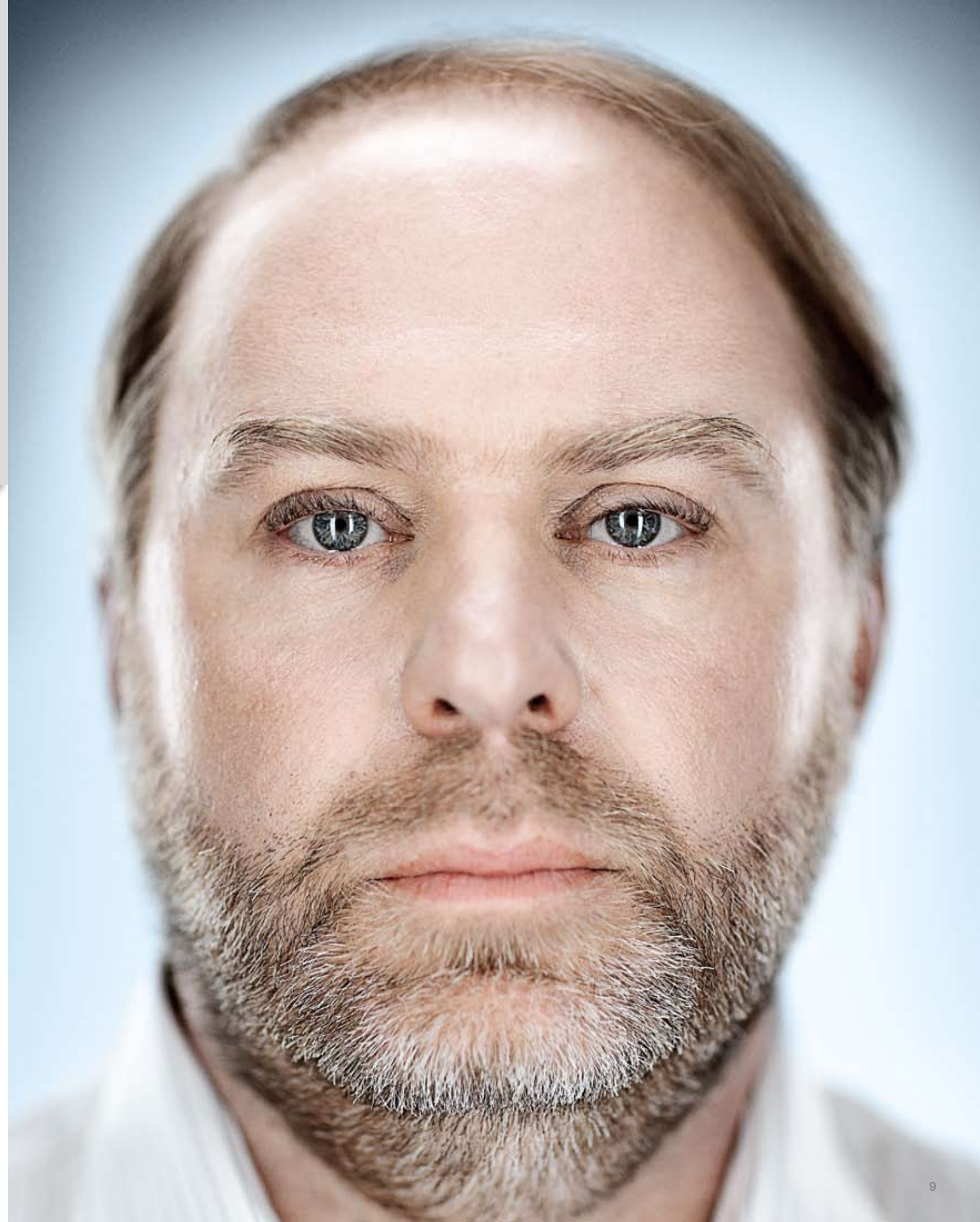
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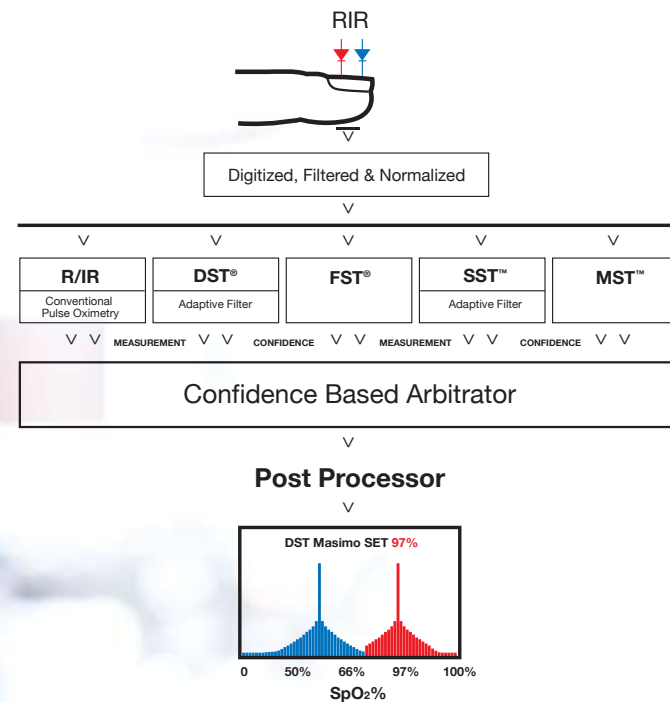
Masimo SET. Solving the “unsolvable.”

In 1995 when we debuted Masimo SET, the world's first and only pulse oximetry technology able to provide accurate measurements during patient motion and low perfusion, we were rewarded for our efforts with the prestigious Excellence in Technology Innovation award from the Society for Technology in Anesthesia (STA). But while the STA and other leaders in the clinical community were convinced we had solved the “unsolvable” problem in pulse oximetry, as a new company with limited credibility, we needed independent clinical validation to overcome the noise created by competitors seeking to create uncertainty and cast doubt on our accomplishments.

One of the first researchers to investigate our claims was Dr. Steven J. Barker, professor and head of the Department of Anesthesiology at the University of Arizona College of Medicine. In 1997, Dr. Barker and fellow researcher Dr. Nitin K. Shah from the University of California, Irvine, published a breakthrough study concluding that Masimo SET provided “a significant advance in low signal-to-noise performance” resulting in “significant improvement in pulse oximeter performance” during patient motion and low perfusion.¹ Since this study, more than 100 independent and objective studies have reinforced the clinical superiority of Masimo SET to all other commercially available pulse oximeters.

Signal Extraction Technology: Making the impossible possible.

Masimo SET transformed the clinical landscape, using breakthrough signal-processing technologies—including parallel engines and adaptive filters—to deliver accurate and reliable SpO₂ and pulse-rate measurements when conventional pulse-oximetry technologies didn't.



STEVEN J. BARKER, MD, PHD

Dr. Barker was one of the first clinical researchers to study the performance of Masimo SET pulse oximetry and performed some of the first experiments that validated the accuracy and reliability of Masimo Rainbow SET.

¹ Barker SJ, Shah NK. The effects of motion on the performance of pulse oximeters in volunteers. *Anesthesiology* 1997;86(1):101-108

MASIMO'S PATENT PROWESS

The success of Masimo in the clinical environment is bolstered by our unwavering commitment to extend, protect, and defend what has become the industry's highest-impact intellectual property estate. With 266 patents issued and another 178 pending worldwide as of December 29, 2007, the strength of our underlying technologies has been recognized by and reported in leading business publications, including *The Wall Street Journal*, which in 2007 reported that we had the fifth-strongest patent portfolio in the entire medical-device industry.

“Masimo’s industry impact score is the highest among all medtech companies, not to mention one of the highest among all companies tracked by The Patent Board across 17 industries.”



Source: 2007 Patent Scorecard Ranking of Industry Innovation, The Patent Board



FRCA (RIGHT)
to continuously and noninvasively measure oxygen saturation to improve clinical care

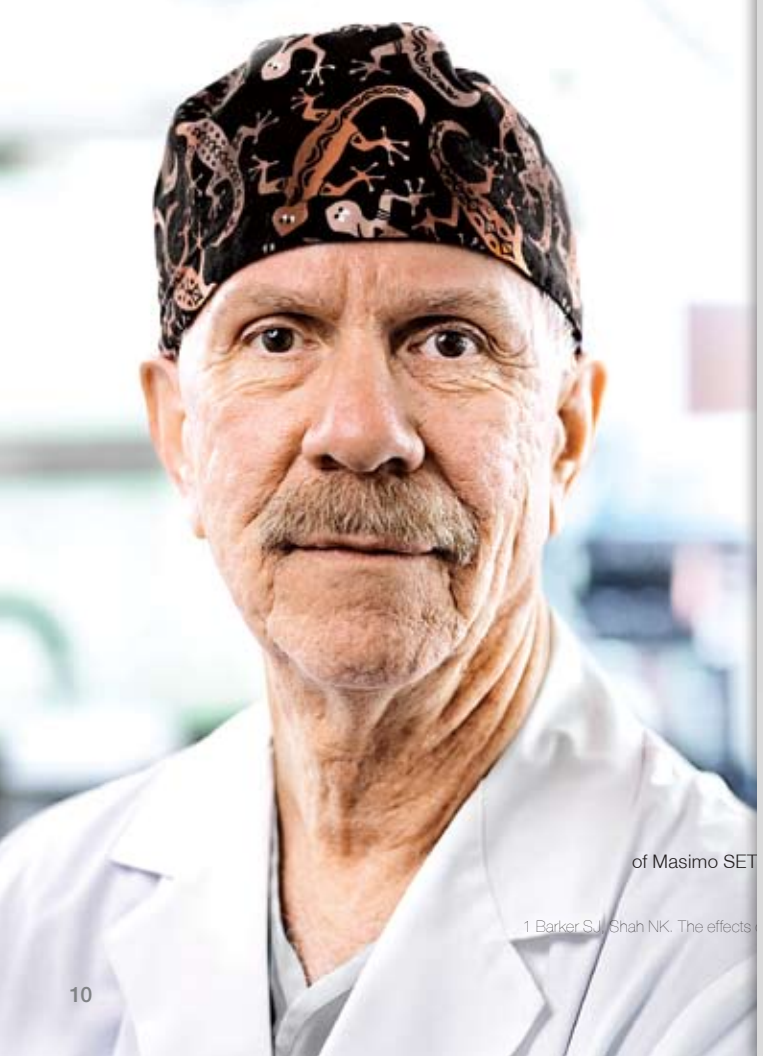
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¹ Barker SJ, Shah NK. The effects

AN UPGRADABLE PLATFORM FOR GROWTH, AN UNBEATABLE RECORD OF INNOVATION

The noninvasive blood-constituent-monitoring platform of Masimo Rainbow SET is an upgradable technology that allows clinicians to add new measurements and parameters as they need them—all through a simple field-installed software upgrade.

Customers can start with a Masimo Radical-7 bedside monitor loaded with Masimo SET oxygen saturation (SpO₂), pulse rate, and perfusion index, then purchase software upgrades for additional measurements whenever they need them. Current upgradable noninvasive measurements include the following:

- > Carboxyhemoglobin (SpCO®) and Methemoglobin (SpMet®)—two critical dyshemoglobins proven to increase morbidity and mortality in a broad range of clinical settings
- > PVI™—giving clinicians the ability to noninvasively assess fluid responsiveness for the first time ever
- > Continuous and Noninvasive Hemoglobin (SpHb™) and Oxygen Content (SpOC™)—now available on the platform



Both the Masimo Radical-7 (shown above) and the Masimo Rad-87 bedside monitors can be enabled to display Masimo Rainbow SET measurements through a simple field-installed software upgrade.

Masimo Rainbow SET. Extending the vision.

The launch of Masimo Rainbow SET in 2005 changed expectations of what could be measured by a single noninvasive sensor—winning the Application of Technology award from the Society for Technology in Anesthesia (STA) in the process. By noninvasively and continuously measuring carboxyhemoglobin and methemoglobin in addition to oxygen saturation, pulse rate, and perfusion index, Rainbow SET gives clinicians a more complete picture of their patients' true oxygenation status. This picture becomes even clearer with the introduction of total hemoglobin and oxygen content.

Noninvasive Hemoglobin a “Significant Advancement in Patient Care”

In January 2007, a team of researchers from Loma Linda University's Department of Anesthesiology won the prestigious Excellence in Technology Innovation award from the STA for their independent study demonstrating that a preliminary Masimo engineering prototype could accurately measure total hemoglobin continuously and noninvasively. The team, led by Dr. Martin Allard, professor and director of research, and Dr. Mark Macknet, assistant professor and assistant director of clinical research, concluded that “rapid measurement of hemoglobin would be an extremely useful tool in many clinical scenarios. This technology should allow for significant advances in patient care.”^{1, 2}

¹ Macknet MR, Norton S, Kimball-Jones P, Applegate II R, Martin R, Allard M. Continuous Non-Invasive Measurement of Hemoglobin via Pulse CO-oximetry. Loma Linda (CA): Loma Linda University, Department of Anesthesiology.
² Macknet MR, Norton S, Kimball-Jones P, Applegate II R, Martin R, Allard M. Continuous Non-Invasive Measurement of Hemoglobin via Pulse CO-oximetry During Liver Transplantation, a Case Report. Loma Linda (CA): Loma Linda University, Department of Anesthesiology.

MARK MACKNET, MD, (LEFT) AND MARTIN ALLARD, MD, M.B.Ch.B, FRCA (RIGHT)
 A series of studies performed by Drs. Macknet and Allard showed that the ability to continuously and noninvasively measure total hemoglobin levels with Masimo Rainbow SET has the potential to improve clinical care and patient safety, while reducing the cost of care.



I AM RESEARCH

Neonatologist Dr. Augusto Sola has spent nearly 35 years improving the lives of some of the most fragile and important patients. His research has led to many clinical advances—including the use of Masimo technology to change the way oxygen is administered to newborns, resulting in a dramatic decrease in neonatal eye damage. He is a passionate clinician and dedicated researcher, focused on improving patient care and enhancing the quality of life for patients all over the world. As a world-renowned expert in the field of neonatology, Dr. Sola regularly collaborates with colleagues to advance the quality of care—sometimes one patient and sometimes thousands of patients at a time.

A commitment to collaborative exploration.

Masimo is passionate about making innovative technologies that give clinicians the tools they need to do what is best for patient care. That's why it is gratifying to see so many independent clinicians and clinical researchers take the time to evaluate our products and technologies—and then to communicate the positive impacts on patient care and safety that can be realized through their use.

More than 100 independent and objective studies by researchers around the world have demonstrated the clinical advantages of our technologies. These studies have shown Masimo technologies can provide a dramatic reduction in eye damage in the NICU, allow congenital heart defects to be properly diagnosed, accurately measure cyanotic patients at very low oxygen-saturation levels, lead to a reduction in medical errors, and much, much more.

As we continue to raise the bar on what clinicians can expect from noninvasive patient monitoring technologies, we look forward to seeing how they put these technologies to work to improve patient care.

AUGUSTO SOLA, MD

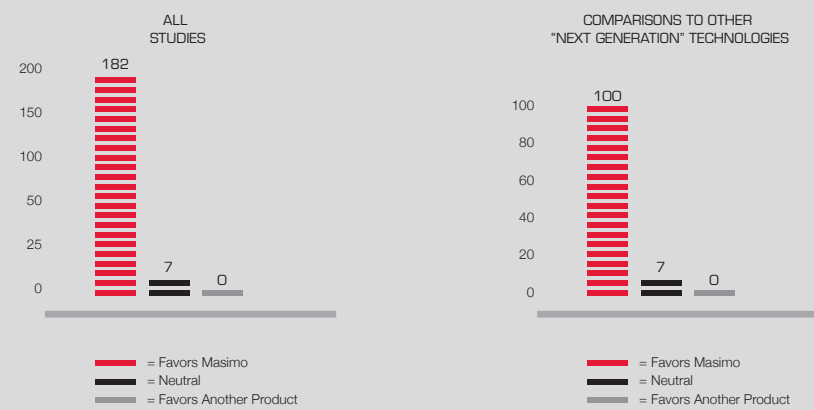
Dr. Sola is Director of Neonatal Research and Academic Affairs for Midatlantic Neonatology Associates (MANA) at Atlantic Health System, Morristown, New Jersey, and Professor of Neurosciences at UMDNJ. His groundbreaking research with Masimo technology at Cedars Sinai and Emory University has led to a significant reduction and prevention of neonatal blindness caused by retinopathy of prematurity (ROP) worldwide.



CLINICAL STUDIES DEMONSTRATE MASIMO SUPERIORITY

Masimo technologies have been shown to be superior to other oximetry technologies in more than 100 independent and objective studies.

Summary of independent and objective studies involving Masimo pulse oximetry



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MAXIME CANNESSON, MD

Dr. Cannesson's independent clinical studies presented at the American Society of Anesthesiologists concluded, "PVI shows great promise for use in perioperative fluid optimization, which will have both clinical and economical impact."

Using a new Masimo measurement for noninvasive hemodynamic monitoring.

One of the newest measurements available with Masimo Rainbow SET is PVI, which captures vital hemodynamic changes that may compromise normal cardiac function and provide an indication of a patient's level of hydration. Appropriate fluid levels are vital to reducing postoperative risks and improving patient outcomes, as fluid volumes that are too low or too high have been shown to decrease wound healing while increasing the risk of infection and cardiac complications.

Noninvasive measure of fluid responsiveness to have "major importance"

At the American Society of Anesthesiologists (ASA) meeting in October 2007, a study presented by Dr. Maxime Cannesson, assistant professor of cardiothoracic anesthesia at Louis Pradel Hospital in Lyon, France, demonstrated the ability of PVI to accurately and noninvasively detect changes in ventricular preload. Dr. Cannesson and his research team concluded in their study that PVI might provide a new method for noninvasively predicting fluid responsiveness, adding that "fluid management optimization in mechanically ventilated patients undergoing anesthesia is of major importance, since it may have clinical and economical impact."¹

1 New Algorithm for Automatic Estimation of the Respiratory Variations in the Pulse Oximeter Waveform. M Cannesson, B Delannoy, A Morand, O Bastien, JJ Lehot. Anesthesiology 2007 (A451).

Moving Beyond Conventional Pulse Oximetry

Masimo is redefining what you should expect from a single noninvasive sensor—not only a true assessment of oxygen saturation (SpO₂) and pulse rate (PR), but perfusion index (PI) and the following:

Carboxyhemoglobin (SpCO®)

Too often misdiagnosed as food poisoning, fatigue, or the flu, CO poisoning is the leading cause of poisoning deaths in the industrialized world.

Methemoglobin (SpMet®)

Monitoring SpMet allows clinicians to determine whether drugs they are administering are causing methemoglobinemia, which can lead to brain damage and even death.

PVI™

Providing for the noninvasive assessment of fluid responsiveness, PVI may help clinicians better understand whether their patients are dehydrated or need more fluids, and it could allow for quicker diagnosis of heart complications in mechanically ventilated patients.

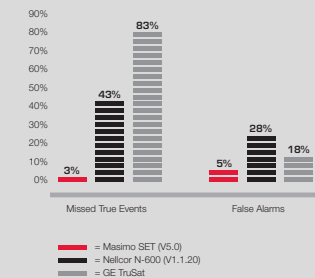
Total Hemoglobin (SpHb™) and Oxygen Content (SpOC™)

These are the latest measurements offered as part of the upgradable Masimo Rainbow SET platform. They are expected to dramatically improve the care of anemic patients and patients at risk of blood loss.

CLINICALLY PROVEN PERFORMANCE

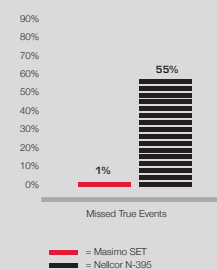
Masimo technologies have been shown to be superior in a wide range of clinical settings and with a broad spectrum of patient populations.

Proven with Adults¹



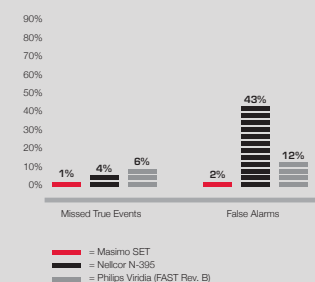
This study measured the occurrence rate of missed true events during 40 low blood-oxygen episodes and false alarms during 120 fully oxygenated episodes, both during conditions of motion.

Proven with Children²



This study measured missed true desaturation events out of 75 true events on 5 children undergoing evaluation for sleep-disordered breathing.

Proven with Infants³



This study measured missed true events and false alarms over a 28 hour period, comparing Masimo SET to other "motion-resistant" pulse oximetry technologies.

1 Nitin Shah, M.D., Laverne Estanol, M.S. Anesthesiology, 2006 Long Beach VA Medical Center, UC Irvine Medical Center, Long Beach, California Comparison of Three New Generation Pulse Oximeters During Motion & Low Perfusion in Volunteers

2 Brouillette RT, Laverge J, Leimanis A, Nixon GM, Laden S, McGregor CD. Differences in Pulse Oximetry Technology can Affect Detection of Sleep Disordered Breathing in Children. Anesth Analg 2002; 94:S47-S53

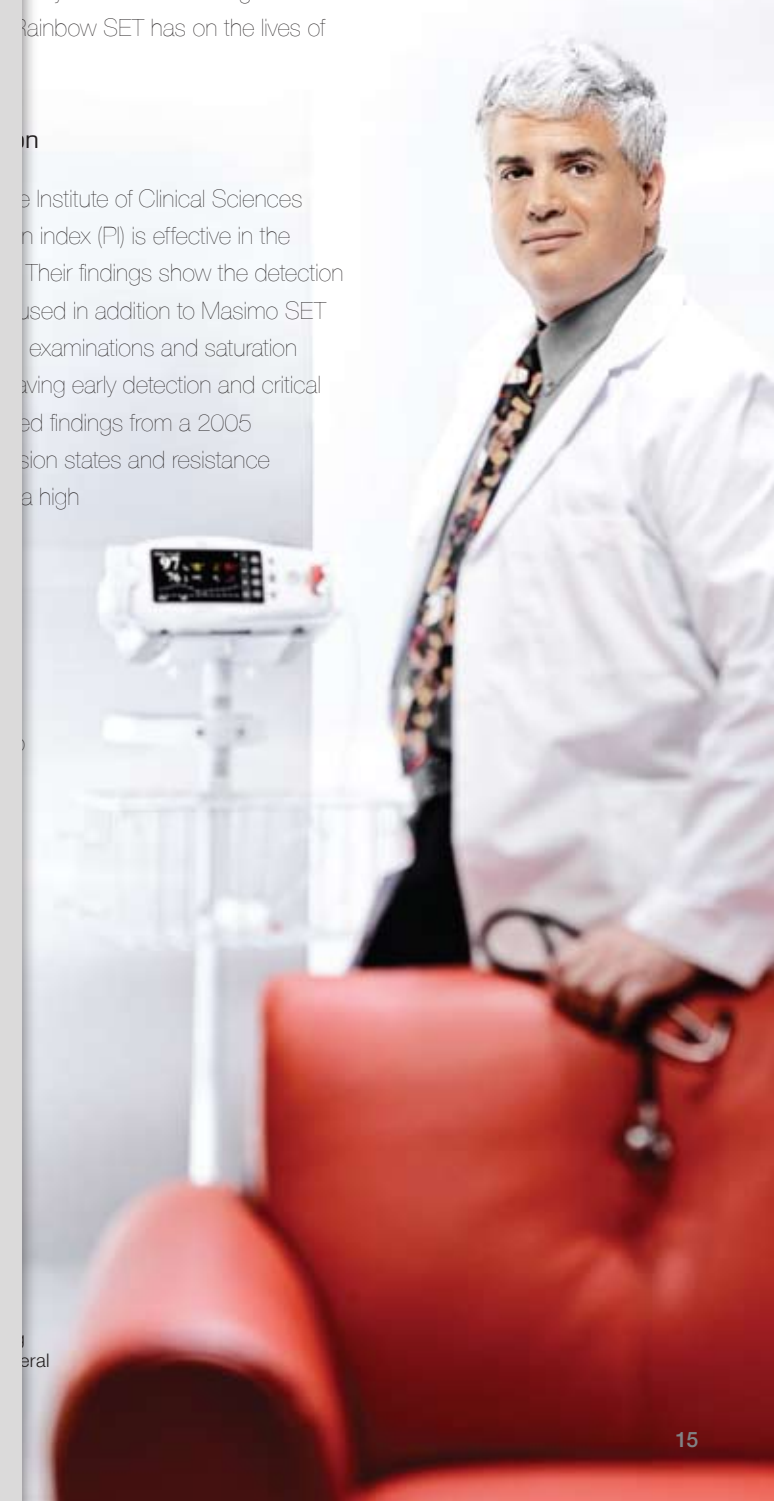
3 Hay WW, Rodden DJ, Collins SM, Melara DL, Hale KA, Fashaw LM. Reliability of conventional and new oximetry in neonatal patients. Journal of Perinatology. 2002; 22:360-266

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e Institute of Clinical Sciences n index (PI) is effective in the Their findings show the detection used in addition to Masimo SET examinations and saturation aving early detection and critical ed findings from a 2005 sion states and resistance a high





Using
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RECAP OF KEY STUDIES FROM 2007

If you want to read for yourself what leading researchers have had to say about Masimo this year, here are just a few of the more than 40 studies published in 2007 showing the clinical value of our technologies.

> Total Hemoglobin (SpHb)

Macknet MR, Norton S, Kimball-Jones P, Applegate II R, Martin R, Allard M. 2007. Non-Invasive Measurement of Continuous Hemoglobin Concentration Via Pulse CO-Oximetry. *Anesthesiology* 107: A1545. Available at <http://www.asa-abstracts.com/>

> PVI

Cannesson M, Dalannoy B, Attouf Y, Rosamel R, Lehot JJ. 2007. New Algorithm for Automatic Estimation of the Respiratory Variations in the Pulse Oximeter Waveform in Mechanically Ventilated Patients. *Crit Care Med* 35(12): 328.

> Carboxyhemoglobin (SpCO)

Ben Eli D, Peruggia J, McFarland J, Werner A, Kaufman BJ, Freese J, Cox L, Fry A, Askew S, Prezant DJ. 2007. Detecting CO – FDNY Studies Prehospital Assessment of COHb. *JEMS* October: 36-37.

> Methemoglobin (SpMet)

Padakandla U. 2007. RAD-57 Rainbow CO-Oximeter in Detecting Methemoglobin during Upper GI Endoscopy—A Case Report. *Anesthesiology* 107: A1543. Available at <http://www.asa-abstracts.com/>

> Perfusion Index (PI) to Screen for Congenital Heart Defects

Graneli AW, Osterman-Smith I. 2007. Noninvasive Peripheral Perfusion Index as a Possible Tool for Screening for Critical Left Heart Obstruction. *Acta Paediatr* 96(10): 1455-9.

> Low Saturation Accuracy of Masimo SET/Masimo LNOP Blue Sensor

Cox P. 2007. New Pulse Oximetry Sensors with Low Saturation Accuracy Claims—A Clinical Evaluation. *Anesthesiology* 107: A1540. Available at <http://www.asa-abstracts.com/>

> Masimo SET SpO₂ Accuracy

Castillo AR, Deulofeut R, Sola A. 2007. Clinical Practice and SpO₂ Technology in the Prevention of ROP in VLBW Infants. Presented at Pediatric Academic Societies Annual Meeting May 5-8, 2007. Available at www.abstracts2view.com/pas/

Moving Beyond Conventional

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Methemoglobin (SpMet®)

Monitoring SpMet allows clinicians to determine whether drugs they are administering are causing methemoglobinemia, which can lead to brain damage and even death.

Using Masimo Rainbow SET to screen for congenital heart defects and other life-threatening conditions in infants.

It is especially rewarding to us when we see researchers using our technology to detect illnesses that threaten the lives of the most vulnerable yet promising patients. That's why we were encouraged to see new studies in 2007 clearly showing the positive effect Masimo Rainbow SET has on the lives of newborns and infants.

Masimo enables life-saving early detection and intervention

In a study released in November 2007, a team of researchers from the Institute of Clinical Sciences at Gothenburg University, Sweden, showed that the Masimo perfusion index (PI) is effective in the noninvasive detection of congenital heart defects (CHD) in newborns. Their findings show the detection rate for CHD improved from 78 percent to 100 percent when PI was used in addition to Masimo SET SpO₂. The study concluded that even when routine neonatal physical examinations and saturation screenings fail, PI may help to accurately detect CHD—enabling life-saving early detection and critical intervention before discharge from the hospital.¹ These results reinforced findings from a 2005 study that showed Masimo's improved performance during low perfusion states and resistance to motion artifacts "is the key to enable screening (for CHD) with both a high sensitivity and a low false positive rate."²

PVI may provide "significant value" for neonatologists

Additionally, in a study presented at the American Association of Respiratory Care Annual Meeting in December 2007, a team of neonatologists headed by Dr. Mitchell Goldstein reported that Masimo Rainbow SET's PVI measurement may provide significant value in the detection and treatment of processes that produce increased intrathoracic pressure in newborns. The researchers concluded that, "PVI may have significant value in the diagnosis and treatment of processes that produce increased intrathoracic pressure, such as pneumothorax, chylothorax, and in this case pulmonary effusion."³

¹ Graneli A, Osterman-Smith I. 2007. Noninvasive Peripheral Perfusion Index as a Possible Tool for Screening for Critical Left Heart Obstruction. *Acta Paediatrica* 96:1455-1459.

² Graneli A.D., Mellander M, Sunnegardh J, Sandberg K, Osterman-Smith I. 2005. Screening for duct-dependent congenital heart disease with pulse oximetry: A critical evaluation of strategies to maximize sensitivity. *Acta Paediatrica*, 94: 1590-1596.

³ Goldstein M, Lopez M, Saesim D, Peverini R. 2007. The Use of Pleth Variability Index (PVI) to Detect Changes in Intrathoracic Pressure. Loma Linda (CA): Neonatology, Loma Linda University Children's Hospital.

MITCHELL GOLDSTEIN, MD, FAAP

Dr. Goldstein has led a number of independent research initiatives to determine the efficacy of Masimo technologies, most recently completing a study showing Masimo Rainbow SET to have "significant value" in diagnosing and treating several potentially life-threatening neonatal conditions.



I AM COMPASSION

It's not easy for some people to understand why a highly-trained professional like Pernilla Fridolfsson would choose to endure the physical and emotional rigors of 12-hour shifts while dealing with pressure-packed days in a neonatal intensive care unit. It's not a comfortable life. But for Pernilla, the choice to serve in this challenging arena was an easy one. Since beginning her nursing career in Sweden 20 years ago, she has had a passion for patient care. It's this passion for patients, along with a drive to improve lives and comfort those in need that makes it all worthwhile for Pernilla—and clinicians like her around the world.

Remaining faithful to a promise of caring.

The dedicated men and women who use our products every day to make a difference in the lives of their patients know they can trust Masimo to give them accurate, actionable information about their patients' physiological status. This confidence is why many of the top hospitals in the United States—including four of the top five listed on the 2007 *US News & World Report* Honor Roll—have adopted Masimo as their pulse oximetry platform.

When clinicians choose Masimo, they know they are getting a partner committed to their success. We not only have the best performing pulse oximetry technology, but we have one of the largest teams of dedicated clinical specialists in the industry, 24 x 7 technical support, and online training tools to educate the clinicians who will use our products to care for their patients.

PERNILLA FRIDOLFSSON, RNC

Beginning her nursing career in her native Sweden, Pernilla is currently a neonatal nurse at the Children's Hospital of Orange County in Orange, California, where she counts on Masimo technology every day to help her care for her tiny patients.



AT HOME IN VIRTUALLY ANY CLINICAL SETTING

Masimo has a complete array of sensors and multiple handheld and bedside devices—in addition to being integrated into more than 100 multiparameter monitors and more than 40 monitoring brands. So whatever kind of patient monitor a clinician requires, they can get it with Masimo technology.



Remaining faithful to a promise of caring.

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PERNILLA FRIDOLFSSON, RNC

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Using Masimo technology to keep patients safe in general care areas of the hospital.

A growing recognition that patients are unnecessarily dying on general care floors due to unobserved sentinel events has led to an increased call for continuous monitoring of at-risk patients in these areas—and the deployment of highly-trained clinicians in the form of Rapid Response Teams to intervene when necessary. Masimo Patient SafetyNet remote monitoring and clinician notification system is specifically designed to keep at-risk patients safe when they are undergoing care on general floors, where patient-to-nurse ratios preclude the direct and continual surveillance necessary to identify and properly treat sentinel events.

Patient SafetyNet having “positive impact” on improving outcomes

In December 2007, Patient SafetyNet was first put into service on a postsurgical orthopedic general care floor at Dartmouth Hitchcock Hospital in Hanover, New Hampshire. All 36 bedsides on the floor are now equipped with Masimo Radical-7 pulse oximeters that are wirelessly connected to the Patient SafetyNet server over the hospital's internal wireless infrastructure. The clinical team at Dartmouth implemented a “standing order” policy, assuring that all patients admitted to the floor are monitored on the system. Initial reports from the clinical team indicate Patient SafetyNet has already had a positive impact on improving outcomes through early detection of changes in patient conditions.

With Masimo Patient SafetyNet, hospitals can mobilize Rapid Response Teams with confidence due to the accuracy and reliability of Masimo SET technology, which virtually eliminates false alarms without missing true clinical events.



MASIMO PATIENT SAFETYNET HELPS CLINICIANS AVERT LIFE-THREATENING EVENTS

Masimo Patient SafetyNet is an easy-to-use remote monitoring and clinician notification system that combines the “gold standard” performance of Masimo SET pulse oximetry with wireless clinician notification via pager. The system supports up to 40 bedside devices and is available today with continuous SpO₂ and pulse-rate monitoring. Recent upgrades allow clinicians to add end-tidal carbon dioxide (EtCO₂) and respiration.

The accuracy and reliability of Masimo SET makes it all possible

Previous attempts at monitoring patients on the general floors have failed because of excessive false alarms. Because Masimo SET has been proven to have the highest sensitivity and specificity through conditions of motion and low perfusion—the most common source of false alarms with other pulse oximetry technologies—clinicians can finally monitor their patients on general care floors without being overloaded by false alarms.

And since clinicians can trust the alarms generated by Masimo Patient SafetyNet, Rapid Response Teams can be mobilized with confidence to allow prompt clinical intervention in cases of treatable adverse events.

and decisive action

At a community hospital in South Florida, Nurse Mary Russell had no idea a patient complained of dizziness and a headache, common warning signs of carbon monoxide poisoning, until she noticed an overlooked warning sign of carbon monoxide around gas-powered generators at a condo complex near the hospital. She decided to suspect carbon monoxide.

Using a pulse oximeter, the first device to be able to measure blood oxygen saturation without a painful and time-consuming arterial stick, she checked the patient's finger and in seconds

story building

At the Raton Fire-Rescue station, a security guard's name was on the list. In the middle of the pick-up, the guard had 100

minutes to



Using Masimo technology in general care areas of the hospital

A growing recognition that patients are unnecessarily at risk due to an increased call for continuous monitoring of at-risk patients in the form of Rapid Response Teams to intervene when needed. A notification system is specifically designed to keep at-risk patients safe when patient-to-nurse ratios preclude the direct and continuous monitoring of patients.

Patient SafetyNet having “positive impact” on patient care

In December 2007, Patient SafetyNet was first put into use at Hitchcock Hospital in Hanover, New Hampshire. All 36 Masimo oximeters that are wirelessly connected to the Patient SafetyNet clinical team at Dartmouth implemented a “standing order” for use on the system. Initial reports from the clinical team indicate positive outcomes through early detection of changes in patient status.



MASIMO BECOMING STANDARD OF CARE FOR DETECTING CARBON MONOXIDE POISONING IN EMS AND FIRE ENVIRONMENTS

As the recognition of the dangers of misdiagnosing carbon monoxide poisoning in patients and firefighters alike grows, many leading industry groups are advocating adoption of Pulse CO-Oximetry technology as a new standard of care to fight this silent killer. The organizations advocating the adoption of this life-saving technology include the following groups:

- > National Association of Emergency Medical Technicians (NAEMT)
- > National Fire Protection Association (NFPA)
- > International Association of Firefighters (IAFF)
- > National Association of EMS Educators (NAEMSE)

With these recommendations, more firefighters and emergency medical professionals will gain access to our life-saving Pulse CO-Oximeter, the Masimo Rad-57.

“Any firefighter exposed to CO or presenting with headache, nausea, shortness of breath, or gastrointestinal symptoms at an incident where CO is present should be measured for CO poisoning with Pulse CO-Oximetry...”

NFPA 1684: Standard on the Rehabilitation Process for Members During Emergency Operations and Training Exercises, 2008

Timely carbon monoxide screening and decisive action saves nearly 100 lives.

When a security guard arrived for treatment at the Boca Raton Community Hospital in South Florida, Nurse Mary Russell had no immediate reason to suspect carbon monoxide (CO) poisoning. The patient complained of dizziness and a headache, common symptoms that are normally associated with the flu—but are also the often-overlooked warning signs of carbon monoxide poisoning. But when Mary determined the security guard was working around gas-powered generators at a condo complex undergoing construction repairs from Hurricane Wilma, her training led her to suspect carbon monoxide.

Luckily, Mary's hospital had just received a Masimo Rad-57 Pulse CO-Oximeter, the first device to be able to noninvasively detect the level of carbon monoxide in a patient's blood without a painful and time-consuming blood test. She slipped the sensor on the security guard's finger and in seconds determined that he was suffering from carbon monoxide poisoning.

Early detection and quick thinking lead to evacuation of 20-story building

At that point, Mary contacted Glenn Joseph, deputy chief of the Boca Raton Fire-Rescue Services, who quickly dispatched a hazardous-materials team to the security guard's condo complex. Once there, the team detected carbon monoxide levels in the building that were 100 times above normal levels. After summoning back-up, the team went door-to-door in the 20-story condo, safely evacuating nearly 100 residents from the poisoned building.

Because of the quick actions of Mary, Glenn, and the team—and the timely detection of carbon monoxide poisoning by the Masimo device—only one other person needed to be taken to the hospital for treatment. In addition, the evacuees were spared the long-term brain and heart damage that can be caused by even one untreated exposure to carbon monoxide poisoning.



MARY RUSSELL, EDD, MSN (left) GLENN JOSEPH, DEPUTY FIRE CHIEF OF OPERATIONS, BOCA RATON FIRE RESCUE (right) Quick action by Nurse Russell and Deputy Chief Joseph triggered a series of events that led to the evacuation of 100 persons from a 20-story condo building that had lethal levels of carbon monoxide, perhaps saving dozens of lives.



I AM LIFE

Gabriel Tom is an active six-year-old with a ready smile and a gentle nature. His cheerful demeanor and inquisitive personality belie the challenges this energetic kindergartener faced when he was born prematurely with multiple birth defects. Masimo technology helped doctors rule out one prenatally diagnosed condition—congenital heart defect—and allowed them to focus on Gabriel's most urgent condition, a diaphragmatic hernia requiring emergency surgery. While Masimo technology measured his arterial oxygen-saturation levels, a team of doctors led by Dr. Balaji Govindaswami at Cedars-Sinai Medical Center provided the care that saved Gabriel's life and ultimately gave his parents a most precious gift—a happy, healthy young boy.

Never forgetting it's all about the patient.

When one of our monitors displays a noninvasive measurement, it's more than just a number. It's a key to understanding. A piece of the puzzle a clinician will use to make decisions that will impact a life. At Masimo, we never forget this fact.

Before Masimo, clinicians resigned themselves to the fact that pulse oximetry would fail to deliver accurate readings when used on their most difficult patients—like ASA-status IV patients, critically ill patients during transport, patients in postanesthesia recovery, cyanotic children, neonates, and combative patients who were moving and had low perfusion.

Masimo's accuracy and reliability changed all that, allowing clinicians to trust the measurements they see and intervene with confidence. Masimo SET's unmatched sensitivity and specificity allowed us to reduce SpO₂ false alarms by more than 90 percent while providing an unmatched true alarm-detection rate of more than 97 percent even during motion and low perfusion. We believe reducing false alarms at the expense of detecting true clinical events is an unacceptable trade-off—and that patients deserve better.

GABRIEL TOM, KINDERGARTEN STUDENT, EX-PATIENT

Born with multiple birth defects, Gabriel is now a happy, healthy six-year-old thanks to the dedicated efforts of a team of talented clinicians and—at least in part—to the accuracy and reliability of Masimo technology.





A COMMITMENT TO CARE FOR THOSE WHO CANNOT CARE FOR THEMSELVES

When Masimo first introduced measure-through-motion-and-low-perfusion pulse oximetry, we focused our efforts on meeting the unmet needs of the most fragile patients—at-risk infants in the NICU for whom conventional pulse oximetry would not work due to its inability to measure during conditions of low perfusion and motion. It's an area of focus we still maintain and a bond of trust we still nurture.

Never forgetting it's all about the patient.

When one of our monitors displays a noninvasive measurement, it's more than just a number. It's a key to understanding. A piece of the puzzle a clinician will use to make decisions that will impact a life. At Masimo, we never forget this fact.

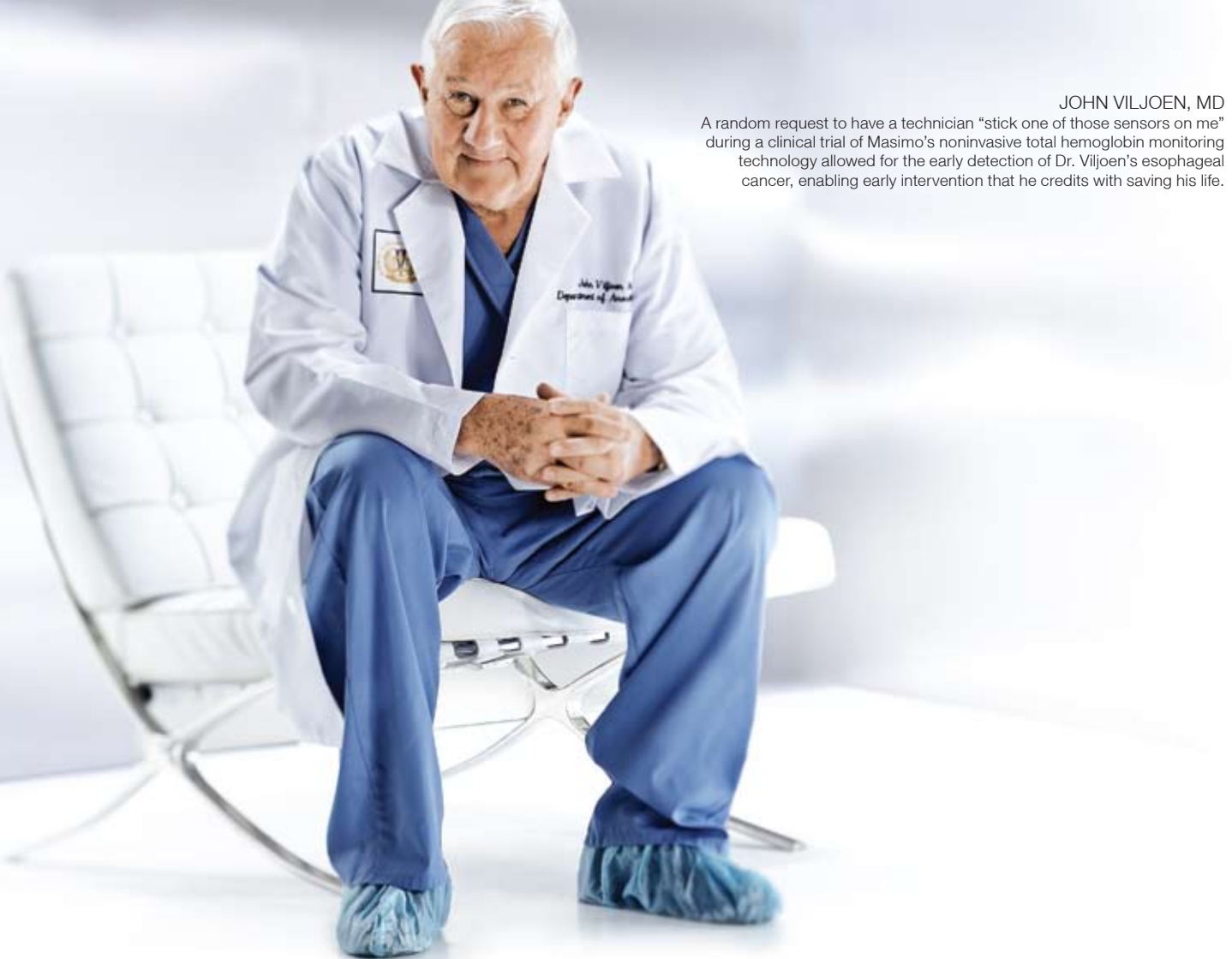
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JOHN VILJOEN, MD

A random request to have a technician “stick one of those sensors on me” during a clinical trial of Masimo’s noninvasive total hemoglobin monitoring technology allowed for the early detection of Dr. Viljoen’s esophageal cancer, enabling early intervention that he credits with saving his life.

Random hemoglobin testing during Masimo clinical trials helps save doctor’s life when his cancer is detected early.

A little less than a year ago, Dr. John Viljoen, clinical professor of anesthesiology at Loma Linda University School of Medicine in California, walked in to find his office cluttered with computers and testing equipment being used in a clinical study validating Masimo’s new noninvasive total hemoglobin monitoring technology. His interest piqued, he asked one of the technicians to “stick one of those sensors on me.” That one simple request kicked off a chain of events that Dr. Viljoen credits with saving his life.

Life “totally changed” as a result of Masimo and early detection

After receiving a low hemoglobin reading of 10.6 from our device, Dr. Viljoen—who exhibited no prior symptoms—had the results validated by a laboratory blood test. He then had a series of additional tests done that ultimately led to a diagnosis of esophageal cancer that had metastasized in the upper part of his left arm. He had surgery to remove the tumor in his esophagus and replace his left shoulder, “and up to this point I have had no complications,” Dr. Viljoen explained.

“My life expectancy has been totally changed as a result of that random assessment of noninvasive total hemoglobin,” Dr. Viljoen added. “If it were not for that measurement having been done, I would have had to wait for symptoms of the cancer to occur, at which time it would probably have been inoperable and the whole sequence of events would have been totally different—resulting in all probability in my not being here today.”

NONINVASIVE HEMOGLOBIN MONITORING PRESENTS NEW OPPORTUNITIES TO POSITIVELY IMPACT PATIENT CARE

With the launch of noninvasive and continuous total hemoglobin monitoring, the latest measurement to be offered as part of the upgradable Masimo Rainbow SET platform, Masimo technology will likely find itself saving more lives throughout the hospital and beyond.

Hemoglobin is a protein carried by red blood cells to transport oxygen molecules. Knowing a patient’s hemoglobin level gives clinicians a good indication of the blood’s ability to carry oxygen throughout the body and can also warn of potential internal bleeding. Noninvasive and continuous hemoglobin monitoring with Masimo Rainbow SET technology has the potential to help improve patient outcomes and reduce the cost of care by allowing for real-time anemia monitoring—giving clinicians the opportunity to perform fewer lab tests, fewer blood transfusions, and reduce blood transfusion-related morbidity through more precise blood delivery.

Principal care areas where hemoglobin is currently measured invasively are surgery, recovery, intensive care, and the emergency department, with secondary areas of obstetrics and gynecology, dialysis centers, and oncology departments. With continuous and noninvasive hemoglobin monitoring, clinicians in these areas will benefit from knowing real-time hemoglobin levels that may allow them to make more timely decisions.



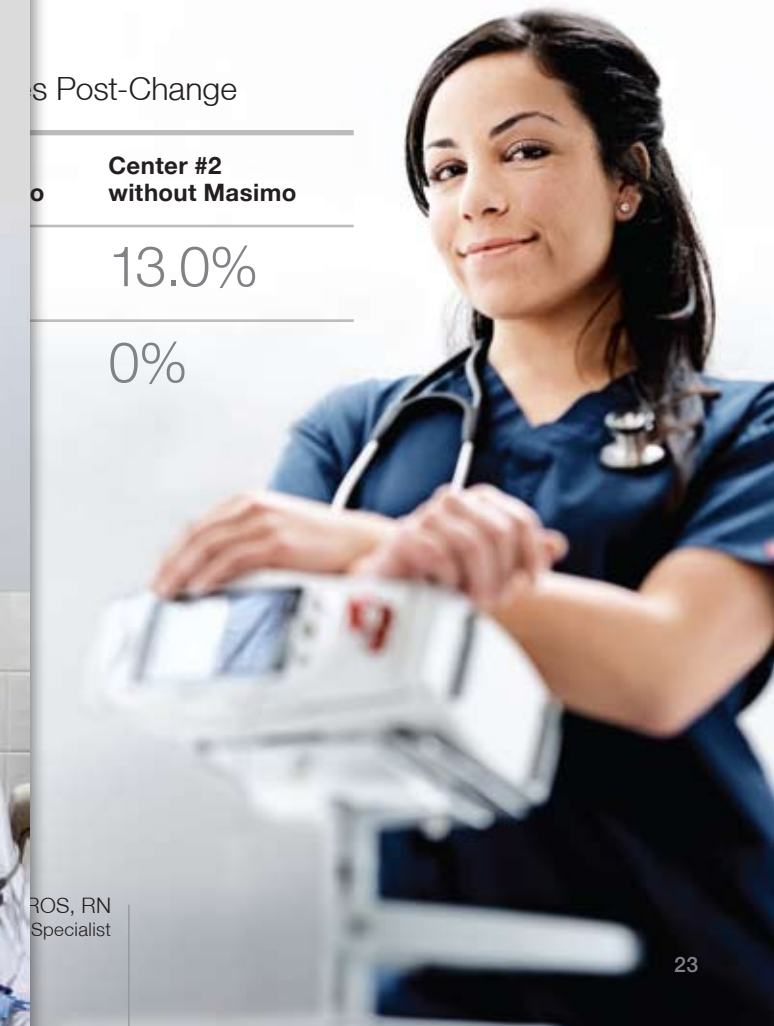
For premature infants’ fragile oxygen management.

Management of oxygen critical to avoid blindness caused by retinal impairment and blindness in premature infants. ROP often used to treat these patients, due in large part to maintaining accuracy during conditions of motion and low oxygen. Switching to Masimo SET pulse oximetry technology can reduce the incidence of retinopathy of prematurity (ROP) by 40 percent.¹

Impact treatment effect and reduce the risk of ROP before and after identical clinical practice changes at two centers using pulse oximetry technology—one of which switched to Masimo SET. Researchers concluded that the results were statistically significant, adding that these results “further support the use of Masimo SET.”

Pre-Change vs Post-Change

Center #2 without Masimo
13.0%
0%



ROS, RN Specialist



Random hemoglobin testing save doctor's life when his c

A little less than a year ago, Dr. John Viljoen, clinical professor in California, walked in to find his office cluttered with code. Masimo's new noninvasive total hemoglobin monitoring one of those sensors on me." That one simple request

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After receiving a low hemoglobin reading of 10.6 from a c validated by a laboratory blood test. He then had a seri cancer that had metastasized in the upper part of his le his left shoulder, "and up to this point I have had no cor

"My life expectancy has been totally changed as a resu added. "If it were not for that measurement having been which time it would probably have been inoperable and in all probability in my not being here today."

IMPROVING PATIENT OUTCOMES AND SAFETY

Clinicians around the world have put Masimo to the test and have shown that our technology provides improved patient outcomes and enhanced processes of care. Here are excerpts from two of the more than 100 independent and objective studies that back up this claim:

"As part of an organized process of improvement in quality of care, the implementation of a clinical practice change of curtailed O₂ was associated with an important and clinically significant decrease in the incidence of both severe ROP and the need for ROP therapy... In addition, many of the care providers reported greater ease in following the policy with use of new SpO₂ monitors (Masimo Signal Extraction Technology) with less artifact and false alarms."

Chow LC, Wright KW, Sola A, and the CSMC Oxygen Administration Study Group, Can Changes in Clinical Practice Decrease the Incidence or Severe Retinopathy of Prematurity in Very Low Birth Weight Infants? Pediatrics 2003; 111(2):339-345

"... a sensitivity of 98.5 percent and an excellent negative predictive value of 99.5 percent... The data in our study clearly show that a high-performance, new-generation oximeter, with improved performance during low perfusion states and resistance to motion artifacts, is the key to enable screening with both a high sensitivity and a low false-positive rate."

Granelli A.D., Screening for Duct-dependant Congenital Heart Disease with Pulse Oximetry: A Critical Evaluation of Strategies to Maximize Sensitivity, Acta Paediatrica, 2005; 94: 1590-1596



Masimo SET helps clinicians preserve premature infants' fragile eyesight thanks to more efficient oxygen management.

The fragile nature of a premature baby's eyesight makes careful management of oxygen critical to avoid blindness caused by retinopathy of prematurity (ROP), one of the most common causes of visual impairment and blindness in premature infants. ROP is exacerbated by the excessively high levels of supplemental oxygen often used to treat these patients, due in large part to unreliable oxygen level measurements from pulse oximeters not able to maintain accuracy during conditions of motion and low perfusion. A new independent study released in 2007 showed that switching to Masimo SET pulse oximetry technology can reduce the risk of extremely low birth-weight (ELBW) infants developing retinopathy of prematurity (ROP) by 40 percent.¹

Results with Masimo "significantly more favorable"

The study showed that a change in pulse oximetry technology could impact treatment effect and reduce the risk of ROP in ELBW infants. The research team was able to analyze ROP rates before and after identical clinical practice changes at two different healthcare centers and isolate the difference made by the pulse oximetry technology—one of which switched to Masimo after the practice changes, one of which kept its old technology. Researchers concluded that the results were "significantly more favorable" for the center that switched to Masimo technology, adding that these results "further support the significance of adequate SpO₂ monitors in managing critically ill infants."

ROP Rates Pre-Change

Center #1 without Masimo	Center #2 without Masimo
11.1%	13.0%

ROP Rates Post-Change

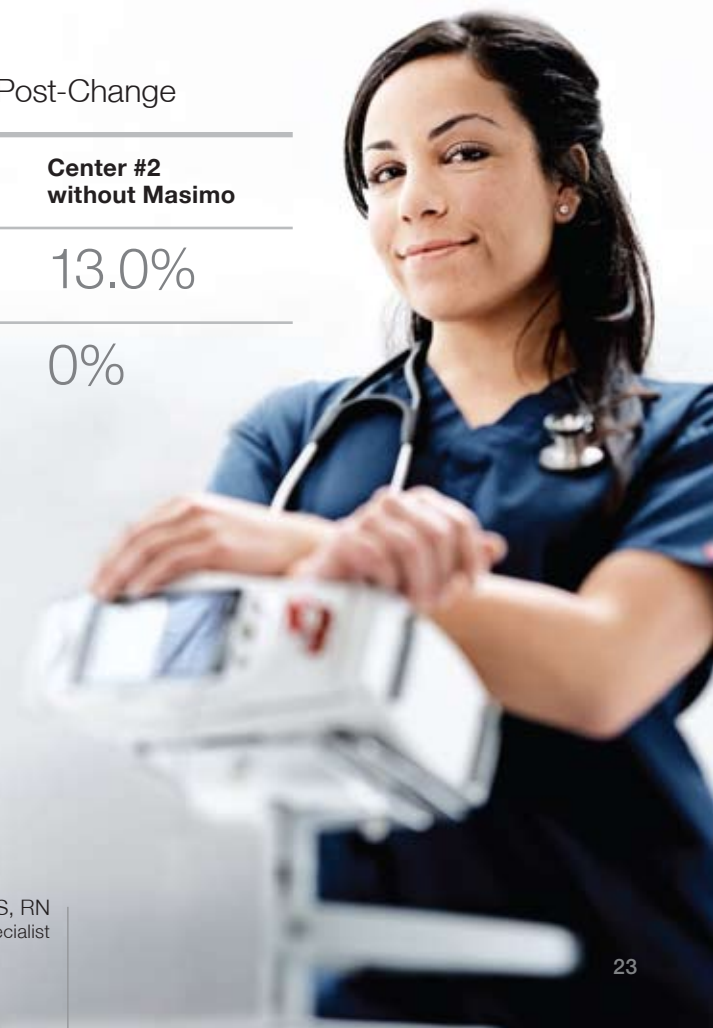
Center #1 with Masimo	Center #2 without Masimo
6%	13.0%

Percent reduction in ROP rate after change in clinical practice →

40% 0%

¹ Clinical Practice and SpO₂ Technology in the Prevention of ROP in ELBW Infants. Armando R. Castillo, Richard Deulofeut, Augusto Sola. Publication 8440.7, 2007 Pediatric Academic Societies'

MICHELLE OROS, RN
Cardiac Surgery Specialist



Masimo Mission

"Improving patient outcomes and reducing the cost of care by taking noninvasive monitoring to new sites and new applications."

Masimo guiding principles:

- > Remain faithful to your promises and responsibilities.
- > Thrive on fascination and accomplishment and not on greed and power.
- > Strive to make each year better than the year before both personally and for the team.
- > Make each day as fun as possible.
- > Do what is best for patient care.

MASIMO TECHNOLOGIES:



Masimo SET
Measure-through-motion-and-low perfusion pulse oximetry.

- > Oxygen Saturation (SpO₂), Pulse Rate, Perfusion Index (PI)



Masimo Rainbow SET
Noninvasive blood constituent and functional hemodynamic monitoring.

- > Oxygen Saturation (SpO₂), Pulse Rate, Perfusion Index (PI)
- > Carboxyhemoglobin (SpCO), Methemoglobin (SpMet), PVI
- > Noninvasive Total Hemoglobin, and Oxygen Content

MASIMO MONITORS:



Masimo Radical-7 Color Screen
Complete Masimo Rainbow SET capability, upgradable, full color screen



Masimo Radical-7 Blue Screen
Complete Masimo Rainbow SET capability, upgradable, monochrome blue screen



Masimo Rad-87
Complete Masimo Rainbow SET capability, upgradable, LCD display



Masimo Rad-8
Masimo SET, LCD display



Masimo Rad-9
Masimo SET, monochrome display



Masimo Rad-57
Available with Masimo SET, SpCO, SpMet



Masimo Rad-5
Masimo SET



Masimo Rad-5v
Masimo SET



Gerry Hammarth, Finance



Meghan Corradino, Human Resources



Phil Bonwell, Clinical Services

SENSORS:



SET Sensors:
Pulse Rate, Perfusion Index



Rainbow SET Sensors:
Pulse Rate, Perfusion Index, SpCO, SpMet, PVI, DC

to the root of a matter, completeness.

go. It symbolizes the effectiveness of what others think



Masimo Mission

"Improving patient outcomes through noninvasive monitoring to reduce risk."

Masimo guiding principles

- > Remain faithful to your promises and responsibilities.
- > Thrive on fascination and accomplishment and on the pursuit of excellence, not greed and power.
- > Strive to make each year better than the year before, both personally and for the team.
- > Make each day as fun as possible.
- > Do what is best for patient care.

MASIMO TECHNOLOGIES:



Masimo SET

Measure-through-motion-and-low perfusion pulse oximetry

- > Oxygen Saturation (SpO₂), Pulse Rate, Perfusion Index

r a i n b o w™

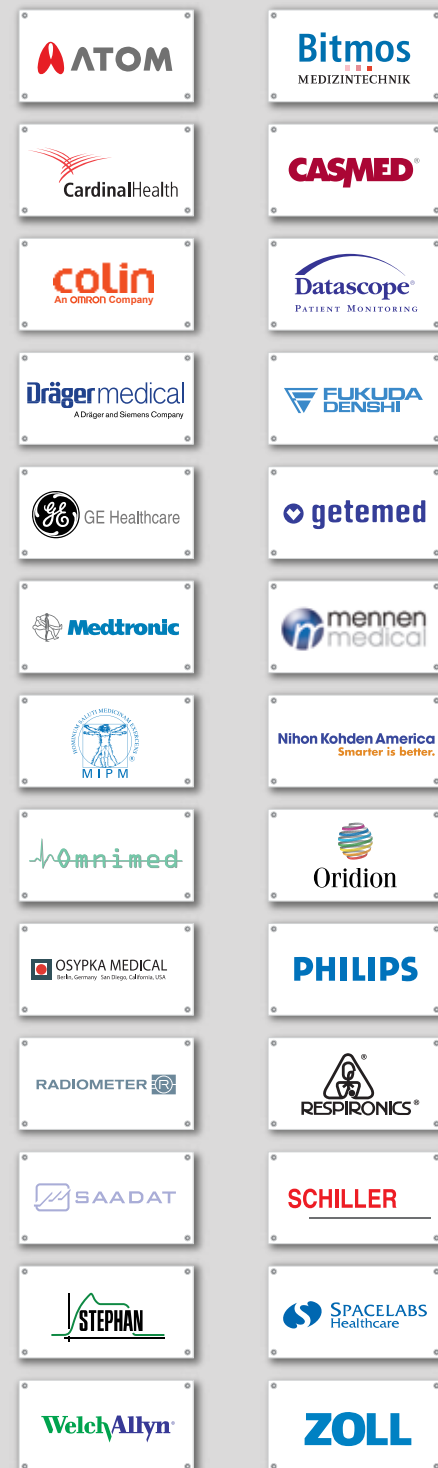
Masimo Rainbow SET

Noninvasive blood constituent and functional hemodynamic monitoring.

- > Oxygen Saturation (SpO₂), Pulse Rate, Perfusion Index
- > Carboxyhemoglobin (SpCO), Methemoglobin (SpMet)
- > Noninvasive Total Hemoglobin, and Oxygen Content

MASIMO O.E.M. PARTNERS

Because Masimo technology is integrated into more than 100 multiparameter monitors from more than 40 different monitoring brands, we're easy to integrate into virtually any clinical workflow—from EMS and transport to the ED, OR, ICU, step-down units, and even general care floors.



GENERAL FLOOR MONITORING:



Masimo Patient SafetyNet

Remote monitoring and clinician notification system designed to keep at-risk patients safe on general care floors

MASIMO SENSORS:



Masimo SET Sensors:

SpO₂, Pulse Rate, Perfusion Index

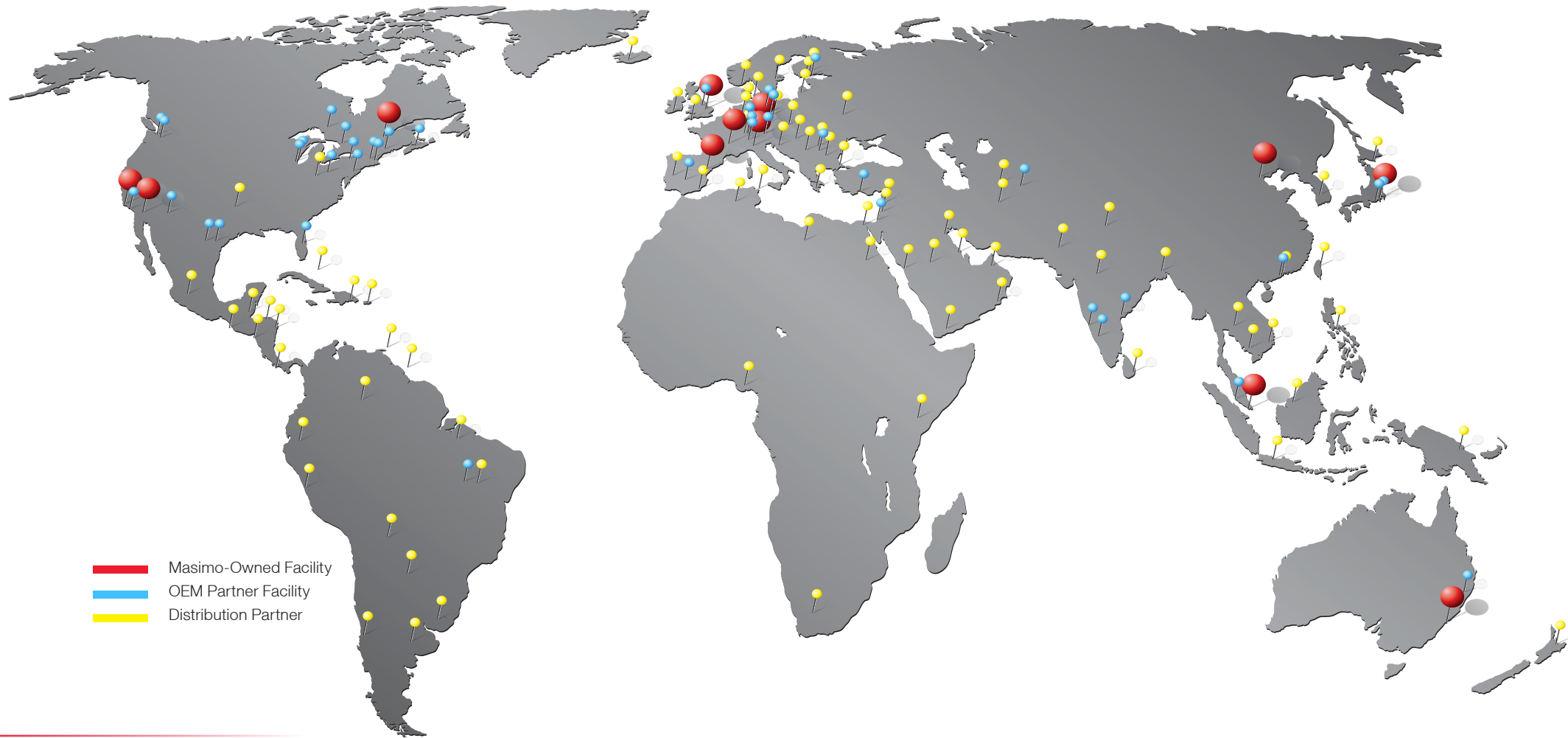


Masimo Rainbow SET Sensors:

SpO₂, Pulse Rate, Perfusion Index, SpCO, SpMet, PVI, SpHb, SpOC

RADICAL, Adjective. Radical emphasizes the idea of going to the root of a matter, and this often seems immoderate in its thoroughness or completeness.

From our beginnings, the radical sign has been the anchor to our corporate logo. It symbolizes both our commitment to getting to the root of the problems that have limited the effectiveness of noninvasive monitoring technologies and our pledge to go above and beyond what others think is possible in order to accomplish this task.



Masimo's global reach.

Our team of purists is committed to provide gold-standard technologies and the best service to meet the needs of clinicians and care providers around the world. With more than 1,500 employees and contractors worldwide, Masimo has operations in North America, Europe, Latin America, Asia, and Australia.

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 United Kingdom

MASIMO JAPAN CORPORATION
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 Ichiban-Cho
 Chiyoda-Ku, Tokyo 102-0082
 Japan

Masimo Technologies Garner National and International Awards for Excellence

-  STA 1995 Excellence in Technology Innovation
-  2000 SCCM Technology Excellence Award
-  2000 Outstanding Medical Device Company
-  2001 Audie Lewis Mark of Excellence (Independent Auditors)
-  2001 Innovative Product / Technology
-  2001 Distinguished Leadership Award
-  2001 Excellence In Leadership Award
-  2001 Medical Design Excellence Award
-  2003 New Standard of Care Award
-  2003 Technology of the Year Patient Monitoring Award
-  2003 Platinum ABBY for Innovations in Healthcare
-  2004 Director of the Year for Corporate Growth
-  2006 Innovative Product / Technology
-  STA 2006 Application of Technology Award
-  2006 Medical Design Excellence Award
-  STA 2007 Excellence in Technology Innovation
-  2007 Groundbreaking Innovation of Rainbow SET Technology
-  2007 Patient Monitoring Technology Leadership of the Year Award
-  2007 Brand Development Strategy Leadership Award
-  2007 Global Healthcare Exchange (GHX) Best in Class Award

FORWARD-LOOKING STATEMENTS:

This document may include forward-looking statements. These statements include but are not limited to: statements regarding our goals and focus; estimates about our future market potential; our belief that we will continue to develop “breakthrough” technologies; and statements regarding expectations for total hemoglobin (SpHb), oxygen content (SpOC), and end-tidal carbon dioxide (EtCO₂). These forward-looking statements are based on current expectations about future events affecting us and are subject to uncertainties and factors, all of which are difficult to predict and many of which are beyond our control, including but not limited to: dependence on our patents and proprietary rights; the development or availability of competitive products or technologies; our assumption that Masimo SET and Masimo Rainbow SET will deliver a sufficient level of clinical improvement over alternative pulse oximetry and patient-monitoring systems to allow for rapid adoption of the technology; and other factors discussed in the “Risk Factors” section of our annual report on Form 10-K for the year ended December 29, 2007, filed with the Securities and Exchange Commission (SEC) on March 4, 2008. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we do not know whether our expectations will prove correct. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We do not undertake any obligation to update, amend, or clarify these forward-looking statements or the risk factors contained in our annual report on Form 10-K for the year ended December 29, 2007, whether as a result of new information, future events, or otherwise, except as may be required under the federal securities laws.

NOTE REGARDING THIS ANNUAL REPORT:

Please note that this Annual Report does not constitute the Company’s “annual report to security holders” for purposes of the requirements of the Securities and Exchange Commission. For a copy of the Company’s annual report to security holders required under Rule 14a-3 of Regulation 14A of the Securities Exchange Act of 1934, as amended, please refer to the Company’s Annual Report on Form 10-K for the fiscal year ended December 29, 2007.



Masimo Team (from left): Jerry Novak, Clinical Engineering; Andy Wilsak, Financial Planning and Analysis; Scott Baldwin, Inside Sales; Kevin Allen, Inside Sales

Masimo Executive Management Team:

Joe E. Kiani
Chief Executive Officer

Ammar Al-Ali
Chief Technical Officer

Olivier Berthon
President, Masimo Europe

Jon Coleman
President, International Sales

Mark P. de Raad
Executive Vice President & Chief Financial Officer

Rick Fishel
President of Masimo Americas & International OEM Business

David Goodman, M.D., M.S.E.
Executive Vice President Business Development

Paul Jansen
Executive Vice President, Marketing

Yongsam Lee
Executive Vice President, Operations & Chief Information Officer

Tetsuro Maniwa
President, Masimo Japan

Stephen M. Moran, Esq.
General Counsel & Secretary and Executive Vice President, Human Capital

Michael O'Reilly, MD, MS
Executive Vice President, Medical Affairs

Anand Sampath
Executive Vice President, Engineering

Masimo Board of Directors:

Joe E. Kiani
Chairman of the Board of Directors

Steven J. Barker, M.D., Ph.D.
Director

Edward L. Cahill
Director

Robert Coleman, Ph.D.
Director

Sanford Fitch
Director

Jack Lasersohn
Director

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