



PRESS RELEASE

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Simplex Diabetic Supply, Inc. secures \$50mm in Growth Equity from New Enterprise Associates *Attacking the Diabetes Epidemic Opportunity*

Brentwood, Tennessee (October 8, 2007) Simplex Diabetic Supply, Inc. (Simplex) has secured a growth equity investment of \$50 million from New Enterprise Associates (NEA). As a part of this investment, NEA General Partners Chip Linehan and Ryan Drant will join the Simplex Board of Directors.

"NEA shares our vision for leadership and consolidation opportunities in the diabetic testing supplies market," said Richard Pinson, Simplex Chairman. "We're excited to welcome Chip and Ryan to our board, and look forward to the insights and extensive network of resources the NEA team will bring to the future of Simplex. This infusion of capital will allow Simplex to accelerate and execute its highly disciplined acquisition strategy."

"The U.S. market of diabetic supply providers is fragmented and consists of small- to medium-sized players," said Mr. Linehan. "NEA's investment reflects our belief that Simplex's experienced management team has the vision and skill to build one of the largest diabetic supply organizations in the country."

Diabetic patients account for only five percent of the U.S. population but account for more than 15 percent of total drug spending. "We believe that diabetes treatment will become the fastest-growing therapeutic category in healthcare over the next few years" said Larson Douglas Hudson, CEO. "Simplex is well capitalized to set new standards in patient care and provide innovative services for the rapid-growth diabetic testing supplies market."

The U.S. diabetes epidemic is growing due to the aging and increasing obesity of the American population. Additionally, 1.3 million new diabetics are diagnosed each year. The Centers for Disease Control estimates that nearly 21 million Americans are diabetic, and an additional 41 million are pre-diabetic, a condition with elevated blood sugar level but not quite high enough to be classified as diabetes.

About Simplex

Simplex Diabetic Supply, headquartered in Brentwood, Tennessee was founded in 2007 to become a leading provider of diabetic testing supplies. In less than 6 months, Simplex has grown to provide service to over 24,000 diabetic patients, which already makes Simplex the 12th largest out of 52,083 Medicare Diabetes Suppliers.

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Contacts:

Simplex Diabetic Supply, Inc.
Richard C. Pinson
Chairman
615-478-8844
rpinson@simplexdiabetes.com

Larson Douglas Hudson
Chief Executive Officer
615-390-4327
dhudson@simplexdiabetes.com