

PALCOLABS

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FOR IMMEDIATE RELEASE

PALCO LABS ANNOUNCES NEW MEDICAL DEVICE PRODUCTS FOR CAPILLARY SAMPLING *Innovative Design for Re-usable Lancing Device, A New Blood Lancet Line, and New Disposable Safety Lancets Serve the Growing Self Medical-testing Market*

SCOTTS VALLEY, Calif.—February 22, 2006—Palco Labs, Inc., a leading designer and manufacturer of lancing, assistive and sensing medical devices, today announced a number of new products for capillary sampling scheduled for release in 2006. Palco Labs has a heritage of delivering innovative products for the self medical-testing market, as evidenced by the long-standing tradition and enduring quality of its auto-Lancet™ lancing device, the pioneer of re-usable lancing devices. The new product line-up for 2006 includes the auto-Lancet “Custom,” a modern variation of the classic auto-Lancet; the EZ-Lancets™, an entirely new line of top-quality blood lancets for use with re-usable lancing devices; and two additional versions of the famed EZ-Lance® safety disposable lancets.



auto-Lancet “Custom”

“Palco Labs has a fresh new team, a new corporate office and a set of exciting new products coming up this year,” said Jeff Smith, CEO. “We will be delivering innovative medical devices to our worldwide distributors who serve those markets that require blood sampling, from diabetes and high cholesterol to allergies, hyperactive thyroid and HIV. Palco’s products deliver the best in engineering and technology with a focus on built-in quality and significant reduction of pain.”

Palco Labs current product line includes the auto-Lancet Classic in two sizes, the EZ-Lance “Soft” and “Ultra” versions, the Inject-Ease® lancing assistive device, and the Wet-Stop® 2, a globally recognized bedwetting alarm for nocturnal enuresis.

Palco Labs Announces New Lancing Devices for Self-Testing Market/2 of 3

Coming soon are:

auto-Lancet “Custom” – A new look and size for the auto-Lancet! This new design features a more compact size in a pen shape, faster action and even more linear strike than the standard-sized auto-Lancet Classic. The “Custom” offers a new, soft-touch barrel in a wide selection of colors to match any meter or packaging. This re-usable lancing device retains the same Palco quality in materials and engineering, works with Palco’s EZ-Lancets premium lancets or other standard industry lancets, and offers a lifetime warranty.

EZ-Lancets – Palco will be releasing a new line of blood lancets in 21 gauge, 26 gauge and 30 gauge needle sizes. These lancets are designed to work with Palco’s auto-Lancet re-usable lancing devices as well as other re-usable lancing devices on the market today. The new lancets bring exceptional needle quality to the market, assuring a cleaner, less painful and less damaging lancing experience.



EZ-Lance® New Versions! – In addition to Palco’s two existing versions of the EZ-Lance safety disposable lancets, the company will soon be releasing two new versions! The EZ-Lance product family will offer four sizes and styles. The product family will include:

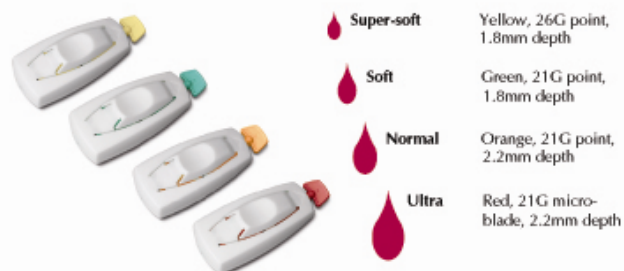
“Super-soft” – Yellow: ***New* in 1Q06.** 26 gauge, tri-bevel needle point. 1.8mm depth of penetration. Low blood volume or micro-drop.

“Soft” – Green: **Available today.** 21 gauge, tri-bevel needle point. 1.8mm depth of penetration. Low to medium blood volume. Single drop.

“Normal” – Orange: ***New* in 1Q06.** 21 gauge, tri-bevel needle point. 2.2mm depth of penetration. Medium blood volume. Single to multiple drops.

“Ultra” – Red: **Available today.** 21 gauge, microblade point. 2.2mm depth of penetration. Medium to heavy blood volume. Multiple to hanging blood drops.

For more information on these products and how to order, please call Palco Labs at 1-800-346-4488 (U.S. and Canada only), 1-831-430-1600, or by email at info@palcolabs.com.



About Palco Labs, Inc.

Palco Labs, Inc. designs and manufactures world-class medical device products for distribution in more than 40 countries. Founded in 1979, Palco Labs is known for its quality standards and innovative medical products for Lancing, Assistive and Sensing requirements. Palco Labs has sold more than 50 million lancing devices, and continues to manufacture them today for leading healthcare companies around the world—a testament to the durability and quality of its products. Palco Labs is privately owned and is based in Scotts Valley, California. Additional information can be found at www.palcolabs.com.

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