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From: parconewsletter@parcomergedmedia.com
Sent: Tuesday, April 26, 2005 11:37 AM
To: parco@parcomergedmedia.com
Subject: Parco Wireless Newsletter, April 2005

PARCO Newsletter
Improving the quality of healthcare by improving the availability of information.

Contents

NEWSFLASH

April 2005

Demonstration of New PAL651 Planned for AAMI in Tampa

Association for the Advancement of Medical Instrumentation

TAMPA - Parco has announced plans to demonstrate its second generation real time location system at the Association for the Advancement of Medical Instrumentarium (AAMI) Conference and Exhibition. The AAMI conference & exhibition is being held in Tampa, Florida from May 15th to the 17th.

As with past events of this type, the key advantage to these live demonstrations is the rapid deployment and integration capabilities of the Parco RTLS whereas a Parco tracking system is up and running on the exhibit room floor in under an hour. This includes creating a two or three-dimensional graphic representation of the area's layout so attendees can see tags moving along a floor plan of the area in front of them.

For Parco's prospective customers, seeing the company's tracking systems up close and personal can be very convincing. Parco will exhibit and demonstrate the tracking system's capabilities to AAMI attendees using computer equipment supplied by CDW. The system demonstrates consistent movement of tags within a granularity of one foot or less from distances up to six hundred feet away. "Trigger areas" will demonstrate the enhanced strengths of the company's systems that go well beyond answering the question: "where is the asset or individual?" Trigger areas are unique to the Parco software and are only possible because of the system's capability of very accurate reporting of the tag's actual location. These are virtual geographic areas, as small as a foot, or as large as an entire wing of a building. These pre-defined areas can "trigger" an automated

response when certain conditions are present, i.e., when a tagged asset or person enters or exits a pre-defined space a triggering event is made to occur. Trigger areas can be rapidly defined within the Parco software, and can be programmed to trigger an automated alert in the form of an electronic signal, audible alarm, electronic page, visual alarm, electronic text message, phone alert, automatic power shutdown, automatic activation of other systems, etc. At AAMI Parco will provide live demonstrations for such personnel related tasks as automated computer login and efficiency systems.

During the show Parco will introduce four new base level system packages designed to provide cost effective RFID implementation for hospital and service providers. The packages range in size and price from a 100 tag handheld system for $6,000 to a 1,000 tag real time location system for $127,000. Parco created these manufacturer packages in direct response to distributors' request for low cost, rapid deployment packages.

More information can be found at AAMI's website at by clicking here. Please visit us in booth #124.

Parco to Present to Philadelphia Conference

Advanstar produced RFID in Healthcare

PHILADELPHIA- *Transforming the Delivery of Healthcare Using Ultra-Wideband Based Real Time Location Systems* is the title of a presentation by Bertrand Dugal, President of Parco Merged Media Corporation scheduled to take place at the RFID Systems in Healthcare trade show at the Pennsylvania Convention Center in May. Mr. Dugal will be presenting Parco's successes and challenges with UWB RFID at Washington Hospital Center in Washington, D.C. If time permits, he will demonstrate both a live data feed from the hospital's D.C. facility as well as an on-stage demonstration of Parco's tracking systems.

RFID Systems is an intensive, information-packed, two-day conference discussing the needs of healthcare and pharmaceutical professionals charged with managing RFID implementation and its supporting technologies. Automatic Identification and RFID is poised to transform the healthcare and pharmaceutical industries with opportunities for patient identification, tracking equipment and expensive drugs, and improving the safety of administering medication. RFID Systems looks to address the unique needs of healthcare and pharmaceutical professionals who want to learn more about RFID implementation and the supporting technologies such as

legacy systems, data capture, electronic product code (EPS) and wireless networks. This opportunity to present at this conference is a important occasion to educate the marketplace on the capabilities of the Parco architecture and software tools.

When: May 18 - 19, 2005

Where: Pennsylvania Convention Center Philadelphia, PA

Who: Professionals in the Hospital, Medical Business, Purchasing, Biomedical Engineering, Information Technology and Operations Fields will be attending.Additional Information

How to register: Please register online at www.rfidsystemsonline.com or by calling 888-824-3004 or 218-723-9130 8:00 a.m. - 7:00 p.m. CST, M-F

Media: Members of the press can register for complimentary participation by contacting Laura Mead at: laura@affectstrategies.com or 212-398-9680 x 144.

Four RFID Manufacturer Bundles Announced

Parco's Response for Low-Cost, Rapid RFID Deployment

PORTLAND - Parco Merged Media Corporation announced today plans to sell four base-level system hardware-software bundles. "This is very good news for the healthcare marketplace" according Bertrand Dugal, President of Parco. “These bundled packages are a result of more than a year's worth of experience selling through distributors and direct to our healthcare customers," says Dugal. Driving the release of the four bundled system is the feedback the company received indicating a need to provide systems designed to be simple and scalable for most end-users, and suitable to fit almost any sized need and budget. Some of these systems can be deployed by themselves, meaning no factory authorized technician required for installation and support. With pricing schemes and packages designed for any tier customer, suddenly these systems are making sense for even the smallest of facilities. “We are responding to the customers who want to "roll up their sleeves" to take a more active roll in their RFID deployment” adds Dugal.

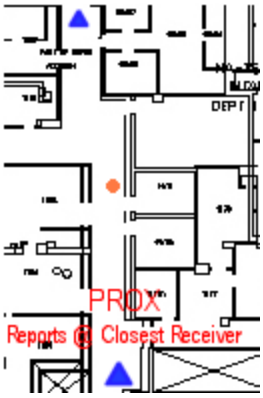
Parco is also shaping the language spoken in the indoor location industry by introducing new terms and redefining the use of traditional industry terminology. “There is much confusion regarding what constitutes a tracking system these days,” says Dugal. “Inflated marketing claims by some of our competitors, and loose interpretations of some system capabilities has created a level of uncertainty and perplexity within the healthcare industry. Most of our competitors claim to sell real time location systems. In reality they are selling what we more correctly call real time proximity systems. The difference is not as slight as it may sound”

Parco has provided new meaning to the term 'Real Time Location Systems' whereas in the past, the industry considered anything and everything real time, regardless of claims to accuracy or time delays in reporting a tags current and actual location. Some competing systems that refer to themselves as "real time", actually experience delays of minutes! Many of these same systems may accurately account for the actual location of a tag to within 3 feet or so but due to the physics surrounding the architecture employed, they experience failure rates as high as 40%! Parco believes its new bundled system packages will help prospective customers sift through this confusion while setting adequate expectations of any system's capabilities.

These new system packages are also helping Parco get closer to reducing the overall cost of RFID tag ownership for hospitals. In the early days of RFID the goal was developing a low-cost tag. However the low priced tags were readily offset by the inflated expense of higher priced tag readers and the need to install numerous readers due to their limited read ranges. The goal at Parco is to push both low cost tags, and low priced readers, while greatly increasing overall read ranges. Today the average annual cost of ownership of Parco's RFID tag, including associated infrastructure and support, falls into the $25 neighborhood. This fully loaded cost includes other built-in support expenses including battery replacement, maintenance to change the batteries, receiver replacement and replacement tags. Since the Parco tags can operate for up to 4 years on a new battery the company has reduced the average annual cost per tag from a range of $15 for the base system to $31 for the premier system. When all factors are considered, Parco now sells its tags as part of a complete, bundled system (including software and support) for less than the competition's tag cost alone!

The four new packages are as follows:

The most basic and affordable package is the UWB Base Level System. The company refers to this highly innovative system as the Zero Infrastructure approach in that no wiring or receivers are installed in the building. With the UWB Base Level System the hospital attaches the new PAL651 1x1 tags on its hospital assets and then in the Parco supported asset management program associates each tag's unique identification number with the asset to which it is attached. The UWB Base Level System comes with a handheld, battery powered reader device that is capable of detecting the whereabouts of the tagged asset from a range up to 600 feet away! It is also capable of transmitting the gathered information to the asset management program. This system is designed for smaller sites of 35,000 to 45,000 square feet in size. The UWB Base Level System is ideal for use in managing inventory in hospital warehouses and emergency response storage areas.

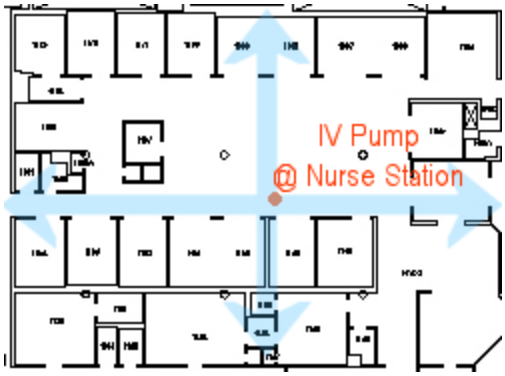


UWB Door Checkpoint System incorporates Parco's **Basic Infrastructure** approach. The company originally created this for a customer group interested in setting up "Wal-Mart style RFID tracking", while still providing an upgrade path to a fully developed UWB RFID tracking system. Such systems as deployed in stores are designed as theft-deterrent tools for the retailers.

With this bundled system the customer attaches the Parco tags to assets which are entered into the Parco supported asset management system. The infrastructure required is limited, and includes the placement of the Parco PAL651 Receiver above targeted exit doors or thresholds. The customer then defines parameters as to how far away from the door the tag should be detected and reported. The system automatically detects when tags are coming/going and immediately updates the asset management program with this information. The customer can add optional components into the system including the handheld reader described earlier, for supplemental (in-building) tracking, personnel and patient badges. Parco is approaching some 200 software development companies or systems integrators that are writing software packages today that support this and higher level process applications using the Parco development tools. The company expects the Checkpoint System to appeal to 50,000 to 100,000 square feet installations of either one

or two story construction with clearly defined needs.

UWB Real Time Proximity and Proximity Tracking package **expands** on the Door Checkpoint system by providing additional granularity of location in terms of corridor and room-level tracking. Using the same component structure of the systems, Parco includes additional PAL651 receiver modules and an extra hub which allows the user to set up “real time proximity zones”. A real time proximity zone enables the hospital to determine how far down a hallway the tagged asset or person has progressed. "We have labled this capability Real Time Proximity, or Prox for short”, says Scott Cohen, CEO of Parco. “This is what many of our competitors mistakenly refer as Real Time Location. We are seeing hospitals using Real Time Prox in busy corridors such as lobbies, diagnostic, treatment, and testing areas for keeping track of all of their equipment and patients," says Cohen. "This system gives the hospital the ability to track assets at the doors and improve processes in busy areas. Our operating system enables the healthcare provider to easily integrate this data into their legacy software applications. And of course there are a number of software providers who build products specifically to take advantage of the Parco data." The company expects this system to be capable of covering minimums of 100,000 square feet in Real Time Proximity mode and over 150,000 square feet in mixed



proximity modes.

The UWB Real Time Location System package represents the gold standard for Parco real time tracking & location systems. This system provides **very granular details** in terms of both location and time which is used for asset management, process improvement, staff, patient and guest tracking. As with the UWB Door Checkpoint and UWB RT-rox/Prox system the Parco supporting software is bundled with this package. Parco expects this system to be capable of covering any sized facility, at least 120,000 square feet (non-line of sight) and over 150,000 square feet in mixed modes.

Exclusive to Parco, the capabilities of the Parco UWB RTLS is true and accurate reporting of a tag versus actual. “The accuracy of this system goes well beyond answering the question ‘where is the asset’ or ‘where is the person’” explains Dugal. “The capabilities of Parco’s Real Time Location System versus our competitors are really where we can clearly differentiate ourselves” says Dugal. “Using accurate location data now allows a program designer to build relationships between tagged assets, tagged personnel, and their environment. Unless you have consistent, accurate data, it does not make sense to even attempt this” says Dugal.

As with Parco’s previous product offerings, services continue to be made available through the company’s existing integration providers. Please contact Parco through our website at http://www.parcomergedmedia.com for a factory authorized installer.

UWB Base Level System 0600-001 $6,000

The Parco DLS-0600 Handheld system (Part Number PT-EA-0600-001) is a base-level tracking system that provides basic equipment tracking for clinical engineering, materials management, central service supply, and financial departments in healthcare settings. Small Parco asset tags (Part Number PT-EA-0201-002) are attached to assets and affixed to reference locations throughout the clinical environment.

Package includes: 100 Asset Tags and 1 Handheld Reader

UWB Door Checkpoint System 0610-001 $38,250

The Parco DLS-0610 Door Checkpoint system (Part Number PT-EA-0610-001) is the base level Parco tracking system which provides basic door choke points for equipment tracking

for clinical engineering, materials management, central service supply, and financial departments in healthcare settings. Small Parco asset tags (Part Number PT-EA-0201-002) are attached to assets throughout the healthcare environment.

Package includes: 500 Asset Tags, 10 Wall Mounted Receivers, 1 Hub and Parco Software Suite

UWB Real Time Proximity System 0630-001 $85,900

The Parco DLS-0630 Real Time Proximity and Proximity System (Part Number PT-EA-0630-001) is the introductory Parco real time tracking and proximity system which provides moderate equipment tracking for clinical engineering, materials management, central service supply, and financial departments in healthcare settings. Small Parco asset tags (Part Number PT-EA-0201-002) are attached to assets throughout the healthcare environment. The system includes badge tags (PT-EA-0202-001) which can be distributed to personnel and patients. The receivers (PT-EA-0301-002) are mounted at opposing ends of hallways.

Package includes: 500 Asset Tags, 100 Personnel Tags, 32 Wall Mounted Receivers, 2 Hubs and Parco Software Suite

UWB Real Time Location System 0650-001 $127,150

The Parco DLS-0650 Real Time Location System (Part Number PT-EA-0650-001) is the base level Parco real time tracking location system which provides detailed equipment tracking for clinical engineering, materials management, central service supply, and financial departments in healthcare settings. Small Parco asset tags (Part Number PT-EA-0201-002) are attached to assets throughout the healthcare environment. The system includes badge tags (PT-EA-0202-001) which can be distributed to personnel and patients. The receivers (PT-EA-0301-002) are mounted at specified positions within the healthcare environment. In the real time location system mode (RTLS), the wall mounted receivers compute the tag's location in terms of a precise location in the hospital.

Package includes: 750 Asset Tags, 250 Personnel Tags, 45 Wall Mounted Receivers, 2 Hubs, 1 Handheld Reader and Parco Software Suite

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New Software Site Licenses Announced

Changes designed to support growing demand

PORTLAND - Parco has announced changes in its site licensing policies for the Parco Operating System which includes its middleware, application programmers' interface, software development kit and sample applications. These changes will affect the system pricing to end users in the hospital, long term care and surgical center markets and is based upon the greater of actual licensed beds or actual beds in use by the facility.

Effective May 1st the following site license fees will apply:

Department License - $5,000
Up to 200 beds - $12,000
Up to 500 beds - $20,000
Up to 1,000 beds - $35,000
Over 1,000 beds - $50,000

The site license continues to cover all copies of the Parco Operating System and associated software components' sublicenses at the facility's campus.

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