



NEIGHBORHOOD DIABETES ANNOUNCES ACQUISITION OF NEW YORK DIABETIC SUPPLY

September 12, 2008 (Woburn, MA) – Neighborhood Diabetes (ND), a leading provider of diabetes related products in New England and the Southeast, has increased its presence in the five boroughs of New York City with the purchase of New York Diabetic Supply. New York Diabetic Supply (NYDS, also known as Shelbourn Chemists), is headquartered in Brooklyn, and has been a leading provider of glucose testing supplies and insulin pumps and pump supplies in New York City for over twenty years.

“Neighborhood Diabetes has been growing rapidly in New England and in the Southeast,” stated Tom Cronin, ND’s CEO, “but given the epidemic growth of diabetes in New York City, we felt that our ‘high touch’ model would be uniquely successful there. We felt that NYDS, with its similar business model based on in-home client training, represented the natural partner for ND as we continued our regional expansion. Bernie Natt and his team at NYDS have created a wonderful base on which we hope to build.”

Bill Haylon, Chairman of Neighborhood Diabetes, continued: “At Neighborhood, we see our role as partnering with clients to minimize the devastating – and preventable - effects of diabetes. Through in-home training and regular support that ‘nudges’ clients to adhere to the treatment regimen recommended by their clinical team, we help improve the health of our clients. It is estimated that over a million people in New York City suffer from diabetes or pre-diabetes. ND’s value proposition seems uniquely suited to the market.”

In 2004, Neighborhood served 6,000 clients and had less than \$5 million in annual revenues. In its fiscal year ending next June (2009), the company expects to service almost 50,000 clients, and to achieve just under \$50 million in annual revenue. Neighborhood is headquartered in Woburn, MA, and will operate service and fulfillment centers in Massachusetts, Florida and New York.

“I am extremely excited about joining the Neighborhood Diabetes team,” said Bernard Natt, founder of NYDS, a pharmacist and certified diabetes educator. “I have committed my career to helping people with diabetes in New York City, and Neighborhood’s philosophy seemed to make for a perfect match. Also, ND’s sophisticated operational systems will help us to overcome the limitations to growth that we have faced over the past several years. I look forward to the New York division helping to fuel Neighborhood’s continued dramatic growth.”

Terms of the sale were not announced.

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Neighborhood Diabetes provides diabetes testing supplies, insulin pumps and prescription medications via mail order to people with diabetes throughout the Eastern U.S. Known for its ‘high touch approach’, including in-home education and a broad offering of name-brand supplies, the company has expanded rapidly from its early roots in Eastern Massachusetts. Neighborhood Diabetes has been CHAP accredited since 2003.

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