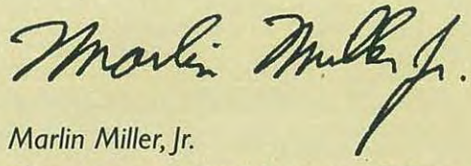
October 1, 2000

To our Employees and Business Associates:

This brief history of Arrow's development is presented largely through the lens of major product introductions that have provided the basis for sales growth. However, Arrow's real history has been written day-by-day by all of our employees as they selected products to develop, worked through difficult development problems, and then manufactured and sold these products — all the while being supported by staff functions that all successful companies require. It is important to recognize that it has been the collective work of each of our employees and business associates that today makes it possible to celebrate 25 years of Company progress. You can all be proud of your contribution to this development and of the many products that improve health care daily for individuals all over the world.

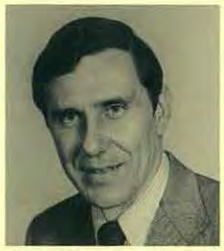
While 25 years represents an important milestone in any lifetime, we can look at this period as the formative time that prepared Arrow for even greater accomplishment in the future. If we continue to follow our core values of innovation, highest possible quality with high productivity and high integrity, the next 25 years can produce significant growth. There are still many unmet needs in a world seeking the best possible health care.



Marlin Miller, Jr.
Chairman and Chief Executive Officer

Southern Textile News, December 8, 1975, page 2

Private Group Purchases Arrow Products



Marlin Miller

Raymond Neag

John Broadbent

T.J. Holleran

READING, Pa. — Arrow International, Inc. announced the beginning of its operation as a privately-owned company in the textile and medical industries.

The business, formerly known as the Arrow Products Division of Rockwell International, was purchased by a group of Reading, PA. investors, headed by Marlin Miller, Jr., who has assumed the presidency of the new firm. The other principals are: Raymond Neag, senior vice president; T.J. Holeran, vice president, marketing; and John H. Broadbent, Jr., vice president, finance.

According to Miller, Arrow will continue to operate from its plants at Reading, Pa. and Asheboro, N.C., and will utilize the services of its existing personell.

Speaking at the company's first sales meeting here, Miller said: "All of the energy of our new company will be directed toward servicong our customers better. We believe the increased flexibility and concentrated attention of a smaller, customer-oriented company will enable us to archive a higher level of service."

Arrow International, Inc. is a diversified manufacturer of precision knitting elements for the textile induxtry, and surgical and hypodermic needles for the medical industry, with headquarters in Reading, Pa.

Arrow International is Born

1975

The Textile Machinery Division of Rockwell International (formerly Textile Machine Works) in Wyomissing, PA, is developing and marketing electronically controlled knitting machinery. This business segment proves unsuccessful, and Rockwell decides to change the focus of its Wyomissing facility. As part of the new focus, Rockwell sells the Arrow Products Division (also known as the Wire Product department), which in 1975 is producing needles and stampings for the company's knitting machines, and hypodermic needle assemblies and suture needles for two medical product companies.

Four business executives – Marlin Miller, Jr., Ray Neag, John Broadbent and Jerry Holleran – become partners and acquire the assets of the former Arrow division of Rockwell, changing the company's name to Arrow International, Inc.

Marlin Miller, Jr. becomes Arrow's president and begins seeking innovative ways to grow the business. At the time, the knitting needle/knitting elements product line accounts for 90% of Arrow sales. The ultimate dream of the four new owners is to develop the medical device side of the business and, most importantly, to develop a proprietary line of products to be sold under the Arrow name.

1976

A milestone meeting in New York City.

At the PostGraduate Assembly in Anesthesiology at the Hilton Hotel in New York City, Arrow exhibits the Company's needle-based product line, but many prestigious doctors express their desire to work with Arrow on the development of other medical devices.

Dr. Jacob Israel of Columbia University Medical Center informs Arrow that doctors at his institution are looking for a company such as Arrow to collaborate on developing a sterile catheter insertion "tool kit." This specific kit is for placing a central vessel catheter into the internal jugular vein of a patient prior to surgery. Recognizing the potential for widespread use, Arrow seizes the opportunity to design and manufacture the first complete catheter insertion kit.

"The genesis of the idea for almost everything we produce has come from a doctor."

- Marlin Miller, Jr.

1975-76

Arrow Takes Off

1977
The first complete Catheter Insertion Kit with Single-Lumen Catheter.

Arrow formally introduces the Internal Jugular Puncture Kit and becomes the first company to offer sterile catheter kits with matched components for specific procedures. The kit focuses on the safer Seldinger spring-wire guide technique. Sales of the kit take off, especially in teaching hospitals, and it becomes a great success.

Arrow's in-house tool room capabilities allow the Company to quickly produce prototypes of new products.

1978
Arrow introduces the first polyurethane catheter.

In response to physician need for a softer indwelling catheter, Arrow develops the first polyurethane catheter. Today, polyurethane remains the industry's most popular material used in central venous catheter design.

1980

Physicians tell Arrow of the need to protect catheters from external contamination. Arrow develops a simple, easy-to-use contamination shield. The idea is to reduce the risk of contamination when the physician is repositioning a catheter. This leads to the creation of the patented Arrow Cath-Gard®.

"The best way for Arrow to respond to the needs of medical practitioners and clinicians is to always listen to them..."

- Paul Frankhouser

1977-80

The Multi-Lumen Catheter:

A Life-Saving Concept

1981

Dr. LeRoy Misuraca of Southern California contacts Arrow and reveals he has a revolutionary idea he would like to share. He outlines his concept for a multi-lumen central venous catheter with two separate and distinct lumens, or channels.

Arrow immediately recognizes the excellent new opportunity and begins product development. Approximately three months before launching the product, Arrow conducts a patent search revealing that a patent has already been filed by Dr. Randolph M. Howes for the identical product concept. Within one week, Dr. Howes is contacted and an agreement with Arrow International is signed. The Arrow-Howes™ Multi-Lumen Catheter is launched the following year and becomes a phenomenal success.

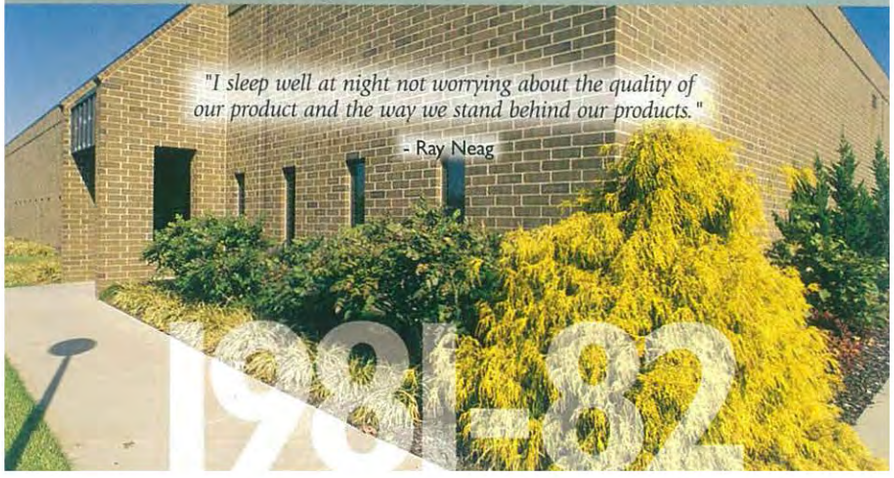
Arrow expands its medical manufacturing facilities in Asheboro, North Carolina.

As Arrow's medical device business grows, there is a need to develop new, high quality manufacturing space. In Asheboro, North Carolina (left and below), the Company takes advantage of the state's manufacturing-friendly environment and begins development of a large, new facility.

1982
After a one-year development program, Arrow introduces the Arrow-Howes™ Multi-Lumen Catheter.

The multi-lumen catheter features three distinct and separate lumens, allowing the simultaneous administration of medications, infusion of fluids, sampling of blood, and central venous monitoring through one central venous access site. The separate lumens also prevent different drugs from mixing with one another.

The Arrow-Howes™ Multi-Lumen Catheter, now dominant in the market, goes on to become the number one selling multi-lumen central venous catheter in the world.



"I sleep well at night not worrying about the quality of our product and the way we stand behind our products."

- Ray Neag

1981-82

Grasping at Straws Leads to a Significant New Product Innovation

1983

Paul Frankhouser shows Arrow's first sheath introducer kit to an anesthesia technician at Cedars-Sinai Medical Center in Los Angeles. The two discuss the problem of the sheath kinking at the hub. Over lunch, Mr. Frankhouser orders a can of soda and notices how easily the straw bends at the flexible corrugation. *Bingo. Problem solved.* Arrow engineers apply the soda straw's flexible corrugation principle to the end of the sheath, and the Arrow-Flex® Sheath Introducer becomes a reality.

Arrow develops in-house capabilities for the extrusion process in the making of catheter products.

Arrow begins engineering and producing the Company's own machinery and equipment for developing novel products and lower cost manufacturing.

1984–1985

Arrow hires its first International Sales Manager and establishes a Canadian subsidiary, the first of eleven subsidiaries that account for 36% of Arrow's total sales.

Arrow develops the technology for in-house production of spring-wire guides, a key component in Arrow catheterization kits.

Arrow introduces in-house technology for sterilization of the Company's products.

1983–85

1986

Arrow spins off its textile needle business.

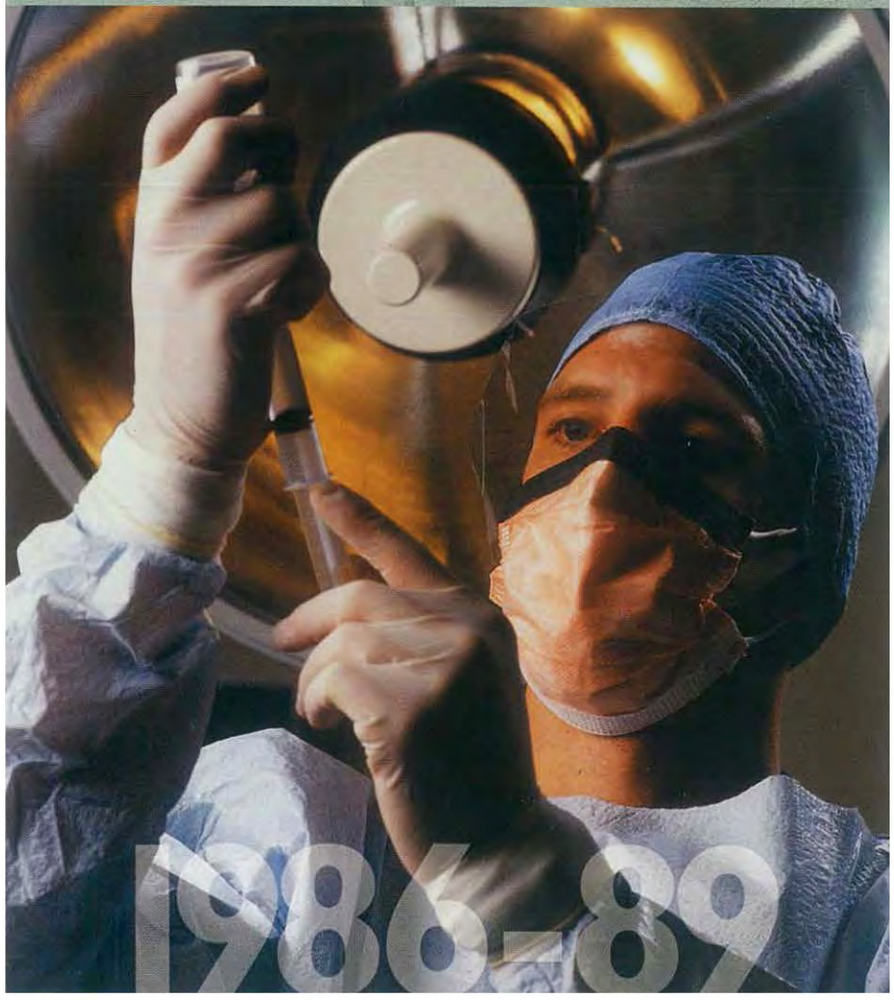
1987

Arrow enters the interventional procedure catheter market with the acquisition of the cardiovascular catheter product line of Johnson & Johnson's Critikon Division.

Arrow begins manufacturing and marketing Interventional Diagnostic Catheters. Most of these products are used by cardiologists and radiologists who work in specialized catheterization labs diagnosing and treating heart and vascular disease. The interventional product line lays the groundwork for Arrow's Cardiac Care Division.

1988

Arrow establishes a sales subsidiary in Japan, as the products are already well accepted in the Japanese market.



1986–89

Arrow on the Move

1991

Arrow International moves into new corporate headquarters in Bern Township, Reading, Pennsylvania.

The striking, award-winning contemporary architecture is a reflection of the Company's focus on innovation.

Arrow International worldwide sales reach **$ 111,000,000.**

1992

Arrow introduces ARROWgard Blue® Antimicrobial Surface-Treated Catheters, a most significant product improvement.

Arrow is the first company to develop an antimicrobial surface treatment to help prevent catheter-related infections.

ARROWgard® is designed to reduce costly catheter-related infections, thereby improving patient outcomes. The patented antimicrobial surface treatment combines two antiseptics, chlorhexidine and silver sulfadiazine, which can reduce catheter-related infections by as much as 80% in patients requiring central venous catheterization. Estimates are that over 34,000 lives have been saved by the use of this product.

1990-93

Arrow Goes Public

The Company's common stock is offered to the public for the first time on June 9, 1992. Shares trade publicly on the NASDAQ under the symbol ARRO.

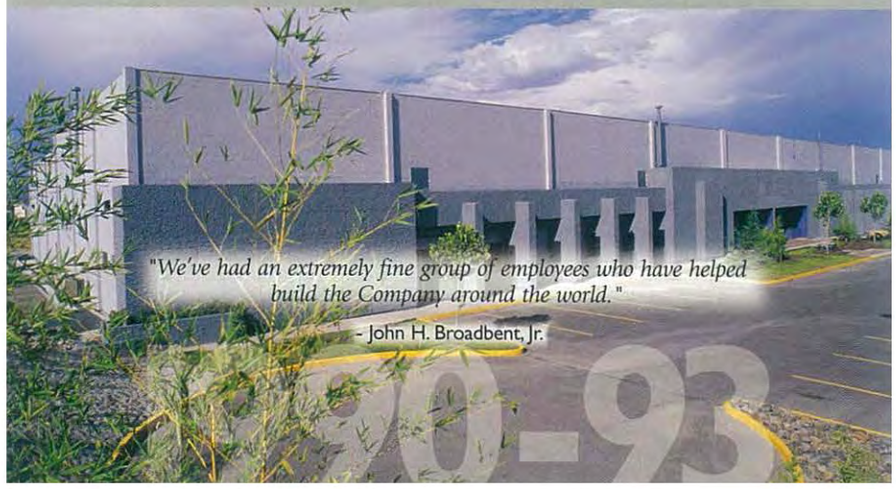
1993

The Super Arrow-Flex® Sheath Introducer adds a new twist.

Capitalizing on the success of the original Arrow-Flex® Sheath, Arrow creates the Super Arrow-Flex® Sheath Introducer. This remarkable product features a unique stainless steel coil-wire sealed between two layers of polyurethane, allowing the sheath to flex at any point, and in any direction, without kinking or collapsing.

Arrow opens a manufacturing facility in Chihuahua, Mexico.

The new facility gives the Company the ability to manufacture lower-cost products for introduction in newly developing world markets.



"We've had an extremely fine group of employees who have helped build the Company around the world."

- John H. Broadbent, Jr.

1990-93

1994

Arrow acquires the intra-aortic balloon pumping business of Kontron Instruments, Inc., strengthening the Company's position in the field of cardiac care.

Arrow acquires Therex, a world leader in implantable constant-flow infusion pumps and ports for drug delivery.

The FlexTip Plus® Epidural Catheter becomes one of the Company's fastest growing products. The advanced catheter combines Arrow's spring-wire and plastics technologies in a flexible, soft-tipped device that resists kinking. These features help reduce inadvertent epidural vein puncture and virtually eliminate paresthesia, an irritation of nerve ends that causes patient discomfort.

Arrow announces a development program in cooperation with the Pennsylvania State University's Medical School at Hershey Medical Center for a Left Ventricular Assist Device, a significant step toward long-term cardiac assist.

1995

A new Arrow manufacturing facility is built in Mt. Holly, New Jersey, for the production of Arrow diagnostic catheters and devices.

Arrow International worldwide sales reach **$213,000,000.**

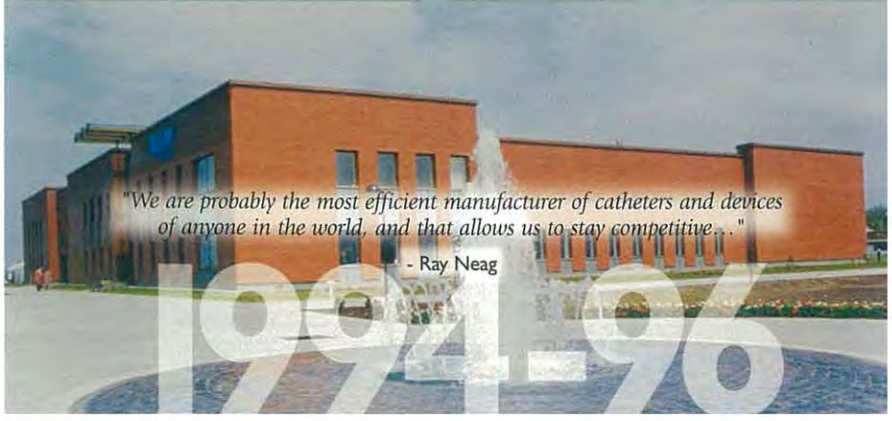
1996

A new facility opens in the Czech Republic.

Arrow strengthens its competitive position in the important European health care market with the start-up of a new manufacturing and research facility in the Czech Republic (below).

The Company launches a new patented 8 French NarrowFlex® Intra-Aortic Balloon Catheter. This breakthrough design makes the NarrowFlex® the smallest conventional adult catheter available for cardiac assist. The small size permits increased arterial blood flow past the catheter, potentially reducing complications which can lead to limb amputation.

Arrow receives FDA marketing clearance for the Model 3000 Constant Flow Implantable Infusion Pump for treating liver cancer with the chemotherapy drug FUdR. The pump features a bolus safety valve designed to prevent inadvertent drug overinfusion. In 1997, FDA provides clearance for use with morphine for intraspinal pain management.



"We are probably the most efficient manufacturer of catheters and devices of anyone in the world, and that allows us to stay competitive..."

- Ray Neag

1994-96

1997

A breakthrough for hemodialysis patients.

Arrow introduces the Arrow-Trerotola PTD™ (Percutaneous Thrombolytic Device), a groundbreaking mechanical declotting device for chronic hemodialysis patients. The device features a rotating fragmentation basket that can remove clots in dialysis access grafts without surgery or costly medications. The PTD™ is designed to decrease the risk, expense and complications associated with current clot-removing techniques.

Arrow purchases the intra-aortic balloon businesses of two separate companies: Boston Scientific, Inc. and C.R. Bard, Inc., becoming the second largest supplier of intra-aortic cardiac assist devices.

The Company spins off its OEM medical device business to a new company headed by Jerry Holleran, one of Arrow's founders. Mr. Holleran continues to serve as a director of the Company.

1998

Arrow creates an innovative vascular access alternative.

The Arrow PICC, or Peripherally Inserted Central Catheter, is a small catheter placed into a vein in one of the patient's arms, rather than the chest area. Benefits include; less traumatic catheter insertions, reduced risk of catheter infection, reduced risk of complications associated with catheter insertion and post insertion, and lower cost access.

John H. Broadbent, Jr., a founder of the Company, retires as Chief Financial Officer (C.F.O.) and continues to serve as a Director. Frederick J. Hirt elected as new C.F.O.

The ACAT®1 Intra-Aortic Balloon Pump is introduced to the U.S. market. It is designed to be the smallest, lightest, and most versatile pump on the market.

"One of the things that really gives the feeling of great accomplishment is when you find out that you've not only created a successful company, but you also saved lives in the process and made a real difference in the quality of life for a lot of people."

– Jerry Holleran

1997-98

A Year of Transitions

1999

Marlin Miller, Jr., becomes Chairman and C.E.O. of Arrow. Ray Neag becomes Vice Chairman. Phil Fleck is elected President and Chief Operating Officer and Paul Frankhouser is elected Executive Vice President.

Arrow acquires Medical Parameters of Woburn, Massachusetts, and its Walrus® product line. The company specializes in the production and sale of innovative, high quality custom tubing sets specifically for the anesthesia market.

Arrow invests in Sometec, a French company that manufactures and markets transesophageal monitors that determine cardiac output non-invasively.

A non-invasive approach to hemodynamic monitoring of patients.

Arrow introduces the HemoSonic™ 100 at the American Society of Anesthesiologists meeting. The HemoSonic™ 100 is an innovative hemodynamic monitor that provides a real-time, beat-to-beat patient hemodynamic profile during anesthesia and intensive care. Easy to use, the device features a probe with ultrasound transducers and eliminates the need for more invasive procedures.

Founder Ray Neag retires as Vice Chairman of Arrow International. Mr. Neag continues to serve as a Director of the Company.

October 26, 1999

The first human implant of the LionHeart™, Arrow's totally implantable left ventricular assist system (LVAS), takes place in Europe.

This milestone surgery is performed at the German Heart Center in Bad Oeynhausen, Germany.

The innovative LionHeart™ is the first permanent alternative to heart transplantation for end-stage heart failure. Energy for the LionHeart™ is delivered across the skin from a battery pack and external coil worn by the patient to a coil surgically implanted under the skin. This transcutaneous energy delivery eliminates the need for wires or drive lines to penetrate the skin, thus significantly reducing the potential for infection compared to current devices. The system allows patients to enjoy periods of untethered movement with energy supplied from rechargeable batteries implanted as part of the LionHeart™ device. LionHeart™ recipients are expected to be able to live at home, return to work, and participate in leisure activities.

The LionHeart™ LVAS is the result of a joint development effort of Pennsylvania State University's Medical School at Hershey Medical Center and Arrow International.

Arrow International worldwide sales reach **$320,000,000.**

"The permanently implanted LVAS will allow congestive heart failure patients to enjoy a much higher quality of life."

- Phil Fleck

1999

Arrow in the 21st Century

2000

Additional human implants of the LionHeart™ LVAS take place in Europe.

Arrow's Left Ventricular Assist System is implanted successfully in multiple patients.

The Company introduces an advanced, truly automatic intra-aortic balloon pump called the AutoCAT™. The pump features AutoPilot™, a mode of operation that automatically selects operating parameters for optimal temporary cardiac assist.

Innovations in safety.

ARROWgard Blue Plus™, a second-generation antimicrobial catheter, receives FDA approval. This innovation provides intra-luminal antimicrobial protection, enhancing patient safety.

Arrow introduces central venous catheterization kits with an increased margin of safety. The kits include Sharps Safety Features designed to protect physicians and clinicians from accidental skin punctures: Arrow Staple Anchoring Device, Arrow SharpsAway® II Locking Disposal Cup, and a Protected Scalpel.

Arrow proudly celebrates its 25th Anniversary.

"The watchword of this company from day one has been innovation... We've just got to keep developing new things."

- Marlin Miller, Jr.

Arrow Key Product Introductions

1976

Filter Needle
Brachial Plexus Kit
(All non-Arrow components)

1977

Internal Jugular Puncture Kit

Single-Lumen Central Venous Catheter for central venous pressure monitoring, drug and fluid delivery, blood sampling

1978

Anesthesia Catheter for continuous or single-shot regional epidural anesthesia

1979

Percutaneous Sheath Introducer for introducing pulmonary artery catheters

Percutaneous Sheath Introducer Kit

1980

TheraCath®, a spring wire-reinforced epidural catheter for the injection of drugs to numb the lower extremities of the body

Arrow Cath-Gard® Contamination Shield

1981

Radial Artery Catheter, the first ever specifically designed for arterial pressure monitoring and blood sampling

Peritoneal Lavage Kit for determining the presence of internal bleeding by percutaneous diagnosis

1982

Arrow-Howes™ Multi-Lumen Catheter

1983

Femoral Artery Catheter, featuring a longer length, for pressure monitoring and blood sampling

Double-Lumen Peripheral Catheter brings multi-lumen catheter versatility to the small veins of the arms

1987

Thermodilution Catheter for determination of cardiac output

Wedge Pressure Catheter for determination of cardiac pressures

Berman Pediatric Angiography Catheter for diagnosing septal defects in children

Pacing Catheter – temporary heart pacers

Electrophysiology Catheter – monitoring and mapping catheters

1989

Pneumothorax Kit for removal of undesired air from the chest cavity to facilitate lung re-expansion after trauma

Arrow Key Product Introductions

1990

Hemodialysis Catheter for blood filtration in kidney dialysis

Anesthesia Catheter for continuous regional epidural anesthesia administered through a soft-tip catheter

1991

Laparoscopic Cholangiography Catheter for laparoscopic gallbladder removal procedures to diagnose anatomic abnormalities and stones in the cystic duct in minimally invasive procedures

1992

ARROWgard Blue® Catheter

1993

Super Arrow-Flex® Sheath Introducer

1994

FlexTip Plus® Epidural Catheter

1996

Model 3000 Constant Flow Implantable Infusion Pump

8 French NarrowFlex® Intra-Aortic Balloon Catheter

2 French Quadpolar Electrode Catheter and Triple Lumen Guide

KAAT II PLUS® Intra-Aortic Balloon Pump

A•Port®

B•Port™

Low Profile Port™

1997

Arrow-Trerotola PTD™

1998

ACAT®1 Intra-Aortic Balloon Pump

Arrow PICC (Peripherally Inserted Central Catheter)

1999

HemoSonic™ 100

2000

AutoCat™

Ultra 8™ Intra-Aortic Balloon Catheter

ARROWgard Blue Plus™ Catheter

One-site Multi-lumen Catheter/Sheath Introducer

Sharps Safety Features