

Our financial performance earned recognition from *Investors Business Daily*, which ranked Atrion sixth on its list of Market-Leading Medical Stocks in November 2003. During the year, our stock price more than doubled, ending the year at \$45.44, up from \$22.50 at year-end 2002. Over the last five years, our stock price has increased by 468 percent.

We make products that meet the specific needs of niche markets.

One of the principal strengths of our company lies in the diversity of our product lines. Atrion makes medical devices and components for end-users and manufacturers throughout the health care industry, ranging from ophthalmology and cardiovascular products to fluid delivery devices. Our reputation for quality, precision and reliability has helped a number of our products gain the leading market positions in the United States in their respective niches.

In the ophthalmic sector, Atrion is a leading U.S. manufacturer of soft contact lens disinfection cases. In addition, our LacriCATH[®] balloon catheter positions us as a market leader with a patented product for the treatment of tear duct blockages.

We serve the cardiac surgery market as a leading U.S. provider of vacuum relief valves, minimally invasive surgical tapes and check valves. Serving the same market, our MPS[®] Myocardial Protection System continues to make headway, as hospitals and surgeons increasingly recognize the value of this proprietary technology. The MPS delivers essential fluids and medications to the heart during open-heart surgery, and it is the only system that provides integrated control over temperature, pressure, flow rate and the precise delivery of medications to the heart during surgery. Atrion also is the leading U.S. provider of clamps for IV sets, which are used in many surgical and medical settings.

Our expertise and leadership in valve design and manufacturing extend beyond the health care industry. We are the leading domestic manufacturer of valves and inflation devices used in marine and aviation safety products.

We support this stable of solidly performing products with two essential programs. One is a highly effective sales and marketing effort that keeps our products moving into the marketplace. Our sales team is comprised of professionals who possess clinical knowledge and specific product experience, and also concentrate on building strong relationships with customers and within the industry.

Our other essential program is research and development. We believe it is vital to keep a pipeline of products in various stages of development so that we can take advantage of near- and long-term opportunities in our markets. Understandably, proposed new products for the health care industry must undergo stringent testing and rigorous approval procedures. Often, this means that the process of bringing a new product from the design stage to the marketplace is a long and arduous one. A strong, proactive research and development program ensures that we are committing the resources and time required to successfully stay the course.

**2003 Revenues
by Product Line**

