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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: March 31, 2010

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from: to

Commission File No.: 0-19974

ICU MEDICAL, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**33-0022692**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
951 Calle Amanecer, San Clemente, California	**92673**
(Address of principal executive offices)	(Zip Code)

(949) 366-2183
(Registrant's telephone number including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	**Outstanding at April 12, 2010**
Common	13,485,929

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

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ICU Medical, Inc.

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ICU Medical, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Amounts in thousands, except per share data)

	March 31, 2010 (unaudited)	December 31, 2009 (1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 42,900	$ 51,248
Investment securities	42,014	56,887
Cash, cash equivalents and investment securities	84,914	108,135
Accounts receivable, net of allowance for doubtful accounts of $360 at March 31, 2010 and $324 at December 31, 2009	48,836	47,777
Inventories	37,556	41,327
Prepaid income taxes	—	1,994
Prepaid expenses and other current assets	6,192	5,462
Deferred income taxes	4,348	3,243
Total current assets	181,846	207,938
PROPERTY AND EQUIPMENT, net	82,748	77,449
PROPERTY HELD FOR SALE	—	940
GOODWILL	1,478	1,478
INTANGIBLE ASSETS, net	16,287	16,782
DEFERRED INCOME TAXES	3,686	3,710
INCOME TAXES RECEIVABLE	856	856
	$ 286,901	$ 309,153
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 17,997	$ 18,423
Accrued liabilities	11,623	12,884
Income taxes payable	246	—
Deferred revenue	1,186	2,389
Total current liabilities	31,052	33,696
DEFERRED INCOME TAXES	5,673	5,698
INCOME TAX LIABILITY	4,754	4,754
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDERS' EQUITY:		
Convertible preferred stock, $1.00 par value Authorized—500 shares; issued and outstanding— none	—	—
Common stock, $0.10 par value — Authorized—80,000 shares; Issued 14,811 shares at March 31, 2010 and December 31, 2009, outstanding 13,581 shares at March 31, 2010 and 14,239 shares at December 31, 2009	1,481	1,481
Additional paid-in capital	54,972	54,357
Treasury stock, at cost — 1,230 and 572 shares at March 31, 2010 and December 31, 2009	(42,827)	(19,881)
Retained earnings	232,116	227,861
Accumulated other comprehensive income (loss)	(320)	1,187
Total stockholders' equity	245,422	265,005
	$ 286,901	$ 309,153

(1) December 31, 2009 balances were derived from audited consolidated financial statements.

The accompanying notes are an integral part of these condensed consolidated financial statements.

ICU Medical, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(Amounts in thousands, except per share data)
(unaudited)

	Three months ended March 31,	
	2010	2009
REVENUES:		
Net sales	$ 64,212	$ 54,195
Other	151	140
TOTAL REVENUE	64,363	54,335
COST OF GOODS SOLD	37,436	27,769
Gross profit	26,927	26,566
OPERATING EXPENSES:		
Selling, general and administrative	19,655	15,112
Research and development	918	738
Total operating expenses	20,573	15,850
Income from operations	6,354	10,716
OTHER INCOME	192	318
Income before income taxes	6,546	11,034
PROVISION FOR INCOME TAXES	(2,291)	(3,972)
NET INCOME	$ 4,255	$ 7,062
NET INCOME PER SHARE		
Basic	$ 0.31	$ 0.48
Diluted	$ 0.30	$ 0.47
WEIGHTED AVERAGE NUMBER OF SHARES		
Basic	13,863	14,735
Diluted	14,111	14,869

The accompanying notes are an integral part of these condensed consolidated financial statements.

ICU Medical, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Amounts in thousands)
(unaudited)

	Three months ended March 31,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 4,255	$ 7,062
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,551	3,564
Provision for doubtful accounts	52	16
Stock compensation	823	599
Loss on disposal of property and equipment	50	20
Cash provided (used) by changes in operating assets and liabilities, net of assets acquired		
Accounts receivable	(1,793)	7,777
Inventories	2,997	(2,273)
Prepaid expenses and other assets	(1,158)	(1,340)
Accounts payable	(224)	748
Accrued liabilities	(1,042)	(276)
Deferred revenue	(1,203)	—
Prepaid and deferred income taxes	2,305	3,872
Net cash provided by operating activities	9,613	19,769
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(10,375)	(2,144)
Proceeds from sale of asset	893	—
Business acquisition, net of cash acquired	—	(5,663)
Change in restricted cash	—	6,014
Purchases of investment securities	(5,799)	(20,936)
Proceeds from sale of investment securities	20,672	14,541
Net cash provided (used) by investing activities	5,391	(8,188)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options	46	1,207
Proceeds from employee stock purchase plan	747	623
Tax benefits from exercise of stock options	29	19
Purchase of treasury stock	(23,976)	(560)
Net cash provided (used) by financing activities	(23,154)	1,289
Effect of exchange rate changes on cash	(198)	(537)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,348)	12,333
CASH AND CASH EQUIVALENTS, beginning of period	51,248	55,696
CASH AND CASH EQUIVALENTS, end of period	$ 42,900	$ 68,029

The accompanying notes are an integral part of these condensed consolidated financial statements.

ICU Medical, Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income
(Amounts in thousands)
(unaudited)

	Three months ended March 31,	
	2010	2009
Net income	$ 4,255	$ 7,062
Other comprehensive loss, net of tax of $1,110 and $544 for the three months ended March 31, 2010 and 2009, respectively:		
Foreign currency translation adjustment	(1,507)	(887)
Comprehensive income	$ 2,748	$ 6,175

The accompanying notes are an integral part of these condensed consolidated financial statements.

ICU Medical, Inc.
Notes to Condensed Consolidated Financial Statements
Three Months Ended March 31, 2010 and 2009
(Amounts in tables in thousands, except per share data)
(unaudited)

Note 1: Basis of Presentation:

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and reflect all adjustments, consisting of only normal recurring adjustments, which are, in the opinion of management, necessary for a fair statement of the consolidated results for the interim periods presented. Results for the interim period are not necessarily indicative of results for the full year. Certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2009.

ICU Medical, Inc. (the "Company"), a Delaware corporation, operates principally in one business segment engaged in the development, manufacturing and marketing of disposable medical devices. The Company's devices are sold directly or to distributors and medical product manufacturers throughout the United States and internationally. All subsidiaries are wholly or majority owned and included in the consolidated financial statements. All intercompany balances and transactions have been eliminated.

Note 2: New Accounting Pronouncements:

In January 2010, the Financial Accounting Standards Board issued Accounting Standards Update No. 2010-06 for Fair Value Measurements and Disclosures (Topic 820): "Improving Disclosures about Fair Value Measurements". This Update requires new disclosures for transfers in and out of Level 1 and 2 and activity in Level 3. This Update also clarifies existing disclosures for level of disaggregation and about inputs and valuation techniques. The new disclosures are effective for interim and annual periods beginning after December 15, 2009, except for the Level 3 disclosures, which are effective for fiscal years beginning after December 15, 2010 and for interim periods within those years.

Note 3: Fair Value Measurement:

The Company's investment securities, which are considered available-for-sale and trading, consist principally of certificates of deposit and federal-tax-exempt state and municipal government debt. The Company has $8.8 million of its investment securities as Level 1 assets, which are certificates of deposit with quoted prices in active markets. The Company has $32.3 million of its investment securities as Level 2 assets, which are pre-refunded and non-pre-refunded municipal securities and have observable inputs. The Company has $0.9 million invested in one "auction rate security" as a Level 3 asset due to the unobservable inputs caused by the lack of liquidity. The valuation of this security was based on quotes received from our brokers derived from their internal models combined with internally developed discount factors. In determining a discount factor for each auction rate security, the model weights various factors, including assessments of credit quality, duration, insurance wraps, discount rates, overall capital market liquidity and comparable securities, if any. They are carried at fair value.

The following table provides the assets and liabilities carried at fair value measured on a recurring basis as of March 31, 2010:

	Fair value measurements at March 31, 2010 using			
	Total carrying value at March 31, 2010	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)
Available for sale securities	$ 41,114	$ 8,855	$ 32,259	$ —
Trading securities	900	—	—	900
	$ 42,014	$ 8,855	$ 32,259	$ 900

The following tables summarize the change in the fair values for Level 3 items for the quarter ended March 31, 2010:

Level 3 changes in fair value (pre-tax):

	Quarter ended March 31, 2010
Beginning balance	$ 900
Transfer into Level 3	—
Sales	—
Unrealized holding loss, included in other comprehensive income	—
Ending balance	$ 900

The Company has an agreement in place with UBS AG ("UBS") that permits the Company to require UBS to purchase the Company's auction rate securities at par value plus accrued interest. As of March 31, 2010, the Company has $0.9 million in one auction rate security. There was no change in the market value of the Company's auction rate security in the quarter ended March 31, 2010.

Note 4: Inventories:

Inventories consisted of the following:

	March 31, 2010	December 31, 2009
Raw material	$ 17,846	$ 16,268
Work in process	2,443	2,711
Finished goods	17,267	22,348
Total	$ 37,556	$ 41,327

Note 5: Property and Equipment:

Property and equipment consisted of the following:

	March 31, 2010	December 31, 2009
Machinery and equipment	56,981	57,966
Land, building and building improvements	50,989	50,200
Molds	20,051	18,939
Computer equipment and software	12,392	12,196
Furniture and fixtures	1,884	1,928
Construction in progress	16,066	9,565
Total property and equipment, cost	158,363	150,794
Accumulated depreciation	(75,615)	(73,345)
Net property and equipment	$ 82,748	$ 77,449

Note 6: Net Income Per Share:

Net income per share is computed by dividing net income by the weighted average number of common shares outstanding. Diluted net income per share is computed by dividing net income by the weighted average number of common shares outstanding plus dilutive securities. Dilutive securities are outstanding common stock options (excluding stock options with an exercise price in excess of the average market value for the period), less the number of shares that could have been purchased with the proceeds from the exercise of the options, using the treasury stock method. Options that are anti-dilutive because their exercise price exceeded the average market price of the common stock for the period approximated 472,000 and 1,135,000 for the quarters ended March 31, 2010 and 2009, respectively.

The following table presents the calculation of net earnings per common share ("EPS") — basic and diluted

	Three months ended March 31,	
	2010	2009
Net income	$ 4,255	$ 7,062
Weighted average number of common shares outstanding (for basic calculation)	13,863	14,735
Dilutive securities	248	134
Weighted average common and common equivalent shares outstanding (for diluted calculation)	14,111	14,869
EPS — basic	$ 0.31	$ 0.48
EPS — diluted	$ 0.30	$ 0.47

Note 7: Income Taxes:

Income taxes were accrued at an estimated annual effective tax rate of 35% in the first quarter of 2010 compared to 36% in the first quarter of 2009. The effective tax rate differs from that computed at the federal statutory rate of 35% principally because of the effect of foreign and state income taxes, tax credits, tax exempt income and deductions for domestic production activities.

Note 8: Major Customer:

The Company had revenues equal to 10% or more of total revenues from one customer, Hospira, Inc. Such revenues were 41% and 71% of total revenue for the quarters ended March 31, 2010 and 2009, respectively. As of March 31, 2010 and December 31, 2009, the Company had accounts receivable from Hospira of 35% and 37%, of consolidated accounts receivable, respectively.

Note 9: Treasury Stock

The Company has a common stock repurchase plan, authorized by its board of directors, to purchase up to $55 million of its common stock. The Company purchased $24.0 million of its common stock in the quarter ended March 31, 2010. As of March 31, 2010, $50.3 million of common stock has been purchased.

Note 10: Commitments and Contingencies:

The Company is from time to time involved in various other legal proceedings, most of which are routine litigation, in the normal course of business. In the opinion of management, the resolution of the other legal proceedings in which the Company is involved will not likely have a material adverse impact on the Company's financial position or results of operations.

In the normal course of business, the Company has agreed to indemnify officers and directors of the Company to the maximum extent permitted under Delaware law and to indemnify customers as to certain intellectual property matters related to sales of the Company's products. There is no maximum limit on the indemnification that may be required under these agreements. The Company has never incurred, nor do we expect to incur, any liability for indemnification.

Pursuant to the Asset Purchase Agreement with Hospira, the Company agreed to indemnify Hospira and its affiliates from certain liabilities arising out of (i) inaccuracies of the Company's representations and breaches of the Company's warranties; (ii) defaults of the Company's covenants or obligations; (iii) certain assumed obligations and (iv) use of the acquired assets after the date of closing. Most of Hospira's rights to indemnification will terminate eighteen months after the closing of the transaction on August 31, 2009, except for liabilities arising out of certain provisions of the asset purchase agreement and liabilities for which notice was previously provided. Notwithstanding the foregoing, the Company is not obligated to indemnify Hospira for any liabilities for which Hospira is obligated to indemnify us or our affiliates under our Manufacturing, Commercialization and Development Agreement with Hospira, Inc., dated March 1, 2005 (the "MCDA").

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

We are a leader in the development, manufacture and sale of proprietary, disposable medical connection systems for use in vascular therapy applications. Our devices are designed to protect patients from catheter related bloodstream infections and healthcare workers from exposure to diseases through accidental needlesticks or hazardous drugs. We are also a leader in the production of custom infusion sets and we incorporate our proprietary products into many of those custom infusion sets. In addition, we are a significant manufacturer of critical care medical devices, including catheters, angiography kits and cardiac monitoring systems.

Business Overview

Until the late 1990s, our primary emphasis in product development, sales and marketing was disposable medical connectors for use in I.V. therapy, and our principal product was the CLAVE. In the late 1990s, we commenced a transition from a product-centered company to an innovative, fast, efficient, low-cost manufacturer of custom infusion sets, using processes that we believe can be readily applied to a variety of disposable medical devices. This strategy has enabled us to capture revenue on the entire I.V. delivery system, and not just a component of the system. We have furthered this effort to include all of our proprietary devices beyond the CLAVE.

We have been reducing our dependence on our current proprietary products.

One strategy has been to acquire new product lines. For example, in August 2009, we purchased the commercial rights and physical assets of Hospira's critical care product line, which resulted in our control over all aspects of the critical care product line, including production, sales, marketing, customer contracting and distribution. We had previously manufactured for sale, exclusively to Hospira, the critical care products. Hospira retained commercial responsibility for the products that we manufactured, including sales to end customers, marketing, pricing, distribution, customer contracts, customer service and billing. We had little ability to directly influence Hospira's sales and marketing efforts, and our sales under this arrangement were subject to fluctuations over which we had little control. The purchase of Hospira's critical care line has resulted in an increase in direct sales and sales to independent distributors but a decrease in sales to Hospira. There is no assurance that we will be successful in finding future acquisition opportunities or integrating these new product lines into our existing business.

Another strategy for reducing our dependence on our current proprietary products has been to introduce new products. We have introduced a new line of oncology products including the Spiros male lure connector device, the Genie vial access device and ancillary products specifically designed for chemotherapy. We can provide no assurance that we will be able to successfully manufacture market and sell these new products.

We are also expanding our custom products business through increased sales to medical product manufacturers, independent distributors and through direct sales to the end users of our product. These expansions include our 2008 agreement with Premier, the extension of the term of our agreement with MedAssets and our recent entry into an agreement with Novation of all our critical care products. Each of these organizations is a U.S. healthcare purchasing network. Custom products, which include custom infusion, custom oncology and custom critical care products, accounted for approximately $20.4 million or 32% of total revenue in the first quarter of 2010 and $78.6 million or 34% of total revenue in 2009. We expect increases in sales of custom infusion sets, custom critical care and custom oncology products and expect that these products will be of increasing importance to us in future years. We expect continued growth in 2010 in our CLAVE products in the U.S., but at a modest growth rate. We also potentially face substantial increases in competition in our CLAVE business. Therefore, we are focusing on increasing product development, acquisition, sales and marketing efforts to custom products and other products that lend themselves to customization and new products in the U.S. and international markets.

Our largest customer is Hospira. Our relationship with Hospira has been and will continue to be of singular importance to our growth. We currently manufacture custom infusion sets for sale by Hospira and jointly promote the products under the name SetSource. Additionally, as discussed above, prior to our acquisition of its critical care line, we previously manufactured Hospira's critical care products. In the first quarter of 2010 and the years ended 2009 and 2008, our revenues from worldwide sales to Hospira were 41%, 53% and 69%, respectively, of total revenues. Although we can provide no assurances, as a result of our purchase of Hospira's critical care product line, we expect the percentage of revenues from sales to Hospira will continue to decrease because we now sell critical care products directly to the distributor or end user instead of to Hospira. However, we expect revenues from sales of CLAVE products, custom infusion sets and new products to Hospira to remain a significant percentage of our revenues. Hospira has a significant share of the I.V. set market in the U.S. and provides us access to that market, and we expect that Hospira will be important to our growth for CLAVE, custom infusion sets, and our other products worldwide.

We believe that achievement of our growth objectives worldwide will require increased efforts by us in sales and marketing and product development in these markets; however, there is no assurance that we will be successful in implementing our growth strategy. The custom products market is small, when compared to the larger market of standard products, and we could encounter customer resistance to custom products. Further, we could encounter increased competition as other companies see opportunity in this market. Product development or acquisition efforts may not succeed, and even if we do develop or acquire additional products, there is no assurance that we will achieve profitable sales of such products. An adverse change in our relationship with Hospira, or a deterioration of Hospira's position in the market, could have an adverse effect on us. Increased expenditures for sales and marketing and product acquisition and development may not yield desired results when expected, or at all. While we have taken steps to control these risks, there are certain risks that may be outside of our control, and there is no assurance that steps we have taken will succeed.

The following table sets forth, for the periods indicated, total revenues by product as a percentage of total revenues:

	Quarter ended March 31,		Fiscal Year Ended	
Product Line	**2010**	**2009**	**2009**	**2008**
CLAVE	36%	39%	37%	39%
Custom products	32%	35%	34%	34%
Standard critical care	19%	17%	18%	17%
Standard oncology products	2%	1%	2%	1%
Other products/other revenue	11%	8%	9%	9%
Total	**100%**	**100%**	**100%**	**100%**

We sell our I.V. administration products to independent distributors, direct sales and through agreements with Hospira and certain other medical product manufacturers. Most independent distributors handle the full line of our I.V. administration products. We sell our I.V. administration and oncology products under two agreements with Hospira. Under a 1995 agreement, Hospira purchases CLAVE products, principally bulk, non-sterile connectors, oncology products and the CLC2000. Under a 2001 agreement, we sell custom infusion sets to Hospira under a program referred to as SetSource. Our 1995 and 2001 agreements with Hospira provide Hospira with conditional exclusive and nonexclusive rights to distribute all existing ICU Medical products worldwide with terms that extend to 2014. We sell invasive monitoring and angiography to independent distributors and through direct sales. We also sell certain other products to a number of other medical product manufacturers.

We believe that as healthcare providers continue to either consolidate or join major buying organizations, the success of our products will depend, in part, on our ability, either independently or through strategic relationships such as our Hospira relationship, to secure long-term contracts with large healthcare providers and major buying organizations. As a result of this marketing and distribution strategy we derive most of our revenues from a relatively small number of distributors and manufacturers. The loss of a strategic relationship with a customer or a decline in demand for a manufacturing customer's products could have a material adverse effect on our operating results.

We have an ongoing program to increase systems capabilities, improve manufacturing efficiency, reduce labor costs, reduce time needed to produce an order, and minimize investment in inventory. These include the use of automated assembly equipment for new and existing products and use of larger molds and molding machines. In 2006, we centralized our proprietary molding in Salt Lake City and expanded our production facility in Mexico, which took over the majority of our manual assembly previously done in Salt Lake City. In 2007, we began a significant initiative to improve production processes, called the "ICU Production System" or "IPS", which we believe will enable us to further improve our manufacturing efficiency. We started IPS in our Mexico facility in 2007 and in our Salt Lake City facility in 2008. These efforts are ongoing in both facilities and will continue beyond 2010. In July 2009, we purchased land in Slovakia and in the third quarter of 2009, we started construction of an assembly plant that will serve our European product distribution. We expect this plant to be operational in the second half of 2010. We may establish additional production facilities outside the U.S. There is no assurance that we will derive the expected benefits of IPS or achieve success in establishing manufacturing facilities outside the U.S.

We distribute products through three distribution channels. Product revenues for each distribution channel were as follows:

	Quarter ended March 31,		Fiscal Year Ended	
Channel	2010	2009	2009	2008
Medical product manufacturers	39%	66%	50%	67%
Independent domestic distributors/direct sales	37%	15%	29%	18%
International distributors/direct sales	24%	19%	21%	15%
Total	**100%**	**100%**	**100%**	**100%**

Sales to international customers do not include bulk CLAVE products sold to Hospira in the U.S. but used in I.V. products manufactured by Hospira and exported. Those sales are included in sales to medical product manufacturers. Other sales to Hospira for destinations outside the U.S. are included in sales to international customers.

With the completion of our purchase of the commercial rights and the physical assets of Hospira's critical care line in August 2009, we began selling critical care products in September 2009 to domestic and international distributors and through direct domestic and international sales instead of to Hospira. As a result, we expect to continue to see a shift in sales from medical product manufacturers to domestic and international distributors and direct sales.

Quarter-to-quarter comparisons: We present summarized income statement data in Part I, Item 1- Financial Statements. The following table shows, for the year ended December 31, 2009 and the first quarters of 2010 and 2009, the percentages of each income statement caption in relation to total revenues.

	Percentage of Revenues		
	Fiscal Year	Quarter ended March 31,	
	2009	2010	2009
Total revenues	100%	100%	100%
Gross profit	47%	42%	49%
Selling, general and administrative expenses	30%	31%	28%
Research and development expenses	1%	1%	1%
Total operating expenses	31%	32%	29%
Income from operations	16%	10%	20%
Other income	1%	—%	—%
Income before income taxes	17%	10%	20%
Income taxes	5%	3%	7%
Net income	12%	7%	13%

Quarterly results: The healthcare business in the United States is subject to seasonal fluctuations, and activity tends to diminish somewhat in the summer months of June, July and August, when illness is less frequent than in winter months and patients tend to postpone elective procedures. This typically causes seasonal fluctuations in our business. In addition, we can experience fluctuations in net sales as a result of variations in the ordering patterns of our largest customers, which may be driven more by production scheduling and their inventory levels, and less by seasonality. Our expenses often do not fluctuate in the same manner as net sales, which may cause fluctuations in operating income that are disproportionate to fluctuations in our revenue.

Quarter Ended March 31, 2010 Compared to the Quarter Ended March 31, 2009

Revenues were $64.4 million in the first quarter of 2010, compared to $54.3 million in the first quarter of 2009.

Distribution channels: Net U.S. sales to Hospira in the first quarter of 2010 were $24.0 million, compared to net sales of $34.8 million in the first quarter of 2009, a decrease of 31%. The $10.8 million decrease was primarily due to $11.3 million in decreased standard and custom critical care sales, partially offset by $0.9 million in increased CLAVE sales. The decreased standard and custom critical care sales to Hospira were primarily related to our acquisition of the critical care assets from Hospira. As a result of this acquisition, which closed on August 31, 2009, we no longer sell critical care products to Hospira. The increase in CLAVE sales was from higher unit sales due to increased market share through Hospira. Excluding critical care products, we expect modest growth in sales to Hospira in 2010 from 2009, although there is no assurance that these expectations will be realized.

Net sales to domestic distributors/direct in the first quarter of 2010 (including Canada) were $23.5 million compared to $8.3 million in the first quarter of 2009, an increase of 184%. The increased sales were primarily from $9.2 million in new standard critical care sales, $2.1 million in new custom critical care sales and $1.6 million in increased custom infusion set sales. As a result of our purchase of Hospira's critical care line, we ceased selling critical care products to Hospira and began selling the critical care products directly to distributors and through direct sales in September 2009. The increase in custom infusion set sales was due to higher unit volume sales. We expect increases in domestic distributor sales in 2010 compared to 2009, principally from growth in custom products and new critical care product sales, although there is no assurance that these expectations will be realized.

Net sales to international customers (excluding Canada) were $15.7 million in the first quarter of 2010, compared with $10.2 million in the first quarter of 2009, an increase of 53%. The increased sales were primarily from $3.2 million in new standard critical care sales, $1.1 million in new custom critical care sales, $0.7 million in increased CLAVE sales, partially offset by $1.5 million in lower custom oncology sales. The CLAVE increase is from increased unit volume due to increased market share and demographic growth. The decrease in custom oncology sales was due to lower unit volume sales. We expect increases in international customer sales in 2010, primarily from growth in CLAVE and new critical care product sales, although there is no assurance that these expectations will be realized.

Product and other revenue: Net sales of CLAVE products increased from $21.2 million in the first quarter of 2009 to $23.4 million in the first quarter of 2010, an increase of 10%. This increase was in all channels and from increased market share and demographic growth. We expect modest increases in CLAVE product sales in 2010 compared to 2009, although there is no assurance that these expectations will be realized.

Net sales of custom products, which include custom infusion, custom oncology products and custom critical care products, were $20.4 million in the first quarter of 2010 compared to $18.9 million in the first quarter of 2009, an increase of 8%. This increase was primarily comprised of increased sales of custom infusion sets of $1.7 million, increased custom critical care product sales of $0.9 million, partially offset by $1.1 million in lower custom oncology set sales. The unit growth in custom infusion sets was primarily due to the conversion by certain of our customers from a competitor's standard sets to our custom systems. The unit growth in custom critical care products was due to higher unit sales and a higher average selling price since we are now selling directly to the distributor or customer instead of to Hospira, an OEM. The decrease in custom oncology is due to lower unit sales. We expect increases in custom product and custom infusion set sales from increased unit volume in 2010 compared to 2009. We expect increases in custom critical care sales from increased unit sales at a higher average selling price in 2010 compared to 2009.

Critical care product sales were $12.4 million in the first quarter of 2010 compared to $9.0 million in the first quarter of 2009, an increase of 38%. This increase was due to higher sales to domestic and international distributors and through direct sales in the first quarter of 2010 compared to sales to Hospira in the first quarter of 2009. We expect increased sales in 2010 compared to 2009 because of higher sales through distributors and through direct sales than to Hospira.

Our standard oncology product sales were $1.4 million in the first quarter of 2010 compared to $0.7 million in the first quarter of 2009. The increase was a result in all our distribution channels.

Other revenue consists of license, royalty and revenue share income and was approximately $0.2 million in the first quarter of 2010 and $0.1 million in the first quarter of 2009. We may receive other license fees or royalties in the future for the use of our technology. There is no assurance as to amounts or timing of any future payments, or whether such payments will be received.

Gross margins for the first quarters of 2010 and 2009 were 42% and 49%, respectively. Higher freight costs contributed to two percentage points of the margin decrease and unfavorable exchange rates with the Peso contributed to one percentage point of the margin decrease. The remaining margin decrease was from product mix primarily made up of lower margin critical care products. Some of these products include higher temporary costs associated with transitioning the manufacturing of these products from Hospira to us.

We estimate our gross margin in 2010 will approximate 43%; however, there is no assurance that these expectations will be realized.

Selling, general and administrative expenses **("SG&A")** were $19.7 million and 31% of revenues in the first quarter of 2010, compared with $15.1 million and 28% of revenues in the first quarter of 2009. The increase was primarily from increased sales compensation and benefits of $2.0 million, higher sales travel expenses of $0.7 million, higher sales and marketing promotional costs of $1.2 million, including $0.7 million in higher dealer fees and group purchasing organization fees which were primarily from critical care sales and our agreement with Premier, increased depreciation and amortization expenses of $0.4 million, partially offset by $0.6 million in lower legal expenses. The increase in compensation and benefits and travel expenses is primarily a result of the expansion of our sales workforce by 50 employees from March 2009 to March 2010 for our critical care products and growth in other products. The decrease in legal expenses is primarily from lower patent litigation costs. We expect SG&A in 2010 to be approximately 27-28% of revenue. There is no assurance that these expectations will be realized.

Research and development expenses **("R&D")** were $0.9 million and 1% of revenue in the first quarter of 2010 compared to $0.7 million and 1% of revenue in the first quarter of 2009. We expect R&D in 2010 to be 1-2% of revenue, although there is no assurance that these expectations will be realized.

Other income was $0.2 million in the first quarter of 2010 compared to $0.3 million in the first quarter of 2009.

Income taxes were accrued at an estimated annual effective tax rate of 35% in the first quarter of 2010 compared to 36% in the first quarter of 2009. The 2009 rate differed from the statutory corporate rate of 35% principally because of the effect of foreign and state income taxes, tax credits, tax exempt income and deductions for domestic production activities. We expect our effective tax rate to be approximately 35% in 2010.

Liquidity and Capital Resources

During the first quarter of 2010, our cash, cash equivalents and investment securities decreased by $23.2 million.

Operating Activities*:* Our cash provided by operating activities tends to increase over time because of our positive operating results. However, it is subject to fluctuations, principally from the impact of integrating new locations from acquisitions, changes in net income, accounts receivable, inventories and the timing of tax payments.

During the first quarter of 2010, our cash provided by operations was $9.6 million, which was mainly comprised of net income of $4.3 million, depreciation and amortization of $4.6 million, stock compensation expense of $0.8 million, offset by changes in our operating assets and liabilities.

Investing Activities: During the first quarter of 2010, cash provided by investing activities was $5.4 million. This was comprised of net investment sales of $14.9 million and cash received from the sale of a building of $0.9 million, partially offset by cash paid for purchases of property and equipment of $10.4 million which were primarily for building construction and equipment purchases for our Slovakia plant.

We estimate that our capital expenditures in 2010 will approximate $18.0 million to $22.0 million. This includes an estimated $12.0 million for our manufacturing plant for our custom products in Slovakia and purchases for a new sterilizer and other machinery and equipment in our Slovakia plant. We also estimate approximately $9.0 million in capital expenditures for various molds, machinery and equipment used in our manufacturing operations in the United States and in Mexico. We anticipate using our existing cash position to fund these capital expenditures. Amounts of spending are estimates and actual spending may substantially differ from those amounts.

Financing Activities: Our cash used by financing activities in the first quarter of 2010 was $23.2 million. Stock repurchases in the first quarter of 2010 were $24.0 million. Cash provided by stock options and the employee stock purchase plan, including tax benefits, was $0.8 million from the sale of 28,964 shares. The tax benefits from the exercise of stock options fluctuates based principally on when employees choose to exercise their vested stock options.

As of March 31, 2010, we had $4.7 million remaining in our share repurchase program originally announced in July 2008 and amended in October 2009, by our Board of Directors. We plan additional share repurchases in the remainder of 2010.

We have a substantial cash and investment security position generated from profitable operations and stock sales, principally from the exercise of employee stock options. We maintain this position to fund our growth, meet increasing working capital requirements, fund capital expenditures, and to take advantage of acquisition opportunities that may arise. Our primary investment goal is principal preservation, as further described below in Part I, Item3. Quantitative and Qualitative Disclosures about Market Risk.

We believe that our existing cash, cash equivalents and investment securities along with funds expected to be generated from future operations will provide us with sufficient funds to finance our current operations for the next twelve months. In the event that we experience illiquidity in our investment securities, downturns or cyclical fluctuations in our business that are more severe or longer than anticipated or if we fail to achieve anticipated revenue and expense levels, we may need to obtain or seek alternative sources of capital or financing, and we can provide no assurances that the terms of such capital or financing will be available to us on favorable terms, if at all.

Off Balance Sheet Arrangements

In the normal course of business, we have agreed to indemnify our officers and directors to the maximum extent permitted under Delaware law and to indemnify customers as to certain intellectual property matters related to sales of our products. There is no maximum limit on the indemnification that may be required under these agreements. Although we can provide no assurances, we have never incurred, nor do we expect to incur, any liability for indemnification.

Pursuant to the Asset Purchase Agreement with Hospira, we have agreed to indemnify Hospira and its affiliates from certain liabilities arising out of (i) inaccuracies of our representations and breaches of our warranties; (ii) defaults of our covenants or obligations; (iii) certain assumed obligations; and (iv) use of the acquired assets after the date of closing. Most of Hospira's rights to indemnification will terminate eighteen months after the closing of the transaction on August 31, 2009, except for liabilities arising out of certain provisions of the asset purchase agreement and liabilities for which notice was previously provided. Notwithstanding the foregoing, we are not obligated to indemnify Hospira for any liabilities for which Hospira is obligated to indemnify us or our affiliates under the MCDA. Although we can provide no assurances, we do not expect to incur material liabilities arising out of the indemnification provision of the asset purchase agreement.

Contractual Obligations

We have contractual obligations, at March 31, 2010, of approximately the amount set forth in the table below. This amount excludes purchase orders for goods and services for current delivery. The majority of our purchase orders are blanket purchase orders that represent an estimated forecast of goods and services. We do not have a commitment liability on the blanket purchase orders. Since we do not have the ability to separate out blanket purchase orders from non-blanket purchase orders for goods and services for current delivery, these amounts are excluded from the table below. We have excluded from the table below pursuant to ASC 740-10-25 (formerly FIN 48), an interpretation of ASC 740-10 (formerly SFAS 109), a noncurrent liability of $5.3 million due to the high degree of uncertainty regarding the timing of future cash outflows associated with the liabilities.

	(in thousands)		
Contractual Obligations	**Total**	**2010**	**2011**
Operating lease	$ 230	$ 97	$ 133
Capital purchase obligations	3,678	3,678	—
	$ 3,908	$ 3,775	$ 133

Critical Accounting Policies

In our Annual Report on Form 10-K for the year ended December 31, 2009, we identified the critical accounting policies which affect our more significant estimates and assumptions used in preparing our consolidated financial statements. We have not changed these policies from those previously disclosed in our Annual Report.

New Accounting Pronouncements

See Note 2 to Part I, Item I. Financial Statements.

Forward Looking Statements

Various portions of this Quarterly Report on Form 10-Q, including this Management's Discussion and Analysis, describe trends in our business and finances that we perceive and state some of our expectations and beliefs about our future. These statements about the future are "forward looking statements," within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and we identify them by using words such as "believe," "expect," "estimate," "plan," "will," "continue," "could," "may," and by similar expressions and statements about aims, goals and plans. The forward looking statements are based on the best information currently available to us and assumptions that we believe are reasonable, but we do not intend the statements to be representations as to future results. They include, without limitation, statements about:

- future operating results and various elements of operating results, including future expenditures on sales and marketing and product development; future sales and unit volumes of products; deferred revenue; future license, royalty and revenue share income; production costs; gross margins; litigation expense; SG&A; R&D expense; future costs of expanding our business; income; losses; cash flow; tax rates; changes in working capital items such as receivables and inventory; selling prices; and income taxes;

- factors affecting operating results, such as shipments to specific customers; reduced dependence on current proprietary products; expansion in international markets, selling prices; future increases or decreases in sales of certain products and in certain markets and distribution channels; increases in systems capabilities; introduction, timing and sales of new products; planned increases in marketing; warranty claims; rebates; product returns; bad debt expense; inventory requirements; manufacturing efficiencies and cost savings; unit manufacturing costs; establishment of production facilities outside the U.S.; planned new orders for semi-automated or fully automated assembly machines for new products; plans and timing of the establishment of a plant in Slovakia; adequacy of production capacity; results of R&D; initiatives to implement the ICU Production System in our facilities; our plans to repurchase shares of our common stock; asset impairment losses; relocation of manufacturing facilities and personnel; planned increases in the number of personnel; our expectation that sales will shift from medical product manufacturers to domestic and international distributors and direct sales; effect of expansion of manufacturing facilities on production efficiencies and resolution of production inefficiencies; the effect of costs to customers and delivery times; business seasonality and fluctuations in quarterly results; customer ordering patterns and the effects of new accounting pronouncements; and

- new or extended contracts with manufacturers and buying organizations; dependence on a small number of customers; effect of the acquisition of Hospira's Salt Lake City manufacturing facility and its critical care product line, including its effect on future revenues from Hospira; the transition services we expect to receive from Hospira during the eighteen-month period following the acquisition; the timing of the transition; growth of our CLAVE products in future years; the outcome of our strategic initiatives; regulatory approvals and compliance; outcome of litigation; competitive and market factors, including continuing development of competing products by other manufacturers; consolidation of the healthcare provider market and downward pressure on selling prices; future repurchases of our common stock; working capital requirements; liquidity and realizable value of our investment securities; future investment alternatives; expected capital expenditures, foreign currency denominated financial instruments; foreign exchange risk; commodity price risk; our expectations regarding liquidity and capital resources over the next twelve months; capital expenditures; acquisitions of other businesses or product lines, indemnification liabilities and contractual liabilities.

Forward-looking statements involve certain risks and uncertainties, which may cause actual results to differ materially from those discussed in each such statement. First, one should consider the factors and risks described in the statements themselves or otherwise discussed herein. Those factors are uncertain, and if one or more of them turn out differently than we currently expect, our operating results may differ materially from our current expectations.

Second, investors should read the forward looking statements in conjunction with the Risk Factors discussed in Part I, Item 1A of our Annual Report on Form 10-K with the SEC for the year ended December 31, 2009 and our other reports and registration statements filed with the SEC. Also, actual future operating results are subject to other important factors and risks that we cannot predict or control, including without limitation, the following:

- general economic and business conditions, both in the U.S. and internationally;
- outcome of litigation;
- fluctuations in foreign exchange rates and other risks of doing business internationally;
- increases in labor costs or competition for skilled workers;
- increases in costs or availability of the raw materials need to manufacture our products;
- complications arising from the purchase of Hospira's critical care product line;
- the effect of price and safety considerations on the healthcare industry;
- competitive factors, such as product innovation, new technologies, marketing and distribution strength and price erosion;
- the successful development and marketing of new products;
- unanticipated market shifts and trends;

- the impact of legislation affecting government reimbursement of healthcare costs;
- changes by our major customers and independent distributors in their strategies that might affect their efforts to market our products;
- the effects of additional governmental regulations;
- unanticipated production problems; and
- the availability of patent protection and the cost of enforcing and of defending patent claims.

The forward-looking statements in this report are subject to additional risks and uncertainties, including those detailed from time to time in our other filings with the Securities and Exchange Commission. These forward-looking statements are made only as of the date hereof and, except as required by law, we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We had a portfolio of corporate preferred stocks, federal-tax exempt state and municipal government debt securities and certificates of deposit of $42.0 million as of March 31, 2010. The securities are all "investment grade". As of March 31, 2010, $32.2 million of our investment securities were invested in pre-refunded and non-pre-refunded municipal securities, $0.9 million were invested in one "auction rate security" and $8.9 million were invested in certificates of deposit. The pre-refunded municipal securities are fully escrowed by U.S. government Treasury bills with low market risk. For the quarter ended March 31, 2010, we had no change in market value for our auction rate security.

Our future earnings are subject to potential increase or decrease because of changes in short-term interest rates. Generally, each one-percentage point change in the discount rate will cause our overall yield to change by two-thirds to three-quarters of a percentage point, depending upon the relative mix of federal-tax-exempt securities in our portfolio and market conditions specific to the securities in which we invest. Two-thirds to three-quarters of a percentage point change in our earnings on investment securities would create a change of approximately $0.4 million to investment income based on the investment securities balance at December 31, 2009.

Foreign currency exchange risk for financial instruments on our balance sheet, which consist of cash, accounts receivable and accounts payable, is not significant to our financial statements. Sales from the U.S. and Mexico to foreign distributors are all denominated in U.S. dollars. We have manufacturing, sales and distribution facilities in several countries and we conduct business transactions denominated in various foreign currencies, principally the Euro and Mexican Peso. A 10% change in the conversion of the Mexican Peso to the U.S. dollar from the average exchange rate we experienced in 2009 and our manufacturing spending from 2009 would impact our cost of goods sold by approximately $1.6 million. Cash and receivables in those countries have been insignificant and are generally offset by accounts payable and accruals in the same foreign currency, except for our European operations, where our net Euro asset position at March 31, 2010 and 2009 were approximately €8.5 million and €11.1 million, respectively. We expect that in the future, with the growth of our European distribution operation, that net Euro denominated instruments will continue to increase.

Our exposure to commodity price changes relates primarily to certain manufacturing operations that use resin. We manage our exposure to changes in those prices through our procurement and supply chain management practices and the effect of price changes has not been material to date. We are not dependent upon any single source for any of our principal raw materials and we believe all such materials and products are readily available. Based on our average price for resin in fiscal year 2009, a 10% increase to the price of resin would result in approximately a $0.6 million change in material cost in 2009.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our principal executive officer and principal financial officer have concluded, based on their evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934), as of the end of the period covered by this Report, that our disclosure controls and procedures are effective to ensure that the information we are required to disclose in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure and that such information is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

There was no change in our internal control over financial reporting during the quarter ended March 31, 2010 that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

We have not been required to pay any penalty to the IRS for failing to make disclosures required with respect to certain transactions that have been identified by the IRS as abusive or that have a significant tax avoidance purpose.

In an action filed July 27, 2007 entitled ICU Medical, Inc. v. RyMed Technologies, Inc. ("RyMed"), in the United States District Court for the District of Delaware, we alleged that RyMed infringes certain of ICU's patents through the manufacture and sale of certain products, including its InVision-Plus valves. The original trial date of January 19, 2010, was continued pending a Petition by RyMed for Interlucutory Appeal to the Federal Circuit, challenging the Court's claims construction. Rymed's Petition was recently denied, and a trial date will be rescheduled. We seek monetary damages and injunctive relief and intend to vigorously pursue this matter.

We are from time to time involved in various other legal proceedings, either as a defendant or plaintiff, most of which are routine litigation in the normal course of business. We believe that the resolution of the legal proceedings in which we are involved will not have a material adverse effect on our financial position or results of operations.

Item 1A. Risk Factors

In evaluating an investment in our common stock, investors should consider carefully, among other things, the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2009, as well as the information contained in this Quarterly Report and our other reports and registration statements filed with the SEC. There have been no material changes in the risk factors as previously disclosed under "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K with the SEC for the year ended December 31, 2009.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In July 2008, our Board of Directors authorized a program to purchase $40.0 million of our common stock. In October 2009, our Board of Directors increased the amount that may be purchased under this plan by $15.0 million, bringing the total authorized amount that may be purchased under the plan to $55.0 million. This plan has no expiration date. All shares of common stock that we repurchased in the first quarter of 2010 were repurchased pursuant to this plan.

The following is a summary of our stock repurchasing activity during the first quarter of 2010:

Period	Shared purchased	Average price paid per share	Shares purchased as part of a publicly announced program	Approximate dollar value that may yet be purchased under the program
01/01/2010 — 01/31/2010	219,106	$ 36.48	219,106	$ 20,709,000
02/01/2010 — 02/28/2010	239,587	33.35	239,587	12,718,000
03/01/2010 — 03/31/2010	227,643	35.11	227,643	4,726,000
First quarter 2010 total	686,336	$ 34.93	686,336	4,726,000

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Item 6. Exhibits

Exhibit 10.1	Employment Agreement between the Registrant and George A. Lopez, M.D. effective January 1, 2010, dated March 23, 2010
Exhibit 10.2	Form of Executive Officer Retention Agreement.(1)*
Exhibit 10.3	Form of CEO Retention Agreement.(2)*
Exhibit 10.4	Amended and Restated 2005 Long Term Incentive Plan, as amended and restated on November 24, 2009.*
Exhibit 10.5	Umbrella Internal Revenue Code Section 409A Policy.*
Exhibit 10.6	Schedule identifying parties to agreements with the Registrant substantially identical to the Form of Executive Officer Retention Agreement filed as Exhibit 10.2 hereto and Form of CEO Retention Agreement filed as Exhibit 10.3 hereto.(3)*
Exhibit 31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 101.INS	XBRL Instance Document
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Executive compensation plan or other arrangement.

(1) Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K dated February 4, 2010 and incorporated herein by reference

(2) Filed as Exhibit 10.2 to Registrant's Current Report on Form 8-K dated February 4, 2010 and incorporated herein by reference.

(3) Filed as Exhibit 10.31 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2009, and incorporated herein by reference.

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Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ICU Medical, Inc.

(Registrant)

/s/ Scott E. Lamb Date: April 23, 2010
Scott E. Lamb
Chief Financial Officer
(Principal Financial Officer)

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Exhibit Index

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Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

ICU Medical, Inc.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is made and entered into as of this first day of January 2010, by and between ICU Medical, Inc., a Delaware corporation ("Employer"), and George A. Lopez ("Employee").

RECITALS

A. Employer is engaged in the business of developing and manufacturing safe medical connectors.

B. Employer desires to employ Employee, and Employee desires to be employed, on the terms and conditions set forth in this Agreement.

C. Prior to or contemporaneously with the date of this Agreement, Employee and the Company have entered into an Indemnification Agreement and a Confidentiality and Inventions Agreement.

AGREEMENT

Accordingly, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. TERMS OF AGREEMENT

1.1 Initial Term The initial term of this agreement shall begin on January 1, 2010 and shall continue until December 31, 2010 unless it is terminated earlier pursuant to Section 5.

1.2 Renewal Terms Notwithstanding Section 1.1, this Agreement shall be extended and continue in effect, subject to Section 5, until the earlier of (i) the execution by Employer and Employee of an amendment extending this Agreement or a new employment agreement or (ii) March 31, 2011 if, but only if, at December 31, 2010 each of the following is true:

a. This Agreement has not been terminated pursuant to Section 5 and Employer has not notified Employee of a termination pursuant to Section 5;

b. Neither Employer nor Employee has notified the other of its or his intention not to extend or renew this Agreement; and

c. The parties have not yet executed an amendment extending this Agreement or a new employment agreement.

Neither this Agreement nor the employment of Employee will in any event continue beyond March 31, 2011 unless Employer and Employee execute an amendment extending this Agreement or a new employment agreement by such date.

2. EMPLOYMENT

2.1 Employment of Employee. Employer hereby hires Employee as President and Chief Executive Officer. Employee hereby accepts such employment on the terms and conditions of this Agreement.

2.2 Position and Duties. Employee shall serve, as President and Chief Executive Officer of Employer and shall have the general powers and duties of management usually vested in that office in a corporation and such other powers and duties as may be prescribed by the Board of Directors or the Bylaws of Employer. In this position, Employee will report directly to, and be subject to the supervision of the Board of Directors.

2.3 Standard of Performance. Employee agrees that he will at all times faithfully and industriously and to the best of his/her ability, experience and talents perform all of the duties that may be required of and from him/her pursuant to the terms of this Agreement. Such duties shall be performed at such place or places as the interests, needs, business and opportunities of Employer shall require or render advisable.

2.4 Exclusive Service. Employee shall devote all of his business energies and abilities and all of his productive time to the performance of his duties under this Agreement (reasonable absences during holidays and vacations excepted), and shall not, without the prior written consent of Employer, render to others any service of any kind (whether or not for compensation) that, in the opinion of Employer, would materially interfere with the performance of his/her duties under this Agreement.

Employee shall not, without the prior written consent of Employer, maintain any affiliation with, whether as an agent, consultant, employee, officer, director, trustee or otherwise, nor shall s/he directly or indirectly render any services of an advisory nature or otherwise to, or participate or engage in, any other business activity that conflict with Employee's obligations to the Company.

3. COMPENSATION

3.1 Compensation. During the term of this Agreement, Employer shall pay the amounts and provide the benefits described in this Section 3, and Employee agrees to accept such amounts and benefits in full payment for Employee's services under this Agreement.

3.2 **Base Salary.** Employer shall pay to Employee a base salary of $ 670,000 annually in equal installments payable no less frequently than semi-monthly.

3.3 **Incentive Bonus Compensation.** (see ADDENDUM TO EMPLOYMENT AGREEMENT JANUARY-DECEMBER 2010).

3.4 **Fringe Benefits.** Subject to Section 3.6 and upon satisfaction of the applicable eligibility requirements, Employee shall be entitled to all fringe benefits which Employer may make generally available from time to time for its executive employees. Such benefits shall include without limitation those available, if any, under any group insurance, profit sharing, pension or retirement plans or sick leave policy.

3.5 **Vacation and Holiday.** Employee shall be entitled to vacations and holidays. Employee is entitled to additional vacation time entirely at the sole discretion of employee.

3.6 **Deduction from Compensation.** Employer shall deduct and withhold from all compensation payable to Employee all amounts required to be deducted or withheld pursuant to any present or future law, ordinance, regulation, order, writ, judgment, or decree requiring such deduction and withholding.

3.7 **Disability Severance Benefits.** Should Employee's employment hereunder be terminated by reason of his/her total and permanent disability, which renders the Employee unable to perform the essential functions of his/her job, with or without reasonable accommodation, Employer shall pay Employee, within 30 days of termination, a lump sum severance payment equal to 50% of the base salary in Section 3.2, and regularly accrued salary for any pay periods worked by the employee, but not paid. Total and permanent disability means Employee is unable to perform his/her duties with or without reasonable accommodation for a consecutive period of six months due to bodily injury or sickness, including mental or nervous disorder, as determined by a physician selected by Employer and acceptable to the Employee or his/her legal representative, and while disabled s/he does not engage in any employment for wage or profit.

Employer's obligation to pay disability severance benefits shall be reduced by any payments for which s/he and his/her dependents are eligible under the Federal Social Security Act, and any payment to which s/he is eligible under the Worker's Compensation Law, Unemployment Insurance Code or other similar legislation, or under any other plan or insurance maintained and paid for by Employer providing benefits for loss of time from disability or unemployment.

4. REIMBURSEMENT OF EXPENSES

Employer shall pay to or reimburse Employee for those travel, promotional and similar expenditures incurred by Employee which Employer determines are reasonably necessary for the proper discharge of Employee's duties under this Agreement and for which Employee submits appropriate receipts and indicates the amount, date, location and business character, provided that the nature and general amount of such expenditures is either in accordance with the Company's policies announced from time to time or approved in advance.

5. TERMINATION

5.1 Termination Date. The date on which this Agreement terminates shall be the "Termination Date." After the Termination Date, Employee shall not be employed by Employer, Employer shall promptly pay to Employee any compensation under this Agreement accrued but unpaid as of that date, and Employee shall not be entitled to any compensation from Employer for the performance by Employee after that date of any obligations of Employee to Employer under this Agreement.

5.2 Termination Without Cause. Without cause, Employer may terminate this Agreement at any time for any reason, or no reason (including without limitation the Employee's disability as a result of any physical or mental condition that prevents Employee from performing the essential functions of the job, with or without reasonable accommodation) by giving Employee 60 days written notice. If requested by Employer to do so, Employee shall continue to perform his/her duties under this Agreement during such 60 day period. This Agreement shall automatically and without further action of Employer terminate on the death of Employee.

5.3 Termination For Cause. Employer may terminate this Agreement at any time without prior notice for "cause" or in the event that Employee does not cure a breach of any provision of this Agreement within five days after Employer delivers demand to Employee to cure such breach. For this purpose, "cause" shall include, without limitation, (i) Employee's insubordination, meaning the willful failure to conform to or conduct himself/herself in accordance with the policies and standards of Employer or the refusal to perform the duties assigned pursuant to Section 2 or assigned by the Board of Directors; (ii) the dishonesty of Employee; (iii) Employee's conviction for a felony or for fraud, embezzlement or any other act of moral turpitude; (iv) any willful violation by Employee of laws or regulations applicable to Employer's business; or (v) Employee's gross negligence or willful misconduct in the performance of his/her duties under this Agreement which would adversely affect the business or reputation of Employer. A termination by Employee at any time after the occurrence of an event which would constitute cause for termination by Employer shall be considered a termination by Employer for cause.

5.4 Return of Employer Property. Within five days after the Termination Date, Employee shall return to Employer all products, books, records, forms, specifications, formulae, data processes, designs, papers and writings relating to the business of Employer, including without limitation proprietary or licensed computer programs, customer lists and customer data, and/or copies or duplicates thereof in Employee's possession or under Employee's control. Employee shall not retain any copies or duplicates of such property and all licenses granted to him/her by Employer to use computer programs or software shall be revoked on the Termination Date.

6. NONCOMPETITION

6.1 Noncompetition During Employment. During the term of this Agreement, Employee shall not, without the prior written consent of Employer, directly or indirectly render services of a business, professional, or commercial nature to any person or firm, whether for compensation or otherwise, or engage in any activity directly or indirectly or as an officer, director, employee, consultant, or holder of more than one (1%) percent of the capital stock of any other corporation. Otherwise, Employee may make personal investments in any other business so long as these investments do not require him/her to participate in the operation of the companies in which s/he invests.

6.2 **Non-solicitation.** Employee acknowledges that s/he will have access at the highest level to, and the opportunity to acquire knowledge of, valuable, confidential and proprietary information relating to the business of the Company and, accordingly, in order to preserve the value of such information for the Company, Employee covenants and agrees as follows:

(a) Employee shall not, during the term of this Agreement and for a period of one year following the termination of this Agreement for any reason, without the prior written consent of the Company, directly or indirectly solicit any employee or contractor of the Company to terminate his or her employment or contractor status with Company.

(b) The Employee shall not, during the term of this Agreement and thereafter, use Company trade secrets to solicit business from or enter into a business relationship or transaction with any person or entity that has or has had a business relationship with the Company (including, but not limited to, customers) or disrupt, or attempt to disrupt, any relationship, contractual or otherwise, between Company and any such person or entity.

7. OTHER PROVISIONS

7.1 **Compliance With Other Agreements.** Employee represents and warrants to Employer that the execution, delivery and performance of this Agreement will not conflict with or result in the violation or breach of any term or provision of any order, judgment, injunction, contract, agreement, commitment or other arrangement to which Employee is a party or by which s/he is bound, including without limitation any agreement restricting the sale of products similar to Employer's products in any geographic location or otherwise. Employee acknowledges that Employer is relying on his/her representation and warranty in entering into this Agreement, and agrees to indemnify Employer from and against all claims, demands, causes of actions, damages, costs or expenses (including attorneys' fees) arising from any breach thereof.

7.2 **Injunctive Relief.** Employee acknowledges that the services to be rendered under this Agreement and the items described in Sections 5.4, 6 and 7 are of a special, unique and extraordinary character, that it would be difficult or impossible to replace such services or to compensate Employer in money damages for a breach of this Agreement. Accordingly, Employee agrees and consents that if s/he violates any of the provisions of this Agreement, Employer, in addition to any other rights and remedies available under this Agreement or otherwise, shall be entitled to temporary and permanent injunctive relief, without the necessity of proving actual damages and without the necessity of posting any bond or other undertaking in connection therewith.

7.3 **Attorneys' Fees.** The prevailing party in any suit, arbitration or other proceeding brought to enforce any provisions of this Agreement, shall be entitled to recover all costs and expenses of the proceeding and investigation (not limited to court costs), including attorneys' fees at the hourly rates usually charged by that party's attorneys.

7.4 **Nondelegable Duties.** This is a contract for Employee's personal services. The duties of Employee under this Agreement are personal and may not be delegated or transferred in any manner whatsoever, and shall not be subject to involuntary alienation, assignment or transfer by Employee during his/her life.

7.5 **Entire Agreement.** No discussions or comments made by the Employer's agents, personnel, staff, officers or attorneys concerning the subject matter of this Agreement evidence or imply any agreement other than the terms specifically included herein. No provision can be waived or modified by conduct or oral agreement either before or after execution of this Agreement. No representation, understanding, promise or condition shall be enforceable against any party unless it is contained in this Agreement, except as set forth in the Indemnification Agreement and Confidentiality and Inventions Agreement. If there is any conflict between the terms, conditions and provisions of this Agreement and those of any other agreement or instrument, the terms, conditions and provisions of this Agreement shall prevail. This Agreement is the only agreement and understanding between the parties pertaining to the subject matter of this Agreement, and supersedes all prior agreements, summaries of agreements, descriptions of compensation packages, discussions, negotiations, understandings, representations or warranties, whether verbal or written, between the parties pertaining to such subject matter. Notwithstanding the foregoing, the parties intend to be bound by the terms of the Indemnification Agreement and the Confidentiality and Inventions Agreement, the Retention Agreement entered into as of April 18, 2001, and the Long-Term Retention Plan, which govern the relationship of the parties with respect to subject matter of those respective agreements.

7.6 **Governing Law.** The validity, construction and performance of this Agreement shall be governed by the laws, without regard to the laws as to choice or conflict of laws, of the State of California.

7.7 **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if any invalid or unenforceable provision were omitted.

7.8 **Amendment and Waiver.** This Agreement may be amended, modified or supplemented only by a writing executed by each of the parties. Either party may in writing waive any provision of this Agreement to the extent such provision is for the benefit of the waiving party. No waiver by either party of a breach of any provision of this Agreement shall be construed as a waiver of any subsequent or different breach, and no forbearance by a party to seek a remedy for noncompliance or breach by the other party shall be construed as a waiver of any right or remedy with respect to such noncompliance or breach.

7.9 **Binding Effect.** The provisions of this Agreement shall bind and inure to the benefit of the parties and their respective successors and permitted assigns.

7.10 **Notice.** Any notices or communications required or permitted by this Agreement shall be deemed sufficiently given if in writing and when delivered personally or 48 hours after deposit with the United State Postal Service as registered or certified mail, postage prepaid and addressed as follows:

(a) If to Employer, to the principal office of Employer in the State of California, marked "Attention: President"; or

(b) If to Employee, to the most recent address for Employee appearing in Employer's records.

7.11 **Headings.** The sections and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

EMPLOYER

ICU MEDICAL, INC.

By	/s/ Michael T. Kovalchik, III, MD	3/23/10
	Michael T. Kovalchik, III, MD Chairman, Compensation Committee	date

EMPLOYEE

By	/s/ George A. Lopez, M.D.	3/23/10
	George A. Lopez, M.D. President and C.E.O.	date

Exhibit 10.4

ICU MEDICAL, INC.

2005 LONG TERM RETENTION PLAN

1. **Purpose of this Plan**

The purpose of the ICU Medical, Inc. 2005 Long Term Retention Plan is to assist ICU Medical, Inc. in motivating and retaining key Employees and Consultants by providing long term incentive compensation.

2. **Definitions and Rules of Interpretation**

2.1 **Definitions.** This Plan uses the following defined terms:

"Adjusted Bonus Amount" means the Bonus Amount as adjusted in accordance with Sections 6.1 or 6.2

"Administrator" means the Board or the Committee or Officer to whom the Board or the Committee delegates authority to administer this Plan.

"Affiliate" means a "parent" or "subsidiary" (as each is defined in Section 424 of the Code) of the Company and any other entity that the Board or Committee designates as an "Affiliate" for purposes of this Plan.

"Award Certificate" means a certificate in the form of Annex A to this Plan evidencing the award of an Incentive Bonus and stating the Bonus Amount, the Trigger Price and the date of the award.

"Board" means the board of directors of the Company.

"Bonus Amount" means the dollar amount of an Incentive Bonus initially determined by the Committee.

"Cause" means (i) a Participant's intentional, willful and continuous failure to substantially perform his or her reasonable assigned duties (other than any such failure resulting from incapacity due to physical or mental illness or any failure after the Participant gives notice of termination for Good Reason), which failure is materially and demonstrably injurious to the Company, and which failure is not cured within 30 days after a written demand for substantial performance is received by the Participant from the Administrator which specifically identifies the manner in which the Administrator believes the Participant has not substantially performed the Participant's duties; (ii) a Participant's intentional and willful engagement in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company or is intended to result in

substantial personal enrichment; or (iii) a Participant's conviction for a felony or the Participant's plea of *nolo contendere* in connection with a felony indictment. For purposes of this Definition, no act or failure to act by a Participant shall be considered "willful" unless it is done, or omitted to be done, in bad faith and without reasonable belief that the Participant's action or omission was in the best interests of the Company.

"CEO" means the Chief Executive Officer of the Company.

"Code" means the Internal Revenue Code of 1986.

"Committee" means a committee composed of Directors appointed in accordance with the Company's charter documents and Section 4.

"Company" means ICU Medical, Inc., a Delaware corporation.

"Consultant" means an individual who, directly or as an employee of any entity that, provides bona fide services in a substantially full-time basis to the Company or an Affiliate not in connection with the offer or sale of securities in a capital-raising transaction, but who is not an Employee. For the purpose of this Definition, "substantially full-time basis" shall mean no less than seventy-five percent of the individual's productive time (reasonable absences during holidays, vacations and illness excepted). A Participant shall not cease to be a Consultant due to transfers of services between locations of the Company, or between the Company and an Affiliate.

"Director" means a member of the board of directors of the Company.

"Employee" means a regular employee of the Company or an Affiliate, including an officer, who is treated as an employee in the personnel records of the Company or an Affiliate, but not individuals who are classified by the Company or an Affiliate as: (i) leased from or otherwise employed by a third party, (ii) independent contractors, or (iii) intermittent or temporary workers. A Participant shall not cease to be an Employee due to transfers between locations of the Company, or between the Company and an Affiliate.

"Exchange Act" means the Securities Exchange Act of 1934.

"Good Reason" shall have the definition that such term is expressly given in a then-effective written agreement between the Participant and the Company or an Affiliate, or in the absence of such then-effective written agreement and definition, shall be based on, in the determination of the Administrator, the conditions set forth in Treasury Regulation Section 1.409A-1(n)(2)(ii).

"Incentive Bonus" means a cash payment made pursuant to this Plan to a Participant in an amount and at a time determined in accordance with the terms of this Plan.

"Participant" means an Employee or Consultant to whom an Incentive Bonus has been awarded.

"Payment Date" means the date on which an Incentive Bonus becomes payable as provided in Section 7.1.

"Plan" means this 2005 Long Term Retention Plan of ICU Medical, Inc.

"Price Date" as defined in Section 11.5(a).

"Stock Price" means the price of equity securities of the Company determined under Section 11.5.

"Termination" means that the Participant has ceased to be, with or without any cause (including Cause) or reason, an Employee or Consultant and shall be deemed to occur on the day after the last day on which the Participant was an Employee or Consultant. An event that causes an Affiliate to cease being an Affiliate shall be treated as the "Termination" of that Affiliate's Employees and Consultants and shall be deemed to occur on the day after such event.

"Trigger Price" means the Stock Price of the Company's common stock established by the Committee for purposes of determining an adjustment to the Bonus Amount of an Incentive Bonus pursuant to Section 6.1, as adjusted from time to time pursuant to Section 9.1.

2.2 **Rules of Interpretation.** Any reference to a "Section," without more, is to a Section of this Plan. Captions and titles are used for convenience in this Plan and shall not, by themselves, determine the meaning of this Plan. Except when otherwise indicated by the context, the singular includes the plural and vice versa. Any reference to a statute is also a reference to the applicable rules and regulations adopted under that statute. Any reference to a statute, rule or regulation, or to a section of a statute, rule or regulation, is a reference to that statute, rule, regulation, or section as amended from time to time, both before and after the effective date of this Plan and including any successor provisions.

3. **Term of this Plan**

This Plan shall be effective on the date it has been both adopted by the Board. This Plan has no set termination date. However, it may be terminated as provided in Section 10.1.

4. **Administration**

4.1 **General**

(a) The Board shall have ultimate responsibility for administering this Plan. The Board may delegate certain of its responsibilities to a Committee, which shall consist of at least three members of the Board, and either the Board or the Committee may delegate certain of their respective responsibilities to an Officer designated by the Board or Committee as the "Administrator." Where this Plan specifies that an action is to be taken or a determination made by the Board, only the Board may take that action or make that determination. Where this Plan specifies that an action is to be taken or a determination made by the Committee, only the Committee may take that action or make that determination. Where this Plan references the "Administrator," the action may be taken or determination made by the Board, the Committee or the Administrator. Moreover, all actions and determinations by any Administrator are subject to the provisions of this Plan.

(b) So long as the Company has a class of equity securities listed on The Nasdaq Stock Market, the Committee shall consist of Directors, each of whom is an "independent director" as defined in the Rules of The Nasdaq Stock Market; and so long as the Company has registered and outstanding a class of equity securities under Section 12 of the Exchange Act, the Committee shall consist of Directors, each of whom is a "Non-Employee Director" as defined in Rule 16b-3 under Section 16(b) of the Exchange Act and an "outside director" within the meaning of Section 162(m) of the Code.

4.2 **Authority to Administer this Plan**.

(a) Subject to the other provisions of this Plan, the Committee shall have the authority to:

(i) select the Participants who will receive Incentive Bonuses;

(ii) determine the Bonus Amount of each Incentive Bonus;

(iii) determine the Trigger Price for each Incentive Bonus; and

(iv) award Incentive Bonuses.

(b) Subject to the other provisions of this Plan, the Administrator shall have the authority to:

(i) issue Award Certificates to Participants;

(ii) interpret this Plan and any document related to this Plan;

(iii) correct any defect, remedy any omission, or reconcile any inconsistency in this Plan or any document related to this Plan;

(iv) adopt, amend, and revoke rules and regulations under this Plan;

(v) determine whether a transaction or event should be treated as a Change of Control; and

(vi) make all other determinations the Administrator deems necessary or advisable for the administration of this Plan.

(c) This Plan is intended to fit within the "short-term deferral exception" to Section 409A of the Code as described in Treasury Regulation Section 1.409A-1(b)(4), as amended. To that end, the Plan shall be interpreted in a manner that reflects that all payments hereunder are subject to a substantial risk of forfeiture until the first event to occur set forth in Section 7.1.

4.3 **Scope of Discretion**. Subject to the last sentence of this Section 4.3, on all matters for which this Plan confers the authority, right or power on the Board, the Committee or other Administrator to make decisions, that body may make those decisions in its sole and absolute discretion. Moreover, but again subject to the last sentence of this Section 4.3, in making those decisions the Board, Committee or other Administrator need not treat all persons eligible to receive Incentive Bonuses or all Participants the same way. However, the discretion of the Board, Committee or other Administrator is subject to the specific provisions and specific limitations of this Plan, as well as all rights conferred on specific Participants pursuant to this Plan.

5. **Persons Eligible to Receive Incentive Bonuses; Awards**

5.1 **Eligible Persons.** Incentive Bonuses may be granted to, and only to, Employees and Consultants determined by the Committee after advice from and consultation with the CEO to be key members of management of the Company or key advisors to management of the Company entrusted with responsibilities that the Committee deems vital to the future success and growth of the Company.

5.2 **Awards.** The Committee shall determine, after advice from and consultation with the CEO, the Bonus Amount of each Incentive Bonus to be awarded to each Participant selected as provided in Section 5.1; provided, however, that the Committee shall determine the Bonus Amount of each Incentive Bonus awarded to the CEO without advice from or consultation with the CEO.

5.3 **Trigger Price.** The Committee shall determine the Trigger Price of each Incentive Bonus at the time that the Incentive Bonus is awarded.

5.4 **Award Certificates.** The Administrator shall issue an Award Certificate to each Participant for each Incentive Bonus. The Award Certificate, together with this Plan shall constitute a binding agreement between the Company and the Participant in accordance with the terms of the Award Certificate and this Plan. If there is any conflict between the terms of an Award Certificate and the terms of this Plan, the terms of this Plan shall prevail and control.

5.5 **No Entitlement.** Neither the fact that an Employee or Consultant has been selected to receive an Incentive Bonus nor the fact that an Employee or Consultant has previously received one or more Incentive Bonuses shall entitle the Employee or Consultant to continued employment or engagement or to any additional award of an Incentive Bonus, and none of the Company, the Board, the Committee, the Administrator or any Officer shall have any obligation to award or cause to be awarded an Incentive Bonus to any Employee or Consultant.

6. Adjustment of Bonus Amounts

6.1 **Trigger Price Adjustment.** If, at any time between the award of an Incentive Bonus and its Payment Date, the Stock Price of the Company's Common Stock equals or exceeds the Trigger Price of such Incentive Bonus then in effect for 10 consecutive trading days, the Bonus Amount of such Incentive Bonus shall be adjusted, and the Adjusted Bonus Amount shall be 150% of the original Bonus Amount, unless the Bonus Amount is adjusted based on market capitalization pursuant to Section 6.2 at any time on or before the Payment Date of such Incentive Bonus, in which case no adjustment shall be made to the Bonus Amount pursuant to this Section 6.1.

6.2 **Market Capitalization Adjustment.** If, at any time between the award of an Incentive Bonus and its Payment Date, the aggregate Stock Price of all of the Company's equity securities that are listed or traded on an established stock exchange or quotation system or quoted by a recognized securities dealer equals or exceeds $1 billion for 10 consecutive trading days, the Bonus Amount of such Incentive Bonus shall be adjusted, and the Adjusted Bonus Amount of such Incentive Bonus shall be 200% of such original Bonus Amount.

7. **Payment of Incentive Bonuses**

7.1 **Payment Date.** The Payment Date of each Incentive Bonus will be the first to occur of:

(a) the sixth anniversary of the award of the Incentive Bonus or such other date as the Board may designate, subject to section 7.2(b); or

(b) the day that George A. Lopez ceases to be the CEO for any reason.

Notwithstanding the foregoing, with respect to Incentive Bonuses awarded to George A. Lopez, Section 7.1(b) shall only be applicable to the extent that George A. Lopez is involuntarily terminated or replaced as the CEO, each without Cause.

7.2 **Payment.** The Bonus Amount or Adjusted Bonus Amount, as the case may be, of each Incentive Bonus shall be paid to the Participant to whom it was awarded not more than 10 days after the Payment Date, subject to Sections 7.3 (Withholdings) and 8.2 (Leave of Absence) and to the following conditions:

(a) The Participant was continuously employed Company or engaged as an Employee or a Consultant by the Company or an Affiliate from the date of the award of the Incentive Bonus to the Payment date; and

(b) Payment of such Incentive Bonus has been approved:

(i) in the case of an Incentive Bonus to a Participant other than the CEO, by the CEO in his or her sole discretion, provided that if the Payment Date has occurred as a result of George A. Lopez ceasing to be the CEO as provided in Section 7.1(b), no such approval by a successor CEO shall be required; or

(ii) in the case of an Incentive Bonus to the CEO, by the Committee in its sole discretion, provided that if the Payment Date has occurred as a result of George A. Lopez being involuntarily terminated or replaced as the CEO without Cause, with the result that he ceases to be the CEO as provided in Section 7.1(b), then no such approval by the Committee shall be required for payment of an Incentive Bonus awarded before such Payment Date.

In exercising his or her discretion to approve payment of Incentive Bonuses as provided in clause (i) above, the CEO shall not be required to treat all Participants or all Incentive Bonuses in the same way.

7.3 **Withholdings.** All payments to Participants of Incentive Bonuses that become payable under this Section 7 will be net of all required federal, state and local income taxes and other required withholdings, including without limitation any tax imposed on a Participant and required to be withheld by Code Section 4999.

8. **Employment Relationship**

8.1 **Termination**. Nothing in this Plan or in any Incentive Bonus Certificate, and no Incentive Bonus or the fact that an Incentive Bonus will not be payable if a Termination occurs before the Payment Date, shall interfere with or limit the right of the Company or any Affiliate to terminate the employment of any Participant at any time, whether with or without cause (including Cause) or reason, and with or without the payment of severance or any other compensation or payment.

8.2 **Leave of Absence**. A personal, military service or medical leave approved by the Administrator with employment guaranteed upon return shall not constitute a Termination, and an Incentive Bonus as to which a Payment Date has occurred during such approved leave of absence will be payable pursuant to the timing and conditions set forth in Section 7.2.

8.3 **Consultant Relationship**. Nothing in this Plan or in any Incentive Bonus Certificate, and no Incentive Bonus, shall be deemed to create an employment relationship between the Company and Consultant or any right to continued engagement of the Consultant by the Company.

9. **Certain Transactions and Events**

9.1 **Changes in Capital Structure**. In the event of any stock split, reverse stock split, recapitalization, combination or reclassification of stock, stock dividend, spin-off or similar change to the capital structure of the Company (not including a Change of Control), the Administrator shall make whatever adjustment it concludes is appropriate to the Trigger Price of each Incentive Bonus as to which the Payment Date had not occurred at or before the date of such event. The specific adjustment shall be determined by the Administrator in its sole and absolute discretion.

9.2 **Dissolution**. If the Company adopts a plan of dissolution, the Board may, in its sole and absolute discretion, cause Incentive Bonuses to be paid on completion of the dissolution. The Board need not adopt the same rules for each Incentive Bonus or each Participant.

10. **Amendment or Termination of this Plan**

10.1 **Amendment and Termination**. The Board may at any time amend, suspend or terminate this Plan.

10.2 **Effect.** No amendment, suspension or termination of this Plan, and no modification of any Incentive Bonus even in the absence of an amendment, suspension or termination of this Plan, shall impair any existing contractual rights of any Participant unless the affected Participant consents to the amendment, suspension, termination or modification. Termination of this Plan shall not affect the Administrator's ability to exercise the powers granted to it under this Plan with respect to Incentive Bonuses awarded before the termination.

11. **Miscellaneous**

11.1 **No Assignment.** A Participant may not assign, hypothecate or transfer any Incentive Bonus, Award Certificate, interests in or rights thereunder, or any interests in or rights under this Plan, and any attempt to do so shall be null and void and shall result in the immediate forfeiture of any right to payment of the Incentive Bonus.

11.2 **Nonexclusivity of this Plan.** This Plan shall not limit the power of the Company or any Affiliate to adopt other incentive arrangements including, for example, the grant or issuance of stock options, stock or other equity-based rights under other plans or independently of any plan.

11.3 **Unfunded Plan.** This Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Incentive Bonuses, any such accounts will be used merely as a convenience. The Company shall not be required to segregate any assets on account of this Plan or the award or payment of Incentive Bonuses. The Company and the Administrator shall not be deemed to be a trustee of cash to be awarded under this Plan. Any obligations of the Company to any Participant shall be based solely upon contracts entered into under this Plan, such as Award Certificates. No such obligation shall be deemed to be secured by any pledge or other encumbrance on any assets of the Company. Neither the Company nor the Administrator shall be required to give any security or bond for the performance of any such obligation.

11.4 **Governing Law.** This Plan and all determinations made and actions taken under this Plan shall be governed by the substantive laws, but not the choice of law rules, of the State of Delaware.

11.5 **Determination of Stock Price**. Stock Price shall be determined as follows:

(a) ***Listed Stock***. If the equity securities of the Company are traded or quoted on any established stock exchange or quotation system, the Stock Price shall be the mean between the highest and lowest sales prices for the Shares as quoted on that stock exchange or system for the date the Stock Price is to be determined (the "***Price Date***") as reported in *The Wall Street Journal* or a similar publication. If no sales are reported as having occurred on the Price Date, the Stock Price shall be that mean closing sales price for the last preceding trading day on which sales of equity securities of the Company are reported as having occurred. If no sales are reported as having occurred during the ten trading days before the Price Date, the Stock Price shall be the mean between the highest and lowest closing bids for equity securities of the Company on the Price Date. If equity securities of the Company are listed on multiple exchanges or systems, the Stock Price shall be based on sales or bids on the primary exchange or system on which equity securities of the Company are traded or quoted.

(b) ***Securities Quoted by Securities Dealer***. If equity securities of the Company are regularly quoted by a recognized securities dealer but selling prices are not reported on any established stock exchange or quoted on an established quotation system, the Stock Price shall be the mean between the high bid and low asked prices on the Price Date. If no prices are quoted for the Price Date, the Stock Price shall be the mean between the high bid and low asked prices on the last preceding trading day on which any bid and asked prices were quoted.

(c) ***No Established Market***. If equity securities of the Company are not traded on any established stock exchange or quoted on an established quotation system and are not quoted by a recognized securities dealer, no Stock Price shall be deemed to exist.

11.6 **Electronic Communications.** Any Award Certificate, or other document required or permitted by this Plan may be delivered in writing or, to the extent determined by the Administrator, electronically. Signatures may also be electronic if permitted by the Administrator.

Adopted by the Board on: January 29, 2005

Effective date of this Plan: January 29, 2005

As amended October 19, 2007

As further amended and restated on November 24, 2009

Annex A

ICU MEDICAL, INC.

AWARD CERTIFICATE

UNDER

2005 LONG TERM RETENTION PLAN

To: [EMPLOYEE NAME]

ICU Medical, Inc. has awarded you an Incentive Bonus under its 2005 Long Term Retention Plan as follows:

Bonus Amount: $00.00

Trigger Price: $00.00 per share of ICU Medical, Inc. common stock

Date of Award: [DATE]

Payment Date (if paid and subject to Section 7 of the Plan)**:** [DATE]

Capitalized terms defined in the 2005 Long Term Retention Plan and used in this Award Certificate have the meanings ascribed to them in the Plan. This Award Certificate is subject to and governed by the terms of the Plan, and if there is any conflict between the terms of this Award Certificate and the terms of the Plan, the terms of the Plan shall prevail and control.

Executed this day of , 20XX
ICU Medical, Inc.

By: Scott E. Lamb
Chief Financial Officer

Agreed and accepted this day of , 20XX

[EMPLOYEE]

Notice to Third Parties

The Participant may not assign, hypothecate or transfer any Incentive Bonus, Award Certificate, interests in or rights thereunder, or any interests in or rights under the Plan, and any attempt to do so shall be null and void and shall result in the immediate forfeiture of any right to payment of the Incentive Bonus. Payment of Incentive Bonuses is discretionary and not assured under the terms of the Plan.

Exhibit 10.5

ICU MEDICAL, INC.

UMBRELLA INTERNAL REVENUE CODE SECTION 409A POLICY

AS ADOPTED NOVEMBER 24, 2009

WHEREAS, ICU Medical, Inc. and its subsidiaries (the "Employer") sponsor several plans and arrangements that may be subject to the requirements of section 409A of the Internal Revenue Code of 1986, as amended ("section 409A"); and

WHEREAS, section 409A requires that payments to "specified employees" upon a separation from service must be delayed six months from the date of the separation from service; and

WHEREAS, section 409A defines a "specified employee" as an individual who, as of the date of his or her separation from service, is considered a "key employee" of the Employer (i.e., a "key employee" for purposes of the Employer's qualified plans' top-heavy rules); and

WHEREAS, a "key employee" of the Employer is further defined as an employee who, at any time during the plan year, meets any one of the following criteria:

- an officer of the Employer having an annual compensation greater than $130,000, as indexed ($160,000 in 2009) (no more than 50 individuals may be treated as key employees under this clause);
- a 5% owner of the Employer;
- a 1% owner of the Employer having annual compensation from the Employer greater than $150,000; and

WHEREAS, the annual list of "key employees" shall be based on employees' status as of each December 31st, and effective for the 12-month period beginning with each following April 1st; and

WHEREAS, the Employer must use a uniform method to identify specified employees;

NOW THEREFORE, BE IT RESOLVED THAT, notwithstanding any provision in a plan or agreement of deferred compensation sponsored by the Employer that is subject to the requirements of section 409A, the following provisions shall be considered an amendment to the relevant plan or agreement and are intended to constitute compliance with the requirements of section 409A and guidance thereunder:

(1) No payment of an amount considered "deferred compensation" under section 409A shall be made to a specified employee in connection with his or her separation from service before the date that is six months after the date of separation from service (or, if earlier than the end of the six-month period, the date of death of the specified employee);

(2) Payments described in clause (1) above to which a specified employee would otherwise be entitled during the first six months following the date of separation from service will be accumulated. If the plan or arrangement does not contain specific terms governing payment following such six-month delay, the following rules shall apply: (a) in the case of lump sum payments, paid on the first day of the seventh month following the date of separation from service, and (b) in the case of installment payments, the amount accumulated during such six-month period shall be paid in a lump sum on the first day of the seventh month following the date of separation from service, and any further installment payments shall be made in accordance with the applicable installment schedule.

(3) For purposes of these rules, a "specified employee" means an individual who, as of the date of his or her separation from service, is a key employee of the Employer within the meaning of section 416(i)(1)(A)(i), (ii), or (iii) (applied in accordance with the regulations thereunder and disregarding section 416(i)(5) of the Code) at any time during the 12-month period ending on each December 31st. If an individual is a key employee as of any December 31st, the individual is treated as a key employee for purposes of these rules for the entire 12-month period beginning on the next April 1st. For purposes of identifying a specified employee by applying the requirements of section 416(i)(1)(A)(i), (ii), and (iii), the definition of compensation under §1.415(c)-2(a) is used, applied as if the Employer were not using any safe harbor provided in §1.415(c)-2(d), were not using any of the special timing rules provided in §1.415(c)-2(e), and were not using any of the special rules provided in §1.415(c)-2(g); and

BE IT FURTHER RESOLVED THAT, the above rules will apply to all entities required to be aggregated for this purpose with the Employer under section 409A; and

BE IT FURTHER RESOLVED THAT, the appropriate officers and employees of the Employer are hereby authorized to take any and all such actions and to execute such other documents and instruments as they, in their sole discretion, deem necessary, advisable, convenient, proper or desirable to carry out the intent of the foregoing resolution.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, George A. Lopez, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ICU Medical, Inc.:

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 23, 2010

/s/ George A. Lopez, M.D.
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Scott E. Lamb, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ICU Medical, Inc.:

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 23, 2010

/s/ Scott E. Lamb
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ICU Medical, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, George A. Lopez, Chief Executive Officer, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 23, 2010

/s/ George A. Lopez, M.D.
George A. Lopez, M.D.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ICU Medical, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott E. Lamb, Chief Financial Officer, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 23, 2010

/s/ Scott E. Lamb
Scott E. Lamb