

ANGEION CORPORATION AND SUBSIDIARIES

Consolidated Statements of Operations

(in thousands except per share amounts)

	Three Months Ended		Twelve Months Ended	
	October 31,		October 31,	
	2008	2007	2008	2007
Revenues				
Equipment and supply sales	\$ 6,609	\$ 8,029	\$ 26,154	\$ 35,115
Service revenue	978	1,102	3,857	3,465
	<u>7,587</u>	<u>9,131</u>	<u>30,011</u>	<u>38,580</u>
Cost of revenues				
Cost of equipment and supplies	3,534	4,269	14,064	18,642
Cost of service revenue	130	123	493	464
	<u>3,664</u>	<u>4,392</u>	<u>14,557</u>	<u>19,106</u>
Gross margin	<u>3,923</u>	<u>4,739</u>	<u>15,454</u>	<u>19,474</u>
Operating expenses:				
Selling and marketing	1,986	2,462	8,646	10,107
General and administrative	1,078	1,236	4,390	4,220
Research and development	546	745	2,437	2,820
Amortization of intangibles	182	176	728	733
	<u>3,792</u>	<u>4,619</u>	<u>16,201</u>	<u>17,880</u>
Operating income / (loss)	131	120	(747)	1,594
Interest income	26	51	163	182
Income / (loss) before taxes	157	171	(584)	1,776
Provision for taxes	54	60	102	719
Net income / (loss)	<u>\$ 103</u>	<u>\$ 111</u>	<u>\$ (686)</u>	<u>\$ 1,057</u>
Earnings / (loss) per share - basic				
Net income per share	<u>\$ 0.03</u>	<u>\$ 0.03</u>	<u>\$ (0.17)</u>	<u>\$ 0.27</u>
Earnings / (loss) per share - diluted				
Net income / (loss) per share	<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ (0.17)</u>	<u>\$ 0.24</u>
Weighted average common shares outstanding				
Basic	<u>4,092</u>	<u>4,088</u>	<u>4,090</u>	<u>3,987</u>
Diluted	<u>4,134</u>	<u>4,183</u>	<u>4,090</u>	<u>4,353</u>

ANGEION CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
October 31, 2008 and October 31, 2007
(in thousands except share and per share data)

	October 31, 2008	October 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,047	\$ 6,908
Accounts receivable, net of allowance for doubtful accounts of \$283 and \$85, respectively	5,446	7,950
Inventories, net of obsolescence reserve of \$597 and \$84, respectively	5,143	5,310
Prepaid expenses and other current assets	292	347
Total current assets	19,928	20,515
Property and equipment, net of accumulated depreciation of \$2,897 and \$2,453, respectively	937	1,302
Intangible assets, net	2,100	2,716
Total Assets	\$ 22,965	\$ 24,533
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,544	\$ 1,858
Employee compensation	1,288	2,041
Deferred income	1,531	1,839
Warranty reserve	157	253
Other current liabilities and accrued expenses	380	370
Total current liabilities	4,900	6,361
Long-term liabilities:		
Long-term deferred income	789	743
Total Liabilities	5,689	7,104
Shareholders' equity:		
Common stock, \$0.10 par value, authorized 25,000,000 shares, 4,166,457 and 4,088,445 shares issued and 4,091,790 and 4,088,445 shares outstanding in 2008 and 2007, respectively	409	409
Additional paid-in capital	20,956	20,423
Accumulated deficit	(4,089)	(3,403)
Total shareholders' equity	17,276	17,429
Total Liabilities and Shareholders' Equity	\$ 22,965	\$ 24,533

ANGEION CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended October 31,	
	2008	2007
Cash Flows From Operating Activities:		
Net income / (loss)	\$ (686)	\$ 1,057
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,184	1,177
Stock-based compensation	513	62
Increase in inventory obsolescence reserve	499	-
Increase in allowance for doubtful accounts	198	-
Tax benefit from stock options exercised	-	(374)
Deferred income taxes	-	318
Changes in operating assets and liabilities:		
Accounts receivable	2,306	(1,151)
Inventories	(332)	427
Prepaid expenses and other current assets	55	(62)
Accounts payable	(314)	283
Employee compensation	(753)	(27)
Deferred income	(262)	(534)
Warranty reserve	(96)	(82)
Other current liabilities and accrued expenses	10	395
Net cash provided by operating activities	2,322	1,489
Cash Flows From Investing Activities:		
Purchase of property and equipment and intangible assets	(203)	(544)
Net cash used in investing activities	(203)	(544)
Cash Flows From Financing Activities:		
Proceeds from issuance of common stock under employee stock purchase plan	20	33
Proceeds from the exercise of stock options	-	1,223
Proceeds from the exercise of warrants	-	264
Tax benefit from stock options exercised	-	374
Net cash provided by financing activities	20	1,894
Net increase in cash and cash equivalents	2,139	2,839
Cash and cash equivalents at beginning of period	6,908	4,069
Cash and cash equivalents at end of period	\$ 9,047	\$ 6,908

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