

ANGEION CORPORATION AND SUBSIDIARIES
Consolidated Statements of Earnings
(unaudited, in thousands except per share amounts)

	Three Months Ended		Six Months Ended	
	April 30,		April 30,	
	2009	2008	2009	2008
Revenues				
Equipment and supply sales	\$ 5,395	\$ 6,405	\$ 10,965	\$ 13,037
Service revenue	812	912	1,673	1,789
	<u>6,207</u>	<u>7,317</u>	<u>12,638</u>	<u>14,826</u>
Cost of revenues				
Cost of equipment and supplies	2,811	3,346	5,859	6,961
Cost of service revenue	91	135	172	251
	<u>2,902</u>	<u>3,481</u>	<u>6,031</u>	<u>7,212</u>
Gross margin	<u>3,305</u>	<u>3,836</u>	<u>6,607</u>	<u>7,614</u>
Operating expenses:				
Selling and marketing	1,615	2,312	3,413	4,683
General and administrative	998	1,049	2,152	2,367
Research and development	729	708	1,516	1,326
Amortization of intangibles	182	182	364	364
	<u>3,524</u>	<u>4,251</u>	<u>7,445</u>	<u>8,740</u>
Operating loss	(219)	(415)	(838)	(1,126)
Interest income	-	42	4	105
Loss before taxes	(219)	(373)	(834)	(1,021)
Provision for taxes	6	-	13	27
Net loss	<u>\$ (225)</u>	<u>\$ (373)</u>	<u>\$ (847)</u>	<u>\$ (1,048)</u>
Loss per share - basic				
Net loss per share	<u>\$ (0.05)</u>	<u>\$ (0.09)</u>	<u>\$ (0.21)</u>	<u>\$ (0.26)</u>
Loss per share - diluted				
Net loss per share	<u>\$ (0.05)</u>	<u>\$ (0.09)</u>	<u>\$ (0.21)</u>	<u>\$ (0.26)</u>
Weighted average common shares outstanding				
Basic	<u>4,120</u>	<u>4,090</u>	<u>4,110</u>	<u>4,089</u>
Diluted	<u>4,120</u>	<u>4,090</u>	<u>4,110</u>	<u>4,089</u>

(more)

ANGEION CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
April 30, 2009 and October 31, 2008
(in thousands except share and per share data)

	April 30, 2009	October 31, 2008
Assets	(unaudited)	
Current assets:		
Cash and cash equivalents	\$ 9,640	\$ 9,047
Accounts receivable, net of allowance for doubtful accounts of \$176 and \$283, respectively	4,862	5,446
Inventories, net of obsolescence reserve of \$693 and \$597, respectively.	4,909	5,143
Prepaid expenses and other current assets	289	292
Total current assets	19,700	19,928
 Property and equipment, net of accumulated depreciation of \$3,115 and \$2,897, respectively	 761	 937
Intangible assets, net	1,742	2,100
Total Assets	\$ 22,203	\$ 22,965
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,382	\$ 1,544
Employee compensation	1,186	1,288
Deferred income	1,489	1,531
Warranty reserve	158	157
Other current liabilities and accrued expenses	397	380
Total current liabilities	4,612	4,900
 Long-term liabilities:		
Long-term deferred income	723	789
Total Liabilities	5,335	5,689
Shareholders' equity:		
Common stock, \$0.10 par value, authorized 25,000,000 shares, 4,195,078 and 4,166,457 shares issued and 4,120,411 and 4,091,790 shares outstanding in 2009 and 2008, respectively	412	409
Additional paid-in capital	21,392	20,956
Accumulated deficit	(4,936)	(4,089)
Total shareholders' equity	16,868	17,276
Total Liabilities and Shareholders' Equity	\$ 22,203	\$ 22,965

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

	Six Months Ended	
	April 30,	
	2009	2008
Cash Flows From Operating Activities:		
Net loss	\$ (847)	\$ (1,048)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	582	611
Stock-based compensation	365	217
Increase in inventory obsolescence reserve	96	37
Decrease in allowance for doubtful accounts	(107)	(1)
Changes in operating assets and liabilities:		
Accounts receivable	691	2,135
Inventories	138	(857)
Prepaid expenses and other current assets	3	67
Accounts payable	(162)	(460)
Employee compensation	(102)	(415)
Deferred income	(108)	59
Warranty reserve	1	(65)
Other current liabilities and accrued expenses	17	3
Net cash provided by operating activities	567	283
Cash Flows From Investing Activities:		
Purchase of property and equipment and intangible assets	(48)	(113)
Net cash used in investing activities	(48)	(113)
Cash Flows From Financing Activities:		
Proceeds from issuance of common stock under employee stock purchase plan	11	11
Proceeds from the exercise of stock options	63	-
Net cash provided by financing activities	74	11
Net increase in cash and cash equivalents	593	181
Cash and cash equivalents at beginning of period	9,047	6,908
Cash and cash equivalents at end of period	\$ 9,640	\$ 7,089

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