

**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
<b>Revenues</b>				
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>
<b>Cost of revenues</b>				
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>
<b>Gross margin</b>	<u>3,305</u>	<u>3,836</u>	<u>6,607</u>	<u>7,614</u>
<b>Operating expenses:</b>				
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>
<b>Operating loss</b>	(219)	(415)	(838)	(1,126)
Interest income	-	42	4	105
<b>Loss before taxes</b>	(219)	(373)	(834)	(1,021)
Provision for taxes	6	-	13	27
<b>Net loss</b>	<u>\$ (225)</u>	<u>\$ (373)</u>	<u>\$ (847)</u>	<u>\$ (1,048)</u>
<b>Loss per share - basic</b>				
Net loss per share	<u>\$ (0.05)</u>	<u>\$ (0.09)</u>	<u>\$ (0.21)</u>	<u>\$ (0.26)</u>
<b>Loss per share - diluted</b>				
Net loss per share	<u>\$ (0.05)</u>	<u>\$ (0.09)</u>	<u>\$ (0.21)</u>	<u>\$ (0.26)</u>
<b>Weighted average common shares outstanding</b>				
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)

	<b>April 30, 2009</b>	<b>October 31, 2008</b>
<b>Assets</b>	(unaudited)	
<b>Current assets:</b>		
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	<b>19,700</b>	<b>19,928</b>
 Property and equipment, net of accumulated depreciation of \$3,115 and \$2,897, respectively	 761	 937
Intangible assets, net	1,742	2,100
<b>Total Assets</b>	<b>\$ 22,203</b>	<b>\$ 22,965</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities:</b>		
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
 <b>Long-term liabilities:</b>		
Long-term deferred income	723	789
<b>Total Liabilities</b>	<b>5,335</b>	<b>5,689</b>
 <b>Shareholders' equity:</b>		
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
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 22,203</b>	<b>\$ 22,965</b>

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

	<b>Six Months Ended</b>	
	<b>April 30,</b>	
	<b>2009</b>	<b>2008</b>
<b>Cash Flows From Operating Activities:</b>		
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
<b>Cash Flows From Investing Activities:</b>		
Purchase of property and equipment and intangible assets	(48)	(113)
Net cash used in investing activities	(48)	(113)
<b>Cash Flows From Financing Activities:</b>		
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
<b>Net increase in cash and cash equivalents</b>	593	181
<b>Cash and cash equivalents at beginning of period</b>	9,047	6,908
<b>Cash and cash equivalents at end of period</b>	\$ 9,640	\$ 7,089

###