

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

	Three Months Ended		Nine Months Ended	
	July 31,		July 31,	
	2009	2008	2009	2008
Revenues				
Equipment and supply sales	\$ 5,416	\$ 6,508	\$ 16,381	\$ 19,545
Service revenues	816	1,090	2,489	2,879
	<u>6,232</u>	<u>7,598</u>	<u>18,870</u>	<u>22,424</u>
Cost of revenues				
Cost of equipment and supplies	2,751	3,569	8,610	10,530
Cost of service revenue	92	112	264	363
	<u>2,843</u>	<u>3,681</u>	<u>8,874</u>	<u>10,893</u>
Gross margin	<u>3,389</u>	<u>3,917</u>	<u>9,996</u>	<u>11,531</u>
Operating expenses:				
Selling and marketing	1,688	1,977	5,101	6,660
General and administrative	979	945	3,131	3,312
Research and development	710	565	2,226	1,891
Amortization of intangibles	182	182	546	546
	<u>3,559</u>	<u>3,669</u>	<u>11,004</u>	<u>12,409</u>
Operating income/(loss)	(170)	248	(1,008)	(878)
Interest income	6	32	10	137
Income/(loss) before taxes	(164)	280	(998)	(741)
Provision for taxes	9	21	22	48
Net income/(loss)	<u>\$ (173)</u>	<u>\$ 259</u>	<u>\$ (1,020)</u>	<u>\$ (789)</u>
Earnings/(loss) per share - basic				
Net income/(loss) per share	<u>\$ (0.04)</u>	<u>\$ 0.06</u>	<u>\$ (0.25)</u>	<u>\$ (0.19)</u>
Earnings/(loss) per share - diluted				
Net income/(loss) per share	<u>\$ (0.04)</u>	<u>\$ 0.06</u>	<u>\$ (0.25)</u>	<u>\$ (0.19)</u>
Weighted average common shares outstanding				
Basic	<u>4,121</u>	<u>4,090</u>	<u>4,114</u>	<u>4,090</u>
Diluted	<u>4,121</u>	<u>4,150</u>	<u>4,114</u>	<u>4,090</u>

(more)

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

	July 31, 2009	October 31, 2008
Assets	(unaudited)	
Current assets:		
Cash and cash equivalents	\$ 10,559	\$ 9,047
Accounts receivable, net of allowance for doubtful accounts of \$173 and \$283, respectively	4,194	5,446
Inventories, net of obsolescence reserve of \$646 and \$597, respectively	4,705	5,143
Prepaid expenses and other current assets	219	292
Total current assets	19,677	19,928
Property and equipment, net of accumulated depreciation of \$3,213 and \$2,897, respectively	757	937
Intangible assets, net	1,580	2,100
Total Assets	\$ 22,014	\$ 22,965
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,365	\$ 1,544
Employee compensation	1,071	1,288
Deferred income	1,502	1,531
Warranty reserve	153	157
Other current liabilities and accrued expenses	344	380
Total current liabilities	4,435	4,900
Long-term liabilities:		
Long-term deferred income	676	789
Total Liabilities	5,111	5,689
Shareholders' equity:		
Common stock, \$0.10 par value, authorized 25,000,000 shares, 4,378,873 and 4,166,457 shares issued and 4,123,538 and 4,091,790 shares outstanding in 2009 and 2008, respectively	412	409
Additional paid-in capital	21,600	20,956
Accumulated deficit	(5,109)	(4,089)
Total shareholders' equity	16,903	17,276
Total Liabilities and Shareholders' Equity	\$ 22,014	\$ 22,965

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

	Nine Months Ended	
	July 31,	
	2009	2008
Cash Flows From Operating Activities:		
Net loss	\$ (1,020)	\$ (789)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	859	896
Stock-based compensation	564	347
Increase in inventory obsolescence reserve	49	333
Increase/(decrease) in allowance for doubtful accounts	(110)	55
Changes in operating assets and liabilities:		
Accounts receivable	1,362	2,382
Inventories	389	(797)
Prepaid expenses and other current assets	73	27
Accounts payable	(179)	(441)
Employee compensation	(217)	(992)
Deferred income	(142)	(202)
Warranty reserve	(4)	(81)
Other current liabilities and accrued expenses	(36)	(34)
Net cash provided by operating activities	1,588	704
Cash Flows From Investing Activities:		
Purchase of property and equipment and intangible assets	(159)	(168)
Net cash used in investing activities	(159)	(168)
Cash Flows From Financing Activities:		
Proceeds from issuance of common stock under employee stock purchase plan	20	20
Proceeds from the exercise of stock options	63	-
Net cash provided by financing activities	83	20
Net Increase in Cash and Cash Equivalents	1,512	556
Cash and Cash Equivalents at Beginning of Period	9,047	6,908
Cash and Cash Equivalents at End of Period	\$ 10,559	\$ 7,464

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