

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

	Three months ended		Six months ended	
	April 30,		April 30,	
	2010	2009	2010	2009
Revenues				
Equipment and supply sales	\$ 5,961	\$ 5,395	\$ 11,751	\$ 10,965
Service revenues	893	812	1,718	1,673
	<u>6,854</u>	<u>6,207</u>	<u>13,469</u>	<u>12,638</u>
Cost of revenues				
Cost of equipment and supplies	3,120	2,811	6,271	5,859
Cost of service revenues	171	91	268	172
	<u>3,291</u>	<u>2,902</u>	<u>6,539</u>	<u>6,031</u>
Gross margin	<u>3,563</u>	<u>3,305</u>	<u>6,930</u>	<u>6,607</u>
Operating expenses:				
Selling and marketing	1,901	1,615	3,843	3,413
General and administrative	1,051	998	2,153	2,152
Research and development	1,060	729	2,099	1,516
Amortization of intangibles	105	182	210	364
	<u>4,117</u>	<u>3,524</u>	<u>8,305</u>	<u>7,445</u>
Operating loss	(554)	(219)	(1,375)	(838)
Interest income	3	-	6	4
Loss before taxes	(551)	(219)	(1,369)	(834)
Provision for taxes	8	6	16	13
Net loss	<u>\$ (559)</u>	<u>\$ (225)</u>	<u>\$ (1,385)</u>	<u>\$ (847)</u>
Loss per share - basic				
Net loss per share	<u>\$ (0.13)</u>	<u>\$ (0.05)</u>	<u>\$ (0.33)</u>	<u>\$ (0.21)</u>
Loss per share - diluted				
Net loss per share	<u>\$ (0.13)</u>	<u>\$ (0.05)</u>	<u>\$ (0.33)</u>	<u>\$ (0.21)</u>
Weighted average common shares outstanding				
Basic	<u>4,151</u>	<u>4,120</u>	<u>4,152</u>	<u>4,110</u>
Diluted	<u>4,151</u>	<u>4,120</u>	<u>4,152</u>	<u>4,110</u>

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ANGEION CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
April 30, 2010 and October 31, 2009
(in thousands except share and per share data)

	April 30, 2010	October 31, 2009
Assets	(unaudited)	
Current assets:		
Cash and cash equivalents	\$ 9,628	\$ 11,219
Short term investments	1,484	-
Accounts receivable, net of allowance for doubtful accounts of \$132 and \$110, respectively	4,560	4,510
Inventories, net of obsolescence reserve of \$769 and \$645, respectively	3,903	4,371
Prepaid expenses and other current assets	219	243
Total current assets	19,794	20,343
Noncurrent investments	240	-
Property and equipment, net of accumulated depreciation of \$3,482 and \$3,305, respectively	590	698
Intangible assets, net	1,251	1,422
Total Assets	\$ 21,875	\$ 22,463
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,936	\$ 1,771
Employee compensation	1,520	1,375
Deferred income	1,628	1,579
Warranty reserve	141	143
Other current liabilities and accrued expenses	405	323
Total current liabilities	5,630	5,191
Long-term liabilities:		
Long-term deferred income and other	770	718
Total Liabilities	6,400	5,909
Shareholders' equity:		
Common stock, \$0.10 par value, authorized 25,000,000 shares, 4,358,932 and 4,380,817 shares issued and 4,128,488 and 4,150,371 shares outstanding 2010 and 2009, respectively	413	415
Additional paid-in capital	22,129	21,821
Accumulated deficit	(7,067)	(5,682)
Total shareholders' equity	15,475	16,554
Total Liabilities and Shareholders' Equity	\$ 21,875	\$ 22,463

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ANGEION CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(unaudited, in thousands)

	Six months ended	
	April 30,	
	2010	2009
	<hr/>	<hr/>
Cash Flows From Operating Activities:		
Net loss	\$ (1,385)	\$ (847)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	182	218
Amortization	210	364
Stock-based compensation	424	365
Increase in inventory obsolescence reserve	124	96
Increase (decrease) in allowance for doubtful accounts	22	(107)
Changes in operating assets and liabilities:		
Accounts receivable	(72)	691
Inventories	381	138
Prepaid expenses and other current assets	24	3
Accounts payable	165	(162)
Employee compensation	145	(102)
Deferred income	87	(108)
Warranty reserve	(2)	1
Other current liabilities and accrued expenses	70	17
Net cash provided by operating activities	<hr/> 375	<hr/> 567
 Cash Flows From Investing Activities:		
Purchase of investments	(1,724)	-
Purchase of property and equipment and intangible assets	(124)	(48)
Net cash used in investing activities	<hr/> (1,848)	<hr/> (48)
 Cash Flows From Financing Activities:		
Proceeds from issuance of common stock under employee stock purchase plan	10	11
Proceeds from the exercise of stock options	7	63
Retirement of Common Stock	(135)	-
Net cash (used in) provided by financing activities	<hr/> (118)	<hr/> 74
Net increase in cash and cash equivalents	(1,591)	593
Cash and cash equivalents at beginning of year	11,219	9,047
Cash and cash equivalents at end of year	<hr/> \$ 9,628	<hr/> \$ 9,640

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