



CardioMag ImagingTM



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CardioMag's Equipment is the First of its Kind Ever to Receive FDA Approval

Unique Detector of Cardiac Electrical Activity Seen as a Clinical Breakthrough

Schenectady, NY, July 27, 2004: CardioMag has received clearance from the Food and Drug Administration (FDA) to market and sell in the United States its revolutionary cardiac device, which can detect the magnetic field generated by a person's heart. The CardioMag system has demonstrated that it is capable of working in a typical open clinical setting, such as the non-invasive cardiology lab at **Cedars-Sinai Medical Center** where groundbreaking research is being carried out.

The device cleared by the FDA is called a magnetocardiograph (MCG). Six hospitals are already using the device to study, for instance, the ability of MCG to detect coronary artery disease, which is the leading cause of death in the United States. According to Dr. Peter Smars of the **Mayo Clinic** who has been using the CardioMag MCG system since May 2003, "If the ongoing clinical trial at various luminary sites confirms our expectations, MCG could become standard diagnostic equipment in nearly every hospital in this country."

An MCG procedure takes less than ten minutes to perform, is risk-free, and does not require injections or radiation. Generating a thousand images per heartbeat CardioMag's MCG system provides unprecedented insight into the human heart at work. At this year's meeting of the American College of Cardiology researchers from **Johns Hopkins Hospital** presented exciting results from one of their many studies using MCG. Last year at a conference in Europe they presented a case study where MCG was used to detect rejection after heart transplantation.

CardioMag ImagingTM, Inc., a privately held company formed in 1999, has sold MCG systems in Europe and Asia, and this FDA clearance now opens up the largest medical equipment market in the world. At less than half the price of an MRI machine, CardioMag's MCG system should allow healthcare providers to realize a rapid return on their investment.

Safe Harbor Statement: The statements presented in this press release which are not historical facts are forward looking statements which involve various important assumptions, risks, uncertainties and other factors set forth here, including but not limited to, market acceptance by healthcare providers, obtaining FDA approval for future claims, insurance reimbursement policies, and growth of the market.