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VERMED MANAGERS BUY THE COMPANY, SAVING 85 JOBS IN REGION

Ex-Parent Firm, CardioDynamics, Offers 5-Year Supplier Agreement for ICG Sensors

BELLOWS FALLS, VT – Vermed, Inc., manufacturer of quality cardiac monitoring and diagnostic electrodes, was recently bought by local management for \$8 million from its San Diego-based parent firm CardioDynamics, in a deal that will save 85 regional jobs.

Vermed President Rich Kalich said: “We are pleased to reach agreement with CardioDynamics for the purchase of Vermed. We have thoroughly enjoyed being part of the CardioDynamics team and believe the close working relationship will continue in the years ahead.”

“Vermed appreciates every one of our employees. Our role in advancing healthcare is dependent upon the talent, dedication, and commitment of our employees. Vermed is a recognized innovator in the design and production of medical sensors. Those accomplishments are a direct result of the skills and abilities of the Vermed employees. We’re happy that the company will build on those accomplishments and remain in this area.”

Founded in 1978, Vermed gained a national reputation for innovation and excellence while developing the broadest product assortment in the industry. Building on extensive management strengths, the company is noted for its OEM and manufacturing capabilities including production of both short- and large-run products of the highest quality.

Said Kalich: “Vermed is working with major medical device developers in the United States and abroad to advance non-invasive diagnostics. We are focused on providing more effective and economical diagnostic alternatives to provide better options for the medical community. We are excited about our company’s challenges and opportunities.”

As a condition of closing, CardioDynamics entered into a five-year fixed price supplier agreement with Vermed for the former parent firm’s proprietary ICG sensors. The transaction is contingent upon customary legal and business conditions and is subject to approval by CardioDynamics' shareholders. Once approved, the sale is expected to close in the latter part of the fiscal third quarter ending August 31, 2007.

Michael Perry, CardioDynamics’ CEO, said, “It is important for us to continue the excellent working relationship with Vermed through a long- term supplier agreement. Not only will we receive a stable supply of ICG sensors for five years, but we will continue to partner with Vermed's engineering team to develop enhancements to our proprietary sensors and also explore opportunities to continually lower sensor costs through design improvements.”

From its modern 45,000-square-foot facility in Bellows Falls, VT, Vermed has long been a leader in the design, manufacture and packaging of high-quality electrodes and related products for the medical industry.

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