



News Release

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Cardiola raises \$4 million from existing and new investors

“This funding milestone is dramatic validation that our *m.pulse*® system with *Muscular CounterPulsation* offers an entirely new paradigm for successfully treating Chronic Heart Failure, non-surgically, in a patient’s home.”

Christof Lenz, CEO

WINTERTHUR, Switzerland, Nov. 18, 2009—**Cardiola AG** announced today that it has raised an additional **\$4 million** from existing and new investors. Together with the \$2.3 million raised earlier this year, the total cash infusion of \$6.3 million is part of the first tranche of a \$7.9 million Series “E” financing round. The proceeds are being used to commercialize in Europe the Company’s patented *m.pulse*® device designed to non-surgically treat Chronic Heart Failure (CHF) in a patient’s home.

Chronic Heart Failure (CHF) is the most frequent cause of hospitalization in persons aged 65⁺. Current treatments, including drugs, implantable defibrillators/pumps and heart transplantation, have significant risks and side effects. Cardiola’s *m.pulse*® device, based on *Muscular CounterPulsation* (MCP) technology, is approved in Europe for treating CHF as a non-surgical, at-home therapy. Battery-powered *m.pulse*®, the size of a cell phone that the patient attaches to his belt for about 45 minutes per treatment, is synchronized to his cardiac cycle to stimulate the muscles of the calves and thighs to make them contract counter to the heart’s beating. This well-established counterpulsation action results in increased blood flow to the heart muscle while decreasing the heart’s workload. Counterpulsation was previously only available in a clinical setting. Now, *m.pulse*® is the world’s **first and only device enabling CHF patients to receive MCP therapy at home.**

“Our investors understand that we have created a ‘win/win’ situation with *m.pulse*® for both physicians and their patients,” said **Christof Lenz, CEO, former Global Innovation Manager at Siemens Medical**. “It is well-established that CHF patients are extremely difficult to treat. They typically have co-morbidities and are thus a challenge from a drug-dosage point of view because drugs may cause side effects that can prevent patients’ compliance. On the other hand, highly invasive procedures may offer hope and relief to patients as CHF progresses, but these alternatives are certainly risky and costly. Now, *m.pulse*® offers these patients a clinically validated, affordable and non-surgical alternative that they themselves can administer in their own home. It also is important to point out that, in addition to helping their patients, *m.pulse*® with *Muscular CounterPulsation* offers cardiologists a new source of revenue.”

Chronic Heart Failure is among the world’s most prevalent diseases and the cause of numerous other serious clinical disorders. Approximately 17 million people currently suffer from CHF in Europe, the U.S. and Japan. Some six million of these patients are classified as NYHA (New York Heart Assn.) classes II and III with systolic dysfunction, the primary patient population for *m.pulse*® with *Muscular CounterPulsation* from Cardiola.

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