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Source: DIAGNOS inc.

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DIAGNOS provides a mid-fiscal year update on the commercialization of CARA

Brossard, Quebec, Canada – November 4th, 2010 - DIAGNOS inc. (“DIAGNOS” or “the Corporation”) (TSX Venture: ADK), a leader in the use of artificial intelligence and advanced knowledge-extraction techniques, provides a mid fiscal-year update on commercialization of CARA.

The CARA suite of applications allows the different players in the diabetic retinopathy screening process to make better informed decisions and extend cost-effective care to a larger patient population.

Management at DIAGNOS has commenced the commercialization of CARA with: (1) initial deployments of CARA with clinicians in Ontario; (2) successful execution of Field Trials with prospective clients, influencers, and key opinion leaders; (3) signing sales/distribution agreements with established local representatives in Mexico and India; (4) active support of resellers in identifying prospective clients and completing sales, thereby broadening the company’s marketing efforts without creating a large, internal team thereby greatly extending the territory covered without a large internal team; (5) signing channel agreements with key equipment manufacturers and other “vertical” partners capable of jointly offering a turn-key solution to clients; (6) compliance with regulatory bodies in Canada in 2009, US FDA in 2010, and with EU in 2011; and finally (7) the preparation of formal scientific publications of CARA results in peer-reviewed journals in 2010/2011 through the execution of formal external clinical trials.

“During the first half of fiscal 2010/2011 DIAGNOS’ Healthcare business unit focused on refining the CARA technology platform including continued improvement and testing of algorithms, completion of a web interface and image transfer software, preparation for the start of 2 formal clinical trials, and continued execution of our regulatory strategy as well as on business development activities including successful execution of 16 Field Trials with prospective customers, presence at medical conferences, development of relationships with governments and NGOs, identification and training of 5 resellers, putting in place 2 channel agreements, and generating initial sales. These efforts resulted in greater product awareness among targeted audiences and a robust sales pipeline which the sales team is now actively working on to materialize into sales” said Peter Nowacki, DIAGNOS’ Vice-President.

The Corporation’s management is confident that CARA will generate new streams of revenues based on these factors:

- All diabetics need to be screened annually for diabetic retinopathy to reduce the risk of visual impairment and ultimately blindness and other co-morbidities as well as to monitor for progression of disease.
- Screening of diabetic patients for the presence of retinopathy is currently done, for the most part, manually by ophthalmologists and therefore is not optimized to efficiently and cost-effectively handle the burgeoning diabetic population – the number of ophthalmologists with a retina sub-specialty and available to perform screening is inadequate to handle the volume of diabetic patients requiring screening.
- Automating the screening process with CARA creates several efficiencies, including (1) reduction of congestion at tertiary health centres (2) optimization of specialist time (3) better health outcomes for diabetics and (4) cost savings to the health care system.



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About CARA

CARA is a tele-ophthalmology platform that integrates with existing equipment (hardware and software) and processes at the point of care (POC) and comprises: image upload, image enhancement automated pre-screening, grading by a specialist, and referral to a specialist. CARA's image enhancement algorithms make standard retinal images sharper, clearer, and easier to read. CARA is accessible securely over the internet, and is compatible with all recognized image formats and brands of fundus cameras. CARA is a cost-effective tool for processing large numbers of images, in real-time and has been issued a licence by Health Canada for commercialization in Canada.

About CARA Field Trials

We have successfully conducted 16 field trials this fiscal year in order to demonstrate CARA capability to target audiences and prospective clients, as well as to field test and refine our product and service offering. These trials were conducted in Canada, United States, Mexico, United Arab Emirates, Oman, and India, with future trials planned or scheduled for those countries as well as Kuwait, Bahrain, Qatar, Pakistan, Indonesia, China, Vietnam and others. The settings for these trials range from small regional health centres, to large (multi-million patient per year) hospital systems, as well as representatives of governments and health ministries. These trials form the basis for our robust sales pipeline and revenue forecast.

About DIAGNOS

Founded in 1998, DIAGNOS is a publicly traded Canadian corporation with a mission to commercialize technologies combining contextual imaging and traditional data mining thereby improving decision making processes. DIAGNOS offers products, services, and solutions to clients in a variety of fields including natural resources, healthcare, and entertainment.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.

For further information, please visit our website at www.diagnos.com or the SEDAR website at www.sedar.com. You may also contact our investor relations representative:

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