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DIAGNOS receives FDA Clearance for CARA

Brossard, Quebec, Canada – July 19th, 2011 - DIAGNOS inc. ("DIAGNOS" or "the Corporation") (TSX Venture: ADK), a leader in the use of artificial intelligence and advanced knowledge extraction techniques, is pleased to announce it has received US Food and Drug Administration (FDA) 510(k) clearance for its CARA technology.

DIAGNOS has attained several key regulatory and compliance milestones in the past 12 months, including ISO 9001 certification, ISO 13485 certification, Health Canada Approval as a Class 2 medical device, CMDCAS (Canadian Medical Devices Conformity Assessment System), and now the approval of the US Food and Drug Administration under Regulatory Class II (510(k) K110869) as *a comprehensive software platform intended for importing, processing, and storing of color fundus images as well as visualization of original and enhanced images through computerized networks*. "Each of these compliances is a key milestone in the medical field, and confirms the strength of our management and development process giving even greater confidence to our clients" said Houssem Ben Tahar, DIAGNOS' Vice-President of Development and leader of Regulatory Affairs.

Diabetes has been identified as a global epidemic by the World Health Organization with the number of patients skyrocketing from 30 million worldwide in 1985 to 171 million in 2000, and is estimated to reach 366 million by 2030. The rising rates of diabetes are estimated to cost the US economy $192 billion by 2020 and $490 billion globally by 2030, according to the International Diabetes Federation. "Our investment in the diligent execution of our regulatory strategy confirms our long term commitment to this large market" said Andre Larente, DIAGNOS' President.

"The US market comprises a population of 17 million diabetics who need regular screening for diabetic retinopathy, which we intend to pursue vigorously in the coming months now that our US regulatory strategy has culminated with FDA approval. With the Health Canada approval for our product and having started to commercialize in Canada, and Internationally, it was a natural next step for us to seek FDA certification to continue to expand our market. Our sales team and US partners are looking forward to establish DIAGNOS as a leader in diabetic retinopathy screening in the USA now that this milestone has been reached" said Peter Nowacki, DIAGNOS' Vice-President - Health.

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 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 is now licensed for commercialization in Canada and the US.

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 centers (2) optimization of specialist time (3) better health outcomes for diabetics and (4) cost savings to the health care system;
- Comprehensive and successfully executed regulatory strategy in our major markets;
- Over 20 field trials within healthcare settings around the world, as well as 2 formal clinical trials in key academic institutions with the aim of independently validating the performance of future CARA modules.

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About DIAGNOS

Founded in 1998, DIAGNOS is a publicly traded Canadian corporation (TSX: ADK), 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 healthcare, natural resources, and entertainment.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this 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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