



NEWS RELEASE

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Contact: Alan Brind

Office: 585-624-7889 Ext 111

Medgraph Announces Award of NYStar Grant

Rochester, NY June 6, 2007 -- Medgraph, Inc. in conjunction with the University of Rochester Center for Electronic Imaging Systems and the University of Buffalo, is pleased to announce the award of a NYStar Biotechnology grant to further advance the vital needs for "Diabetes Communications for the Disabled" This grant enables continued advancements in this area and supports essential economic development in upstate New York.

Ed Schlueter, Medgraph's president and CEO, said he was very pleased with the grant approval and looks forward to continued participation in the community and throughout the expanding home-based healthcare market. Increasing University and Small Business partnerships will spur economic development in upstate New York and Medgraph is excited with being involved in this growth process.

Medgraph plans to increase employment to 60 employees within five years, becoming a key identity for automated communications from medical devices. The Company's products and research continue to be at the forefront of medical communications technology. The new research will assist in furthering more efficient monitoring for the disabled and elderly, while improving medical care at reduced costs.

Medgraph is very active in the Rochester area with the Lennox Center, The Entrepreneur Network forums, Rochester Business Alliance, US Government Procurement Technical Assistance Center, Greater Rochester Enterprise and other community organizations who all support the economic development efforts to maintain high technology resources in upstate New York. Medgraph has a series of interacting partners in Rochester and Buffalo that include the University of Rochester, University of Buffalo (RERC), AZtech and Esensors and the Diabetes Endocrinology Center of Western New York.

Medgraph, Inc. is a medical informatics company providing technology and infrastructure to manufacturers of home-based healthcare monitoring devices and medical research facilities.

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