



**FOR IMMEDIATE RELEASE**

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## **Hypertension Diagnostics Announces Fiscal Year 2006 Results**

ST. PAUL, MN – September 28, 2006 – Hypertension Diagnostics, Inc. (OTC: HDII.OB), today announced audited financial results for the fiscal year ended June 30, 2006. Revenue for fiscal 2006 totaled \$1,789,546 compared to \$1,182,005 in the prior year ended June 30, 2005, which represents a 51% increase. The Company incurred a net loss of \$1,272,742 for fiscal 2006, or \$(0.04) per share, compared with a net loss of \$1,455,228 for fiscal 2005, or \$(0.05) per share. Included in the net loss for fiscal 2006 are total non-cash charges (expenses associated with stock compensation, depreciation, stock options) of \$669,506. Included in the net loss for fiscal 2005 are total non-cash charges of \$337,976. The Company reported a cash balance on June 30, 2006 of \$1,722,913.

Fourth quarter revenue of \$295,536 for fiscal 2006 versus \$421,335 for fiscal 2005 represented a 30% decline. Revenue for the fourth quarter of fiscal 2006 decreased 48% compared with \$571,988 for the third quarter of fiscal 2006.

“As previously reported, the disappointing financial results are due to a decline in the number of customers converting their CVProfilor rental agreements to purchases and the longer than anticipated time it has been taking for customers to make a purchase decision— a factor likely to continue for the next few quarters,” said Mark N. Schwartz, Chairman and CEO.

Forward-looking statements in this press release are made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Company wishes to caution readers not to place undue reliance on any forward-looking statements and to recognize that the statements are not a prediction of actual future results. Actual results could differ materially from those presented and anticipated in the forward-looking statements due to the risks and uncertainties set forth in the Company’s 2005 Annual Report on Form 10-KSB, and subsequent Quarterly Reports on Form 10-QSB, all of which were filed with the U.S. Securities and Exchange Commission, as well as others not now anticipated.

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**Hypertension Diagnostics, Inc.**  
**Summary Financial Data**

**Statements of Operations**

	Three Months Ended June 30		Twelve Months Ended June 30	
	2006	2005	2006	2005
Revenue:				
Equipment sales	\$ 209,500	\$ 288,024	\$ 1,352,486	\$ 445,889
Equipment rental	84,769	129,638	418,979	560,377
Service/contract income	1,267	3,673	18,081	175,739
	<u>295,536</u>	<u>421,335</u>	<u>1,789,546</u>	<u>1,182,005</u>
Cost of Sales	1,483	57,924	90,447	184,984
Gross Profit	<u>294,053</u>	<u>363,411</u>	<u>1,699,099</u>	<u>997,021</u>
Expenses:				
Selling, general and administrative	685,958	598,175	3,018,624	2,484,606
Total Expenses	<u>685,958</u>	<u>598,175</u>	<u>3,018,624</u>	<u>2,484,606</u>
Operating Loss	(391,905)	(234,764)	(1,319,525)	(1,487,585)
Other Income:				
Interest income	16,338	10,237	46,783	32,357
Net Loss	<u>\$ (375,567)</u>	<u>\$ (224,527)</u>	<u>\$ (1,272,742)</u>	<u>\$ (1,455,228)</u>
Basic and Diluted Net Loss per Share	\$ (.01)	\$ (.01)	\$ (.04)	\$ (.05)
Weighted Average Shares Outstanding	39,714,469	32,175,217	35,219,474	28,505,982

**Balance Sheet Data**

	June 30, 2006	June 30, 2005
Cash and cash equivalents . . . . .	\$ 1,722,913	\$ 1,525,865
Total current assets . . . . .	2,257,390	1,962,747
Total assets . . . . .	2,345,949	2,193,866
Total current liabilities . . . . .	489,081	574,671
Accumulated deficit . . . . .	(25,978,319)	(24,705,577)
Total shareholders' equity . . . . .	1,840,414	1,603,537

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Website: www.hdii.com