

COMPANY ANNOUNCEMENT

KarmelSonix Signs a Distribution Agreement with Medi-Point of South Korea

HIGHLIGHTS

- KarmelSonix has signed a 3 year distribution agreement with Medi-Point Ltd of South Korea.
- The minimum value of the agreement is \$US 1.4 million for PulmoTrack® units.
- Sales rights for WheezoMeters and Wholters are in addition to the PulmoTrack®.
- Medi-Point has received Korean regulatory approval (KFDA) for distribution of PulmoTrack in Korea. Additional approvals in process.
- 2nd shipment of 10 PulmoTrack units was delivered to Medi-Point Ltd in late June 09.

8th July 2009: The Directors of KarmelSonix Ltd (KSX or the Company) are pleased to announce the signing of a long-term territorial distribution agreement with Medi-Point of Seoul, Korea. The agreement provides Medi-Point distribution rights for S. Korea for KarmelSonix’ products including the PulmoTrack®, the WheezoMeter™ and the Wholter™. Medi-Point’s obligation is to purchase from KarmelSonix a minimum of 280 PulmoTrack units which represent more than US\$ 1.4 million over the next three years. In addition, Medi-Point will be purchasing from KarmelSonix (Israel) Ltd. WheezoMeters, Wholter units, consumables (sensors, belts) and disposables (acoustic adhesive pads). The latter are all in addition to the PulmoTrack® quota. The second shipment of 10 PulmoTrack units and accessories was shipped to Seoul in the last week of June (see pictures).

Medi-Point Co Ltd ([Http://cafe.naver.com/athma](http://cafe.naver.com/athma)) is an established diagnostic and monitoring distributor in Korea. It distributes state-of-the-art telemedicine devices for COPD, diabetes, and cardiovascular diseases as well as spirometers and ECG equipment. The Company’s Principal is Mr. Pete Kim who has had a very successful track record in marketing and sales of cardio-respiratory devices over the last 21 years. Medi-Point has 7 sales persons in its main Seoul office and 20 additional sales specialists in its 5 regional S. Korean offices.

Commenting on the agreement with Medi-Point, the Company’s Chairman, Peter Marks, commented that this is another important development and push into the commercial marketplace for KSX’ products. “The Korean market with its population of nearly 50 million and GDP per Capita of over \$US 24k is a very viable and dynamic medical device market. The KFDA is known for its scrutiny and its medical experts are well recognized worldwide. Our association with this leading distributorship in Korea has been extremely positive and we are looking forward to continued long-term collaboration with excellent business outcomes to both entities.”

“Wheeze Rate – A New Paradigm in Asthma Management”

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KarmelSonix Ltd. focuses on supplying innovative non-invasive acoustic tools for disease management of asthma and related pulmonary disorders. Asthma affects 6-16% of the population in developed countries with a cost exceeding \$US15 billion in the US alone.

Acoustic Asthma Management is a breakthrough in monitoring of the asthmatic patient of all ages, including the very young, very old and others who cannot perform currently available tests. The technology that comes from extensive R&D and clinical validation in the US, Israel and Australia, facilitate continuous monitoring of patients at home, in the ICU and even during sleep. The company is focused on early commercialization of its products with special emphasis on the European and North American markets.



Picture taken at Medi-Point Ltd in Seoul, Korea on July 4th, 2009 showing 10 carts ready for receipt of PulmoTrack units.



Picture taken in Haifa at KarmelSonix (Israel) Ltd office in Haifa on June 25th showing the 10 PulmoTrack units being tested prior to shipment to Seoul.

“Wheeze Rate – A New Paradigm in Asthma Management”