

### "Wheeze Rate – A New Paradigm in Asthma Management"

#### COMPANY ANNOUNCEMENT

# KarmelSonix Commences Shipping WHolter™ and Wireless PulmoTrack® Products

4<sup>th</sup> May 2010: The Directors of KarmelSonix Limited (ASX: KSX) and its fully-owned subsidiary, KarmelSonix (Israel) Limited are pleased to announce the commencement of Production line shipments of its new WHolter<sup>TM</sup> and Wireless PulmoTrack® devices.

The new Wireless PulmoTrack® uses Blue-Tooth technology to transmit the acoustic data collected from the patient to the computer where it is analysed in real time by the KSX developed signal processing algorithms. The WHolter<sup>TM</sup> records and stores the same acoustic data on Flash Memory for subsequent processing by the same algorithms and allows ambulatory evaluation of patients at home, school and in the workplace. The Wireless PulmoTrack® replaces the current USB-based wired PulmoTrack®.

These small, compact units use KarmelSonix' well-validated sensor technology with upgraded analogue and digital hardware. The devices are battery operated so that they are easy to carry around both in and outside of the hospital. The Wireless PulmoTrack® is primarily intended for use in intensive care units, emergency rooms, pulmonary function laboratories as well as in sleep labs. The WHolter<sup>TM</sup> is used outside of the hospital to evaluate patients' wheeze and cough in their regular allergen, dust and other normal environments containing "regular" pollutants. The WHolter<sup>TM</sup> typically will be used for either 8 hours (overnight) or 24 hours (e.g. in occupational settings) and is a fully ambulatory device.

"The Company succeeded in completing the development of these cutting edge devices and turning them to serial production by integrating the concerted efforts of a dedicated team of hardware, algorithms, firmware and software engineers. This was then turned to serial costeffective production by our experienced operations and production executives in record time." commented Mr Itzik Kroin, KSX's Chief Technology Officer. He added that "the two products share over 90% of their components and sub-assemblies thereby substantially reducing the cost of manufacturing to about 25% of that of the wired PulmoTrack®, while actually improving the fidelity of the signals."

More than half of the first batch of 100 units produced has already been ordered so the production of a second batch has now commenced. Supply of the products to fulfil first orders to Italy, UK, Germany, Benelux and other European countries as well as Canada and Australia will take priority. This represents another important milestone in the transition of KSX to a fully fledged commercial operation.

In parallel to the commencement of production of these two new products, the Company is gearing up production of the Clinical WheezoMeter<sup>TM</sup> to meet the demand and in preparation for the forthcoming meeting of the American Thoracic Society (ATS) in mid May. KarmelSonix' COO and VP Quality and Regulatory Affairs, Mr Igor Naroditsky, commented, "the serial steady production of the WheezoMeter<sup>TM</sup> has already resulted in substantial reduction of COGS with further reductions anticipated as production volumes increase.

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**About KarmelSonix:** 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 now focussing its efforts on early commercialization of its products particularly in the AsiaPac, European and North American markets.