

COMPANY ANNOUNCEMENT

KarmelSonix Signs Interim Distribution Agreements with Leading Italian and UK Distributors

HIGHLIGHTS

- KarmelSonix has signed Interim Distribution Agreements with SensorMedics Italia Ltd. the leading Italian distributor of cardiopulmonary, nutrition and sleep technologies; and with S-MED, a specialised distributor for PFT and sleep equipment in the UK;
- Initial orders for PulmoTrack® and first orders for WheezoMeter™ obtained from both Distributors.
- Company expands M & S activities in lead up to launch of WheezoMeter™.

28th April 2009: The Directors of KarmelSonix Ltd (KSX or the Company) are pleased to announce that KSX has signed Interim Distribution Agreements with two leading distributors: SensorMedics of Italy and S-MED, of the United Kingdom.

SensorMedics Italia is the leading organisation for the marketing, sales, clinical and technical support of cardiopulmonary and nutritional diagnostics in Italy. Headquartered in Milan since 1984 and with a current network of 17 regional offices/distributors that ensure the finest sales and service support in the industry, SensorMedics Italia has been a leading distributor worldwide for pulmonary function, cardiopulmonary exercise systems, sleep diagnostic devices, respiratory mechanics and asthma allergy monitoring devices.

S-Med Ltd is a specialised distributor of Sleep and Pulmonary Function diagnostic systems with outstanding technical support capabilities and clinical understanding. S-Med currently markets and sells the SOMNOmedics range of Sleep Diagnostic Systems into the UK and Ireland and has grown on average by 30% per year over the last 5 years. It is currently the number 1 supplier of Sleep Diagnostics Systems in the UK with a market share of around 50%. With the PulmoTrack® and the Wholter™, and the specific targeting of the Nocturnal Asthma, Cough and COPD markets, S-Med is uniquely positioned to represent the KSX product range in the UK.

By way of update it should also be noted that the KSX Marketing & Sales reach now covers 4 Continents with representation in North America, overseen by Mr. Larry Murdock (Canada plus 5 regional distributors in the US); Europe (Benelux, Italy, UK and Greece); Asia (China, Taiwan, Korea and Singapore); and Australia. The local regulatory registration and reimbursement and promotion activities are being co-ordinated by the local distributors with intensive hands-on support from the Company. Additional distribution partners currently are under evaluation.

“Wheeze Rate – A New Paradigm in Asthma Management”

KSX Chairman, Mr Peter Marks commented that, “the expansion of the Company’s M&S infrastructure together with its extensive presence at the American Thoracic Society meeting in mid May which will include, the launch of the WheezoMeter™, the display of 6 important scientific posters on the clinical use of the Company’s technologies, and scheduled meetings with Key Opinion Leaders and representatives of potential marketing partners, marks the acceleration of the Company’s commercial rollout activities.”

“These activities are expected to result in increased market exposure and recognition (e.g. Frost & Sullivan Award) as well as the tangible onset of sales of both the PulmoTrack® and the WheezoMeter™.”

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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.

“Wheeze Rate – A New Paradigm in Asthma Management”