

COMPANY ANNOUNCEMENT

American Medical Association Approves CPT™ Codes for KSX WheezeRATE™ and CoughCOUNT™ Technology

HIGHLIGHTS

- AMA awards two CPT Codes specific to Acoustic Respiratory Monitoring™ for asthma, chronic cough and other respiratory disorders
- Providers and Insurance carriers can use text of codes immediately
- Codes were previously endorsed to the American Medical Association (AMA) CPT Panel by the ATS/ACCP professional societies on behalf of KSX
- Awarding of CPT Codes to KSX is an important milestone and enables acceleration of sales program in US to commence immediately

28th June 2010 : The Directors of KarmelSonix Ltd (KSX or the Company) are pleased to announce that the American Medical Association (AMA) has awarded two new Category III Current Procedural Terminology, (CPT®¹) Codes for use with KSX's Acoustic Respiratory Monitoring technology.

These codes are:

- **0243T** - Intermittent measurement of wheeze rate for bronchodilator or bronchial-challenge diagnostic evaluation(s), with interpretation and report; and
- **0244T** - Continuous measurement of wheeze rate during treatment assessment or during sleep for documentation of nocturnal wheeze and cough for diagnostic evaluation 3 to 24 hours, with interpretation and report.

This is a key milestone and critical step to providing third-party payment for doctors in the United States who use Wheezometry and quantitative Cough evaluation, to diagnose and manage their patients. Availability of reimbursement through Health Insurance Providers will enable accelerated sales in the US market (40% of the global market). This highly significant commercial milestone also opens the door for advancing KarmelSonix's commercial activities to the mainstream medical practice and to becoming a world leader in asthma management. The fact that these measurements are effortless and objective extends the physician's ability to verify respiratory symptoms outside of the clinical environment and prescribe the pocket-size WheezoMeter as a home asthma management tool.

“A key focus of KarmelSonix USA (KSUS) current activities is to promote widespread use of our products, a criterion for moving these codes from Category III to I, and assigning

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“Wheeze Rate – A New Paradigm in Asthma Management”

Relative Value Scale (i.e. time & dollar amount) to their use.” said Larry Murdock, KSUS, General Manager. “The availability of the new codes will greatly facilitate these activities”.

“At the same time, having the new code for the spot check of Wheeze Rate during broncho-dilatation, wheeze reversibility and Bronchial Challenge Test, and the second code for continuous monitoring during emergencies and for ambulatory continuous evaluation of wheeze and cough, captures the clinical needs covered by our technology and will boost sales of our PulmoTrack® hospital monitor and our WHolter™ night monitor at home” commented Dr. Noam Gavriely, CEO and CMO of KarmelSonix. “Among other important applications, the continuous measurement code will be used for our new and readily available Acoustic Sleep Testing, an important and growing business for KarmelSonix.”

Acoustic Sleep Testing is used to verify the symptoms of nocturnal asthma and cough-variant asthma. A recent study in Journal of Asthma (www.joa.org) reported that children with Nocturnal Asthma wheeze intermittently during sleep; a condition that when correctly diagnosed, can easily be treated and reduce children’s fatigue throughout the day.

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1. CPT is a registered trademark of the American Medical Association.

KarmelSonix is bringing innovative non-invasive medical devices 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, who cannot perform currently available tests. Current products have been clinically validated in leading medical centres in the US, Europe, Australia, and Israel. The products provide continuous monitoring of patients at home, in the ICU and even during sleep. The company is now focusing on commercialization of its products particularly in the Asia Pacific, European and North America markets.

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