

***“Wheeze Rate – A New Paradigm in Asthma Management”***

COMPANY ANNOUNCEMENT

**Successful Completion of Personal Wheezometer™  
Engineering Prototype**

**HIGHLIGHTS**

- The KarmelSonix flagship product – the Personal Wheezometer™ – proof of principle engineering prototype successfully completed
- The Personal Wheezometer™ (PW) is a hand-held wheeze detector for home monitoring of asthma patients
- Unique ergonomics and signal processing design with stand-alone micro computer for immediate display of test results are key features of the PW
- The PW has been successfully tested in normal volunteers and in asthma patients
- This marks the on-time completion of a major Corporate Milestone confirmed by independent assessment

**24<sup>th</sup> June 2008:** The Directors of KarmelSonix Ltd (ASX: KSX) and its wholly owned subsidiary, KarmelSonix (Israel) Ltd, are pleased to announce the successful on-time completion of the Personal Wheezometer™ (PW) proof of principle prototype. The PW is a hand-held stand-alone quantitative wheeze detector. When held to the patient’s lower neck (see picture) for just 30 seconds the PW displays an accurate reading of the Wheeze Rate™, a measure of asthma severity.

The device was tested in practical use on adults and children with and without wheezes. It was found to provide accurate readings, to be easy to operate, and convenient for the user and for the patient. An external R&D expert on medical devices confirmed the completion of the PW as per the Corporate Milestone criteria, following critical testing of the device and reviewing the clinical data and its accuracy.



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Dr. Nathan Intrator, KarmelSonix (Israel) Chief Executive Officer emphasized the importance of this device in home-management of patients with asthma. “The ability to base treatment on metrics of disease activity will be a major addition to home asthma management. Assessing home asthma using a device that does not require patient effort will facilitate a substantial improvement in the overall patient care.” He added: “Now that we have an accurately functioning PW engineering prototype, the next steps will comprise completion of the manufacturing file, conducting a usability study required by the FDA and preparations to manufacture large volumes.”

Submission to the FDA will be in the last quarter of 2008. KarmelSonix anticipates that the PW will be available to selected markets in early 2009.

KarmelSonix Chairman Mr Peter Marks commented that the on-time completion of this major company milestone is indicative of the Company’s technological capabilities and the dedication of its team. The skilful project leadership of Mr. Shai Saar EE and of Mr. Isaac Kroin EE, MBA, the Company’s CTO were instrumental in achieving this milestone on schedule and on budget. He added: “The Personal Wheezometer™ clearly will become the key element in the company’s revenue stream and the on-time completion of this important Milestone will help expedite the market development of this device”.

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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.

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