

Applisonix Acquires Curelight Medical, an Aesthetic Device Company with a Global Distribution Network

Rehovot, Israel 08/25/2008 – Applisonix Ltd. (TASE: APLS), a developer of innovative ultrasound based solutions for the aesthetic market, announced today it signed a definitive agreement to acquire CureLight Medical Ltd., a private Israeli company engaged in the development and marketing – via an existing global distribution network - of light-based products for the aesthetic market. Applisonix will acquire 100% of the outstanding and issued stock of CureLight Medical for USD 380,000 in cash and will pay USD 420,000 for current CureLight debt. In addition, Applisonix will undertake all the financial commitments and obligations of the current shareholders of CureLight Medical Ltd. towards the receiver of Curelight Ltd. (CureLight Medical Ltd. acquired all the assets of CureLight Ltd. in October 2007), where such commitments could potentially amount to USD 1.65M. The payment of part of these commitments is subject to future sales of CureLight Medical’s products, and thus shall be payable in quarterly and annual payments during the next few years. The Closing of this transaction is subject to a number of pre-requisite conditions, which need to occur in no longer than four months, including: approval by CureLight Ltd. receiver, and the approval of the transaction by the Israeli courts.

CureLight Medical Ltd., currently controlled by Medtechnica High-Tech Ltd., develops and markets light-based solutions for the aesthetic markets. The technology utilized in CureLight’s products is considered unique, differentiated, and safe. These properties establish its position in the aestheticians’ market segment, as well as existing revenues from the medical aesthetics segment. During 2007, Curelight underwent receivership process, had been acquired by Medtechnica, and a new management team was recruited during 4th quarter of 2007. Since then, CureLight restarted its sales, focusing its emphasis on the aestheticians’ market segment.

Applisonix Chairman, Prof. Yitzhak Peterburg said that “The acquisition of CureLight represents an outstanding business opportunity, due to the transaction’s terms and conditions, and the synergy between Applisonix’ future products and CureLight’s existing global distribution network for the same target market segments”. According to Prof. Peterburg “The company’s strategic goal is providing a portfolio of solutions for the aesthetic market. As the two companies join forces together, we will provide a comprehensive integrated solution that will add value to both companies.”

Applisonix co-CEOs, Mr. Alon Goren and Mr. Uri Amir said that “Applisonix will invest in improving and expanding the company’s solutions portfolio, as well as reducing the cost of manufacturing to improve profitability. Applisonix plans to consolidate most of the company’s operations functions, which will contribute to reducing cost and creating synergy between the company’s products and the consolidated distribution network.”

A few days ago Applisonix announced it received the 2008 European Technology Innovation Award for the aesthetics market from Frost & Sullivan, a leading international

research and consulting services company. According to the award announcement “As ultrasound becomes an emerging technology in the aesthetic market, Applisonix’ technology platform and experience pave the road for the company to join the leading aesthetic companies in the world in the hair removal and aesthetic market.” Frost & Sullivan further stated that “The technology holds huge market potential and the company showed impressive execution capabilities”.

About Applisonix: Applisonix develops ultrasound based solutions for aesthetic applications and is currently focused on the long-term hair removal market. The company went through an Initial Public Offering (IPO) in the Tel Aviv Stock Exchange (TASE) in the beginning of 2007. According to the company’s prospectus’s plan, the launch of the first device for the professional market is expected in first quarter of 2009.

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