



Press Release

January 10, 2012

Rundbuckstrasse 6
CH – 8212 Neuhausen am Rheinfall / Switzerland
www.lifewatch.com

LifeWatch and Blue Shield of California sign first ever comprehensive agreement for its monitoring services

***Neuhausen am Rheinfall/Switzerland* – LifeWatch AG (SIX Swiss Exchange: LIFE), the leading wireless remote cardiac and medical patient monitoring service provider in the U.S., today reports that it has successfully negotiated its first ever contract for its NiteWatch and core cardiac monitoring services with the insurance company Blue Shield of California which covers 3.4 million lives. This insurer is one of the independent licensees of the BlueCross BlueShield Association whose licensees cover every state in America.**

Acceptance of the NiteWatch Home Sleep Testing service for diagnosing obstructive sleep apnea (OSA) is steadily on the rise in the U.S. healthcare market, and in California particularly. LifeWatch has been able to demonstrate to Blue Shield of California, an important regional West Coast carrier, the advantages of the NiteWatch service. Patients insured by Blue Shield of California will now receive coverage for the NiteWatch service and our core cardiac monitoring services, including ACT cardiac telemetry services for their Medicare Advantage patients.

Blue Shield of California, located in San Francisco, California, partners with around 65,000 physicians across the entire State and covers approximately 3.4 million patients. The Californian not-for-profit mutual benefit corporation is independently owned and operates as a licensee of the Blue-Cross BlueShield Association (www.bcbs.com). Blue Shield of California is widely recognized as an innovative carrier and received 3 out of 4 stars in Meeting National Care Standards, as published by the California Healthcare Quality Report Card 2011 Edition.

In February 2011 LifeWatch opened its third call center in San Francisco, California, in order to better penetrate the attractive West Coast healthcare market. After convincing the Heritage Provider Network in California (see press release from 05/10/2011) LifeWatch gains another important West Coast carrier for its monitoring services and further enforces the importance of the West Coast call center. The agreement takes effect retroactively from November 15, 2011.

The NiteWatch service is designed to diagnose OSA, which is characterized by the temporary suspension of breathing during sleep. OSA is associated with an increased risk of cardiovascular disease, stroke, high blood pressure, arrhythmia, diabetes, and many serious accidents due to fatigue and sleepiness. An estimated 38 million individuals in the U.S. suffer from OSA yet less than one out of seven have been diagnosed correctly. Failure to diagnose is in part due to the fact

that patients are required to perform the test in a sleep lab, which frequently have long wait times for lab rooms. Patients are also discomforted by sleeping in a strange environment, which can often adversely affect test results. Due to the growing recognition of the need for home sleep testing as a bona fide alternative to sleep labs, the NiteWatch Home Sleep Testing service is becoming a diagnostic solution for many payors. Medicare already decided in January 2009 to provide coverage for the Home Sleep Testing Service.

“Once Medicare decided to provide coverage for Home Sleep Testing in early 2009, private insurance companies began to follow suit. Now Blue Shield of California, an important West Coast carrier, has recognized the benefits of the NiteWatch service. The opening of our third call center in San Francisco, California, was an important strategic step in expanding our services to the West Coast.” said Dr. Yacov Geva, Chairman and CEO of LifeWatch AG. “Furthermore our NiteWatch service will contribute to better quality of life for our patients thanks to earlier and more accurate detection which enables more appropriate treatment options.” He also noted the inclusion of the company’s core cardiac monitoring services, including the industry leading ACT telemetry monitor, was yet another indication of the importance of LifeWatch’s services to those populations serviced by Blue Shield of CA.

For further information please contact:

Sensus Investor and Public Relations GmbH, Zürich:

Tel +41 43 366 55 11 | Fax +41 43 366 55 12 | Email lifewatch@sensus.ch

About LifeWatch AG

LifeWatch AG, headquartered in Neuhausen am Rheinfall and listed on SIX Swiss Exchange (LIFE), Switzerland, is the leading healthcare technology and solution company, specializing in advanced telehealth systems and wireless remote patient monitoring services. LifeWatch services cater to individuals, ranging from high-risk and chronically ill patients, to consumers of health and wellness products. LifeWatch has subsidiaries in the United States, the Netherlands, Japan, the United Kingdom, Switzerland and Israel. LifeWatch AG is the parent company of LifeWatch Services Inc., a leading US-based cardiac monitoring service provider, and manufacturer of telecardiology products. LifeWatch is also introducing a new program for Home Sleep Testing of Obstructive Sleep Apnea (OSA) patients under the brand name NiteWatch. For additional information, please visit www.lifewatch.com.

Sign-up for customized email alerts and documentation requests is available at <http://production.investis.com/lifewatch/alert-service/>

This press release includes forward-looking statements. All statements other than statements of historical facts contained in this press release, including statements regarding future results of operations and financial position, business strategy and plans and objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect” and similar expressions are intended to identify forward-looking statements. LifeWatch AG has based these forward-looking statements largely on current expectations and projections about future events and financial trends that it believes may affect the financial condition, results of operations, business strategy, short term and long term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances described may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. All forward-looking statements are based only on data available to LifeWatch AG at the time of the issue of this press release. LifeWatch AG does not undertake any obligation to update any forward-looking statements contained in this press release as a result of new information, future events or otherwise.

THIS PRESS RELEASE IS NOT BEING ISSUED IN THE UNITED STATES OF AMERICA AND SHOULD NOT BE DISTRIBUTED TO UNITED STATES PERSONS OR PUBLICATIONS WITH A GENERAL CIRCULATION IN THE UNITED STATES. THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER OF SECURITIES OF LIFEWATCH AG OR ANY OF ITS SUBSIDIARIES FOR SALE IN THE UNITED STATES OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES OF LIFEWATCH AG OR ITS SUBSIDIARIES IN THE UNITED STATES. IN ADDITION, THE SECURITIES OF LIFEWATCH AG AND ITS SUBSIDIARIES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS ABSENT REGISTRATION UNDER OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE UNITED STATES SECURITIES LAWS. ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES WILL BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM LIFEWATCH AG OR ITS SUBSIDIARIES, AS APPLICABLE, AND WILL CONTAIN DETAILED INFORMATION ABOUT THE ISSUER AND ITS MANAGEMENT AS WELL AS FINANCIAL STATEMENTS OF THE ISSUER.