



Press Release

October 11, 2011

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

LifeWatch confirms Medicare payment of USD 11.8 million

***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., confirms today the payment receipt of Medicare reimbursement payments in the amount of USD 11.8 million.**

In mid-February 2011 LifeWatch Services, Inc. opened its third call center facility in San Francisco and applied for its Medicare IDTF provider number. After an onsite inspection of Medicare officials at the LifeWatch call center facility in San Francisco the Company received its provider number on August 10, 2011 and was then able to collect for services provided to Medicare patients.

In total LifeWatch provided services to Medicare patients in the amount of USD 11.8 million for the period from mid-February 2011 till August 10, 2011. In the Letter to Shareholders for the second quarter 2011 the Company reported in detail about this development and the Management's certainty to collect the cash in the near future. Shortly after the receipt of the Medicare provider number on August 10, 2011 the Company started to bill for this amount and received the withheld reimbursement payment from Medicare last week.

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.