



# Press release

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## **LifeWatch AG: Capital reduction recorded into commercial register**

**Repayment of par value reduction to shareholders will take place on February 11, 2011 via their depository banks**

***Neuhausen am Rheinfall / Switzerland* – LifeWatch AG (SIX Swiss Exchange: LIFE), the leading provider of wireless telemedicine, today announced that the capital reduction by means of a par value repayment, which was approved by the Extraordinary Shareholders Meeting on November 11, 2010, has been recorded into the commercial register on January 31, 2011. The par value repayment will be effected via the depository banks of the shareholders on February 11, 2011.**

At the Extraordinary Shareholders Meeting of LifeWatch AG held on November 11, 2010, shareholders approved the motion of the Board of Directors to reduce the company's share capital by means of a par value repayment to shareholders. The ordinary share capital is to be reduced by a par value reduction (from CHF 2.00 to CHF 1.30) from CHF 26,205,296.00 (as per November 10, 2010) to CHF 16,926,638.30. The reduced amount of CHF 0.70 per registered share will be paid out to the shareholders. The special audit report pursuant to Art. 732 of the Swiss Code of Obligations confirmed that all creditor claims will be fully covered following the capital reduction.

On November 18, 19 and 22, 2010 the Company published the required public creditor calls in the Swiss Official Gazette of Commerce. After a two-months waiting period during which creditors could file their claims for security expired on January 24, 2011, no securing demands from creditors were recorded by the Company. Consequently, all conditions for a record in the commercial register have been fulfilled and a notarized official record was entered on January 31, 2011.

Effective February 8, 2011 („ex-day“), LifeWatch AG shares will begin trading on SIX Swiss Exchange with the new par value. On February 11, 2011 the par value repayment will take place to all individual and legal persons that were shareholders of the company on the day prior to the ex-day (i.e. February 7, 2011). The payment to the shareholders will happen automatically via their depository banks and is not subject to withholding tax and, for private residents in Switzerland, not subject to income tax.

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**About LifeWatch AG:**

LifeWatch AG, headquartered in Neuhausen am Rheinfall and listed on SIX Swiss Exchange (LIFE), Switzerland, is the leading healthcare technology and solutions company specializing in advanced telemedicine 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 wireless remote telemedicine provider. LifeWatch services include Home Sleep Testing for Obstructive Sleep Apnea (OSA) patients under the brand name NiteWatch. For additional information, please visit [www.lifewatch.com](http://www.lifewatch.com).

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.

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