



# Press release

April 22, 2014

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## Partnership with China Telecom dissolved

Neuhausen am Rheinfall, April 22, 2014 – Since being elected to office on January 30, 2014, the new Board of Directors of LifeWatch has been conducting a thorough analysis of the company together with the management team. This analysis has been focusing on the potential and the intrinsic value of the company's existing business, its products under development, and all of its partnerships. The results show that there is potential for further development of the company's market position in its core business and that the growth opportunities offered by this market are still intact. The market opportunities of the new products currently under development are also very promising.

A number of questions quickly arose in connection with the planned partnership with China Telecom when it was announced on January 22, 2014. The Memorandum of Understanding (MOU) with a branch of China Telecom Corporation (China Telecom Enterprise APP Store) was apparently published without the branch's consent and in contravention to the terms of the MOU. This put a substantial strain on the relationship between the two parties. The subsequent talks about signing a definitive cooperation agreement became protracted and culminated yesterday in the dissolution of the existing agreement by both parties. The Board of Directors and the company's management are therefore now free to promote their partner model for LifeWatch's healthcare smartphone with other potential distribution partners in China. Several partners and distributors have signaled a high level of interest in the distribution of LifeWatch V in this key region.

As previously announced at the end of January, LifeWatch will give a detailed report of the company's prospects prior to its coming Ordinary Annual General Meeting. The company plans to announce details of LifeWatch's strategy and prospects at a press conference to be held on May 27, 2014, and at the same time it will report its results for the first quarter of 2014 (instead of on May 15, 2014).

### For further questions:

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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 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 AG has operative subsidiaries in the United States, in Switzerland and in Israel, and is the parent company of LifeWatch Services Inc., and LifeWatch Technologies, Ltd. LifeWatch Services, Inc. is a leading U.S.-based provider of cardiac monitoring services and home sleep testing of Obstructive Sleep Apnea (OSA). LifeWatch Technologies Ltd., based in Israel, is a leading developer and manufacturer of telemedicine products. The company is planning to introduce the LifeWatch V, an Android-based smartphone with medical sensors and apps that uses a cloud-based service platform. For additional information, please visit [www.lifewatch.com](http://www.lifewatch.com).

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