



Press Release

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LifeWatch rejects the Judge's decision because of severe violation of corporate and procedural rules

Neuhausen am Rheinfall, 29 January 2014 – **The Board of Directors of LifeWatch AG (SIX Swiss Exchange: LIFE) rejects the decision of the single judge of the Cantonal Court of Schaffhausen. Without a prior hearing, the judge ordered that the Board of Directors has to accept three persons at the shareholders' meeting of 30 January 2014, although their position as shareholders is not clarified at all and is highly questionable. The Board of Directors of LifeWatch regards this absolutely unique decision as a severe violation of corporate and procedural rules.**

The Board of Directors of LifeWatch rejects the decision of the single judge not only due to the substance of the decision, but also because of the procedure chosen. The judge rendered his decision without granting the right to be heard to LifeWatch. Further, the judge only informed the counter party; so far, the judge has not served the decision on the Board of Directors of LifeWatch. The Board of Directors only learned about the decisions from the press yesterday afternoon, 28 January 2014. Subsequently, the Board of Directors informed the single judge that the decision will not be accepted. The respective filing has been submitted with the Cantonal Court of Schaffhausen.

Questionable Ownership as Reason for Non-Registration

The dispute is about the registration of shares and the right to vote such shares at the shareholders' meeting of 30 January 2014. With regard to two of the applications for registration the review by the Board of Directors showed contradictions with respect to the ownership that could not be clarified to date. The third questionable application for registration contradicts statements that have been made previously in connection with a major shareholder disclosure notice and in the context of proceedings before the Cantonal Court of Schaffhausen. Further, it remains unclear from the documents who the real owner of the third block of shares is.

Therefore, the Board of Directors has asked the concerned applicants to provide further information, but has not yet received satisfactory information. Therefore, the shares these three applicants claim to own have not yet been registered in the shareholders register of the company and are therefore not eligible to vote at the shareholders' meeting of 30 January 2014.

That the single judge of the Cantonal Court of Schaffhausen disrupts this usual clearing process and arbitrarily orders the registration of the shares concerned in the share register is absolutely unique in Switzerland and inadmissibly interferes with the review power of the Board of Directors. Further, by this decision, all of those shareholders are discriminated that have not registered their

shares until 27 January 2014 when the share register had been closed for the upcoming shareholders' meeting.

Therefore, on Tuesday evening, 28 January 2014, LifeWatch AG has personally informed the competent judge that the decisions will not be accepted and has made a corresponding filing.

The approach of the single judge of the Cantonal Court of Schaffhausen is against the law and is without example in Switzerland; here legal certainty for companies is at stake. Should this decision remain, it could therefore have severe consequences for the Canton of Schaffhausen in the international competition among location for businesses.

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 US-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.

Sign-up for customized E-mail alerts and documentation requests is available at <http://www.irlifewatch.com/alert-service.aspx>

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