

**Itamar Medical Ltd. Reports Second Quarter 2015 Results:  
Revenues Increased by 17% to \$4.8 Million; Gross Profit Increased by 22%**

*The Company maintained a high rate of gross margin at 70% of revenues; WatchPAT sales increased by 49% in the first half of 2015; first sales by the new distributor in the Scandinavian market and first Total Sleep Solution sales in the United States*

CAESAREA, Israel, August 27, 2015 – Itamar Medical Ltd. (TASE.ITMR), which develops, manufactures, and markets non-invasive medical devices for the diagnosis of cardiologic conditions and sleep apnea, reported its financial results for Q2 2015, which reflect a continuing increase in revenues, while entering new territories and maintaining a high gross profit rate of more than 70%.

The Company's Q2 revenues amounted to \$4.8 million, a company record and an increase of 17%, compared to \$4.1 million in the corresponding quarter last year. The growth in the Company's sales in Q2 can primarily be attributed to sales of its WatchPAT™ sleep product in the United States and Japan, and from sales in Scandinavia via a designated distributor, which signed an exclusive distribution agreement in June 2015. Moreover, in March 2015, medical device leader Medtronic decided to transition from a pilot phase into a full-scale co-marketing agreement with Itamar Medical in the United States, under which it will increase awareness of sleep apnea and the Total Sleep Solution among its atrial fibrillation customers. In the Japanese market this quarter, Itamar Medical received the "SHONIN" approval for importing the new and improved WatchPAT Unified, which has lower manufacturing costs and a design with better ease-of-use.

Gross profit in Q2 amounted to \$3.3 million, a 22% increase, compared to \$2.7 million in the corresponding quarter of last year. The gross profit constituted approximately 70% of total revenues in Q2 2015, compared to 67% last year. The improvement in the gross margin can be attributed, among other factors, to more efficient manufacturing processes and reduced costs.

"We are satisfied with the continuing growth of the Company and the increasing recognition of WatchPAT in our key markets. In the first half of 2015, WatchPAT sales increased by 49%, reaching a record of approximately \$6.5 million. This is due to the execution of our strategic plans through the Company's direct sales in the United States and the collaboration with Medtronic in the AF space, and includes the introduction of the new Total Sleep Solution model," said Gilad Glick, CEO of Itamar Medical. "I am glad to see that our efforts in the sleep sector are fruitful and that we are growing at a satisfactory rate and gaining market share. We intend to continue the acceleration of direct sales of the Total Sleep Solution to cardiologists in the United States with Medtronic's support, and we foresee good results from our business with Philips in Japan. We will also evaluate additional collaborations in order to achieve even higher sales targets."

The operating loss in Q2 2015 amounted to \$1.2 million, compared to \$1.0 million in the corresponding quarter last year. The increase in operating loss is a result of the recruitment of sales representatives in Japan and the United States, and growing investment in research and development, partly as preparation for a new generation of products.

The Company's results for the first half of 2015 include a 14% increase in revenues, to \$8.8 million, compared to \$7.7 million in the first half of 2014. Gross profit increased by 19% to \$6.3 million, approximately 71% of the Company's revenues, compared to \$5.3 million, or approximately 69% of revenues in the corresponding period last year. Operating loss amounted to \$2.6 million in the first half of 2015, compared to \$2.0 million in the corresponding period last year.



**Itamar Medical Ltd.** is a publicly traded medical device company (TASE:ITMR) that develops non-invasive medical devices using the company's proprietary platform technology, the PAT™ (Peripheral Arterial Tone) signal. The company currently markets the [WatchPAT™](#) home sleep test for respiratory sleep disorder diagnosis, and the [EndoPAT™](#), the only device approved by the US FDA for testing endothelial (arterial) function and assessing the risk of coronary artery disease and other cardiovascular diseases. More information about Itamar Medical can be found online at [www.itamar-medical.com](http://www.itamar-medical.com).

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