

U.S. PTO REEXAMINING LUMENIS PATENTS  
*Lumenis Patent Litigation With Alma Lasers Stayed*

Caesarea, Israel, March 26, 2008 - Alma Lasers Ltd., a global leader in aesthetic laser, light-based, and radiofrequency systems, announces important developments in its patent dispute with Lumenis Ltd., which is being litigated in the United States District Court in Chicago, IL. Alma reports that: (1) the U.S. Patent and Trademark Office in Alexandria VA ("**PTO**") has decided to reexamine all seven of Lumenis's patents that are at issue in the litigation, and (2) the Court has stayed the litigation, pending reexamination of the patents.

In December 2007, Alma submitted 22 prior art references to the PTO for consideration with respect to the seven Lumenis patents. Subsequently, the PTO found a "substantial new question of patentability" with respect to each of the seven patents, and commenced reexamination of them. With respect to one of those patents, the PTO, on February 8, 2008, issued an Office Action rejecting 26 claims of the patent as obvious or anticipated by the prior art. On February 21, 2008, the District Court ordered the litigation stayed pending the PTO's reexamination.

Lumenis initiated the Chicago litigation by filing suit against Alma Lasers on June 28, 2007. On January 25, 2008, Alma filed counterclaims and, among other things, asked the Court to declare six of the seven Lumenis patents unenforceable due to inequitable conduct in procuring those patents. Alma alleged that, when applying for those six patents, the applicants breached their duty of candor, good faith and honesty to the PTO and engaged in inequitable conduct by making false representations to the PTO and by failing to disclose material prior art to the PTO. Lumenis denied the allegations.

"Alma Lasers continues to build momentum in the marketplace due to its innovation, value and high customer service," stated Howard Kelly, CEO of Alma Lasers. "It is unfortunate that certain competitors resort to litigation to compensate for their failings in the marketplace."

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