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Alma Lasers reaches favorable license agreement with Palomar Medical Technologies

Parties settle on-going patent litigation

Buffalo Grove, Illinois, April 2nd 2007—Alma Lasers announced earlier today that it has resolved an ongoing patent litigation with Palomar Medical Technologies that involves certain US hair removal patents. Palomar has an exclusive license for these patents, owned by the General Hospital Corporation in Boston, Massachusetts.

Under the terms of the license agreement, Alma Lasers has been granted a nonexclusive license by Palomar and MGH. These terms are comparable to those agreed to by other licensees of these patents, including medical aesthetic device companies Cynosure and Cutera. After a nine month period at a slightly higher rate, Alma Lasers will pay a 7.5% on-going royalty rate to Palomar on dedicated hair removal products.

In addition, Alma Lasers agreed to certain trade dress concessions involving the Harmony and Aria product lines that will be implemented over the next six months. These changes will affect the look but not the function or underlying technologies associated with the Harmony and the Aria platform. Alma Lasers is confident that these trade dress modifications will have minimal impact to the company business strategy. The company will have the freedom to continue to supply upgrades, introduce new modules, replacement handpieces and other products to the current Harmony and Aria customer base. There will also be no impact or interruption to current or future product development.

Howard Kelly, Chief Executive Officer of Alma Lasers, stated “This resolution is a positive one for both our customers and investors. It avoids the cost and uncertainty of a lengthy litigation and removes a significant distraction from the business. Alma Lasers can now focus on the key tasks at hand, which is to grow a profitable business based on superior platform technology, innovation, and outstanding customer service.”

A leader in the industry, Alma Lasers has pioneered revolutionary new technologies for the medical aesthetic market over the past seven years. In the spirit of moving the industry forward with free market innovation and a focus on customer needs, Alma Lasers

had hoped to avoid this litigation. Moving forward, Alma Lasers will continue to focus on innovation through technology that best serves our customers, physicians and their patients.

About Alma Lasers, Ltd.

Alma Lasers, Ltd. is a global developer, manufacturer and seller of laser, light-based and radiofrequency devices for aesthetic and medical applications. Since 1980, the founders of Alma Lasers have been at the forefront of innovative laser and light-based medical technology. Their technical expertise and in-depth understanding of practitioners' needs led to the development of Alma Lasers' multi-technology/multi-application systems. Alma Lasers' mission is to provide modular, cost-effective and high performance designs that enable medical practitioners to confidently offer safe, effective and profitable aesthetic treatments to their patients. More information about Alma Lasers can be found at www.almalasers.com.

Alma Lasers = Wellbeing Through Technology

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