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Galil Medical Announces Legal Response to Endocare and HealthTronics Actions

YOKNEAM, Israel and PLYMOUTH MEETING, Pa., June 11 /PRNewswire/ -- Galil Medical Inc., a global cryotherapy company, announced today that it has filed suit in Delaware court to enjoin the proposed acquisition of Endocare, Inc. by HealthTronics, Inc. Further, Galil has asked the court to enforce the merger agreement between Galil and Endocare.

In an effort to justify its attempt to terminate the Galil/Endocare merger agreement, Endocare, in a June 5, 2009 letter to Galil, asserted that conditions to closing the merger had become incapable of fulfillment because the U.S. Federal Trade Commission ("FTC") had refused to close its ongoing investigation into the merger. Galil has rejected that assertion, and notes that discussions with the FTC Commissioners and Staff were continuing. On June 9, 2009, the FTC Chairman and two FTC Commissioners issued a statement explicitly advising that the "Commission currently is not in a position to make a formal assessment one way or the other -- either that [the FTC] staff should be sent into court to challenge the transaction, or that the transaction would not harm competition and therefore should be allowed to proceed," and another FTC Commissioner stated that "the Commission could not and did not find that there is 'reason to believe' that this transaction is illegal or that challenging it would be in the public interest."

"Galil remains very committed to successfully closing the investigation with the FTC, and concluding our merger with Endocare," said Martin J. Emerson, President and CEO of Galil. Emerson further stated, "I believe that this merger is in the best interests of the physicians and patients we collectively serve. The prospects for future innovation, as well as for the global healthcare system, are all best advanced by the merger of these two great organizations."

About Galil Medical

Galil Medical develops, manufactures and markets innovative products utilizing a proprietary cryotherapy platform that incorporates powerful freezing technology and revolutionary 17-gauge cryoablation needle design. Galil Medical's systems enable minimally invasive, targeted ablation of benign and cancerous tumors while ensuring rapid recovery and enhanced quality of life for patients. The Presice(TM) Cryoablation System features multi-point thermal sensors (MTS) and advanced IceVue(TM) planning software for excellent procedure control in treating prostate and renal cancer. The SeedNet MRI(TM) system provides physicians with an easy-to-use cryoablation solution to precisely ablate tumors while protecting adjacent structures, under MRI guidance.

Galil Medical shareholders include Thomas, McNerney & Partners, The Vertical Group, Investor Growth Capital, Elron Electronic Industries Ltd. and RDC Rafael Development Corporation, Ltd. For more information, please visit www.galilmedical.com.

Galil Medical Inc.

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