

Galil Medical Ltd. Sues HealthTronics for Interfering with the Galil/Endocare Merger Agreement

Galil Asks Delaware Chancery Court To Enjoin HealthTronics' Tender Offer For Endocare

YOKNEAM, Israel and PLYMOUTH MEETING, Pa., June 22 /PRNewswire/ -- Galil Medical Ltd., a global cryotherapy company, filed suit against HealthTronics, Inc., late yesterday in Delaware Chancery Court, asking the Court to enjoin HealthTronics from further interfering with a merger agreement between Galil and Endocare, Inc., and to order that HealthTronics pay damages to Galil for the harm it has suffered as a result of HealthTronics' tortious interference with Galil's rights under that agreement. In the suit, Galil alleges that Healthtronics helped Endocare in its recent attempt to wrongfully terminate the Galil/Endocare Merger Agreement so that HealthTronics could then acquire Endocare. Galil further alleges that, as a part of the scheme, HealthTronics agreed to cover Endocare's costs if Endocare ultimately is forced to pay a breakup fee to Galil because of its breach of the merger agreement, and notes that HealthTronics has embarked on a snap tender offer for Endocare shares, which will further harm Galil by sowing confusion and uncertainty among Endocare shareholders, and Galil's employees, customers, and suppliers. The HealthTronics tender offer is scheduled to expire on July 21, 2009.

The suit against HealthTronics follows Galil's recently-filed lawsuit against Endocare, Inc., which also arose out of Endocare's alleged breach of the Galil/Endocare Merger Agreement. Trial in that action presently is scheduled for July 9 and 10 in Chancery Court in Georgetown, Delaware.

Martin J. Emerson, President and CEO of Galil, stated that Galil brought this suit in an effort to stop HealthTronics from further tortuously interfering with Galil's merger with Endocare. He stated: "Galil looks forward to prevailing in these two lawsuits, and then getting back on the track of completing our merger with Endocare. A merger between Galil and Endocare is in the best interests of the doctors and patients who rely on us for the important cancer treatment technology we provide today as well as the innovation we will deliver in the future."

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.