



Investor & Public Relations

**Allium signed a strategic distribution agreement in Brazil
with minimum sales of 44 million NIS (12 million US dollars) during a
period of five years**

The Brazilian distributor, which will assume the registration and marketing costs, will commence sales as of the beginning the second half of 2014.

Israel, Caesarea, March 17, 2013: Allium Medical Solutions Ltd. (TASE: ALMD), a medical device company engaged in minimally invasive technologies, announced today that it has signed (via Allium Ltd., its fully owned subsidiary) a strategic distribution agreement in Brazil with Meizler UCB Biopharma S.A. The agreement is exclusive for a period of five years commencing from the receipt of regulatory approvals for sale in Brazil. Under the terms of the agreement, the distributor committed to purchase a minimum of 44 million NIS (12 million US dollars) worth of Allium's urological stents over a period of five years, in accordance with the Minimum Purchase Requirements set forth in the agreement. The company estimates that the distributor will commence sales under the agreement between the second half of 2014 and the first half of 2015, subject to obtaining the necessary regulatory approvals necessary. The agreement includes, among others, provisions related to the company's ability to terminate the agreement in the event of merger or acquisition which results in change of control in Allium Ltd.

Asaf Alperovitz, the CEO of Allium group has noted that the significant agreement with Meizler UCB Biopharma S.A. is strategic and material to the company due to its revenue and profitability potential as well as for the penetration to new attractive markets. The agreement we signed is the outcome of the thorough process we underwent with Meizler-UCB, in which we carried out a professional assessment of the market and the inherent potential for the company's products. In light of the engagement in the agreement, we intend to expand the company's operational layout in order to provide the anticipated minimum purchase requirements as set forth in the agreement, in addition to the anticipated increase in the company's activities. We believe the agreement provides substantial effect to the innovation and the unique inherent benefits of the company's stents and illustrates the scope of the market potential for these products. Looking ahead, the collaboration with Meizler-UCB may serve as an anchor to expand commercial activities in other key markets in South America.

Under the provisions of the agreement, the distributor has committed to obtain the regulatory approvals required for sale in Brazil, bear all registration costs, implement marketing activities in

accordance with an annual program that will be coordinated with the company and will conduct training workshops for physicians who will use the company's products. The agreement includes provisions with respect to the protection of intellectual property rights of the company, confidentiality, indemnification, limitation of liability as well as other standard provisions in medical devices distribution agreements. In the event that the distributor meets all contractual undertakings, the agreement will be extended for additional three year periods.

In the event the distributor will not meet the minimum purchase requirements stipulated for each year, the company may terminate the distribution agreement or cancel the exclusivity to the company's products, in accordance with the conditions of the distribution agreement.

About UCB-Meizler:

Founded in 1990 with the objective of promoting the development of health in Brazil, Meizler UCB Biopharma S.A., specializes in and acquisition of new drugs and existing partnerships with the world's leading pharmaceutical biotech and device doctors. Aimed at public and private institutions, hospitals and clinics, Meizler UCB Biopharma has full-service warehousing and distribution, dynamically structured to meet quickly, increasing government demand for high technology products and affordable prices. The global biopharmaceutical group UCB acquired a majority stake in Meizler during 2012.

About Allium Medical Solutions Ltd:

Allium Medical Solutions Ltd. recently completed extensive strategic transactions including two acquisitions (by way of shares exchange) of companies synergetic to Allium's activities – Gardia Medical Ltd. and IBI Israel Biomedical Innovations Ltd. Following such synergetic acquisitions, the Company generated a critical mass in minimally invasive technologies and is currently working with three attractive product lines in the fields of urology (stents - Allium®Stents), gynecology (IBI - EndoFast®) and minimally invasive interventional procedures (Gardia-EPD).

The stents developed by Allium are used for preventing and treating obstructions in various organs, particularly the urinary tract or bladder. These obstructions may be caused, in part, due to external and internal injuries, surgical and endoscopic procedures in proximate organs, edema, mineral deposits, and various tumors. The stents are coated with a special polymer which helps prevent tissue in-growth and encrustation and acquires physiological and physical properties, which the Company believes may significantly improve both patient care and quality of life. In addition, these stents have a unique unraveling mechanism, which allows the removal of the stent from the patient's body without compromising the patient's pathways or organs.



To date, Allium has received marketing approvals in Europe (CE MARK) and Australia for its 5 stents for different organs in the body and is working to obtain approvals in other countries in Asia and South America.

The Group's Websites:

www.allium-medical.com

www.ibimedical.com

www.gardiamedical.com