



Medical Compression System (D.B.N.) Ltd.

January 13, 2008

Israel Securities Authority
via MAGNA

Tel Aviv Stock Exchange Ltd.
via MAGNA

re: **Execution of agreement for the sale of 250 devices to Scripps Memorial Hospital**

To whom it may concern,

The Company respectfully announces that on January 10, 2008, it received an order from Scripps Memorial Hospital for 250 of the devices it manufactures for the prevention of DVT. Said order of the devices is attributable to the hospital's decision to begin using the Company's devices for the prevention of DVT instead of Kendall's (a competitor) devices, which the hospital had used to date. It should be emphasized that Scripps network hospitals are among the medical centers at which the clinical trial of the Company's devices is being conducted.

Scripps Memorial Hospital is one of the five hospitals in the Scripps network in Southern California and is considered to one of the leading hospital networks in the US. The Company assumes that during 2008 additional hospitals in the Scripps networks will begin using its products.

The Company expects revenues from Scripps Memorial Hospital to amount to approximately \$300,000 annually. The potential for sales to the entire network is about 1,000 devices.

It should be emphasized that the Company's devices are replacing competing devices, and this does not constitute a decision to use the devices instead of the leading medication. As aforementioned in the Company's previous reports, the Company's product is in a clinical trial, in which it is being tested against the leading medication for prevention of DVT.

Company estimates regarding the transition of other Scripps network hospitals to use of the Company's devices and projected revenues from Scripps Memorial Hospital are forward-looking statements, as defined in the Securities Law, and there is no guarantee that said statements will materialize. The Company's estimates are based on its familiarity with the relevant hospitals and its estimates regarding the volume of their activity. These estimates may not materialize, in whole or in part, or materialize materially differently than expected, and this for various reasons, including decisions by other hospitals in the Scripps network not to enter into an agreement with the Company by ordering devices, a different volume of activity than expected at Scripps Memorial Hospital and more.

Sincerely,

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