



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

August 4, 2009

Israel Securities Authority
via MAGNA

Tel Aviv Stock Exchange Ltd.
via MAGNA

re: **Immediate report**

To whom it may concern,

Pursuant to the Company's notice of June 11, 2009, (reference: 2009-01-139008) with respect to its engagement with Accelmed Fund ("Investor") through an Investment Agreement, under which the Company will allocate the Investor 9,124,008 shares, which subsequent to allocation will constitute 28.08% of the Company's issued capital in consideration of an investment on NIS 10 million ("Investment Agreement"), and pursuant to the immediate report of July 29, 2009 (reference: 2009-01-182085) with respect to the approval of the Company's General Meeting of the engagement through the Investment Agreement, the Company is pleased to announce that on August 3, 2008, the Investment Agreement was executed after all of the conditions precedent for its execution were met.

Concurrently with the execution of the Investment Agreement, the Shareholders Agreement executed between Nissan Holdings (T.R.) Ltd., Aviv Ventures I, L.P. and Aviv Parallel Fund I, L.P., and Yaakov Barak and Adi Dagan and the Investor ("Shareholders Agreement"), the terms of which are set out in the Company's aforementioned notice of June 11, 2009, entered into effect.

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