



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

February 27, 2008

Israel Securities Authority  
via MAGNA

Tel Aviv Stock Exchange Ltd.  
via MAGNA

re: **Execution of agreement for the provision of 100 devices to Scripps Mercy Chula Vista Hospital**

To whom it may concern,

The Company respectfully announces that on February 27, 2008, it received an order from Scripps Mercy Chula Vista Hospital for the provision of 100 of the devices manufactured by the company for the prevention of DVT (in addition to the 250 devices ordered by Scripps Memorial, as reported by the Company on January 13, 2008 and 130 devices ordered by Scripps Encinitas Hospital, as reported by the Company on February 20, 2008). The provision of the devices and associated disposable accessories (sleeves) is done directly between the Company and the network's hospitals, unlike in other cases in which the devices and associated disposable accessories (sleeves) are provided by the Company's distributor in the US. 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.

The Company expects revenues from Scripps Mercy Chula Vista hospital to amount to approximately \$125,000 annually. The potential for sales to all hospitals in the Scripps network is about 1,000 devices (this number includes the 480 devices already ordered by hospitals in the network).

In January and February 2008, three Scripps network hospitals began using the Company's devices, and the Company projects revenues from these three hospitals to reach \$600 thousand annually.

The Company assumes that during 2008 additional hospitals in the Scripps networks will begin using its products.

It should be emphasized that the replacement of the devices in the hospitals, as aforementioned, is to use the Company's devices instead of the competitor's, and does not

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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 Mercy Chula Vista hospital and other hospitals in the Scripps network 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 Mercy Chula Vista Hospital and more.

Sincerely,

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