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LifeWatch to adjust 2015 figures for one-off legal decision; guidance for 2016 confirmed

Zug/Switzerland, March 23, 2016 – LifeWatch AG (SIX Swiss Exchange: LIFE), a leading developer and provider of medical solutions and remote diagnostic monitoring services to the digital health market, announces a change to the 2015 unaudited figures announced on March 17, 2016. This change is a result of the negative arbitration decision in the dispute with Highmark which was received last week.

LifeWatch intends to vigorously oppose the arbitration decision including lodging an appeal, however, based on US GAAP accounting rules, it is necessary for LifeWatch to include the arbitration award in the 2015 financial statements. Furthermore, since the award relates to revenue from the years 2009 and 2010, US GAAP rules mean that the award amount must be deducted from revenue, whereas the interest is included under financial expense. Any change to the award as a result of the appeal or otherwise would therefore also positively impact the revenue line in future. Below, please find a table showing the changes from the results already communicated:

Key Figures for Fiscal Year 2015 (in USD millions) *restated vs. reported (unaudited)*

	As restated post Highmark arbitration	FFY 2015	FFY 2014
Revenues	88.63	106.63	98.47
EBITDA / (LBITDA)	(3.62)	14.37	5.95
EBIT / (LBIT)	(11.66)	6.34	0.3
Financial and other, net	(3.96)	(0.52)	(0.49)
Taxes	4.46	(3.41)	(2.54)
Net income / (loss)	(11.95)	1.62	(2.73)
Current Liabilities	50.21	28.82	22.56
Total equity	25.77	39.33	36.88
Balance sheet total	79.32	71.50	68.98

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LifeWatches' core business is strong and this one-off award will not affect the operative business, although there will clearly be a negative impact on liquidity. The company therefore confirms its 2016 guidance that revenues will continue to grow at above market growth rates and that the adjusted EBIT, EBITDA and Net Income figures will show an improvement in comparison to the originally reported 2015 numbers.

The annual report will be available on the company website at:

http://irlifewatch.com/websites/lifewatch_ir/English/4010/annual-reports.html from March 24, 2016.

About LifeWatch AG

LifeWatch AG, headquartered in Zug and listed on SIX Swiss Exchange (LIFE), Switzerland, is a leading healthcare technology and solutions' company, specializing in advanced digital health systems and wireless remote diagnostic patient monitoring services. LifeWatch's services provide physicians with critical information to determine appropriate treatment and thereby improve patient outcomes. LifeWatch AG has operative subsidiaries in the United States, in Switzerland and in Israel, and is the parent company of LifeWatch Services Inc., and LifeWatch Technologies, Ltd. LifeWatch Services, Inc. is a leading U.S.-based provider of cardiac monitoring services and home sleep testing of Obstructive Sleep Apnea (OSA). LifeWatch Technologies Ltd., based in Israel, is a leading developer and manufacturer of telemedicine products. For additional information, please visit **www.lifewatch.com**.

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