



Press release

**CMT MEDICAL TECHNOLOGIES LTD.
ANNOUNCES 2009 RESULTS AND FIRST QUARTER 2010
UPDATES**

Yoqneam (Israel), May 27, 2010 - CMT Medical Technologies Ltd. (ENXTPA: CMD) announced today its 2009 financial results and highlights of its financial results for the first quarter of 2010.

Highlights of 2009 Financial Results

In USD millions	2008 audited	2009 audited
Revenues	21.12	21.41
Gross profit	7.70	9.44
Operating expenses	11.07	7.21
Profit (loss) from operations	(3.39)	2.23
Financial income, net	0.35	0.40
Net profit (loss) from continuing operations	(3.55)	2.52
Loss from discontinued operation	(0.06)	-
Profit (loss) for the year	(3.61)	2.52

The successful launch of CMT's new products in 2009 resulted in increased revenues in the second half of 2009. Overall, CMT generated total revenues of \$ 21.4 million in 2009, as compared to \$ 21.1 million in 2008.



CMT significantly improved its gross margin which increased from approximately 36% in 2008 to approximately 44% in 2009. The mix of products sold and a favorable ILS/USD exchange rate were key factors contributing to the increase in gross margin.

Management's decision to focus on research and development projects with a high return on investment and the re-organization of CMT's activities in the U.S. to benefit from Thales' existing facilities resulted in decreased research and development and marketing expenses. The decision to terminate a project funded by the Chief Scientist in Israel resulted in the cancellation of a \$2.6 million accrued liability incurred in prior years to the Chief Scientist with respect to the cancelled project.

In July 2009, the Company closed down the New Jersey office of its U.S. subsidiary, CMT Inc., and transferred the U.S. sales and marketing activities to Thales Components Corporation, a U.S. subsidiary of Thales. In addition, in October 2009 the Company entered into a distribution agreement with Thales Electron Devices SA in an effort to improve the Company's non-OEM sales channel. These measures resulted in cost savings in 2009.

General and administrative expenses in 2009 were approximately 14% of revenues. During the first half of 2009, general and administrative expenses increased to approximately 25.5% of revenues as a result of certain non-recurring events that impacted general and administrative expenses during such period. However, in the second half of 2009 these non-recurring events were no longer applicable and, in addition, CMT has been able to reduce certain general and administrative expenses following Thales' acquisition of control of CMT. The combined effect of the above and the increase in revenues in the second half of 2009 resulted in the stabilization of annual general and administrative expenses for 2009 at approximately 14% of revenues.

CMT's cash balances, consisting of cash and cash equivalents and short-term and long-term deposits, as of December 31, 2009 reached \$ 14.8 million, compared to \$ 13.8 million as of December 31, 2008.

For further details, please see CMT's Management Report on 2009 available on CMT's website at www.CMT.co.il.

Highlights of First Quarter 2010 Financial Results

In USD millions	<i>First Quarter 2009 (un-audited)</i>	<i>First Quarter 2010 (un-audited)</i>
Revenues	6.5	7.3
Gross profit	3.0	4.1
Operating expenses	3.3	2.2
Profit (loss) from operations	(0.3)	1.9



Revenues for the fiscal quarter ended March 31, 2010 reached a record of \$ 7.3 million compared to \$ 6.5 million for the same period last year. It is noted that CMT's first fiscal quarter of the year is historically the strongest quarter in terms of revenues. The product mix continued to have a positive effect on the gross margin.

The reduction of operational expenses during the second half of 2009 continued in the first quarter of 2010. However, the ILS/USD exchange rate during the first quarter of 2010 was lower compared to 2009, which had a negative effect on the income from operations.

CMT's cash balances, consisting of cash, cash equivalents and short-term and long-term deposits and investments, as of March 31, 2010 were \$16.9 million, compared to \$ 14.8 million as of December 31, 2009.

For further details, please see CMT's Management Report on the first fiscal quarter ended March 31, 2010 available on CMT's website at www.CMT.co.il.

About CMT Medical Technologies Ltd.:

CMT Medical Technologies Ltd. is an Israeli company which designs, develops, manufactures and markets digital image processing systems for use in medical diagnostic imaging applications. CMT is also engaged in the development of X-ray detectors for various medical applications.

The company's stock is publicly traded on Eurolist of the Paris Stock Exchange. The company also belongs to EURONEXT Next Economy segment, Thales currently holds 94,6% of the company's capital shares.

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