



Press release

*CMT MEDICAL TECHNOLOGIES LTD.
ANNOUNCES A PROPOSED MERGER AND
ANNUAL AND SPECIAL GENERAL MEETING OF
SHAREHOLDERS ON JULY 8, 2010*

Yoqneam (Israel), June 1, 2010 - CMT Medical Technologies Ltd. (ENXTPA: CMD) announced today a proposed merger and that it will hold an annual and special general meeting of shareholders on July 8, 2010.

Annual and Special General Meeting of Shareholders

CMT announced today that it will hold an annual and special general meeting of shareholders on July 8, 2010, at 11:00 am (Israel time) at the offices of CMT, at HaCarmel Street, Building 7/2 Yoqneam Ilit, Israel, subject to adjournment or postponement by the Board of Directors, for the following purposes:

1. Re-election of each of the following persons to the Board of Directors: Messrs. Jacques Belin, Paul Maisonnier, Dominique Barbe and Jean Louis Villoutreix and Ms. Michèle Bogatirsky, each to serve as a director until the Company's next annual general meeting or until a respective successor is duly elected.
2. Presentation of the Company's audited consolidated financial statements for the fiscal year ended December 31, 2009.
3. Appointment of the accounting firm Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, as the Company's independent auditors for the fiscal year ending December 31, 2010.
4. Approving the merger agreement described below, including the merger and the other transactions contemplated by the merger agreement.
5. Approving such other business as may properly come before the meeting or any or all adjournments or postponements thereof.

Pursuant to Section 182 of the Israeli Companies Law, 5759-1999, the shareholders who are eligible to participate in the voting at the meeting, are shareholders holding ordinary



shares of the Company, par value NIS 1.00 per share, as of the close of business on June 8, 2010.

Proposed Merger

On June 1, 2010, following the approval of CMT's Audit Committee and Board of Directors, CMT has entered into a merger agreement with Thales SA, the parent company of CMT, and CTH Acquisition Company Ltd., an Israeli company wholly-owned by Thales ("CTH"). Pursuant to the merger agreement, CTH will merge with and into CMT, and CMT will be the surviving company in the merger. The merger process shall be implemented in accordance with Israeli Companies Law.

Upon consummation of the merger, each of the CMT shares outstanding immediately prior to the effective time of the merger (other than shares already held by Thales or CMT or any other wholly-owned subsidiary of Thales or CMT) will automatically be converted into and represent solely the right to receive from Thales an amount of € 7.10 per share in cash. As a result of the merger, CMT will become a private company wholly-owned by Thales, and the CMT shares will no longer be listed on Euronext Paris. In determining the amount of the merger consideration, the Audit Committee and the Board of Directors received an independent valuation report prepared jointly by two independent financial experts, including an opinion of such independent financial experts as to the fairness of the merger consideration to the shareholders from a financial point of view.

The merger is subject to the approval of the shareholders of CMT at the annual and special general meeting of the CMT shareholders to be held on July 8, 2010. In order to approve the merger, holders of three quarters of CMT shares present in person or by proxy at such meeting, excluding abstentions, must vote in favour of the merger. The merger will not be approved at such annual and special general meeting if holders of CMT shares that hold a majority of the voting rights that are voted at such general meeting (excluding abstentions and CMT shares held by Thales or its affiliates or anyone acting on their behalf) vote against the merger (which we refer to in this release as an "**opposition**"). Thales is expected to vote all of its shares that are permitted to be voted at the meeting in favor of the proposed merger. Accordingly, since Thales holds a sufficient number of shares that can be voted at the shareholders meeting that exceed the required majority vote to approve the merger, it is expected that the merger will be approved at the shareholders meeting unless an opposition exists.

If the required majority is obtained but an opposition exists, then an Israeli court may, upon application by shareholders of CMT holding at least 25% of the voting rights in CMT, determine that despite the opposition, the merger is approved. Thales is the only shareholder of the Company that holds 25% or more of the voting rights in CMT. Accordingly, pursuant to the merger agreement and the Israeli Companies Law, Thales may make such an application to the court if an opposition to the merger shall exist.

Once all conditions precedent to the merger are satisfied, including, but not limited to, approval of the merger by CMT's shareholders at the annual and special general meeting, receipt of all governmental and regulatory approvals and provided that all waiting periods



required under the Israeli Companies Law have elapsed, the merger will be consummated. Exact dates as to when the merger will be consummated cannot be given at this time as some of the conditions to the merger require consents and approvals which are beyond CMT's control. The parties intend to consummate the merger as soon as practicable and, assuming there is no opposition, the parties expect to consummate the merger during the third quarter of calendar year 2010. However, because the Merger is subject to governmental and regulatory approvals and certain other conditions, some of which are beyond CMT's and Thales' control, the exact timing cannot be predicted nor can it be guaranteed that the merger will ever be consummated.

Promptly after the effective time of the merger, CMT will request that Euronext Paris issue a notice indicating the timetable and the payment process of the merger consideration. As of a date to be set by Euronext Paris, the total amount required for payment of the merger consideration will be deposited by Thales in an account opened for such purpose with a paying agent, which will centralize the process of payment of the merger consideration. After the closing of individual accounts by Euroclear France, the account-holding institutions will credit CMT's shareholders accounts with the merger consideration to which they are entitled to with respect to the shares held by them as of the effective date of the merger.

CMT will make available to its shareholders a notice and proxy statement and voting cards in connection with the annual and special general meeting of shareholders. Shareholders are advised to read the notice and proxy statement carefully in its entirety when it becomes available because it will contain important information regarding the annual and special general meeting, the structure and effects of the merger, the background of the merger, the recommendation of our Board of Directors, CMT's reasons for the merger, the opinion of CMT's independent financial experts, and other matters.

CMT intends to mail the notice and proxy statement to its registered shareholders (*actionnaires titulaires de titres nominatifs*). All CMT shareholders will be able to obtain free copies of the notice and proxy statement through the website maintained by CMT at www.cmt-medical.com.

Free copies of the notice and proxy statement, once available, may also be obtained by directing a request via mail, phone, fax or e-mail to Mrs. Nadine Tomaschoff, the Company CFO, at the Company's offices at HaCarmel Street, Building 7/2 Yoqneam Ilit P.O.B. 111, Israel 20692, Facsimile No. +972-4-856-6298, Tel No. +972-4-856-6220, email: Nadine@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.

If you wish to receive further information by e-mail, please contact: