

## NEWS RELEASE

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### **Prism Medical Ltd. (PM:TSX-VEN)** Reports Third Quarter Financial Results

**VAUGHAN, ONTARIO, October 16, 2009**

Prism Medical Ltd. (“Prism” or “the Company”) (PM:TSX-VEN) today announced its results for the third quarter ended August 31, 2009.

Net income for the third quarter of 2009 decreased to \$820 thousand (\$0.13 per share on a diluted basis) versus \$1.065 million (\$0.16 per share on a diluted basis) for the same period in 2008.

During the third quarter of 2009, revenues were \$15.1 million compared to \$12.4 million in 2008, an increase of 22%, driven by an increase in sales within the United States and the UK. The Company continues to focus its efforts on the US marketplace through enhanced sales initiatives and geographical coverage. In the UK, sales increased 25% after incorporating the impact of a decline in the British Pound Sterling (GBP) relative to the Canadian dollar.

In the third quarter of 2009, gross profit increased \$927 (16%) over the same period in 2008 driven by the sales increase and higher percentage of sales made by the Company owned network of dealers and direct sales staff. Selling, general and administration expenses increased \$1,180 (34%) over the same period last year primarily as a result of incorporating the operating costs of new acquisitions and infrastructure costs incurred within the US.

Earnings per share on a diluted basis for the three months ended August 31, 2009 of \$0.13 per share represents a decrease of 18% over the same period last year.

In the third quarter of 2009, EBITDA was \$2,098 vs. \$2,434 over the same period in 2008. The weakening of the British pound sterling on a year over year basis reduced EBITDA in the third quarter of 2009 by \$220 CDN.

Andrew McIntyre, Chairman and CEO of Prism stated “the third quarter of 2009 was positive for the Company as we saw continued institutional demand for our products, improved manufacturing efficiencies and greater geographic coverage in the current economic climate. Further improvements in US sales representation and dealer market share should result in future profitable growth.”

Prism Medical Ltd. is a provider of durable medical equipment and related services to the mobility disadvantaged in Canada, the USA and the United Kingdom. While Prism’s history dates back to 1996, Prism’s subsidiaries and divisions have been servicing the

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mobility disadvantaged since the mid 1980s in their homes, long-term care facilities and acute care facilities. Prism includes Waverley Glen Systems, North America's premier lifting, handling and repositioning aid manufacturer with distribution across Canada and the US; Patient Lifts of New England with distribution across the northeastern USA; Westholme and Care Free Lifting & Handling, leading distributors of moving and handling products in the UK; and Freeway Health Care, a UK-based manufacturer of ceiling hoists and shower chairs.

### **Forward-looking Information**

Certain statements in this release may constitute forward-looking statements. Such forward-looking statements involve risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

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