Given Imaging Announces New Reimbursement Code for Its SmartPill(R) Wireless Motility Capsule Procedure

The Associated Press

Given Imaging Ltd (NASDAQ: GIVN), a world leader in GI medical devices and pioneer of capsule endoscopy, today announced that effective January 1, 2013, the 2013 National Average Medicare Physician Fee allowable for its recently acquired SmartPill® Wireless Motility Capsule (SmartPill) procedure is $1,188.93. This amount differs from the previously proposed $873.28, due to avoidance of the 27% tax cut that was originally expected to go into effect in 2013. SmartPill's new Category 1 CPT code is 91112. The SmartPill procedure uses sensor-based capsule technology to measure gastric emptying, small bowel transit, colonic transit and whole gut transit times to evaluate motility disorders like gastroparesis and chronic constipation.

The company believes that this new permanent CPT code confirms the value of the SmartPill procedure and may assist in submitting claims electronically. Currently, there are favorable coverage policies for the SmartPill with Medicare Palmetto GBA (J1 & 11), with 6.2 million lives covered, and with United Healthcare, with 36 million lives covered. Additionally, it is anticipated that commercial payers will also use the new allowable amount as a benchmark for their payment based on their individual contracts.

"We are very pleased about this new reimbursement code," said Homi Shamir, President and CEO of Given Imaging. "We see this as an indication of acceptance of the SmartPill technology, which is an important and patient-friendly tool for physicians caring for patients suffering from symptoms of GI motility disorders."

Traditionally, patients with symptoms of upper or lower gastromotility disorders undergo gastric emptying scintigraphy and colonic Sitzmarks testing. Due to the expense of conducting these types of evaluations, SmartPill can provide a cost-effective, radiation-free alternative for measuring gastric emptying and total GI transit times along with pH, pressure and temperature of the GI tract.

About SmartPill® motility monitoring systemThe SmartPill motility monitoring system offers a unique way to assess motility by collecting and analyzing data from within the entire GI tract via a test that can be performed in the clinic or physician's office. The test is ambulatory, allowing the patient to go about their normal routine throughout the test. As the SmartPill capsule passes through the GI tract, it transmits data to a recorder worn by the patient. Once the single-use capsule has passed from the body, study data are downloaded from the recorder to a computer. The physician then uses MotiliGI® software to display and analyze the data,

providing test results in both graphical and report formats. Results are used for the evaluation of gastroparesis and chronic constipation. The SmartPill motility monitoring system was granted initial 510(k) release from the U.S. Food and Drug Administration (FDA) in July 2006.

About Given Imaging Ltd.Since pioneering the field of capsule endoscopy in 2001, Given Imaging has become a world leader in GI medical devices, offering health care providers a range of innovative options for visualizing, diagnosing and monitoring the digestive system. The company offers a broad product portfolio including PillCam® capsule endoscopy for the small bowel, esophagus and colon. The company also offers industry-leading GI functional diagnostic solutions including ManoScan high resolution manometry, Bravo® capsule-based pH monitoring, Digitrapper® pH-Z impedance, and the SmartPill® motility monitoring systems. Given Imaging is committed to delivering breakthrough innovations to the GI community and supporting its ongoing clinical needs. Given Imaging's headquarters are located in Yoqneam, Israel, with operating subsidiaries in the United States, Germany, France, Japan, Australia, Vietnam, Hong Kong and Brazil. For more information, please visit www.givenimaging.com.

Forward-Looking Statements This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, projections about our business and our future revenues, expenses and profitability. Forward-looking statements may be, but are not necessarily, identified by the use of forward-looking terminology such as "may," "anticipates," "estimates," "expects," "intends," "plans," "believes," and words and terms of similar substance. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual events, results, performance, circumstances or achievements of the Company to be materially different from any future events, results, performance, circumstances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include statements relating to the Company exploring strategic alternatives and considering possible strategic transactions involving the Company. Factors that could cause actual events, results, performance, circumstances or achievements to differ from such forward-looking statements include, but are not limited to, the ability of the Company to reach agreement on any strategic alternative and/or to complete any such alternative, as well as the following: (1) our ability to develop and bring to market new products, (2) our ability to successfully complete any necessary or required clinical studies with our products, (3) our ability to receive regulatory clearance or approval to market our products or changes in regulatory environment, (4) our success in implementing our sales, marketing and manufacturing plans, (5) the level of adoption of our products by medical practitioners, (6) the emergence of other products that may make our products obsolete, (7) lack of an appropriate bowel preparation materials to be used with our PillCam COLON capsule, (8) protection and validity of patents and other intellectual property rights, (9) the impact of currency exchange rates, (10) the effect of competition by other companies, (11) the outcome of significant litigation, (12) our ability to obtain reimbursement for our product from government and commercial payors, (13) quarterly variations in operating results, (14) the possibility

of armed conflict or civil or military unrest in Israel, (15) the impact of global economic conditions, (16) our ability to successfully integrate acquired businesses, (17) changes and reforms in applicable healthcare laws and regulations, (18) quality issues and adverse events related to our products, such as capsule retention, aspiration and failure to attach or detach, bleeding or perforation that could require us to recall products and impact our sales and net income, and (19) other risks and factors disclosed in our filings with the U.S. Securities and Exchange Commission, including, but not limited to, risks and factors identified under such headings as "Risk Factors," "Cautionary Language Regarding Forward-Looking Statements" and "Operating Results and Financial Review and Prospects" in the Company's Annual Report on Form 20-F for the year ended December 31, 2011. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except to the extent expressly required under applicable law, the Company undertakes no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

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