

2008 European Technology Innovation Award**Applisonix Ltd.**

The 2008 Frost & Sullivan European Technology Innovation Award for new hair removal solutions for the aesthetics market goes to Applisonix Ltd. for the company's revolutionary and unique ultrasonic technology, IMPRESA™. The technology platform offers a unique solution for long-term hair removal for all skin tones, hair colors, and body parts. The company's unique IMPRESA™ technology represents an exciting prospect for novel hair removal devices applicable for professionals as well as consumers.

Company Background

Headquartered in Rehovot, Israel, Applisonix Ltd. has been focused on developing new and innovative approaches for several ultrasound-based aesthetic applications. Incorporated in 2004, the company has looked into acoustic energy or ultrasound to provide hair removal solutions. Following its operations under the auspices of Maayan Ventures during its first two years, the company completed a private investment round in 2006 and subsequently a public round in the Tel Aviv Stock Exchange (TASE) in early 2007. Backed by some of the most important investment companies in Israel, Applisonix has a team of experts from several fields including health care and medical devices, strategic marketing, product management, and business development.

Technology Relevance in the Market Place

Removal of unwanted hair employed the use of traditional waxing or electrolysis for a very long time. Since the 1990's, lasers and other light-based solutions have been used for long term hair removal. The need for new approaches to enable hair removal arises from the existing negative impact of the current methodologies, such as high costs, frequent visits to the aesthetic clinics, and considerable risks to the patient community. In addition to this, the effectiveness of several dominant methods greatly relies on the hair color and skin tone. The urgent industry demand for an ideal platform to tackle the present challenges in hair removal with a big focus on features such as patient compliance and lower costs have paved way for the development of Applisonix's ultrasonic technology known as IMPRESA™.

How the Technology Works

IMPRESA™, which stands for IMmediate, PREcise, and Selective Acoustics technology approach, utilizes the hair and the skin characteristics to make the hair serve as an accurate and efficient ultrasonic waveguide. Employing an ultrasonic head, acoustic energy is focused into the hair shaft channeling ultrasound energy precisely to the hair root, where heat energy is generated. This heat energy essentially causes a long-term damage to the hair root thereby preventing hair re-growth. The uniqueness of this technology lies in the fact that with the energy being precisely focused at the hair-shaft, the surrounding skin is unaffected. Also, the technology does not distinguish between hair colors or skin tones, allowing the application in both men and women with little, if any pain.

With a clear vision to become a leader in aesthetic devices for the consumer and professional markets, the company has developed a prototype device based on its proprietary technology. Selectif™, which is powered by the proprietary IMPRESA™ technology, combines safety, effectiveness, affordability, and accuracy to enable professionals to deliver the best long-term hair removal results mainly for their customers' most visible area - the face. Recently, the company announced that following an initial treatment with this prototype device, there was an average hair reduction of 38%, which demonstrates its efficacy as a long-term hair removal solution. The company aims to introduce Selectif™, a hair-by-hair solution for the professional market in the first quarter of 2009, to be followed later by additional components for treating larger surfaces.

Business & Partnerships

In an attempt to further accelerate the research and development, the company has entered into a collaborative agreement with a consumer device company and has a portfolio expansion initiative underway. In June 2008 Applisonix received the CE mark for marketing its first product in Europe. With a strong infrastructure for developing innovative ultrasound applications, the company has achieved all the milestones, as outlined in the prospectus. The company is dedicated toward offering new products and technology to provide a competitive edge and significant business opportunities to both the manufacturer and the clinical community at large.

Conclusion

Applisonix's IMPRESA™ technology platform complements the existing hair removal approaches in terms of precision, high levels of accuracy, safety, and long-term efficacy. The technology holds huge market potential and the company showed impressive execution capabilities. As ultrasound becomes an emerging technology in the aesthetic market, Applisonix's technology platform and experience pave the road

for the company to join the leading aesthetic companies in the world in the hair removal and aesthetic market. In recognition of its technical capabilities to revolutionize hair removal, Frost & Sullivan is pleased to present the 2008 European Technology Innovation Award to Applisonix Ltd.

Award Description

Frost & Sullivan's Technology Innovation Award is bestowed upon a company (or individual) that has carried out new research, which has resulted in innovation(s) that have or are expected to bring significant contributions to the industry in terms of adoption, change, and competitive posture. This award recognizes the quality and depth of a company's research and development program as well as the vision and risk-taking that enabled it to undertake such an endeavor.

Research Methodology

To choose the award recipient, Frost & Sullivan's analyst team tracks innovation in key hi-tech markets. The selection process includes primary participant interviews and extensive primary and secondary research via the bottom-up approach. The analyst team shortlists candidates on the basis of a set of qualitative and quantitative measurements. The analysts also consider the pace of research and technology innovation, and the significance or potential relevance of the innovation to the overall industry. The ultimate award recipient is chosen after a thorough evaluation of this research.

Measurement Criteria

In addition to the methodology described above, there are specific criteria used to determine the final rankings. The recipient of this award has excelled based on one or more of the following criteria:

- Significance of the innovation(s) in the industry, and across industries (if applicable).
- Potential of the products of innovation(s) to become industry standard(s).
- Competitive advantage of innovation vis-à-vis other related innovations.
- Impact (or potential impact) of innovation(s) on company or industry mind share and/or company bottom line.
- Breadth of intellectual property related to the innovation(s), that is, patents, scientific publications, and papers in peer-reviewed journals.

About Best Practices

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

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