

**2009 North American Medical Imaging
Emerging Technology of the Year Award**

Naviscan, Inc.

Frost & Sullivan is proud to present the 2009 Emerging Technology of the Year Award in the North American Medical Imaging industry to Naviscan, Inc., a San Diego based company. Naviscan, Inc. receives this Award in recognition of the company's truly impressive progress in developing to market a next-generation, breast-specific PET scanner and adjunct biopsy guidance system that is set to redefine the standard of care for breast cancer patients.

Naviscan distinguished itself in 2008 as the only company to commercially offer a Positron Emission Mammography (PEM) imaging scanner as well as an adjunct PEM-guided biopsy system. As a market and technology leader in molecular breast imaging, the company's promising technology continues to garner the attention of some of the nation's leading women's imaging facilities, including Manhattan Diagnostic Radiology who was recently recognized as a Breast Imaging Center of Excellence by the American College of Radiology.

Building a Strong Foundation for Growth With Market-leading Technologies

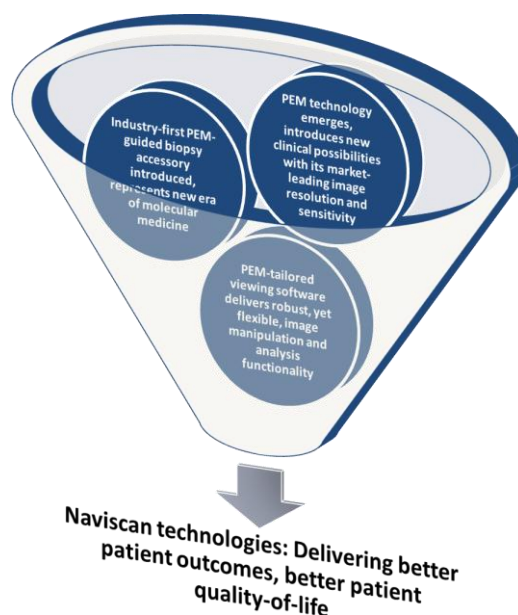
Mounting evidence has recently come forth demonstrating the superior performance and cost-effectiveness of molecular breast imaging (MBI). In effect, MBI has subsequently created for itself a sizeable niche market as a proven adjunct technology to traditional full-field digital mammography (FFDM). To capitalize on the upward trend of an aging women population with dense breast tissue and other high-risk factors, a growing number of women's imaging centers are turning to MBI, in particular PEM, in recognition of the modality's added clinical value and favorable Medicare/Medicaid and private payor reimbursement.

Naviscan has created for itself a strong foundation for growth given the fact that they remain the sole company to commercially offer a dedicated PEM scanner. Thirteen years of research and development, clinical trials, and post-marketing efforts serve as a testament to the company's unwavering vision and steadfast dedication to addressing unfulfilled needs within the women's health community. Since its first commercial product in 2007, the company has swiftly introduced in 2008 a second-generation PEM scanner (Naviscan PET scanner) as well as a revolutionary, industry-first PEM-guided biopsy system (Stereo Navigator™). Both technologies represent industry-firsts that introduce new benchmarks to the performance and accuracy of molecular imaging and modality-guided biopsy, respectively.

Naviscan's PET scanner, housed in a unit roughly the same size of a traditional mammography scanner, boasts image resolution capabilities that allow physicians to resolve lesions down to 2 mm. With its significant advances in resolution and

contrast, PEM easily outperforms all other modalities in terms of performance within the breast screening arena. In addition, PEM allows greater patient comfort during the procedure as the unit functions with less breast compression forces than its mammography counterpart (thereby reducing motion artifact and improving image resolution).

Even more impressive, however, is Naviscan's Stereo Navigator™, an industry-first PEM-based guidance system that recently earned market approval in November 2008. Because the accuracy of modality-guided biopsy is inherently dependent on the depth of detail within a diagnostic image, the accuracy (and thus efficacy) noticeably fluctuates depending on the level of pathological information available (provided by the modality). Given the advantages of PEM imaging and its capability to produce molecular tomographic images, it becomes easy for end-users to identify the added significant value of PEM-based biopsy in initial diagnosis as well as subsequent course of treatment for breast cancer patients. Future growth for the technology will be facilitated through non-US market expansion efforts for PEM in addition to reliance on growth of three market-leading interventional devices the Stereo Navigator shares compatibility with (Mammotome®, ATEC®, and EnCor®). In short, new benchmarks for the safety, efficacy, and cost-effectiveness have been set by the newly introduced Stereo Navigator™.



Conclusion

Clinical Expertise. Maturity. Talent. Under the guidance of these three core competencies, Naviscan built an impressive new management team and board of directors in 2008. As a testament to what the new management team has brought to the table, the company saw orders more than double in 2008 – a truly impressive feat given the harsh market and economic dynamics that have affected the entire diagnostic industry. The company is expected to carry forth in 2009 its amazing progress and explore other growth engines within non-breast clinical and preclinical applications.

Naviscan's 13 years of research and development, clinical trials, and post-marketing efforts have brought to fruit a truly impressive product line that has laid down a strong foundation for future growth. Naviscan's clinical expertise and emerging technologies' unparalleled performance has established the company as a leading technology provider that is shaping the future of molecular imaging. Based on these factors, Frost & Sullivan is proud to present Naviscan with the 2009 North American Medical Imaging Emerging Technology of the Year Award.

Award Description

The Frost & Sullivan Emerging Technology of the Year Award is presented to the company that has demonstrated technological superiority within its industry. This Award recognizes the ability of the company to successfully develop or introduce a new technology, formulate a well-designed product family, and make significant product performance contributions to the industry.

Research Methodology

To choose the recipient of this Award, the analyst team tracks emerging and existing technologies as well as research and development (R&D) developments. This is accomplished through interviews with major market participants and extensive secondary research. Also considered are elements such as product launches, customer acceptance, penetration rates, and time to market. Finally, competitors are compared and ranked for relative position. Frost & Sullivan then presents the Award to the company that received the number one industry rank.

Measurement Criteria

The recipient that is chosen for the Frost & Sullivan Award for Emerging Technology of the Year must match the following criteria:

- Technology innovation compared to competitors

- Number of competitors having similar industry technology (competitive factor)
- Value-added technology and services to the customers
- Time to market
- R&D expenditures
- Price premium
- First to market
- Adoption rate

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.

About Frost & Sullivan

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