

Frost & Sullivan Names Naviscan a Leader in the Future of Molecular Breast Imaging

MOUNTAIN VIEW, Calif. — February 19, 2009 Based on its recent analysis of the medical imaging market, Frost & Sullivan presents Naviscan, Inc. with the 2009 North American Frost & Sullivan Award for Emerging Technology of the Year. The Award recognizes the company's 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 accessory. As the market and technology leader in molecular breast imaging (MBI), 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, a practice that was recently recognized as a Breast Imaging Center of Excellence by the American College of Radiology.

"MBI has rapidly created a sizeable niche market for itself as a proven adjunct technology to traditional, full-field digital mammography (FFDM)," says Frost & Sullivan Industry Analyst Travis Chong. "To capitalize on the upward trend of an aging female 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 is the sole company to commercially offer a dedicated PEM scanner. Since its first commercial product launch in 2005, it has swiftly introduced in 2007 the Naviscan PET scanner – a second-generation PEM scanner – as well as the revolutionary Stereo Navigator™ PEM-guided biopsy system. Both technologies represent industry-firsts that introduce new benchmarks to the performance and accuracy of molecular imaging and modality-guided biopsy, respectively. 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.

Naviscan's PET scanner, housed in a unit roughly the same size as 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 50% less breast compression forces than its mammography counterpart (thereby reducing motion artifact and improving image resolution).

Even more impressive is Naviscan's PEM-guided biopsy capability. For the first time, physicians can biopsy using a PET-based scanner enabled by the advantages of PEM imaging and its capability to produce molecular tomographic images with 2 mm resolution. PEM-based biopsy adds significant value in initial diagnosis as well as subsequent course of treatment for breast cancer patients highlighted by its ability to obtain immediate confirmation of the accuracy of the sample acquired by imaging the FDG-filled sample. Future growth for the technology will be facilitated through non-US market expansion efforts in addition to reliance on growth of three market-leading breast biopsy systems the Stereo Navigator shares compatibility with – the Mammotome®, ATEC®, and EnCor®. In short, new benchmarks for safety, efficacy, and cost-effectiveness have been set by the newly introduced Stereo Navigator™.

Finally, Naviscan's new management team and board of directors have overcome challenges given the harsh market and economic dynamics that have affected the entire diagnostic industry. The company saw orders more than double in 2008, and the company is expected to progress and explore other growth engines within non-breast clinical and preclinical applications.

In recognition of its clinical expertise and emerging technologies' unparalleled performance that have established Naviscan as a leading technology provider shaping the future of molecular imaging, Frost & Sullivan is proud to present the company with the 2009 North American Medical Imaging Emerging Technology of the Year Award.

Each year, Frost & Sullivan presents this award to the company that has demonstrated technological superiority within its industry. The 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.

Frost & Sullivan's 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 Naviscan, Inc.

Naviscan, founded in 1995, develops and markets compact, high-resolution PET scanners that provide organ-specific molecular imaging, guide radiological and surgical procedures and advance new clinical therapies. The Naviscan PET scanner is currently installed and available in breast and imaging centers throughout the U.S., as well as utilized in clinical research studies, funded in part by the National Institutes of Health.

The Company is headquartered in San Diego, California and is the first company to obtain FDA clearance of a high-resolution PET scanner and biopsy guidance accessory designed to image small body parts. For more information, call 1.858.587.3641 or visit www.naviscan.com

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Contact:

Jake Wengroff

210.247.3806

jake.wengroff@frost.com