



PRESS RELEASE

February 15th 2007

Syneron Reports Strong Fourth Quarter 2006 Revenues of \$35 million

Full Year Revenues up 34% to \$117 million

Yokneam, Israel – February 15th 2007 – Syneron Medical Ltd. (NASDAQ: ELOS), an innovator in the development, marketing and sales of elōs™ combined-energy medical aesthetic devices, today announced financial results for the fourth quarter and the full year ended December 31st, 2006.

Revenues for the fourth quarter of 2006 grew 48% over the same period in 2005 and 14% over the prior quarter to a record high of \$35 million. Revenues grew strongly across all geographical regions, with North America accounting for 59% of total revenues of fourth quarter of 2006 and with international sales accounting for the balance.

Net income for the fourth quarter of 2006 on a US GAAP basis (“GAAP”) was \$11.6 million, or \$0.42 per diluted share, which includes stock-based compensation expense of \$2.1 million, or \$0.08 per diluted share. On a pro forma basis, exclusive of stock-based compensation, net income for the fourth quarter of 2006 was \$13.7 million, or \$0.49 per diluted share.

Management uses both GAAP and non-GAAP measures when evaluating the business internally and therefore believes that the non-GAAP figures more effectively describe the company’ business and, hence, is making the non-GAAP adjustments available to investors. (Refer to the "Use of Non-GAAP Measures" section and accompanying financial table for reconciliation of GAAP financial information to Non-GAAP).

For the full year 2006, revenues grew 34% to \$117 million and net income on a GAAP basis was \$39.7 million, or \$1.44 per diluted share. For the full year 2005, the Company recorded revenues and net income of \$87.4 million and \$41.1 million, respectively, or net income of \$1.48 per diluted share. On a pro forma basis net income for the full year 2006 was \$47.8 million, or \$1.73 per diluted share, representing a 17% rise from net income in 2005.

Commenting on the year’s achievements and financial results, CEO David Schlachet said, "2006 was another record year for Syneron with significant revenue growth in all markets. We also focused on enhancing our infrastructure and building our management team. These efforts have put Syneron in an excellent position for continued growth and increase in shareholder value. Our investments in marketing, build up of our sales force and other sales channels and in R&D impacted our profitability last year. Yet our 40% profit margin remains the highest in the medical device sector."

Syneron's financial position remains strong. Syneron's cash position at the quarter's end (including long-term deposits) rose by \$12.4 million to \$171.3 million at the end of the quarter and shareholders' equity totaled \$194.4 million. Trade receivables were \$35.2 million on December 31st, 2006, representing a 5% decline to 90 days of sales outstanding on an average balance basis, compared to 94 days on September 30, 2006.



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Guidance

The following statements are forward-looking, and actual results may differ materially.

The Company expects revenues for the full year 2007 to grow approximately 20%. The Company also expects revenues for the first quarter of 2007 to grow at the same 20% rate compared to the first quarter of 2006.

Conference call

Syneron Management will host a conference call to discuss the results at 8:30am ET today, February 15th 2007. Investors and other interested parties may access a live web cast through Syneron's website at www.syneron.com. Please login at least 10 minutes prior to the conference call in order to download the applicable audio software. Following the conclusion of the call, a replay of the webcast will be available within 24 hours at the Company's website.

Use of Non-GAAP Measures

This press release provides financial measures for net income and basic and diluted earnings per share that exclude stock-based compensation expense and are therefore not calculated in accordance with generally accepted accounting principals (GAAP). Management believes that these non-GAAP financial measures provide meaningful supplemental information regarding our performance that enhances management's and investors' ability to evaluate the Company's net income and earnings per share and to compare it with historical net income and earnings per share prior to the adoption of FAS 123R.

The presentation of this non-GAAP financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management uses both GAAP and non-GAAP measures when evaluating the business internally and therefore felt it important to make these non-GAAP adjustments available to investors. A reconciliation of each GAAP to non-GAAP financial measure discussed in this press release is contained in the accompanying financial tables.



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About Syneron

Syneron Medical Ltd. (NASDAQ: ELOS) manufactures and distributes medical aesthetic devices that are powered by the proprietary, patented elōs combined-energy technology of Bi-Polar Radio Frequency and Light. The Company's innovative elōs technology provides the foundation for highly effective, safe and cost-effective systems that enable physicians to provide advanced solutions for a broad range of medical-aesthetic applications including hair removal, wrinkle reduction, rejuvenating the skin's appearance through the treatment of superficial benign vascular and pigmented lesions, and the treatment of acne, leg veins and cellulite. Founded in 2000, the corporate, R&D, and manufacturing headquarters for Syneron Medical Ltd. is located in Israel. Syneron has offices and distributors throughout the world, including North American Headquarters in Canada, European Headquarters in Germany, and Asia-Pacific Headquarters in Hong Kong, which provide sales, service and support. Additional information can be found at www.syneron.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 relating to future events or our future performance, including statements with respect to our expectations regarding, but not limited to, financial forecast for 2007, maintaining a leadership position in core markets, cross selling opportunities and the launch of a home use product. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied in those forward-looking statements, including, but not limited to, the risk associated with our ability to commercialize new products and identify new markets for our technology; ability to manage our growth; competition and pricing pressure and risks related to our intellectual property. These risks and other factors are summarized under the heading "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2005, filed with the Securities and Exchange Commission on June 30, 2006. These factors are updated from time to time through the filing of reports and registration statements with the Securities and Exchange Commission. We do not assume any obligation to update the forward-looking information contained in this press release.

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Source: Syneron Medical Ltd.



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**Syneron Medical Ltd.
CONSOLIDATED STATEMENT OF INCOME
U.S. dollars in thousands except per share data**

	Three Months ended December 31,		Twelve Months ended December 31,	
	2006	2005	2006	2005
	(unaudited)	(unaudited)	(unaudited)	(audited)
	-----	-----	-----	-----
Revenues	35,035	23,735	116,976	87,406
Cost of Revenues	5,366	3,099	17,921	11,428
	-----	-----	-----	-----
Gross Profit	29,669	20,636	99,055	75,978
Operating expenses				
Research and development	2,251	1,333	8,515	5,030
Selling and marketing	14,594	6,732	46,434	25,188
General and administrative	3,036	1,185	9,455	3,534
Other expenses				3,494
	-----	-----	-----	-----
Total operating expenses	19,881	9,250	64,404	37,246
	-----	-----	-----	-----
Operating Income	9,788	11,386	34,651	38,732
Financial income, net	2,396	1,057	6,492	3,081
	-----	-----	-----	-----
Income before taxes	12,184	12,443	41,143	41,813
Taxes on income	(630)	(400)	(1,489)	(750)
	-----	-----	-----	-----
Net Income	11,554	12,043	39,654	41,063
	-----	-----	-----	-----
Basic net earning per share	0.42	0.46	1.46	1.65
Diluted net earnings per share	0.42	0.43	1.44	1.48
	=====	=====	=====	=====
Weighted average number of shares used in per share calculation (in thousand):				
Basic	27,490	26,162	27,202	24,888
Diluted	27,632	27,742	27,601	27,664
	=====	=====	=====	=====



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**Syneron Medical Ltd.
CONSOLIDATED BALANCE SHEETS
U.S. dollars in thousands**

	31 December 2006 (unaudited)	31 December 2005 (unaudited)
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CURRENT ASSETS		
Cash and cash equivalents ⁽¹⁾	16,036	13,070
Short term deposits ⁽¹⁾	5,000	3,500
Marketable securities ⁽¹⁾	81,014	116,489
Trade receivables	35,195	19,776
Other receivables and prepaid expenses	9,488	9,293
Inventories	7,084	3,434
	-----	-----
Total current assets	153,817	165,562
LONG TERM ASSETS		
Severance pay fund	368	249
Long-term deposits and other cash equivalent ⁽¹⁾	69,252	1,103
Long-term trade receivables	--	1,003
Property and equipment, net	1,514	1,189
	-----	-----
Long Term Assets	71,134	3,544
OTHER ASSETS	1,127	1,175
	-----	-----
Total Assets	226,078	170,281
	=====	=====
CURRENT LIABILITIES		
Trade Payables	6,452	2,112
Other current liabilities	19,753	18,960
	-----	-----
Total current liabilities	26,205	21,072
LONG TERM LIABILITIES		
Deferred Revenue and Warranty	5,070	3,763
Accrued severance pay	405	282
	-----	-----
Total long-term liabilities	5,475	4,045
SHAREHOLDERS' EQUITY:	194,398	145,164
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Total liabilities and shareholders' equity	226,078	170,281
	=====	=====
⁽¹⁾ Total Short and Long Terms Cash and Equivalent	171,302	134,162



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**Syneron Medical Ltd.
CONSOLIDATED STATEMENT OF CASH FLOW
U.S. dollars in thousand**

	Three Months ended December 31,		Twelve Months ended December 31,	
	2006 (unaudited)	2005 (unaudited)	2006 (unaudited)	2005 (unaudited)
	-----	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	11,554	12,041	39,654	41,061
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	195	152	720	569
Accrued severance pay, net	(21)	13	4	15
Increase in short-term and long-term trade receivables	(2,147)	(4,534)	(13,937)	(11,397)
Decrease (increase) in other accounts receivables and prepaid expenses	(2,105)	(7,193)	(195)	(7,761)
Increase in inventories	(1,984)	253	(3,650)	(300)
Increase in trade payables	2,571	458	4,340	592
Decrease in other current liabilities	1,225	7,118	(284)	7,542
Gain (loss) on available for sale securities	(499)	(2,195)	51	(908)
Stock-based compensation	2,153	37	8,257	148
Increase (decrease) in deferred revenues	895	(87)	2,384	1,770
Loss on sales of property and equipment	-	-	-	12
	<u>11,837</u>	<u>6,063</u>	<u>37,344</u>	<u>31,343</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Investment in short-term deposits, net	-	8,768	(5,000)	53,393
Purchase of available-for-sale securities	(53,539)	(23,713)	(82,207)	(98,880)
Proceeds from sale of available-for-sale securities	43,807	886	49,996	4,256
Payments for acquisition of long-term loans and others	(19)	-	-	-
Investment in long-term deposits and other	-	(58)	(2)	(75)
Proceeds from long term loans and other	-	-	3,500	-
Purchase of property and equipment	(252)	(90)	(747)	(645)
Purchase of other assets	(250)	-	(250)	(466)
Proceeds from sale of property and equipment	-	-	-	8
	<u>(10,253)</u>	<u>(14,207)</u>	<u>(34,710)</u>	<u>(42,409)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Exercise of options	16	8,686	332	11,666
	<u>16</u>	<u>8,686</u>	<u>332</u>	<u>11,666</u>
Increase in cash and cash equivalents	1,600	542	2,966	600
Cash and cash equivalents at the beginning of the period	<u>14,436</u>	<u>12,526</u>	<u>13,070</u>	<u>12,468</u>
Cash and cash equivalents at the end of the period	<u><u>16,036</u></u>	<u><u>13,068</u></u>	<u><u>16,036</u></u>	<u><u>13,068</u></u>



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**Syneron Medical Ltd.
Reconciliation Between GAAP To Non-GAAP Consolidated Statement Of Income
U.S. dollars in thousands except per share data**

	Three Months ended 31 December 2006			Twelve Months ended 31 December 2006		
	GAAP (unaudited)	FAS 123R Adjustment	Non-GAAP (unaudited)	GAAP (unaudited)	FAS 123R Adjustment	Non-GAAP (unaudited)
Revenues	35,035		35,035	116,976		116,976
Cost of Revenues	5,366	105	5,261	17,921	267	17,654
Gross Profit	29,669	105	29,774	99,055	267	99,322
Operating expenses:						
Research and development	2,251	236	2,015	8,515	628	7,887
Selling and marketing	14,594	1,135	13,459	46,434	4,942	41,492
General and administrative	3,036	640	2,396	9,455	2,271	7,184
Total operating expenses	19,881	2,011	17,870	64,404	7,841	56,563
Operating Income	9,788	2,116	11,904	34,651	8,108	42,759
Financial income, net	2,396		2,396	6,492		6,492
Income before taxes	12,184	2,116	14,300	41,143	8,108	49,251
Taxes on income	(630)		(630)	(1,489)		(1,489)
Net Income	11,554	2,116	13,670	39,654	8,108	47,762
Basic net earning per share	0.42	0.08	0.50	1.46	0.30	1.76
Diluted net earnings per share	0.42	0.07	0.49	1.44	0.29	1.73
=====						
Weighted average number of shares used in er share calculation (in thousand):						
Basic	27,490		27,490	27,202		27,202
Diluted	27,632		27,632	27,601		27,601
=====						