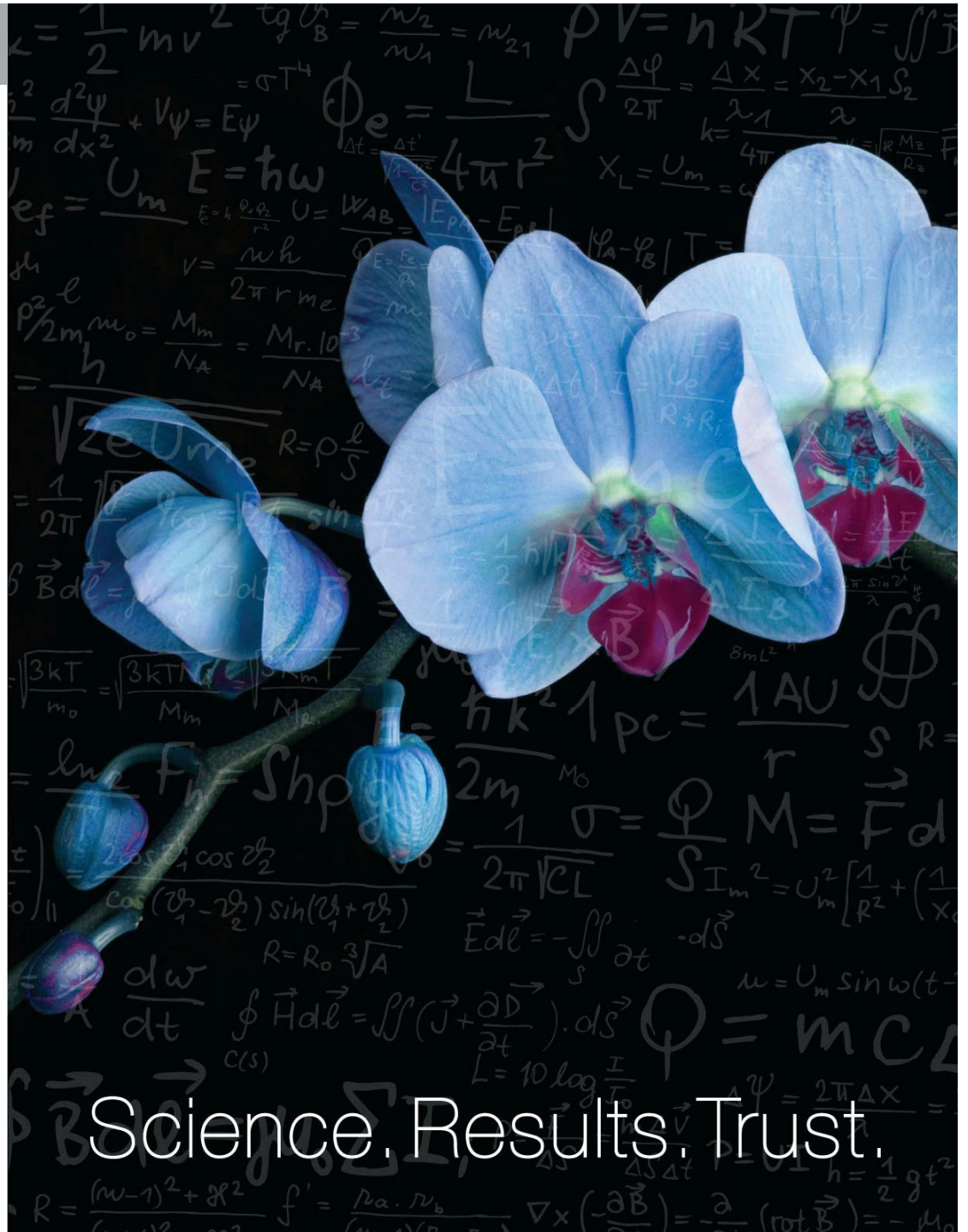


# Syneron Medical Ltd. Investor Presentation June 2011



Science, Results, Trust.



## Safe Harbor For Forward Looking Statements

Any statements contained in this document regarding future expectations, beliefs, goals, plans or prospects constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Further, any statements that are not statements of historical fact (including statements containing "believes," "anticipates," "plans," "expects," "may," "will," "would," "intends," "estimates" and similar expressions) should also be considered to be forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including the risk that the businesses of Syneron and Candela may not be integrated successfully; the risk that the merger transaction with Candela may involve unexpected costs or unexpected liabilities; the risk that synergies from the merger transaction may not be fully realized or may take longer to realize than expected; the risk that disruptions from the merger transaction make it more difficult to maintain relationships with customers, employees, or suppliers; as well as the risks set forth in Syneron Medical Ltd.'s most recent Annual Report on Form 20-F, and the other factors described in the filings that Syneron Medical Ltd. makes with the SEC from time to time. If one or more of these factors materialize, or if any underlying assumptions prove incorrect, Syneron Medical Ltd.'s actual results, performance or achievements may vary materially from any future results, performance or achievements expressed or implied by these forward-looking statements.

In addition, the statements in this document reflect the expectations and beliefs of Syneron Medical Ltd. as of the date of this document. Syneron Medical Ltd. anticipates that subsequent events and developments will cause its expectations and beliefs to change. However, while Syneron Medical Ltd. may elect to update these forward-looking statements publicly in the future, it specifically disclaims any obligation to do so. The forward-looking statements of Syneron Medical Ltd. do not reflect the potential impact of any future dispositions or strategic transactions that may be undertaken. These forward-looking statements should not be relied upon as representing Syneron Medical Ltd.'s views as of any date after the date of this document.



# Investment Highlights

- Global leader in aesthetic devices with 39% world-wide market share<sup>1</sup>
- Platform aesthetic company with largest worldwide sales, distribution and service network across 90 countries
- Comprehensive and diverse product portfolio with leadership position in largest and fastest growing markets
- Differentiated by product innovation, customer relationships and strong clinical data
- ~\$190 million revenue<sup>2</sup> (28% recurring<sup>3</sup>); \$211 million in cash (no debt); significant tax advantages

1 – Based on US publicly traded companies only; Does not include: privately held companies, home use companies, dental companies, aesthetic topicals/ cosmeceuticals companies, foreign-exchange listed companies, etc.

2 – 2010 revenue

3 – Based on 4Q 2010 results

# Leading Aesthetic Industry



- Established brand reputations and proven clinical efficacy
- Leveraging infrastructure and customer base
- High growth in select markets
- Strong cross-selling opportunities

- Home Use Devices (HUD) and skin whitening topical – new, high growth markets
- Increasing consumer demand
- High margin, recurring revenue
- Leverages professional device technology and expertise

# Superior Science – Core Technologies

## Electro-Optical Synergy (elōs)

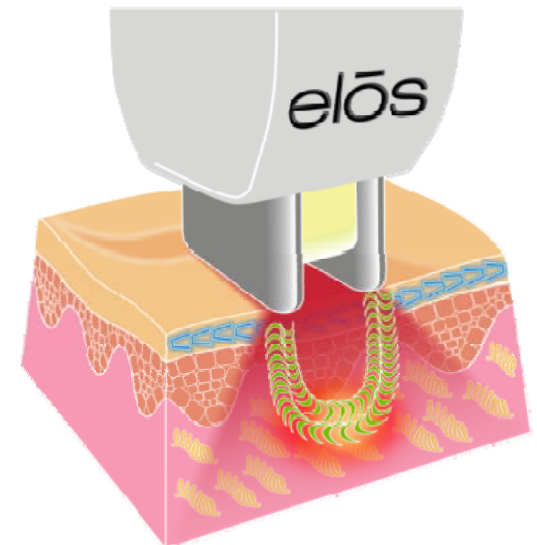
- Proprietary technology – first and only combination of bi-polar radio frequency (RF) and optical energy (laser or light)
  - Provides safe, controllable energy with enhanced penetration
  - Safe for all skin types with no additional risk to the epidermis
  - Optimal home-use profile

## Candela Lasers

- 40 years of innovation leadership
- Best-in-class products

## Additional Core Competencies:

- Radio Frequency
- Intense Pulsed Light
- Ultrasound
- LED (Tända)
- Skin Whitening (elure)
- Teeth Whitening (Fluorinex)





# Delivering Enhanced Value to the Customer

- Differentiated products with clinically validated efficacy
  - 75+ patents granted with 150 pending
  - 50+ clinical studies, publications, and presentations in 2010
  - Strong credibility with thought-leaders
  - Continue acquiring innovative technologies
- Address key customer and patient demands to drive procedure volume
- Superior global customer service and product support
- Leveraging technology in Professional and Emerging Aesthetic Device markets

Syneronadvantage™

Syneron™









6



 CANDELA®

# Positioned to Outgrow the Industry

- Strongest industry position in largest and fastest growing Professional Aesthetic Device market segments – #1 or #2 position in each market segment
- Complementary products for dermatologists, plastic surgeons and non-core customers

Procedure	2013 (projected volume)	CAGR (2008 - 2013)	Syneron / Candela Products
Fractional Skin Rejuvenation	3,567,000	15.8%	 
Skin Rejuvenation	2,889,000	8.5%	
Cellulite Reduction	1,784,000	19.5%	<i>VelaShape™ VelaShape II™ Velasmoothpro™</i>
Hair Removal	9,365,000	13.0%	 
Skin Tightening	1,226,000	21.8%	
Vascular Lesion Removal	1,003,000	9.4%	 
Pigment Lesion Removal	892,000	10.2%	
Tattoo Removal	669,000	12.8%	 

# Pioneering New Treatment Categories: eMatrix & ePrime

eMatrix™



## eMatrix: Subablative Rejuvenation

- For wrinkle reduction, texture & acne scars reduction
- “Color Blind” – significant opportunity for ethnic skin
- Little to no patient downtime & consistent results

Eliminate Guesswork.  
Introducing  
ePrime™  
Energy-Based Dermal Volumizer™

## ePrime

- Minimally invasive, non-surgical RF aesthetic device for treatment of skin tone, laxity & volume
- Alternative to surgical “lift” procedures

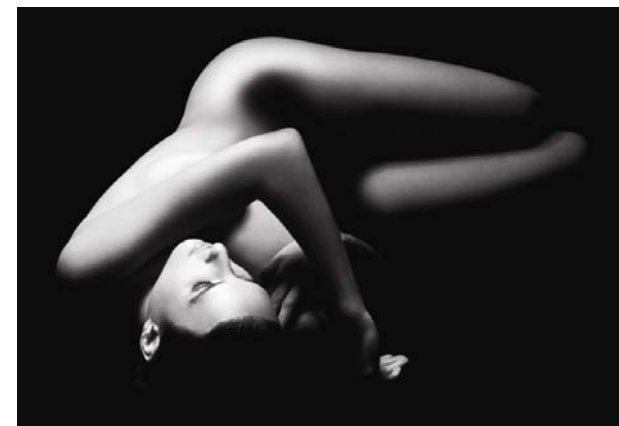


Expands revenue opportunities for physicians  
New price point that can be combined with other treatments  
Clinically proven efficacy with high patient satisfaction  
Growth opportunities with high margin recurring revenue

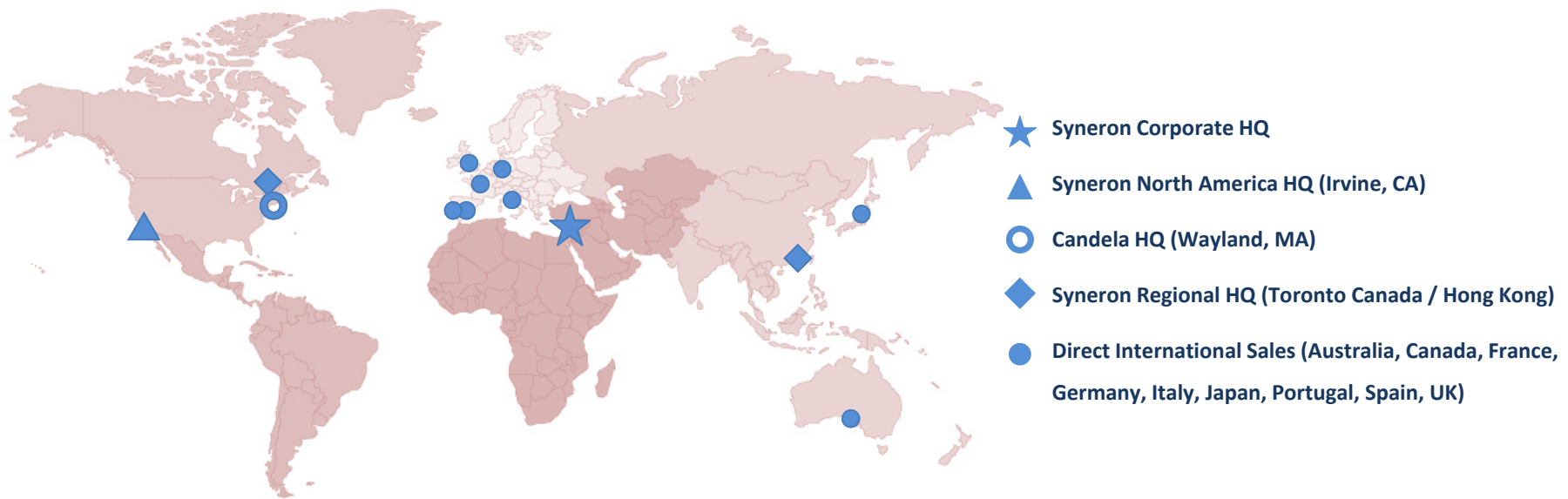
## Best-in-Class Product Portfolio

- VelaShape – Clear leader in non-invasive body shaping and cellulite treatment
  - 3.5 million+ procedures performed
  - Installed base: 7,000 units worldwide
  - 40,000 Web site hits per month
- New products feature per procedure disposables
- Physician leverage through VelaShape treatment bundle
  - Improves results as adjunct to every competitive modality

VelaShape™  
VelaShape II™  
Velasmoothpro™



# Unmatched Global Footprint & Distribution



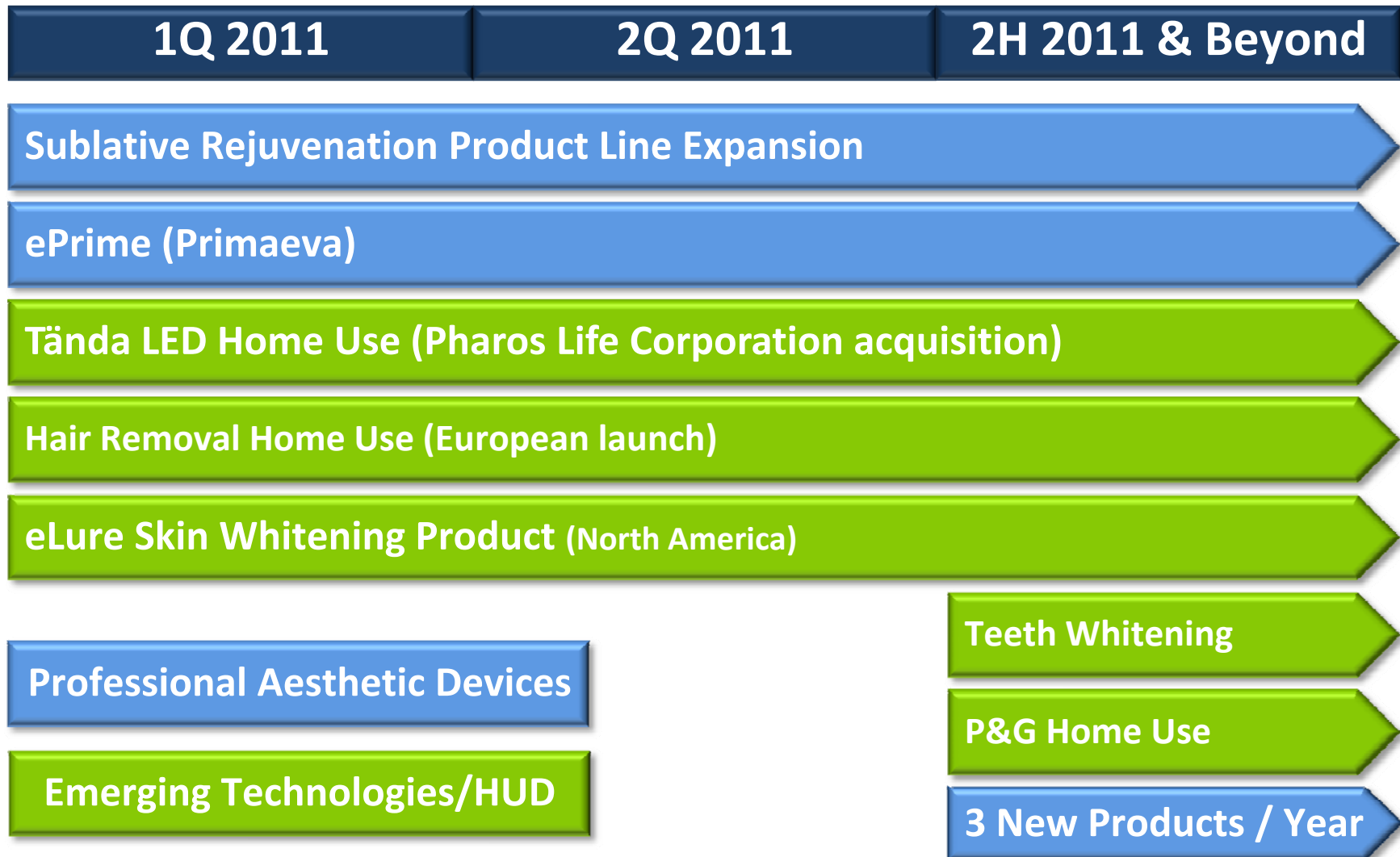
- Global infrastructure provides agility and flexibility
  - Channel to market capability in 90 countries
  - Clear leader in the international market
  - Rapidly deploying resources to high growth markets
  - Accelerating global cross selling opportunities
- Multiple sales channels across geographies and product segments
  - Direct presence in 10 key markets
  - Direct sales enhance customer relationships, drive service revenue and increase profitability

## Well Positioned in High Growth Markets

- Driving growth with safer and easier-to-use technology for all age groups and skin types
- Asia-Pacific growth greater than 25%
  - Long-term presence with stable and loyal Asia-Pacific team
  - Strong KOL support and first to establish Asian Medical Advisory Board
  - Multi-pronged approach for high growth Chinese market
- Latin America / Hispanic growth greater than 15%



# Robust and Innovative New Product Pipeline





# Leader in High Growth Emerging Technologies

*Significant growth opportunities with high margin, recurring revenue products*

## Home Use Devices (HUD)

- Projected \$350+ million market in 2013 with 27% 5-year CAGR <sup>1,2</sup>
- Increased consumer desire for advanced aesthetic treatment at home
- Includes facial/skin rejuvenation, hair removal, and cellulite/body shaping

## Teeth Whitening and Fluorination

- Blockbuster global market ~\$5.5B billion

## Skin Lightening

- Blockbuster global market ~\$14 billion (~\$1 billion professional market)
- Daily use product – major recurring revenue opportunity
- Skin lightening widely used in Asia (~90% of market)

# Home-Use Devices

## elos Skin Rejuvenation Home Use Device

- Strategic partnership with Procter & Gamble for co-branded skin rejuvenation product
- Designed with strong focus on exceptional results, ease-of-use and safety controls



## Tända LED Home Use Devices

- Clinically validated LED light therapy is complementary to Syneron's technology
- Multi-pronged distribution model including premium retailers and healthcare professionals
- Tända product categories: Acne Solution, Anti-Aging Solution, and Pain Relief



# Home-Use Devices

## “ME” Home-Use Hair Removal System

- Dual action: immediate & permanent hair removal performed simultaneously
- More effective on light colored hair due to elōs technology & epilation
- Suitable for nearly all skin types
- Fastest performance on the market – 4X faster



## Fluorinex Teeth Whitening Home Use System

- Pivotal clinical study (120 patients) demonstrate superior results vs. top competitive product for both whitening and shortest time
- Complementary Fluorination home use system



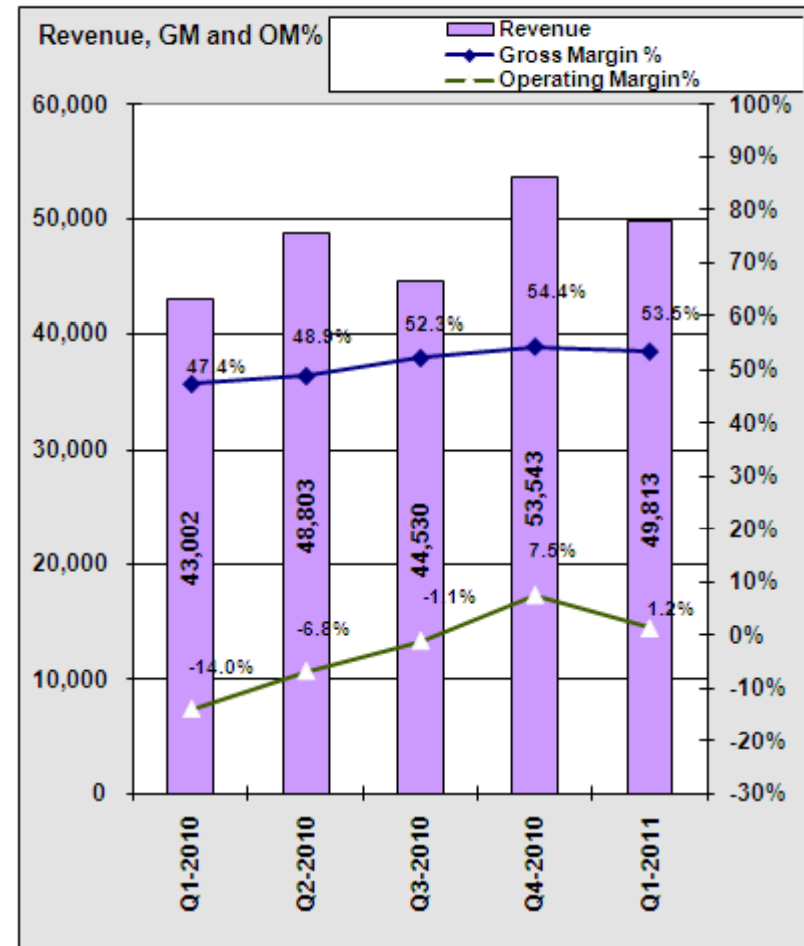
# elure™ Skin Whitening

- Provides superior efficacy and speed of action
  - Enzyme decomposes melanin – provides results in 7 days (vs. 4-6 weeks with hydroquinone, which also causes significant irritation)
  - Safety and efficacy will be documented in 3 soon-to-be published peer-reviewed publications and will be presented from the podium at major global congresses
- Patent-protected until 2023
- Expanding manufacturing capacity to meet market demand
- Strong clinical results and intellectual property
- Recurring revenue and high GM product



# Financial Strength

- \$211 million cash, no debt
- Expanding recurring revenue (28% of total)
- Improving margins
- Ongoing operating expense reductions
- Profitable business and accretive transaction post-integration
- Clear market leader with 39% market share<sup>1</sup>
- Significant tax advantages



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## First Quarter 2011 Highlights

- Revenue of \$49.8 million, up 16% YoY
  - International revenue of \$33.4 million, up 18% YoY
  - North America revenue of \$16.4 million, up 13% YoY
  - Product / Recurring revenue: \$33.2 million / \$16.6 million
  - Significant cross-selling revenues
- Recurring service and consumable revenue grew 20% YoY
- Gross margin of 53.5%<sup>1(non-GAAP)</sup>, up from 47.4% prior year
- Net income of \$0.2 million<sup>1(non-GAAP)</sup>, or \$0.01 per share vs. net loss of \$4.9 million, or \$0.14 per share prior year
- Operating profit in Professional Aesthetic Device business
- Emerging Business Units revenue of \$2.9 million, up 112% sequentially

1 – Non-GAAP figures exclude stock-based compensation, amortization and merger related expenses



# Investment Highlights

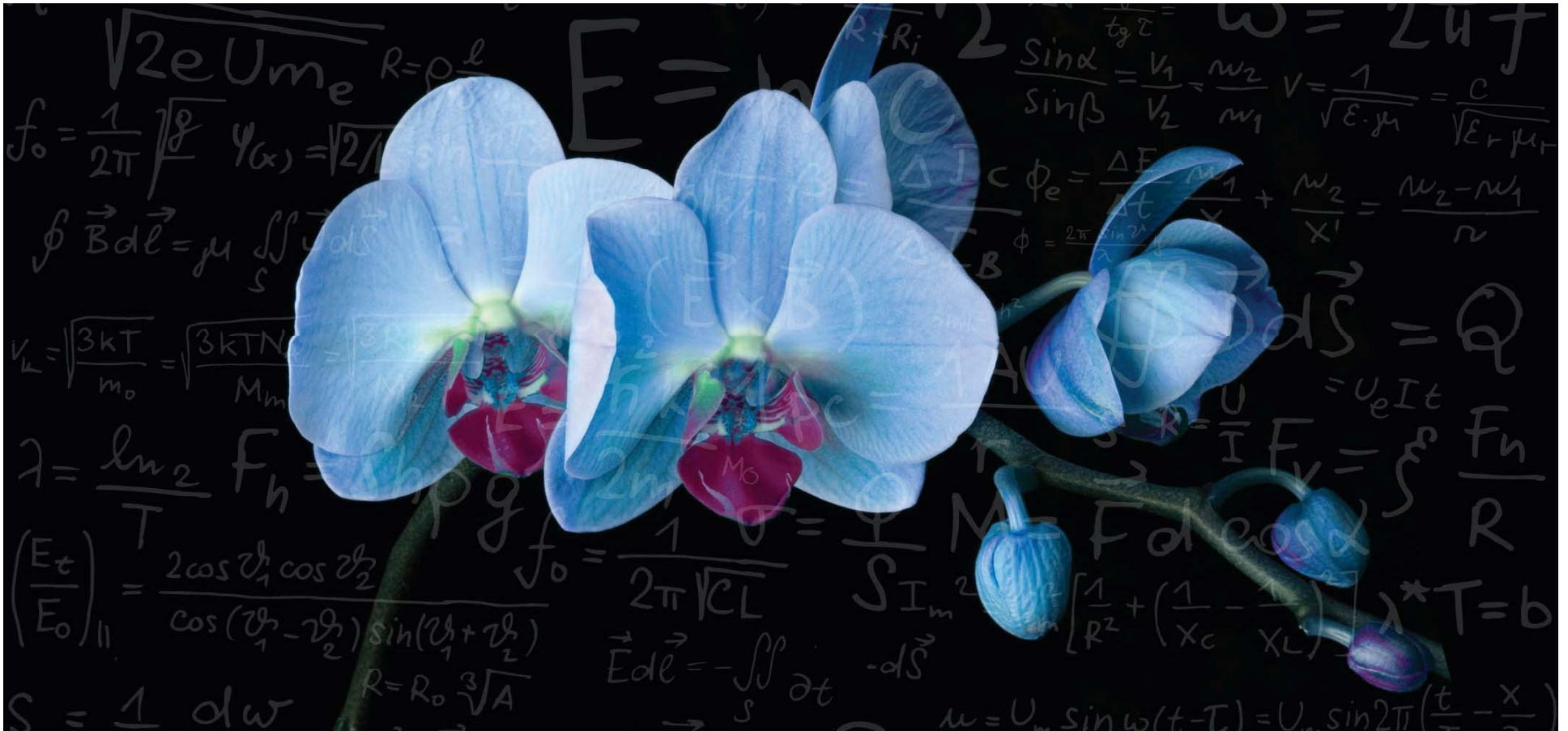
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4 – ,March 31, 2011 Balance Sheet



Thank You

*To lead and drive the widespread  
accessibility of trustworthy  
aesthetic products to the general  
public*

Syneron™

CANDELA™