Safe Harbor For Forward Looking Statements

Any statements contained in this presentation 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 risks and factors that could cause actual results or events to differ materially from those indicated by forward-looking statements in this presentation, including 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 risks or 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 the forward-looking statements in this presentation.

Non-GAAP Financial Measures

The following presentation includes certain "non-GAAP financial measures" as defined in Regulation G under the Securities Exchange Act of 1934. A schedule is included as an appendix to this presentation, which reconciles our results as reported under General Accepted Accounting Principles and the non-GAAP financial measures included in the following presentation.
Syneron at a Glance

- A global leader in medical aesthetic devices
- Growing aesthetic market and consumer demand for energy based non-invasive procedures
- Largest worldwide presence in sales, distribution, service network and installed based

Drivers of profitable growth
1. Superior technology for non invasive Fat Destruction (UltraShape) and Body Shaping (VelaShape – 7,000 units sold WW)
2. Focus on high margin recurring revenue growth opportunity
   - UltraShape’s new business model for NA
   - Grow recurring revenue share from 30% in 2013 to 50% in 2017
3. Significant expansion and optimization of NA sales force, focused on selling high margin products
4. Global Joint Venture with Unilever for the consumer market
5. Cooltouch strengthens recurring revenue strategy
6. elure™ skin lightening opportunity

Syneron at a Glance

- 30% Worldwide Market Share¹
- ~$232M Revenue² (30% Recurring³)
- ~$93M in Cash⁴; No Debt
- ~30,000 Active Customers

¹– Based on US publicly traded companies listed here (CYNO, CUTR, ZLTQ, LMNS); Professional Aesthetic Device Sector
²– Pro-forma, excluding Syneron Beauty; trailing twelve month revenue
³– Based on FY2013 results
⁴– March 31, 2014 Balance Sheet
Why is Non-Invasive Aesthetic Medicine Growing?

The doctor can take a patient from

This

To this

With no surgery, minimal down-time
And a high degree of predictability

Procedure performed with Syneron’s ePrime™ device
Why is Non-Invasive Aesthetic Medicine Growing?

The doctor can transform a patient from

This

To this

With no surgery, no down-time
And a high degree of predictability

Photos: Wendy Tink, MD

Procedure performed with Syneron’s UltraShape™ device
<table>
<thead>
<tr>
<th>Year</th>
<th>Invasive Procedures</th>
<th>Non-Invasive Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>.939M</td>
<td>.741M</td>
</tr>
<tr>
<td>2013</td>
<td>1.88M</td>
<td>7.6M</td>
</tr>
</tbody>
</table>

Growth Rate = 100% for Invasive Procedures and Growth Rate = 925% for Non-Invasive Procedures.

Non-invasive procedures account for 84% and majority of growth.

Source: The American Society for Aesthetic Plastic 2014
The Non-Invasive Fat Destruction and Body Shaping WW Potential Market

There are more than 1 billion overweight adults worldwide

Target Population

- 30.5% Obese
- 34.0% Overweight
- 33.5% Normal
- 2.0% Underweight

Target market represents ~1/3 of the developed country population


(1) The Body Mass Index (BMI) establishes a relationship between weight and height that is associated with body fat. BMI = (Weight in Pounds / (Height in Inches)^2) x 703

KEY (Based on BMI(1))
BMI of 30 or above is obese
BMI of 25-30 is overweight
BMI of 18.5-25 is normal weight
BMI of 18.5 or lower is underweight
The Non-Invasive Fat Destruction and Body Shaping NA Potential Market

- NA has the highest percentage of overweight and obese people in the world\(^1\)
- **Americans spent around US$40 Billion/year on weight loss programs and products**\(^5\)
- It is estimated that 108 million Americans are on diet\(^2\)
- Americans make 4-5 dieting attempts per year\(^3\)
- Americans spent an estimated $28 Billion on dietary supplements in 2010\(^4\)

Source:
1: Institute for Health Metrics and Evaluation at the University of Washington, 2013
2: The U.S. Weight Loss & Diet Control Market, May 2011 by Marketdata
3: [http://www.prweb.com/releases/2012/12/prweb10278281.htm](http://www.prweb.com/releases/2012/12/prweb10278281.htm)
5: [http://www.businessweek.com/debateroom/archives/2008/01/the_diet_indust.html](http://www.businessweek.com/debateroom/archives/2008/01/the_diet_indust.html)
Broad Body Shaping Portfolio

Holistic Approach to Body Shaping Treatments: Fat Cell Destruction, Skin Tightening and Cellulite

UltraShape
Targeting and destroying fat

VelaShape III
Targeting connective tissue
Global Market for Non Invasive Fat Destruction

- The global non-invasive fat destruction segment reached $150M at the end of 2013 (of the total $640M body shaping and skin tightening market)
- NA represents 80% of the non invasive fat destruction market
- By 2017, this market segment is expected to expand to $330M, growing at a CAGR of 30% per year

Syneron’s objective is to reach market share of 20% to 30% of the global non-invasive Fat Destruction market within 3 years, through sales of disposables and capital equipment (50% capital, 50% recurring)

Source 1: Internal estimates
Source 2: Medical Insight Inc., Body Shaping and Skin Tightening Report 2014
**Immediate Results**
Visible fat reduction results can be seen as soon as 2 weeks post 1st treatment

**Clinically Documented Reduction**
Average between 2.5 – 6.3 cm post 3 treatments

**Flexible Treatments**
Not restricted by shape and size of hand-piece

**Quick Treatments for Enhanced Patient Throughput**
Average treatment – less than 1 hour

**Comfortable Treatments**
Well tolerated treatments that do not require numbing or anesthetic

---

**UltraShape® Pulsed Focused Ultrasound (PFU)**

Targets & damages subcutaneous fat
Superior Technology for Non Invasive Fat Destruction

Immediate Fat Cell Destruction!

Control

Immediately post single tx

UltraShape Technology, In-Vivo Porcine Model: Acute Micro Effects

Superior Technology for Non Invasive Fat Destruction

Immediate Fat Cell Destruction!

Control

Post Single Tx

UltraShape Technology, In-Vivo Porcine Model: Acute Micro Effects

Superior Technology for Non Invasive Fat Destruction

UltraShape Technology, In-Vivo Porcine Model: Acute Micro Effects

Superior Technology for Non Invasive Fat Destruction

Exceptional Efficacy!

UltraShape MRI Measurement of Fat Thickness

Baseline

Post 3 Tx

Treated Area: Abdomen
Fat Layer Thickness: **4.9 cm**

Treated Area: Abdomen
Fat Layer Thickness: **3.8 cm**

**Fat Thickness Reduction: 1.1 cm**  **Circumference Reduction: 4.5 cm**

## Superior Technology for Non Invasive Fat Destruction

### 12 published studies with more than 900 subjects!

<table>
<thead>
<tr>
<th>Investigator</th>
<th>Year</th>
<th>Patient Population</th>
<th>Average Circumference Reduction</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teitelbaum S. et al¹ US, UK, Japan</td>
<td>2004-05</td>
<td>164</td>
<td>2.0 cm (Single Treatment)</td>
<td>82% &gt; 0.5 cm circumference reduction</td>
</tr>
<tr>
<td>Inglefield C.² London, UK</td>
<td>2005-06</td>
<td>148</td>
<td>6.3 cm</td>
<td>93% patient satisfaction</td>
</tr>
<tr>
<td>Moreno-Moraga J³ Madrid, Spain</td>
<td>2006</td>
<td>30</td>
<td>3.95 cm</td>
<td>100% measurable and visual improvement</td>
</tr>
<tr>
<td>Ascher B.¹ Paris, France</td>
<td>2007-08</td>
<td>25</td>
<td>3.58 cm</td>
<td>83% &gt; 1.0 cm circumference reduction</td>
</tr>
<tr>
<td>Leal H.²,³ Monterrey, Mexico</td>
<td>2007-08</td>
<td>36</td>
<td>5.0 cm</td>
<td>100% measureable reduction 94% patient satisfaction</td>
</tr>
<tr>
<td>de Almeida G.² Sao Paulo, Brazil</td>
<td>2007-08</td>
<td>20</td>
<td>5.4 cm</td>
<td>100% measurable reduction 86% patient satisfaction</td>
</tr>
<tr>
<td>Benchetrit A.² Montreal, Canada</td>
<td>2007-09</td>
<td>109</td>
<td>4.5 cm</td>
<td>96% measurable reduction 86% patient satisfaction</td>
</tr>
<tr>
<td>Mulholland S.² Toronto, Canada</td>
<td>2008</td>
<td>21</td>
<td>3.48 cm</td>
<td>86% patient satisfaction</td>
</tr>
<tr>
<td>Ad El D.²,³ Beilinson Med, Israel</td>
<td>2008</td>
<td>26</td>
<td>3.96 cm</td>
<td>90% &gt; 2.0 cm circumference reduction</td>
</tr>
<tr>
<td>Ascher B.¹ Paris, France</td>
<td>2010</td>
<td>25</td>
<td>3.58 cm (3 tx)</td>
<td>90% reported no pain</td>
</tr>
<tr>
<td>Leal H.²,³ Monterrey, Mexico</td>
<td>2013</td>
<td>24</td>
<td>3.0-3.4 cm (1 combo Tx)</td>
<td>96% &gt; 1.5 cm circumference reduction 100% patient satisfaction</td>
</tr>
<tr>
<td>S.-L. Chang¹,² Taiwan</td>
<td>2013</td>
<td>32</td>
<td>3.91 cm (3 tx)</td>
<td>21.4 and 25% reduction in fat thickness measured by MRI</td>
</tr>
</tbody>
</table>

¹Published in peer-reviewed journal  ²Presented in scientific conference  ³Data on file
Superior Technology for Non Invasive Fat Destruction

Multi Center IDE Study

- Multi-center, Prospective, Randomized, Blinded, Controlled design
- 3 sites in the USA and 1 site in Israel:
  - Robert Weiss, MD, Vice President of the American Society of Laser Medicine and Surgery, USA,
  - William Coleman, MD, Clinical Professor of Dermatology, Adjunct Professor of Surgery, Tulane University Health Science Center, USA
  - Jeffery Kenkel, MD, Professor and Vice Chairman, Department of Plastic Surgery, UT Southwestern Medical Center, USA
  - Dean Ad-El, MD, Chairman, Department of Plastic Surgery and Burns, Rabin Medical Center, ISRAEL
- A total of 150 subjects were treated and followed up to 4 months
- No device related serious adverse events
- Treatment requires no anesthesia and was well tolerated by subjects
- Results robustly demonstrated the UltraShape efficacy and safety profile for abdominal circumference reduction
- **Average abdominal circumference reduction of 2.9cm** compared to 0.5cm of control, well above end-point set by the FDA with an excellent level of statistical significance
Superior Technology for Non Invasive Fat Destruction

Exceptional Efficacy!

Baseline

Post 3 Tx

Before

2 Months Post Treatment
Photos: Arie Benchetrit, MD Montreal, Quebec

Full Abdomen - Reduction → 6.0 cm
Superior Technology for Non Invasive Fat Destruction

Exceptional Efficacy!

Baseline

Post 3 Tx

Before

4 Weeks Post Treatment

Photos: Wendy Tink, Calgary, Alberta

Upper and Lower Abdomen - Reduction → Abdomen -5 cm

Weight Change -2.2 Kg
Superior Technology for Non Invasive Fat Destruction

Immediate Results!

Baseline

Post 2 Tx

Before

2 Weeks Post Treatment
Photos: Tracey Thompson MD and Germain, Gatineau, Quebec

Abdomen and Flanks - Reduction → Abdomen -10 cm
Superior Technology for Non Invasive Fat Destruction

Immediate Results!

Baseline  
Post 3 Tx

Abdomen and Flanks - Reduction → Abdomen -3.0 cm
Weight change = 0.6 kg

Photos: Angelika Schleicher MD, Regensberg, Germany
Focus on a High Margin Recurring Revenue Business Model

Shift to a Consumables Business Model

**Revenues from Capital Equipment**

- System List Price $99,000

**Revenues from Consumables**

- Consumables will be sold in the form of Focal Treatment Zones (FTZ)
- Average abdominal treatment requires 10 FTZ’s
- Practice purchases FTZ’s based on patient volumes

**FTZ List Price: $25**

UltraShape GM Over 70%
UltraShape® NA Launch Plan

- FDA 510(k) clearance received April 2014
- Controlled market launch with KOLs in 2014; full launch in early 2015
- Creating Bifurcated Body Shaping Business Group (team of 25 reps in the next 12 months)

Territory Managers For Capital Sales
- Initial Focus on Installations
- Expansion of installed base
- Ensure Healthy pipeline

Practice Development Partners (PDP’s)
- Focus on educating practices
- Provide marketing support
- Drive utilization of Focal Treatment Zones (FTZs)

- Targeting VelaShape 7,000 WW installed base and users of competitive systems
- Potential for bundling with VelaShape
UltraShape® Practice Value Proposition

• New technology provides clinic differentiation – attracts new patients
• Cross selling opportunities with other offerings – attracts new patients
• Practice Development Partner (PDP) marketing and clinical support for practice
• Computer guided treatment
  • Easy to learn & uses
  • High staff acceptance
• 10 new patients per month (30 treatments per month) = $220,000 - $250,000 in annual revenue
Broad Body Shaping Portfolio

Holistic Approach to Body Shaping Treatments: Fat Cell Destruction, Skin Tightening and Cellulite

**UltraShape**
Targeting and destroying fat

**VelaShape III**
Targeting connective tissue
VelaShape III

FDA cleared for the treatment of cellulite and circumferential reduction

Increased RF Power by a factor of 2.5 to 150W

Single treatment with an average of 2.5cm abdominal circumferential reduction and 100% patient responders
Treatment of Skin Laxity with VelaShape Technology

Before

After

Photos: Regine Bousquet, MD
VelaShape III, Single Treatment – Circumferential Reduction

Before

2 weeks post 1 treatment
-1.5 cm waist,
-1.7 cm abdomen
-2.0 cm hip

Photos: Ruthie Amir, MD
VelaShape III Clinical Results (42 patient trial)

Average abdominal circumference reduction vs. time after a single treatment
Strategically Targeting the Non Invasive Fat Destruction and Body Shaping Markets

- Superior technology
- New Business Model
- PDP’s to drive utilization

Opportunity for Bundling Dedicated Body Shaping Business Groups
Expansion and Optimization of NA Sales Org

- Expanded NA sales force from 35 to 60 over the last 12 months: better product and territory coverage
- Focus on selling high margin products
- Building an additional dedicated body shaping sales team of up to 25 reps in the next 12 months (including capital and consumable reps)

- Optimization of sales coverage will add focus on both core and non-core markets
- North America Target customers*:
  - Core Market (11,772 dermatologists, 7,726 plastic surgeons)
  - Non-Core Market (43,527 OB/GYNs, 98,365 Family & General, 10,466 Otolaryngology)

*Source: American Medical Association, Physician Characteristics and Distribution in the US (2012 Data)
## Unilever Syneron Joint Venture

### Structure
- Agreement closed December 8, 2013
- Global joint venture with Unilever to include:
  - Syneron Beauty
  - Iluminage (Unilever subsidiary)
  - $25 million Unilever investment
- Ownership: Unilever 51% / Syneron 49%
- Management / Board of Directors
  - Shimon Eckhouse – Chairman
  - Syneron 2 seats / Unilever 2 seats / 1 independent director
  - Fabian Tenenbaum – CEO
- Valuation in the future based on the Fair Value of the JV, changes to be shown in GAAP EPS. In Q1 2014 no change to the asset value on our balance sheet.

### Strategic Rationale
- Build on investments in Syneron Beauty to create focused home beauty device business with enhanced growth and profitability profile
- Unilever participation provides additional validation of Syneron Beauty and robust home-use beauty device market
- Eliminate impact of Syneron Beauty on consolidated financials and cash flow while retaining upside potential
- Allows Syneron Medical to focus on the significant opportunities in PAD business
- Improves core business margins and profitability
Syneron Beauty Home Use Devices
TOUCH, Pearl and Zap

Iluminage TOUCH
(hair removal)
- Uses revolutionary, patented ēlos technology
- First and only at-home hair removal device that is FDA cleared and clinically proven to be safe and effective for all skin tones
- Expanded indication from FDA for permanent reduction in hair growth
- Fastest treatments
- Easy, intuitive application
- Gentle – no nicks, stinging or snapping

Pearl Teeth Whitening
- Breakthrough patented ionic technology
- Pivotal clinical study (120 patients) demonstrated superior results
- >17,000 units sold in 24 hours in launch event on QVC

Tanda Zap
(acne)
- Combines blue light technology with sonic vibration and gentle warming
- Clears or fades mild to moderate acne blemishes within 24 hours
- $49 price point

TOUCH - QVC Today’s Special Value Launch (Q1 2014)
- Sold >12,000 devices, delivering nearly $4 million in sales
- Exceeded event objective by 40%
- Sold out before the end of the TSV
Additional Potential Business Opportunities

• **Cooltouch™ opportunity**
  • Strengthens recurring revenue strategy

• **elure™ opportunity**
  • Addresses growing skin lightening market, especially in Asia

*Source: Medical Insight Inc. March 2014*
New Star Lasers Acquisition – Closed in March

Develops, manufactures and markets the COOLTUCH family of laser systems

- Expands **recurring revenue** business model with CoolTouch installed base and per-procedure consumables
- Diversifies product portfolio, broadens customer base, and provides entry into significant new markets
- Varicose veins – **reimbursable** procedure in vascular surgery and core (plastic surgeons and dermatologists) aesthetic markets
- Leverages Syneron's global sales channels and customer base to drive adoption of CoolTouch products, which have primarily been sold in the U.S.
- Strengthens Syneron's product technology and intellectual property with strong portfolio of patents and licenses
elure™ Advanced Skin Brightening

Serving a more than $10B global skin lightening market

The worldwide market for physician-dispensed topicals is projected to grow at 8.9% per year*

Through 2018, the Asian market will experience strong growth, rising by 13.4% per year*

- Korean MFDS approval in August 2013; Japanese regulatory approval in December 2013; Chinese approval expected in 2014
- Advanced Skin Brightening Night Cream wins Essence Magazine “Best in Black Beauty” award
- Allure Magazine awarded elure 2011, 2012 and 2013 Best in Beauty
- Provides superior efficacy and speed of action
- Patent-protected until 2023
- Strong clinical results and intellectual property (recent double blinded, split face clinical study showed superiority over 4% HQ)

Based on a unique scientific discovery of a naturally occurring bio-active substance, Melanozyme™

Acts to break down melanin in a clinically proven, fast and safe manner

*Source: Medical Insight Inc. March 2014
elure™ Clinical Success

- Completed a successful study with high reputable CRO in Korea
- Conducted in full compliance with Korea Good Clinical Practices guideline, as described by the KFDA
- 28 females aged 30~50, women who have apparent but mild, diffuse hyperpigmentation including melasma
- >96% expressed satisfaction from the product
- > 90% were positive with the whitening effect and improvement of pigmentation disorders
- Over 95% were ready to continue and use elure™ and recommend it to friends
- Non of the subject had any complaint for discomfort, or any adverse effect through the 8 weeks of the study

Baseline

Week 8

Improvement in pigmented and non-pigmented areas observed from baseline to week 8
Financial Strength (Non-GAAP)
$ Thousands (except per margins)

<table>
<thead>
<tr>
<th></th>
<th>Total 2013 (*)</th>
<th>Q1-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>232,129</td>
<td>56,813</td>
</tr>
<tr>
<td>YOY change, %</td>
<td>(3.8%)</td>
<td>2.0%</td>
</tr>
<tr>
<td>Cost of Revenue</td>
<td>105,187</td>
<td>26,398</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>126,943</td>
<td>30,415</td>
</tr>
<tr>
<td>GM %</td>
<td>54.7%</td>
<td>53.5%</td>
</tr>
<tr>
<td>Total OPEX</td>
<td>115,170</td>
<td>28,524</td>
</tr>
<tr>
<td>EBIT</td>
<td>11,771</td>
<td>1,891</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>5.1%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Financial Income, net</td>
<td>222</td>
<td>164</td>
</tr>
<tr>
<td>Taxes on Income (tax benefit)</td>
<td>(1,431)</td>
<td>727</td>
</tr>
<tr>
<td>Net Loss attributable to non-controlling interest</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>Net Income</td>
<td>13,524</td>
<td>1,328</td>
</tr>
<tr>
<td>EPS ($)</td>
<td>0.37</td>
<td>0.04</td>
</tr>
</tbody>
</table>

(*) w/o Syneron Beauty

- $92.6 million in Cash as of March 31, 2014
- No debt
- $24.7 million JV with Unilever
Positioned for Growth

- A global leader in the medical aesthetics device sector with 30%¹ market share
- Largest global footprint and Installed Base
- Financially strong

**Profitable growth drivers:**

- Focus on Fat Destruction and Body Shaping markets
- UltraShape NA launch
- New business model for recurring revenue
- Expansion and optimization of NA sales force, focused on selling high margin products
- Joint Venture with Unilever
- CoolTouch investment for growth
- Elure skin lightening opportunity

¹ – Based on US publicly traded companies listed here (CYNO, CUTR, ZLTQ, LMNS); Professional Aesthetic Device Sector
APPENDIX

Non-GAAP reconciliation of results as reported under GAAP and the non-GAAP financial measures included in this presentation
First Quarter 2014 Highlights (Non-GAAP\(^1\)) - $K

Syneron Medical Ltd.
Unaudited Non-GAAP Condensed Consolidated Statements of Income (Loss)
(in thousands, except per share data)

| For the three-months ended | March 31, 2013 | | March 31, 2014 | | Difference |
|---------------------------|----------------|-----------------|----------------|-----------------|
|                           | As Reported | Deconsolidate Syneron Beauty | Pro Forma Basis, Excluding Syneron Beauty | | |
| Revenues                  | $ 61,204 | $ 5,503 | $ 55,701 | $ 56,813 | $ 1,112 |
| Cost of revenues          | 27,608 | 3,037 | 24,571 | 26,398 | 1,827 |
| Gross profit              | 33,596 | 2,466 | 31,130 | 30,415 | (715) |
| Gross margin              | 54.9% | 44.8% | 55.9% | 53.5% | (2.4%) |
| Operating Income (Loss)   | 868 | (1,514) | 2,382 | 1,891 | (491) |
| Operating Margin          | 1.4% | (27.5%) | 4.3% | 3.3% | (0.9%) |
| Income (Loss) attributable to Syneron shareholders | $ 632 | $(1,615) | $ 2,247 | $ 1,328 | $(919) |

Loss per share:

Diluted

| Loss (Income) from continuing operations before non-controlling interest | 0.02 | (0.04) | 0.06 | 0.04 | (0.02) |
| Net loss attributable to non-controlling interest | 0.00 | - | 0.00 | - | (0.00) |
| Income from discontinued operations | - | - | - | - | - |
| Net Income (Loss) attributable to Syneron shareholders | 0.02 | (0.04) | 0.06 | 0.04 | (0.02) |

Weighted average shares outstanding:

| Diluted | 35,991 | 35,991 | 35,991 | 37,387 | 1,396 |
# Full Year 2013 Highlights (Non-GAAP\(^1\)) - $M

<table>
<thead>
<tr>
<th></th>
<th>Non-GAAP Full Year 2013</th>
<th>Non-GAAP Pro-Forma Full Year 2013</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>256.9</td>
<td>232.1</td>
<td>(24.8)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>136.2</td>
<td>126.9</td>
<td>(9.3)</td>
</tr>
<tr>
<td>Gross margin</td>
<td>53.0%</td>
<td>54.7%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>5.5</td>
<td>11.8</td>
<td>6.3</td>
</tr>
<tr>
<td>Operating margin</td>
<td>2.1%</td>
<td>5.1%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Net Income</td>
<td>6.8</td>
<td>13.5</td>
<td>6.7</td>
</tr>
<tr>
<td>EPS</td>
<td>0.19</td>
<td>0.37</td>
<td>0.18</td>
</tr>
</tbody>
</table>

Deconsolidation of Syneron Beauty improves:

- Gross margin
- Operating margin
- EPS
- Pro-forma EPS nearly doubled to $0.37

---

\(^1\) Non-GAAP figures exclude stock-based compensation, amortization and other non-recurring items.
## Non-GAAP Reconciliation

**Syneron Medical Ltd.**  
**Unaudited Non-GAAP Financial Measures and Reconciliation**  
**Pro Forma Basis, Excluding Syneron Beauty**  
*(in thousands, except per share data)*

<table>
<thead>
<tr>
<th></th>
<th>For the three-months ended</th>
<th>For the twelve-months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As Reported</td>
<td>Syneron Beauty</td>
</tr>
<tr>
<td>GAAP operating income (loss)</td>
<td>$2,243</td>
<td>$(1,997)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>1,183</td>
<td>186</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>1,636</td>
<td>116</td>
</tr>
<tr>
<td>Gain from sale of subsidiary, net of deal related costs</td>
<td>(6,020)</td>
<td>-</td>
</tr>
<tr>
<td>Remeasurement of contingent consideration</td>
<td>339</td>
<td>-</td>
</tr>
<tr>
<td>Other non-recurring items</td>
<td>2,064</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-GAAP operating income (loss)</strong></td>
<td>$1,445</td>
<td>$(1,695)</td>
</tr>
<tr>
<td>GAAP net income (loss) attributable to Syneron shareholders</td>
<td>$9,714</td>
<td>$(2,088)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>1,183</td>
<td>186</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>1,636</td>
<td>116</td>
</tr>
<tr>
<td>Gain from sale of subsidiary, net of deal related costs</td>
<td>(6,020)</td>
<td>-</td>
</tr>
<tr>
<td>Remeasurement of contingent consideration</td>
<td>339</td>
<td>-</td>
</tr>
<tr>
<td>Other non-recurring items</td>
<td>2,064</td>
<td>-</td>
</tr>
<tr>
<td>Income tax adjustments</td>
<td>(4,933)</td>
<td>(34)</td>
</tr>
<tr>
<td><strong>Non-GAAP net income (loss) attributable to Syneron shareholders</strong></td>
<td>$3,983</td>
<td>$(1,820)</td>
</tr>
</tbody>
</table>
### Non-GAAP Reconciliation

**Syneron Medical Ltd.**

Unaudited Non-GAAP Financial Measures and Reconciliation

*(in thousands, except per share data)*

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2014</th>
<th>As Reported 31/03/2013</th>
<th>Syneron Beauty 31/03/2013</th>
<th>Pro Forma Basis, Excluding Syneron Beauty 31/03/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP net loss attributable to Syneron shareholders</strong></td>
<td>$ (1,092)</td>
<td>$ (2,443)</td>
<td>$ (1,802)</td>
<td>$ (641)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>770</td>
<td>1,021</td>
<td>79</td>
<td>942</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>1,251</td>
<td>1,634</td>
<td>152</td>
<td>1,482</td>
</tr>
<tr>
<td>Remeasurement of contingent consideration</td>
<td>399</td>
<td>318</td>
<td>-</td>
<td>318</td>
</tr>
<tr>
<td>Other non-recurring items</td>
<td>277</td>
<td>495</td>
<td>-</td>
<td>495</td>
</tr>
<tr>
<td>Income tax adjustments</td>
<td>(277)</td>
<td>(393)</td>
<td>(44)</td>
<td>(349)</td>
</tr>
<tr>
<td><strong>Non-GAAP net income (loss) attributable to Syneron shareholders</strong></td>
<td>$ 1,328</td>
<td>$ 632</td>
<td>$ (1,615)</td>
<td>$ 2,247</td>
</tr>
<tr>
<td><strong>GAAP net loss attributable to Syneron shareholders</strong></td>
<td>$ (0.03)</td>
<td></td>
<td></td>
<td>$ (0.02)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>0.02</td>
<td></td>
<td></td>
<td>0.03</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>0.03</td>
<td></td>
<td></td>
<td>0.04</td>
</tr>
<tr>
<td>Remeasurement of contingent consideration</td>
<td>0.01</td>
<td></td>
<td></td>
<td>0.01</td>
</tr>
<tr>
<td>Other non-recurring items</td>
<td>0.01</td>
<td></td>
<td></td>
<td>0.01</td>
</tr>
<tr>
<td>Income tax adjustments</td>
<td>(0.01)</td>
<td></td>
<td></td>
<td>(0.01)</td>
</tr>
<tr>
<td><strong>Non-GAAP net income per share attributable to Syneron shareholders</strong></td>
<td>$ 0.04</td>
<td></td>
<td></td>
<td>$ 0.06</td>
</tr>
</tbody>
</table>

**Weighted average shares outstanding:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted</td>
<td>37,387</td>
</tr>
<tr>
<td></td>
<td>35,991</td>
</tr>
</tbody>
</table>
Thank you