



News Release

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**Contact:** Ronald Trahan, APR, Ronald Trahan Associates Inc., 508-359-4005, x108

## SmoothShapes Inc. announces \$15 million “Series B” financing from Three Arch Partners

MERRIMACK, N.H., March 13, 2007—**SmoothShapes Inc.**, an emerging aesthetics company, announced today that it has raised **\$15 million** in a “**Series B**” financing led by Portola Valley, Calif.-based **Three Arch Partners**, a venture capital firm with over \$1 billion under management. The funds will be used to support the worldwide launch of the Company’s first product, the **SmoothShapes® 100 System**, an FDA-cleared combination therapy that uses lasers at pre-determined wavelengths in the visible and infrared spectrums with vacuum massage to effect the treatment of cellulite. **Mark Wan**, founding partner of Three Arch Partners, and **Michael Ellwein**, former Executive Vice President of Medtronic who has joined Three Arch as a venture partner, will join the board of directors of SmoothShapes.

The *SmoothShapes 100 System* is indicated for the temporary reduction in the appearance of cellulite, as well as for the relief of minor muscle aches and pain, relief of muscle spasms, and temporary improvement of local blood circulation. A multicenter clinical study of the *SmoothShapes 100 System* concluded that 81% of patients experienced “significant volumetric reduction in subcutaneous fat.” Targeted markets for the *SmoothShapes 100 System* will include not only traditional practitioners of aesthetic procedures—plastic surgeons and dermatologists—but also non-traditional practitioners, such as OB/GYN and primary care specialists, as well as medi-spas, aesthetic clinics and health clubs.

“We are extremely fortunate to have one of the premier venture capital firms as our lead investor,” said **Nancy M. Briefs**, President and CEO. “We take great pride in the fact that our claims about SmoothShapes 100 are based *exclusively* on the results obtained in a rigorous, independent clinical study of the System. Certainly, the due diligence conducted by Three Arch Partners and its subsequent investment in SmoothShapes Inc. underscores our technology’s strong scientific underpinning.”

“Several factors are driving the rapid growth of non-invasive aesthetic procedures, which is why we are so interested in this space in general, and in SmoothShapes in particular,” explained **Mark Wan** of Three Arch Partners. “The SmoothShapes management team is very experienced and has a strong track record of delivering success. In addition, the emergence of non-traditional practitioners, along with the growth of medical spas and specialty skin care centers, fortified by a market shift toward less-invasive procedures, have created a very attractive market—total expenditures for cosmetic procedures exceeded \$12 billion in 2005. The SmoothShapes System is a combination laser plus mechanical vacuum massage that can smooth out bumps and decrease the circumference of women’s thighs, making them feel firmer and smoother. With tens of *millions* of American women being bothered by the problems of cellulite, we firmly believe that the market opportunity for the SmoothShapes 100 System is significant.”

SmoothShapes Inc., headquartered in Merrimack, N.H., is an emerging aesthetics company that is focused on commercializing its FDA-cleared **SmoothShapes™ 100 System** for reducing the appearance of cellulite.

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SmoothShapes Inc.

Heron Cove Office Park | 10 Al Paul Lane, Suite S102, Merrimack, NH 03054 | 603.816.1920 | [www.smoothshapes.com](http://www.smoothshapes.com)