



**2011 European Advanced Wound Management
New Product Innovation Award**





Frost & Sullivan's Global Research Platform

Frost & Sullivan is in its 50th year in business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The company's research philosophy originates with the CEO's 360 Degree Perspective™, which serves as the foundation of its TEAM Research™ methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the findings of this Best Practices research, Frost & Sullivan is proud to present the 2011 Western Europe New Product Innovation Award in Advanced Wound Management to Phytoceuticals.

Significance of the New Product Innovation Award

Key Industry Challenges Addressed by New Product Innovation Award

The advanced Wound Management market is a highly fragmented and competitive market. Due to the nature of the market, competitors find it difficult to penetrate or to gain the attention for the products. The history of wound dressings and bandages for wound healing dates back hundreds of years. New technologies and innovation are the prime factors for the market participants to significantly penetrate the wound management market. The day by day increase in the understanding of biological process and physical process involved in wound healing process results in more innovations and technological advances in the wound management market. The advancements include the selection of right materials with proper chemical or biological components for faster and better healing in a cost-efficient way. There is a growing list of technological advancements including Negative pressure Wound Therapy, Hyperbaric Oxygen Therapy, Physical Therapies, Tissue Engineered products and Combinatory dressings which involve combination of two or more properties in one dressing for efficient wound healing. However, even with the emergence of so many different products, there is no single solution that can effectively and efficiently act on all the aspects of wound-healing process. Although there are many excellent primary dressings available in the market, keeping them intact in the right position is another challenge that has been discussed in some cases. Any company that comes out with a comprehensive product deserves appreciation from the Healthcare society.

Impact of New Product Innovation Award on Key Stakeholders

The New Product Innovation Award is a prestigious recognition of Phytoceuticals' accomplishments in the Advanced Wound Management. An unbiased, third-party recognition can provide a profound impact in enhancing the brand value and accelerating Phytoceuticals' growth. As captured in Chart 1 below, by researching, ranking, and recognizing those who deliver excellence and best practices in their respective endeavors, Frost & Sullivan hopes to inspire, influence, and impact three specific constituencies:

- **Investors**

Investors and shareholders always welcome unbiased and impartial third-party recognition. Similarly, prospective investors and shareholders are drawn to companies with a well-established reputation for excellence. Unbiased validation is the best and most credible way to showcase an organization worthy of investment.

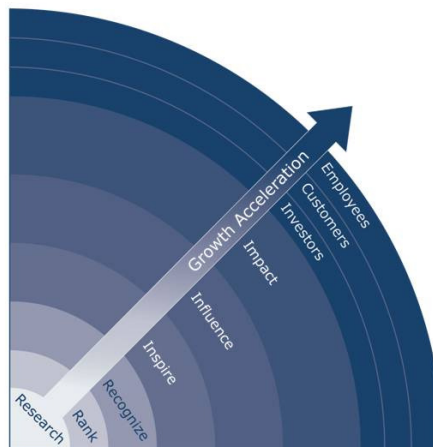
- **Customers**

Third-party industry recognition has been proven to be the most effective way to assure customers that they are partnering with an organization that is leading in its field.

- **Employees**

This Award represents the creativity and dedication of Phytoceuticals' executive team and employees. Such public recognition can boost morale and inspire your team to continue its best-in-class pursuit of a strong competitive position for Phytoceuticals.

Chart 1: Best Practices Leverage for Growth Acceleration



Key Benchmarking Criteria for New Product Innovation Award

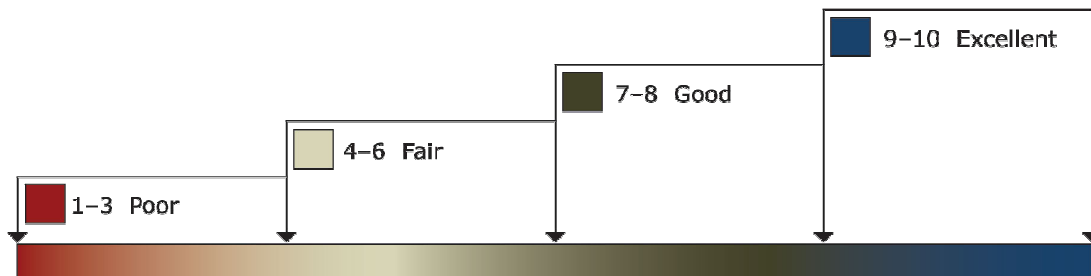
For the New Product Innovation Award, the following criteria were used to benchmark Phytoceuticals' performance against key competitors:

- Innovative Element of the Product
- Leverage Leading Edge Technologies in Product
- Value Added Features/Benefits
- Increased Customer ROI (small change)
- Customer Acquisition/Penetration Potential

Decision Support Matrix and Measurement Criteria

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Matrix (DSM). The DSM is an analytical tool that compares companies' performance relative to each other with an integration of quantitative and qualitative metrics. The DSM features criteria unique to each Award category and ranks importance by assigning weights to each criterion. The relative weighting reflects current market conditions and illustrates the associated importance of each criterion according to Frost & Sullivan. Fundamentally, each DSM is distinct for each market and Award category. The DSM allows our research and consulting teams to objectively analyze each company's performance on each criterion relative to its top competitors and assign performance ratings on that basis. The DSM follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are shown in Chart 2.

Chart 2: Performance-Based Ratings for Decision Support Matrix



This exercise encompasses all criteria, leading to a weighted average ranking of each company. Researchers can then easily identify the company with the highest ranking. As a final step, the research team confirms the veracity of the model by ensuring that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

Chart 3: Frost & Sullivan's 10-Step Process for Identifying Award Recipients



Best Practice Award Analysis for Phytoceuticals

The Decision Support Matrix, shown in Chart 4, illustrates the relative importance of each criterion for the New Product Innovation Award and the ratings for each company under evaluation. To remain unbiased while also protecting the interests of the other organizations reviewed, we have chosen to refer to the other key players as Competitor 1 and Competitor 2.

Chart 4: Decision Support Matrix for New Product Innovation Award

Measurement of 1–10 (1 = lowest; 10 = highest)	Award Criteria					Weighted Rating
	Innovative Element of the Product	Leverage Leading Edge Technologies in Product	Value Added Features/Benefits	Increased Customer ROI (small change)	Customer Acquisition/Penetration Potential	
Relative Weight (%)	20%	20%	20%	20%	20%	100%
Phytoceuticals	10	9	9	8	10	9.2
Competitor 1	8	9	8	9	9	8.6
Competitor 2	8	9	8	9	8	8.4

Criterion 1: Innovative Element of the Product

Phytoceuticals lead product I PRIMARY WOUND DRESSING® ('I') is an innovative new product specially formulated from a combination of Neem oil and St. John's Wort oil. 'I' is a simple, natural and effective product for the treatment of a wide range of wounds including acute and chronic wounds. It is approved in the European Union as a medical device. It works by creating a moist wound environment and thereby promoting cell proliferation and activating the wound healing process. The oil layer prevents the adhesion of secondary dressing to the wound, which ensures an easy and painless dressing change. In addition, Neem and St. John's Wort oils have an antimicrobial and skin protecting effect through the free fatty acids present in the specially formulated mixture. Above all the product is 100% natural. "I" is applied onto the wound bed and the periwound skin (all-in-one product) and therefore significantly reduces the necessary steps involved in conventional wound treatment. These properties make the product an attractive first choice for the treatment of acute and chronic wounds.

Criterion 2: Leverage Leading Edge Technologies in Product

Phytoceuticals, the producer of I PRIMARY WOUND DRESSING® has obtained the CE marking that allows the company to market its product in Europe. The technology has already gained a lot of attention and has also received positive testimonials from the clinicians. The simple and painless treatment supported by painless removal

of secondary dressings, the antibacterial effect and acceptance from the patients makes "I" a comprehensive solution that definitely meets the needs and demands of the wound management industry. With the focus of all industries shifting towards nature based materials, Phytoceuticals definitely has the edge over other advanced wound management market participants by being 100% natural.

Criterion 3: Value Added Features/Benefits

I PRIMARY WOUND DRESSING® is a simple, innovative product. The oil layer prevents the secondary dressings from adhering to the wounds and thereby ensures an easy and pain less dressing change. This property provides comfort for the patients, who generally undergo trauma caused by the adhesion of dressings to the wound while changing the dressings. Another value added feature is the reduced time for a dressing change with "I" as the spray enables a simple non-touch application and no additional products are needed for the wound edge and the periwound skin. This would be handy for the clinicians or the tissue viability nurses due to low time consumption and easiness in changing the dressings and minimises the bulkiness of the dressings being used.

Criterion 4: Increased Customer ROI

By providing a comprehensive solution compared to other products in the market, I PRIMARY WOUND DRESSING® will be a highly convincing product for the clinicians and thereby making it a cost effective option for both the customer and the patient in long-term. By using the natural extracts the products distinguishes itself from its competitors as reliable and safe. All these features combined together will ensure a higher ROI compared to the other products in the market.

Criterion 5: Customer Acquisition/Penetration Potential

Apart from the treatment of acute and chronic wound, the company is also planning to expand the application verticals towards the veterinary wound and human inflammatory skin disorders market using formulations derived from I PRIMARY WOUND DRESSING®. The company will launch its product first in Switzerland which will be covered through direct sales. The company is also looking forward to launch its product internationally (including the EU and the US) through distribution channels and partnerships.

Conclusion

Phytoceuticals lead product I PRIMARY WOUND DRESSING® is an innovative new product specially formulated from a combination of Neem oil and St. John's Wort oil. It is a simple, natural and effective product for the treatment of a wide range of wounds including acute and chronic wounds. It is approved in the European Union as a medical device. It is 100% natural. The product provides comfort for both patients and clinicians and ensures easy and painless dressing changes. This makes the product more attractive for the clinicians. The company is also looking forward to penetrate the international market through strong distribution channels and partnerships.

The CEO 360 Degree Perspective™ - Visionary Platform for Growth Strategies

The CEO 360 Degree Perspective™ model provides a clear illustration of the complex business universe in which CEOs and their management teams live today. It represents the foundation of Frost & Sullivan's global research organization and provides the basis on which companies can gain a visionary and strategic understanding of the market. The CEO 360 Degree Perspective™ is also a “must-have” requirement for the identification and analysis of best-practice performance by industry leaders.

The CEO 360 Degree Perspective™ model enables our clients to gain a comprehensive, action-oriented understanding of market evolution and its implications for their companies' growth strategies. As illustrated in Chart 5 below, the following six-step process outlines how our researchers and consultants embed the CEO 360 Degree Perspective™ into their analyses and recommendations.

Chart 5: How the CEO's 360 Degree Perspective™ Model Directs Our Research



Critical Importance of TEAM Research

Frost & Sullivan's TEAM Research methodology represents the analytical rigor of our research process. It offers a 360 degree view of industry challenges, trends, and issues by integrating all seven of Frost & Sullivan's research methodologies. Our experience has shown over the years that companies too often make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Frost & Sullivan contends that successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. In that vein, the letters T, E, A and M reflect our core technical, economic, applied (financial and best practices) and market analyses. The integration of these research disciplines into the TEAM Research methodology provides an evaluation platform for benchmarking industry players and for creating high-potential growth strategies for our clients.

Chart 6: Benchmarking Performance with TEAM Research



About Phytoceuticals Ltd.

Phytoceuticals is a life science company that develops or acquires intellectual property from natural product extracts, defines scientifically sound development protocols, manages product development and then seeks exit options for these developed medicines. The Company's current focus is to develop first-in-class solutions for major indications in dermatology. The company was founded in Zurich, Switzerland in late 2007. In November 2010 the company received the CE marking for 'I', its innovative primary wound dressing product. It will be the first product commercialized by the company's wound-healing platform.



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best-practice models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.

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