

2006

FROST & SULLIVAN

North American Medical Imaging Industry Innovation & Advancement of the Year Award

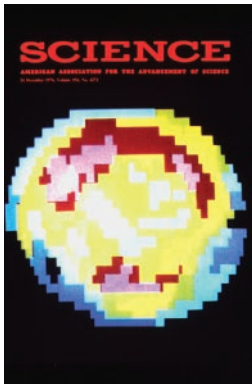
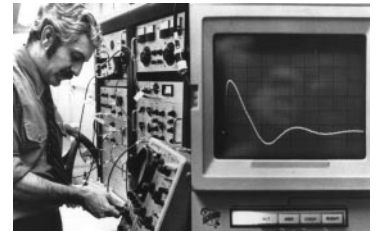
RECIPIENT: FONAR CORPORATION

Frost & Sullivan is proud to present the 2006 North American Medical Imaging Industry Innovation and Advancement of the Year Award to FONAR Co. for their unwavering leadership as a pioneer in magnetic resonance imaging (MRI), ever since the company's introduction of the first commercial MR scanner in 1980. Spurred during the 1970s by founder Dr. Raymond Damadian's significant research discoveries in the area of nuclear magnetic resonance (NMR) for cancer pathology, FONAR went on to become the innovative force behind all three magnet types in use today, namely superconducting, permanent and resistive magnets. FONAR has also established itself as the only manufacturer that offers an Upright MR scanner that allows for the imaging of patients in seated and standing positions, which allows for precise observation of weight-bearing characteristics under compression, leading to more accurate diagnoses of spinal abnormalities. Such abnormalities are routinely overlooked in recumbent MRI scans.

For nearly 30 years, FONAR has led the medical imaging industry in promoting the clinical utility of MR and the multitude of applications that can be performed with this technology.

A History of Firsts

Driven by the search for a cure for cancer, Dr. Damadian initiated NMR-related studies to understand the difference between the water-based structures of cancerous versus normal tissue. Discovering that water structures are significantly different in cancerous tissue, his attention was drawn toward using NMR-based spectral analysis for diagnostic imaging of live tissues in both mice and humans.



U.S. Patent 3,789,832

Following publication of the NMR-relaxation results in Science in 1971, the first patent for using NMR in cancer research as a medical body scanner was issued in 1972, followed by the first MR image of a tumor in a live animal in 1976. The emergence of a commercial MR industry began in 1977, with the introduction of the first superconducting magnet for human imaging developed by Dr. Damadian and his team at the State University of New York - Downstate Medical Center, in Brooklyn, NY. The scanner, appropriately titled Indomitable, is now on exhibit at the Smithsonian National Museum



of American History in Washington, D.C., a testament to the significance of a technology that has revolutionized healthcare. FONAR's firsts also include: (A) Use of permanent magnet for open-field configuration in 1980, (B) Production of a mobile MR scanner and solenoid coils in 1983, (C) Development of a Multi-Angle Oblique Scanning protocol in 1985, which allows for imaging of the spine at multiple angles, and (D) Introduction of total body scanning and interventional MRI in 1986.

Unique Market Position

In the \$1.4 billion U.S. MR scanner industry, FONAR has differentiated itself by offering the only Upright MR scanner in which the patient is imaged seated or standing, instead of lying supine. This configuration not only eases patient anxiety by placing adult and adolescent patients in a more comfortable position, but the accuracy of spinal cord images are also enhanced, since physicians can image the spine in weight-bearing positions that more accurately reflect herniated and/or displaced spinal column states. Diagnostic precision is particularly important for the spine, as nearly half of all MR images are performed on the neck or spine, where the curvature of the spinal column further adds to the complexity of acquiring natural, functional images of the spine under load bearing conditions. With nearly 120 worldwide installations, the Upright MR scanner has gained increasing adoption rates across multiple clinical sub-specialties, including radiology, orthopedics and pediatrics.



FONAR Upright™ Multi-Position™ MRI Scanner

Incorporated in 1979, the company's research and development efforts are still actively led by Dr. Damadian with an aim to aggressively pursuing FONAR's corporate mission, which is to continuously develop and improve MR technology as an essential tool for diagnosis and patient care in modern medicine. Both the R&D and service teams are constantly monitoring customer satisfaction and approval ratings by developing systems and accessories that benefit patients as well as physicians. For the previous two decades, numerous competitors have followed FONAR's groundbreaking path, transforming MR into a leading diagnostic tool. In recognition of the company's longstanding role as a pioneering innovator of MR technology, Frost & Sullivan is proud to bestow upon FONAR the 2006 North American Medical Imaging Industry Innovation and Advancement of the Year Award.



Ramond V. Damadian, M.D.

About Best Practices

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

About Frost & Sullivan

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