

Newsletter, December 2009.

Dear Customers,

Solianis Monitoring AG is entering into a year of transition before making our innovative non-invasive glucose monitoring system available to healthcare professionals and their patients with diabetes in 2011. On this occasion let me take the opportunity to share with you where we are on our way to non-invasive glucose monitoring.

At an early stage, our highly recognized team of scientists and engineers demonstrated the feasibility of non-invasive glucose monitoring by impedance spectroscopy. Since then the team has successfully undertaken tremendous efforts to explore and understand changes in the physiological properties of human skin. The impact of perturbing factors such as temperature, skin moisture, sweat and blood perfusion as well as body movements have been investigated to determine their effect on the glucose signals. Consequently we have developed a number of non-invasive sensor technologies to measure these perturbing factors and demonstrated their performance both in the laboratory and on humans. For those of you interested in the details of these technologies please refer to the 'Publication' and 'Conferences' sections on our homepage (www.solianis.com). In the next step our algorithm development experts took all these findings into consideration and developed a unique algorithm which accounts for the named perturbations and delivers a 'cleaned up' signal for glucose. At the same time our engineers have integrated the various sensors into one system, miniaturized it and came up with a small non-invasive Multisensor Glucose Monitoring System (MGMS), which is worn discreetly on the upper arm underneath the clothing. The information gathered by the Multisensor is transmitted to a handheld monitor roughly of the size of a mobile GPS system, where the information is processed and visualized, providing the user with information on his or her glucose variation in real time. For the first time ever we have been able to take early prototypes of the MGMS to people with diabetes, who have worn them in their daily lives. Our investigators and we are very satisfied that the MGMS performed the way we anticipated in this setting and confirmed all our thorough research and development work.

We will start pilot manufacturing in 2010 and subject our final prototype to rigorous tests on humans under clinical trial conditions. These tests are crucial to obtain CE approval, which will enable us to enter the European market in 2011. They will also give us the assurance that the MGMS is safe and provides people with diabetes with the information they and their healthcare professionals need.

As an organization we are expanding from a science oriented start-up enterprise towards a company, which takes the responsibility to bring a reliable MGMS to those who need it. To master all inherent challenges that come with this transition we need to have the right, highly skilled and motivated people on board. Therefore we have extended our board of directors as well as our management team and added experts in Quality & Regulatory and Sales & Marketing to pave the way into a successful future. Our continuous interaction with scientific and clinical experts as well as patient groups ensures that the MGMS becomes a system which meets the day-to-day needs of people with diabetes, their relatives and their healthcare professionals.

To sustain the good progress of our company and the MGMS we secured another round of company financing with EGS Beteiligungen AG, a subsidiary of the Ernst Göhner Stiftung (Zug, Switzerland) in 2009. This investment enables us to increase our efforts to complete the prototype and to prepare the clinical trials required for the market authorization in Europe (CE-mark).

Please find more details on our homepage (www.solianis.com), where we will keep you continuously updated on the progress of our innovative and unique MGMS and Solianis Monitoring AG.

We thank you for your continuous interest, trust and support, which motivate and drive us.

A happy holiday season and all the best for the New Year,

Yours sincerely

Mario Stark
CEO