DHT Holdings, Inc.
Form SC 13D/A
July 17, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D/A
Under The Securities Exchange Act of 1934
(Amendment No. 4)

DHT Holdings, Inc.
(Name of Issuer)

Common Shares, par value $0.01 per share
(Title of Class of Securities)

Y2065G121
(CUSIP Number)

Frontline Ltd.
Par-la-Ville Place, 4th Floor
14 Par-la-Ville Road,
Hamilton HM 08
Bermuda
Attn: Georgina E. Sousa
+1 (441) 295 6935

with a copy to:

Gary J. Wolfe, Esq.
Seward & Kissel LLP
One Battery Park Plaza
New York, New York 10004
(212) 574-1200
(Name, Address and Telephone Number of Person Authorized to Receive
Notices and Communications)

July 14, 2017
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box [_].

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

CUSIP No. Y2065G121

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Frontline Ltd.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) [X]
(b) [_]

3. SEC USE ONLY

4. SOURCE OF FUNDS

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) [_]

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Bermuda

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

5,773,053

9.

SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

5,773,053

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,773,053

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [_]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.1%

14. TYPE OF REPORTING PERSON

CO

CUSIP No. Y2065G121

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

GHL World Ltd

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) [X]
(b) [_]

3. SEC USE ONLY

4. SOURCE OF FUNDS

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) [_]

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Cyprus

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

2,366,785

9.

SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

2,366,785

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,366,785

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [_]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.7%

14. TYPE OF REPORTING PERSON

CO

CUSIP No. Y2065G121

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Hemen Holding Limited

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) [X]
(b) [_]

3. SEC USE ONLY

4. SOURCE OF FUNDS

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) [_]

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Cyprus

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

*5,773,053

9.

SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

*5,773,053

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

*5,773,053

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [_]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.1%

14. TYPE OF REPORTING PERSON

CO

* Hemen Holding Limited beneficially owns approximately 48.4% of the issued and outstanding shares of Frontline Ltd. and may be deemed to beneficially own the Common Shares that Frontline Ltd. beneficially owns.

CUSIP No. Y2065G121

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Greenwich Holdings Limited

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) [X]
(b) [_]

3. SEC USE ONLY

4. SOURCE OF FUNDS

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) [_]

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Cyprus

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

*8,139,838

9.

SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

*8,139,838

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

*8,139,838

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [_]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.7%

14. TYPE OF REPORTING PERSON

CO

* Greenwich Holdings Limited is the sole shareholder of Hemen Holding Limited and GHL World Ltd. As such, it may be deemed to beneficially own any Common Shares beneficially owned by Hemen Holding Limited and GHL World Ltd.

CUSIP No. Y2065G121

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

C.K. Limited

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) [X]
(b) [_]

3. SEC USE ONLY

4. SOURCE OF FUNDS

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) [_]

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Jersey

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

*8,139,838

9.

SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

*8,139,838

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

*8,139,838

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [_]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.7%

14. TYPE OF REPORTING PERSON

CO

* C.K. Limited is the trustee of various trusts established by John Fredriksen for the benefit of his immediate family members (the "Trusts"). The Trusts are the sole shareholders of Greenwich Holdings Limited and the indirect owners of Hemen Holding Limited and GHL World Ltd. As such, C.K. Limited may be deemed to beneficially own any Common Shares beneficially owned by Greenwich Holdings Limited, Hemen Holding Limited and GHL World Ltd.

CUSIP No. Y2065G121

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

John Fredriksen*

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a) [X]
(b) [_]

3. SEC USE ONLY

4. SOURCE OF FUNDS

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) [_]

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Cyprus

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

*8,139,838

SOLE
9. DISPOSITIVE
POWER

0

10. SHARED DISPOSITIVE POWER

*8,139,838

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

*8,139,838

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [_]

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.7%

14. TYPE OF REPORTING PERSON

IN

* Mr. Fredriksen may be deemed to beneficially own 8,139,838 Common Shares through his indirect influence over Hemen Holding Limited, GHL World Ltd, and Greenwich Holdings Limited. The Trusts are the sole shareholders of Greenwich Holdings Limited and the indirect owners of Hemen Holding Limited and GHL World Ltd. The beneficiaries of the Trusts are certain members of Mr. Fredriksen's family. Mr. Fredriksen disclaims beneficial ownership of any Common Shares beneficially owned by Hemen Holding Limited, GHL World Ltd and Greenwich Holdings Limited except to the extent of his voting and dispositive interests in such Common Shares. Mr. Fredriksen has no pecuniary interest in the Common Shares beneficially owned by Hemen Holding Limited, GHL World Ltd and Greenwich Holdings Limited.

CUSIP No. Y2065G121

This Amendment No. 4 ("Amendment No. 4") amends the Schedule 13D originally filed with the Securities and Exchange Commission (the "SEC") by the Reporting Persons (defined below) on January 30, 2017 (the "Original Schedule 13D"), as amended by that certain Amendment No. 1 on Schedule 13D/A filed with the SEC on March 27, 2017, Amendment No. 2 on Schedule 13D/A on May 18, 2017, and Amendment No. 3 on Schedule 13D/A on June 27, 2017.

Item 1. Security and Issuer

This Amendment No. 4 relates to the common shares, par value $0.01 per share (the "Common Shares") of DHT Holdings, Inc., a company incorporated in the Republic of the Marshall Islands (the "Issuer"). The address of the principal executive office of the Issuer is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

Item 2. Identity and Background

(a),(f) The persons filing this statement are Frontline Ltd., a company incorporated in Bermuda ("Frontline"), GHL World Ltd, a company incorporated in Cyprus ("GHL"), Hemen Holding Limited, a company incorporated in Cyprus ("Hemen"), Greenwich Holdings Limited, a company incorporated in Cyprus ("Greenwich"), C.K. Limited, a company incorporated in Jersey ("C.K. Limited"), and John Fredriksen, a citizen of Cyprus ("Fredriksen," and, together with Frontline, GHL, Hemen, Greenwich, and C.K. Limited, the "Reporting Persons").

(b) The address of the principal place of business of Frontline is Par-la-Ville Place, 4th Floor, 14 Par-la-Ville Road, Hamilton HM 08, Bermuda.

The address of the principal place of business of GHL, Hemen and Greenwich is P.O. Box 53562, CY3399, Limassol, Cyprus.

The address of the principal place of business of C.K. Limited is 13 Castle Street, St. Helier, Jersey JE4 5UT.

The address of Mr. Fredriksen is c/o Seatankers Consultancy Services (UK) Limited, 15 Sloane Square, London SW1W 8ER, United Kingdom.

(c) The principal business of Frontline is acting as an international shipping company. The principal business of GHL, Hemen and Greenwich is acting as investment holding companies. Hemen is the largest shareholder in Frontline, beneficially owning approximately 48.4% of Frontline's issued and outstanding shares. Greenwich is the sole shareholder of Hemen and GHL. The principal business of C.K. Limited is acting as trustees of various trusts established by John Fredriksen for the benefit of his immediate family members (the "Trusts"). The Trusts are the sole shareholders of Greenwich and indirect owners of Hemen and GHL. As a result of the foregoing, the total Common Shares reported as beneficially owned by each of Frontline, GHL, Hemen, Greenwich and C.K. Limited is reported as beneficially owned by Mr. Fredriksen.

The name, citizenship, present principal occupation or employment and business address of each executive officer and director of Frontline is set forth below. If no business address is given, the director's or executive officer's address is Par-la-Ville Place, 4th Floor, 14 Par-la-Ville Road, Hamilton HM 08, Bermuda.

Name	Position of Officer or Director	Principal Occupation or Employment, Principal Business Address and Citizenship
John Fredriksen	Chairman, President & Director	Mr. Fredriksen is a citizen of Cyprus and his principal business address is c/o Seatankers Consultancy Services (UK) Limited, 15 Sloane Square, London SW1W 8ER, UK. Mr. Fredriksen is also the president, director and chairman of the board of directors of Seadrill Limited and is a member of the board of directors of Golden Ocean Group Limited.
Kate Blankenship	Director	Ms. Blankenship is a citizen of the United Kingdom. Ms. Blankenship also serves as a director of Seadrill Limited, Seadrill Partners LLC, Golden Ocean Group Limited, Archer Limited, Ship Finance International Limited, Independent Tankers Corporation Limited and North Atlantic Drilling Ltd.
Georgina E. Sousa	Director & Secretary	Ms. Sousa is a citizen of the United Kingdom. Ms. Sousa is also a director and secretary of Seadrill Limited and Independent Tankers Corporation Limited, and is the secretary of Golden Ocean Group Limited, Seadrill Partners LLC, North Atlantic Drilling Ltd. and Archer Limited.
Ola Lorentzon	Director	Mr. Lorentzon is a citizen of Sweden. Mr. Lorentzon is also the chairman of the board of directors of Golden Ocean Group Limited.
Robert Hvide Macleod	Director and Principal Executive Officer	Mr. Macleod is a citizen of Norway. Mr. Macleod is also the chief executive officer of Frontline Management AS.
Inger M. Klemp	Principal Financial Officer and Principal Accounting Officer	Ms. Klemp is a citizen of Norway. Ms. Klemp is also the chief financial officer of Frontline Management AS and a director of Independent Tankers Corporation Limited.
Claire M.E. Burnard	Assistant Secretary	Ms. Burnard is a citizen of the British Overseas Territories. Ms. Burnard's principal occupation is serving as Assistant Secretary of Frontline.
Colleen E. Simmons	Assistant Secretary	Ms. Simmons is a citizen of the British Overseas Territories. Ms. Simmons' principal occupation is serving as Assistant Secretary of Frontline.

The name, citizenship, present principal occupation or employment and the business address of GHL directors is set forth below. GHL does not have any executive officers.

Name	Position of Officer or Director	Principal Occupation or Employment, Principal Business Address and Citizenship
Spyros Episkopou	Director	Mr. Episkopou's principal business address is Deana Beach Apartments, Block 1, 4th Floor, Promachon Eleftherias Street, Ayios Athanasios, CY – 4103 Limassol, Cyprus. Mr. Episkopou is a citizen of Cyprus.
Eirini Santhi Theocharous	Director	Ms. Theocharous' principal business address is Deana Beach Apartments, Block 1, 4th Floor, Promachon Eleftherias Street, Ayios Athanasios, CY – 4103 Limassol, Cyprus. Ms. Theocharous is a citizen of Cyprus.
Kyriacos Kazamias	Director	Mr. Kazamias' principal business address is Georgiou Drosini 6, Potamos Germasogeias, CY4043 Limassol, Cyprus. Mr. Kazamias is a citizen of Cyprus.

The name, citizenship, present principal occupation or employment and the business address of Hemen's directors is set forth below. Hemen does not have any executive officers.

Name	Position of Officer or Director	Principal Occupation or Employment, Principal Business Address and Citizenship
Spyros Episkopou	Director	Mr. Episkopou's principal business address is Deana Beach Apartments, Block 1, 4th Floor, Promachon Eleftherias Street, Ayios Athanasios, CY – 4103 Limassol, Cyprus. Mr. Episkopou is a citizen of Cyprus.
Kyriacos Kazamias	Director	Mr. Kazamias' principal business address is Georgiou Drosini 6, Potamos Germasogeias, CY4043 Limassol, Cyprus. Mr. Kazamias is a citizen of Cyprus.
Eirini Santhi Theocharous	Director	Ms. Theocharous' principal business address is Deana Beach Apartments, Block 1, 4th Floor, Promachon Eleftherias Street, Ayios Athanasios, CY – 4103 Limassol, Cyprus. Ms. Theocharous is a citizen of Cyprus.

The name, citizenship, present principal occupation or employment and the business address of Greenwich's directors is set forth below. Greenwich does not have any executive officers.

Name	Position of Officer or Director	Principal Occupation or Employment, Principal Business Address and Citizenship
Christophis Koufaris	Director	Mr. Koufaris' principal business address is Iris House 840A, 8 John Kennedy Street, P.O. Box 53510, 3303 Limassol, Cyprus. Mr. Koufaris is a citizen of Cyprus.
Spyros Episkopou	Director	Mr. Episkopou's principal business address is Deana Beach Apartments, Block 1, 4th Floor, Promachon Eleftherias Street, Ayios Athanasios, CY – 4103 Limassol, Cyprus. Mr. Episkopou is a citizen of Cyprus.
Eirini Santhi Theocharous	Director	Ms. Theocharous' principal business address is Deana Beach Apartments, Block 1, 4th Floor, Promachon Eleftherias Street, Ayios Athanasios, CY – 4103 Limassol, Cyprus. Ms. Theocharous is a citizen of Cyprus.

The name, citizenship, present principal occupation or employment and principal business address of C.K. Limited's directors is set forth below. C.K. Limited does not have any executive officers.

Name	Position of Officer or Director	Principal Occupation or Employment, Principal Business Address and Citizenship
Spyros Episkopou	Director	Mr. Episkopou's principal business address is Deana Beach Apartments, Block 1, 4th Floor, Promachon Eleftherias Street, Ayios Athanasios, CY – 4103 Limassol, Cyprus. Mr. Episkopou is a citizen of Cyprus.
Philip James Jackman Le Vesconte	Director	Mr. Le Vesconte's principal business address is 13 Castle Street, St. Helier, Jersey JE4 5UT. Mr. Le Vesconte is a citizen of Jersey.
Charles Guy Malet de Carteret	Director	Mr. Carteret's principal business address is 13 Castle Street, St. Helier, Jersey JE4 5UT. Mr. Carteret is a citizen of Jersey.
Simon Paul Alan Brewer	Director	Mr. Brewer's principal business address is 13 Castle Street, St. Helier, Jersey JE4 5UT. Mr. Brewer is a citizen of Jersey.

(d), (e)	None of the Reporting Persons nor any executive officer or director of the Reporting Persons listed above, has, during the past five years, (a) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting, or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration
There are no material changes to Item 3 from the Original Schedule 13D.

Item 4. Purpose of Transaction
There are no material changes to Item 4 from the Schedule 13D/A filed with the SEC on June 27, 2017.

Item 5. Interest in Securities of the Issuer

(a)-(c) As of the date hereof, Frontline may be deemed to be the beneficial owner of 5,773,053 Common Shares, constituting 4.1% of the outstanding Common Shares, based upon 142,347,298 Common Shares outstanding as of June 30, 2017 as indicated in the Issuer's Form F-3 Registration Statement filed with the SEC on June 30, 2017. Frontline has the sole power to vote or direct the vote of 0 Common Shares and the shared power to vote or direct the vote of 5,773,053 Common Shares. Frontline has the sole power to dispose or direct the disposition of 0 Common Shares and the shared power to dispose or direct the disposition of 5,773,053 Common Shares.

As of the date hereof, GHL may be deemed to be the beneficial owner of 2,366,785 Common Shares, constituting 1.7% of the Common Shares based upon 142,347,298 Common Shares outstanding as of June 30, 2017 as indicated in the Issuer's Form F-3 Registration Statement filed with the SEC on June 30, 2017. GHL has the sole power to vote or direct the vote of 0 Common Shares and the shared power to vote or direct the vote of 2,366,785 Common Shares. GHL has the sole power to dispose or direct the disposition of 0 Common Shares and the shared power to dispose or direct the disposition of 2,366,785 Common Shares.

As of the date hereof, Hemen may be deemed to be the beneficial owner of 5,773,053 Common Shares, constituting 4.1% of the Common Shares based upon 142,347,298 Common Shares outstanding as of June 30, 2017 as indicated in the Issuer's Form F-3 Registration Statement filed with the SEC on June 30, 2017. Hemen has the sole power to vote or direct the vote of 0 Common Shares and the shared power to vote or direct the vote of 5,773,053 Common Shares. Hemen has the sole power to dispose or direct the disposition of 0 Common Shares and the shared power to dispose or direct the disposition of 5,773,053 Common Shares.

As of the date hereof, Greenwich, through Hemen and GHL (as described in Item 2(c) above), may be deemed to be the beneficial owner of 8,139,838 Common Shares, constituting 5.7% of the Common Shares based upon 142,347,298 Common Shares outstanding as of June 30, 2017 as indicated in the Issuer's Form F-3 Registration Statement filed with the SEC on June 30, 2017. Greenwich has the sole power to vote or direct the vote of 0 Common Shares and the shared power to vote or direct the vote of 8,139,838 Common Shares. Greenwich has the sole power to dispose or direct the disposition of 0 Common Shares and the shared power to dispose or direct the disposition of 8,139,838 Common Shares.

As of the date hereof, C.K. Limited, through Greenwich (as described in Item 2(c) above), may be deemed to be the beneficial owner of 8,139,838 Common Shares, constituting 5.7% of the Common Shares based upon 142,347,298 Common Shares outstanding as of June 30, 2017 as indicated in the Issuer's Form F-3 Registration Statement filed with the SEC on June 30, 2017. C.K. Limited has the sole power to vote or direct the vote of 0 Common Shares and the shared power to vote or direct the vote of 8,139,838 Common Shares. C.K. Limited has the sole power to dispose or direct the disposition of 0 Common Shares and the shared power to dispose or direct the disposition of 8,139,838 Common Shares.

As of the date hereof, Mr. Fredriksen may be deemed to beneficially own 8,139,838 Common Shares through his indirect influence over Hemen, GHL, and Greenwich, the shares of which are held in the Trusts, constituting 5.7% of the Common Shares based upon 142,347,298 Common Shares outstanding as of June 30, 2017 as indicated in the Issuer's Form F-3 Registration Statement filed with the SEC on June 30, 2017. The beneficiaries of the Trusts are certain members of Mr. Fredriksen's family. Mr. Fredriksen disclaims beneficial ownership of the 8,139,838 Common Shares except to the extent of his voting and dispositive interests in such Common Shares. Mr. Fredriksen has no pecuniary interest in the 8,139,838 Common Shares.

Except as described above, no Common Shares are beneficially owned by the persons named in Item 2.

From July 11, 2017 to July 14, 2017, Frontline and GHL sold an aggregate of 390,000 Common Shares in open-market transactions or block trades reported on the New York Stock Exchange. The transaction dates, number of shares sold and average prices per share during that period are set forth on Exhibit B hereto. Except as described herein and in the Schedule 13D/As filed with the SEC on May 18, 2017 and June 27, 2017, there have been no other transactions by the Reporting Persons in the Common Shares during the past 60 days.

(d) To the best knowledge of the Reporting Persons, no person other than the Reporting Persons has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities beneficially owned by the Reporting Persons identified in this Item 5.

(e) N/A

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Except as described herein, the Reporting Persons do not have any contract, arrangement, understanding or relationship with any other person with respect to the securities of the Issuer.

Item 7. Materials to be Filed as Exhibits

Exhibit A: Joint Filing Agreement

Exhibit B: Information concerning transactions from July 11, 2017 to July 14, 2017

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

July 17, 2017
(Date)

Frontline Ltd.

By: /s/ Inger M. Klemp
Name: Inger M. Klemp
Title: Principal Financial Officer

GHL World Ltd

By: /s/ Eirini Santhi Theocharous
Name: Eirini Santhi Theocharous
Title: Director

Hemen Holding Limited

By: /s/ Spyros Episkopou
Name: Spyros Episkopou
Title: Director

Greenwich Holdings Limited

By: /s/ Spyros Episkopou
Name: Spyros Episkopou
Title: Director

C.K. Limited

By: /s/ Spyros Episkopou
Name: Spyros Episkopou
Title: Director

/s/ John Fredriksen*

Products	$ 15,327	(16)%	$ 18,316
Upgrades	2,232	16%	1,922
Service	2,704	41%	1,917
Titan hand piece refills	1,355	23%	1,102
Consolidated total revenue	$ 21,618	(7)%	$ 23,257

During the three months ended March 31, 2008, compared to the same period in 2007, our U.S. revenue decreased by 22% and our international revenue increased by 25%. During the three months ended March 31, 2007, compared to the same period in 2006, our U.S. revenue increased by 6% and our international revenue increased by 27%. The decrease in U.S. revenue growth rate was primarily attributable to lower performance levels from of our North American business, caused in part by a slower domestic industry growth rate. These sales professionals are taking longer than expected to achieve target performance levels. Further, we believe that the current U.S. economic market is causing physicians to delay their decisions to make significant capital equipment purchases. The international revenue growth was primarily attributable to continuing investments in our international sales distribution channels. These efforts have resulted in increased revenue from several of our geographic locations, with growth primarily sourced from Japan, Australia and many emerging global markets.

From a product category perspective, in the first quarter ended March 31, 2008, compared to the same period in the prior year, we continued to experience revenue growth in sales of Upgrades of 16%, Service of 41% and Titan hand piece refills of 23%, however, revenue from Product sales, which represents sales of systems to new customers, declined by 16%. The 16% increase in Upgrade revenue was primarily attributable to customers upgrading their Xeo systems with our recently launched Pearl application. Our Service and Titan hand piece refills revenue growth was attributable to an increasing number of our installed base of customers purchasing extended service contracts and Titan hand piece refills. The 16% decrease in Product revenue, was primarily attributable to lower performance levels from of our North American business, caused in part by a slower domestic industry growth rate.

Gross Margin

(Dollars in thousands)	Three Months Ended March 31, 2008	% Change	2007
Gross margin	$ 13,399	(13)%	$ 15,476
As a percentage of net revenue	62%		67%

Our cost of revenue consists primarily of material, labor, stock-based compensation, royalty expense, warranty and manufacturing overhead expenses. For the three months ended March 31, 2008, our gross margin declined to 62%, compared to 67% in the same period of 2007. This decrease in gross margin in the quarter ended March 31, 2008 was primarily attributable to: (i) higher Service revenue, as a percentage of total revenue, which has a lower gross margin than our other revenue categories; and (ii) reduced leverage of our fixed operating costs, due to lower than expected revenue.

Sales and Marketing

(Dollars in thousands)	Three Months Ended March 31, 2008	% Change	2007
Sales and marketing	$ 10,349	14%	$ 9,063
As a percentage of net revenue	48%		39%

Table of Contents

Sales and marketing expenses consist primarily of labor, stock-based compensation, expenses associated with customer-attended workshops and trade shows, and advertising. For the three months ended March 31, 2008, compared to the same period in 2007, the $1.3 million increase in sales and marketing expenses was attributable primarily to $867,000 of higher personnel and travel expenses, resulting primarily from the increased international sales and marketing headcount, and $398,000 of higher advertising and promotions expenses resulting from the increased investments made in marketing and distribution of our products globally. As a percentage of revenue, sales and marketing expenses increased to 48%, compared to 39% in the same period in 2007, due to the lower than expected revenue in the first quarter of 2008.

Research and Development (R&D)

	Three Months Ended March 31,		
(Dollars in thousands)	**2008**	**% Change**	**2007**
Research and development	$ 1,785	2%	$ 1,747
As a percentage of net revenue	8%		8%

Research and development expenses consist primarily of labor, stock-based compensation, clinical, regulatory and material costs. In the three months ended March 31, 2008, R&D expenses remained flat and were 8% of net revenue.

General and Administrative (G&A)

	Three Months Ended March 31,		
(Dollars in thousands)	**2008**	**% Change**	**2007**
General and administrative	$ 2,941	(3)%	$ 3,018
As a percentage of net revenue	14%		13%

General and administrative expenses consist primarily of labor, stock-based compensation, legal fees, accounting, audit and tax consulting fees, and other general and administrative expenses. In the three months ended March 31, 2008, G&A expenses decreased by 3% due primarily to $140,000 of lower expensed sales taxes for jurisdiction where we had not previously filed returns, $120,000 of reduced accounting, audit and tax consulting fees due primarily to lower costs associated with our Sarbanes Oxley internal control maintenance and testing, offset by $218,000 of higher legal fees and settlement costs due partly to defending our lawsuits.

In April and May 2007, two securities class action lawsuits were filed against us and were later consolidated into one lawsuit. Given we retain director and officer liability insurance with a deductible, this litigation is not expected to have a material impact on our general and administrative expenses in 2008. In addition, in January 2008, a TCPA class action lawsuit was filed against us. We have not accrued for any potential liability associated with these lawsuits. For additional details relating to these lawsuits see Part II, Item 1 Legal Proceedings.

Interest and Other Income, Net

	Three Months Ended March 31,		
(Dollars in thousands)	**2008**	**% Change**	**2007**
Interest and other income, net	$ 901	(10)%	$ 1,002

Interest and other income, net, decreased by 10% in the first quarter of 2008, compared to the same period in 2007, due primarily to reduced tax-exempt interest yields resulting from the federal reserve cutting interest rates in the first quarter of 2008. Additionally, we had a lower average invested balance, which was $104.5 million as of March 31, 2008, compared with $111.2 million as of March 31, 2007.

Provision for Income Taxes

	Three Months Ended March 31,		
(Dollars in thousands)	**2008**	**Change**	**2007**
Income (loss) before income taxes	$ (775)	$ (3,425)	$ 2,650

Provision (benefit) for income taxes	(233)	(1,128)	895
Effective tax rate	30%		34%

Our effective tax rate reflects applicable United States federal and state tax rates and the tax impact of foreign operations, offset primarily by research and development tax credits (in the three months ended March 31, 2007 only) and tax exempt interest income. The interim effective income tax rate is based on management s best estimate of the annual effective income tax rate. The decrease in the effective tax rate for the three months ended March 31, 2008 to 30%, compared to 34% in the same period in 2007, was primarily attributable to tax exempt interest income being a larger percentage of the projected pre-tax income for fiscal year 2008, compared to fiscal year 2007.

Liquidity and Capital Resources

Liquidity is the measurement of our ability to meet potential cash requirements, fund the planned expansion of our operations and acquire businesses. Our sources of cash include operations, marketable investments, stock option exercises and employee stock purchases. We actively manage our cash usage and investment of liquid cash to ensure the maintenance of sufficient funds to meet our daily needs.

Table of Contents

Cash, Cash Equivalents and Marketable Investments Summary

The following table summarizes our cash, cash equivalents and marketable investments (in thousands):

	March 31, 2008	December 31, 2007	Increase/ (Decrease)
Cash and cash equivalents	$ 38,110	$ 11,054	$ 27,056
Marketable investments	54,877	88,510	(33,633)
Marketable investments, long term portion	11,503	7,429	4,074
Total	$ 104,490	$ 106,993	$ (2,503)

The net decrease in cash, cash equivalents and marketable investments of $2.5 million in the three months ended March 31, 2008, was primarily attributable to:

- Unrealized losses in fair values of our failed ARS (see Note 1 Summary of Significant Accounting Policies to our Condensed Consolidated Financial Statements for additional information on our ARS) of $1.9 million;
- Net cash used in operations of $510,000;
- Cash used to purchase property and equipment of $186,000; offset by
- An increase in unrealized gains on our short-term marketable investments of $255,000; and
- Cash provided by the issuance of common stock related to stock option exercises and employee stock purchases of $35,000.

Cash Flows

(Dollars in thousands)	Three Months Ended March 31, 2008	2007
Net cash flow provided by (used in):		
Operating activities	$ (510)	$ 1,063
Investing activities	27,531	1,574
Financing activities	35	2,439
Net increase in cash and cash equivalents	$ 27,056	$ 5,076

Cash Flows from Operating Activities

We used $510,000 of cash in operating activities for the three months ended March 31, 2008, which was primarily attributable to:

$3.1 million used to pay down the higher year-end accrued liabilities relating primarily to personnel expenses of $1.2 million, $991,000 of the 2007 year-end income tax liability, reduction in accrued warranty costs by $421,000 due primarily to fewer units remaining under warranty, and a net decrease in accrued patent royalties by $302,000 due to the pay down of the higher liability from the fourth quarter of 2007;

$1.9 million cash used as a result of the increase in inventories due to the lower than expected revenue in the first quarter of 2008; offset by

$2.3 million cash generated from the collection of the higher accounts receivable balance as of December 31, 2007;

$788,000 of cash generated due to an increase in deferred revenue resulting primarily from higher service contract revenue; and

$1.1 million generated from the net loss of $542,000 after adjusting for non-cash related items primarily consisting of $1.3 million of stock-based compensation and $223,000 of depreciation and amortization.

We generated net cash from operating activities of $1.1 million in the three months ended March 31, 2007, which was primarily attributable to:

$3.8 million generated by net income after adjusting for non-cash related items primarily consisting of $1.3 million of stock-based compensation and $710,000 of tax benefit from stock option exercises; offset by

$2.8 million of net cash used to decrease our net operating assets and liabilities primarily consisting of $1.3 million decrease due to an increase in inventories and a $1.6 million decrease due to a reduction in accrued liabilities from the higher December 31, 2006 year-end balances that resulted from the strong fourth quarter 2006 operations.

Cash Flows from Investing Activities

We generated $27.5 million of cash from investing activities in the three months ended March 31, 2008, which was primarily generated from $39.9 million in net proceeds from the sales and maturities of marketable investments due to an attempt to reduce our exposure to the auction rate and variable rate demand note markets during the quarter, offset by $12.2 million of cash used to purchase marketable investments; and $186,000 cash used to purchase property and equipment primarily for the research and development function.

We generated $1.6 million of cash from investing activities for the three months ended March 31, 2008, which was primarily attributable to $1.9 million net proceeds from the sales and maturities of marketable investments, which was partially offset by $341,000 used to purchase property and equipment for primarily marketing and R&D functions.

Cash Flows from Financing Activities

Net cash provided by financing activities in the three months ended March 31, 2008 was $35,000, which was from the proceeds from the issuance of stock through our stock option and employee stock purchase plans.

Table of Contents

Net cash generated by financing activities in the three months ended March 31, 2007 was $2.4 million and was primarily attributable to the proceeds from the issuance of stock through our stock option and employee stock purchase plans and the excess tax benefits from the sale of these options.

Adequacy of cash resources to meet future needs

We had cash, cash equivalents and marketable investments of $104.5 million as of March 31, 2008. Of this amount, we had $11.5 million invested in student loan, auction rate, securities that were rated AAA or better by a major credit rating agency and are either commercially insured or guaranteed by the FFELP or MELA. These securities were classified under the caption of Marketable investments- long term portion in the Condensed Consolidated Balance Sheet. These ARS provide liquidity via an auction process that resets the applicable interest rate at predetermined calendar intervals, generally every 35 days though auctions for our MELA securities are held every 360 days. Auctions for these securities have been failing since February 2008 due to the current overall credit concerns in capital markets. Upon an auction failure, the interest rates do not reset at a market rate but instead reset based on a formula contained in the security prospectus, which rate is generally higher than the current market rate. The failure of the auctions impacts our ability to readily liquidate our ARS into cash until a future auction of these investments is successful or the auction rate security is refinanced by the issuer into another type of debt instrument. Based on our ability to access our cash and other short-term investments and our expected operating cash flows, we do not anticipate the current lack of liquidity on these investments will affect our ability to operate our business as usual over the next twelve months.

Contractual Cash Obligations

The following summarizes our contractual obligations as of March 31, 2008 for minimum lease payments related to facility leases in California, Japan, Switzerland and France.

		Payments Due by Period ($ 000 s)			
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Operating leases	$ 7,749	$ 1,273	$ 2,522	$ 2,796	$ 1,158

Income Tax Liability

As of March 31, 2008, we have included in our Condensed Consolidated Balance Sheet $1.5 million in long-term income tax liability with respect to unrecognized tax benefits and accrued interest. As of March 31, 2008, the Company does not expect any unrecognized tax benefits to be paid within the next twelve months, nor can it make a reliable estimate when cash settlement with a taxing authority may occur. As a result, this amount is not included in the Contractual Obligations table above.

Off-Balance Sheet Arrangements

We do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance, variable interest or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As of March 31, 2008, we were not involved in any unconsolidated transactions.

Indemnifications

In the normal course of business, we enter into agreements that contain a variety of representations, warranties, and indemnification obligations. For example, we have entered into indemnification agreements with each of our directors and executive officers. In 2007, two of our executive officers were named as defendants in securities class action litigation see Part II, Item 2 Legal Proceedings. Our exposure under the various indemnification obligations, including those under the indemnification agreements with our directors and executive officers, is unknown since the outcome of the securities litigation is unpredictable and the amount that could be payable thereunder is not reasonably estimable, and since other indemnification obligations involve future claims that may be made against us. We have not accrued or paid any amounts for any such indemnification obligations. However, we may record charges in the future as a result of these potential indemnification obligations, including those related to the securities class action litigation.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to interest rate risk relates primarily to our investment portfolio. Fixed rate securities may have their fair market value adversely impacted due to fluctuations in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors, our future investment income may fall short of expectation due to changes in interest rates or we may suffer losses in principal if forced to sell securities which have declined in market value due to changes in interest rates. The primary objective of our investment activities is to preserve principal while at the same time maximizing yields without significantly increasing risk. To achieve this objective, we invest in debt instruments of the U.S. Government and its agencies, municipal bonds and high-quality corporate issuers, and, by policy, restrict our exposure to any single corporate issuer by imposing concentration limits. To minimize the exposure due to adverse shifts in interest rates, we maintain investments at a weighted average maturity (interest reset date for auction-rate securities and variable rate demand notes) of generally less than eighteen months. Assuming a hypothetical increase in interest rates of one percentage point, the fair value of our total investment portfolio as of March 31, 2008 would have potentially declined by $610,000.

We have international subsidiaries and operations and are, therefore, subject to foreign currency rate exposure. To date, our exposure to exchange rate volatility has not been significant. We cannot assure that there will not be a material impact in the future. Although the majority of our sales and purchases are denominated in U.S. dollars, future fluctuations in the value of the U.S. dollar may affect the price competitiveness of our products. We do not believe, however, that we currently have significant direct foreign currency exchange rate risk and have not hedged exposures denominated in foreign currencies.

We do not utilize derivative financial instruments, derivative commodity instruments or other market risk sensitive instruments, positions or transactions in any material fashion.

Table of Contents

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Attached as exhibits to this Quarterly Report are certifications of the Company s Chief Executive Officer (CEO) and Chief Financial Officer (CFO), which are required in accordance with Rule 13a-14 of the Securities Exchange Act of 1934, as amended (Exchange Act). This Controls and Procedures section includes the information concerning the controls evaluation referred to in the certifications, and it should be read in conjunction with the certifications for a more complete understanding of the topics presented.

The Company conducted an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in the Rules 13a-15(e) and 15d-15(e) under the Exchange Act) (Disclosure Controls) as of the end of the period covered by this Report required by Exchange Act Rules 13a-15(b) or 15d-15(b). The controls evaluation was conducted under the supervision and with the participation of the Company s management, including the CEO and CFO. Based on this evaluation, the CEO and our CFO have concluded that as of the end of the period covered by this report the Company s disclosure controls and procedures were effective at a reasonable assurance level.

Definition of Disclosure Controls

Disclosure Controls are controls and procedures designed to reasonably assure that information required to be disclosed in the Company s reports filed under the Exchange Act, such as this Report, is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms. Disclosure Controls are also designed to reasonably assure that such information is accumulated and communicated to the Company s management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. The Company s Disclosure Controls include components of its internal control over financial reporting, which consists of control processes designed to provide reasonable assurance regarding the reliability of its financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles in the U.S. To the extent that components of the Company s internal control over financial reporting are included within its Disclosure Controls, they are included in the scope of the Company s annual controls evaluation.

Limitations on the Effectiveness of Controls

The Company s management, including the CEO and CFO, does not expect that the Company s disclosure controls or internal control over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system s objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control over Financial Reporting

There were no changes in the Company s internal control over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Two securities class action lawsuits were filed against us and two of our executive officers in April 2007 and May 2007, respectively, in the U.S. District Court for the Northern District of California following declines in our stock price. The plaintiffs claim to represent purchasers of our common stock from January 31, 2007 through May 7, 2007. The complaints generally allege that materially false statements and omissions were made regarding our financial prospects, and seek unspecified monetary damages. On November 1, 2007, the Court ordered the two cases consolidated. On December 17, 2007, the plaintiffs filed a consolidated, amended complaint, and on January 31, 2008, we filed a motion to dismiss that complaint. A hearing on our motion is scheduled with the Court for May 22, 2008. We intend to defend this consolidated case

vigorously. Although we retain director and officer liability insurance, there is no assurance that such insurance will cover the claims that are made or will insure us fully for all losses on covered claims. Since the outcome of this litigation is unpredictable, and the amount that could be payable is not reasonably estimable, since we do not believe that a significant adverse result for us is probable, no expense has been recorded with respect to the contingent liability associated with this matter.

A Telephone Consumer Protection Act, or TCPA, class action lawsuit was filed against us in January 2008 in the Illinois Circuit Court, Cook County, by Bridgeport Pain Control Center, LTD., seeking monetary damages, injunctive relief, costs and other relief. The complaint alleges that we violated the TCPA by sending unsolicited advertisements by facsimile to the plaintiff and other recipients without the prior express invitation or permission of the recipients. Under the TCPA, recipients of unsolicited facsimile advertisements may be entitled to damages of $500 per violation for inadvertent violations and $1,500 per violation for knowing or willful violations. On February 22, 2008, we removed the case to federal court in the Northern District of Illinois, and filed our response to the complaint on February 29, 2008. Although we are continuing to investigate the number of facsimiles transmitted during the period for which the plaintiff in the lawsuit seeks class certification and the number of these facsimiles that were unsolicited within the meaning of the TCPA, we expect that the number of unsolicited facsimiles could be large and potential liability may be substantial as a result. We intend to defend this case vigorously, including the plaintiff s allegations seeking class certification. Since the outcome of this litigation is unpredictable, and since the amount that could be payable is not reasonably estimable, no expense has been recorded with respect to the contingent liability associated with this matter. However, we may determine in the future that an accrual is required, and we may be required to pay damages in respect of this lawsuit, any of which could materially and adversely affect our results of operations, cash flows and financial condition. We have not tendered this lawsuit to our insurance carrier, may not do so, and, even if we do so, coverage may be disputed. Even if coverage is determined to apply, since the potential liability under this lawsuit could be substantial, our insurance coverage may not be sufficient to satisfy any damages or expenses that we may be required to pay.

Table of Contents

ITEM 1A. RISK FACTORS

The initiatives that we are implementing in an effort to improve our sales productivity, revenue and income could be unsuccessful, which could harm our business and may further depress the price of our stock.

In an effort to improve our revenue and income levels, we have implemented several strategic initiatives, including the restructuring of our North American sales professionals, launching our new Pearl product worldwide, and dedicating additional sales professionals to work in conjunction with PSS.

We believe these initiatives should improve our revenue and income. However, these initiatives may not be successful for several reasons: they may lead to employee turnover; there are no assurances that we can hire and train new sales employees; we may not be able to successfully market our new products; and our efforts to improve our sales productivity may result in instability to our operations, causing harm to our business and a further decline in our stock price.

Our revenue and earnings are difficult to predict and our decision to not provide public guidance could harm our business, and our stock price might become more volatile and could decline.

We historically provided guidance to the investment community regarding our anticipated future operating performance, both for the coming quarters and fiscal year. However, beginning with the release of our earnings for the quarter ended September 30, 2007, we have discontinued our practice of providing financial guidance.

Due to our decision to not provide public guidance, if, in the future, our actual results are below the expectations of third party financial analysts, our business could be harmed, the volatility of our stock price could increase, and our stock price could decline significantly as a result.

Our North American sales team has many new sales professionals. If we are unable to effectively train, retain and manage these employees, our ability to manage and expand our business will be harmed, which would impair our future revenue and profitability.

As a result of our sales-expansion efforts and sales employee turnover in 2007, a significant number of our sales professionals and sales managers on our North American sales team had been in their respective roles for about a year or less. Our experience is that new sales professionals are at higher risk for employee turnover and generally take two to three quarters to achieve effective productivity levels. Our success largely depends on our ability to manage and improve the productivity levels of our sales professionals and worldwide distribution network. If we fail to manage, or do not improve the productivity of, any material part of that network, including the North American sales team, this could lead to reduced revenue and employee turnover, which could materially harm our business. If we experience significant levels of attrition among our sales professionals or our sales managers, our revenue and profitability may be adversely affected as a result.

To successfully market and sell our products internationally, we must address many issues with which we have little or no experience.

For the quarter ended March 31, 2008, approximately 43% of our revenue was derived from international customers, which is a material component of our growth strategy. We depend on third-party distributors and a relatively new direct sales operation to sell our products internationally, and if these distributors or direct sales personnel underperform, we may be unable to increase or maintain our level of international revenue. We will need to expand the territories in which we sell our products and attract additional international distributors to grow our business. Distributors may not accept our business or commit the necessary resources to market and sell our products to the level of our expectations. If current or future distributors do not perform adequately, or if we are unable to engage distributors in particular geographic areas, we may not be able to realize international revenue growth. Additionally, we expect to expand our direct sales force in Europe and Asia. If we are unable to hire, retain and obtain satisfactory performance from such additional personnel, our revenue from international operations may be adversely affected.

We believe that an increasing amount of our future revenue will come from international sales as we expand our overseas operations and develop opportunities in additional international territories. International sales are subject to a number of risks, including:

Difficulties in staffing and managing our foreign operations;

Difficulties in penetrating markets in which our competitors products are more established;

Reduced protection for intellectual property rights in some countries;

Export restrictions, trade regulations and foreign tax laws;

Fluctuating foreign currency exchange rates;

Foreign certification and regulatory requirements;

Lengthy payment cycles and difficulty in collecting accounts receivable;

Customs clearance and shipping delays;

Political and economic instability;

Lack of awareness of our brand in international markets; and

Preference for locally-produced products.

If one or more of these risks were realized, it could require us to dedicate significant resources to remedy the situation, and if we were unsuccessful at finding a solution, our revenue may decline.

We may incur substantial expenses if our practices are shown to have violated the Telephone Consumer Protection Act.

We had previously used facsimiles to disseminate commercial information about our business to customers and potential customers. In February 2008, we adopted a policy of sending commercial facsimiles only to our customers and others with whom we have an existing business relationship.

Under the federal Telephone Consumer Protection Act, or TCPA, recipients of unsolicited facsimile advertisements may be entitled to damages of $500 per violation for inadvertent violations and $1,500 per violation for knowing or willful violations.

Table of Contents

In January 2008, a TCPA class action lawsuit was filed against us in the Illinois Circuit Court, Cook County, by Bridgeport Pain Control Center, LTD., seeking monetary damages, injunctive relief, costs and other relief. The complaint alleges that we violated the TCPA by sending unsolicited advertisements by facsimile to the plaintiff and other recipients without the prior express invitation or permission of the recipients. On February 22, 2008, we removed the case to federal court in the Northern District of Illinois, and filed our response to the complaint on February 29, 2008. Although we are continuing to investigate the number of facsimiles transmitted during the period for which the plaintiff in the lawsuit seeks class certification and the number of these facsimiles that were unsolicited within the meaning of the TCPA, we expect the number of unsolicited facsimiles could be large and potential liability may be substantial as a result.

We intend to defend this lawsuit vigorously, including the plaintiff s allegations seeking class certification, but litigation is subject to numerous uncertainties and we are unable to predict the ultimate outcome of this matter. Even if we prevail in this lawsuit, other individual or class action claims may be brought against us alleging violations of the TCPA. Moreover, the amount of any potential liability in connection with this lawsuit will depend, to a large extent, on whether a class in this type of action is certified and, if one is certified, on the scope of the class, neither of which we can predict at this time.

We have not recorded a liability related to this lawsuit. However, we may determine in the future that an accrual is required, and we may be required to pay damages in respect of this lawsuit out of our transmission of facsimiles, any of which could materially and adversely affect our results of operations, cash flows and financial condition. Regardless of the outcome, this lawsuit may cause us to incur significant expenses and divert the attention of our management and key personnel from our business operations.

We have not tendered this lawsuit to our insurance carrier, may not do so, and, even if we do so, coverage may be disputed. Even if coverage is determined to apply, since the potential liability under this claim could be substantial, our coverage may not be sufficient to satisfy any damages or expenses that we may be required to pay.

We compete against companies that have longer operating histories, more established products and greater resources, each of which may prevent us from achieving significant market penetration or increased operating results.

Our industry is subject to intense competition. Our products compete against similar products offered by public companies, such as Candela, Cynosure, Elen (in Italy), Iridex, Palomar, Syneron and Thermage, as well as private companies such as Alma, Aesthera, Lumenis, Reliant, Sciton and several other companies. Additional competitors may enter the market, and we are likely to compete with new companies in the future. Competition with these companies could result in price-cutting, reduced profit margins and loss of market share, any of which would harm our business, financial condition and results of operations. We also face competition from medical products, such as Botox, an injectable compound used to reduce wrinkles, and collagen injections. Other alternatives to the use of our products include sclerotherapy, a procedure involving the injection of a solution into the vein to collapse it, electrolysis, a procedure involving the application of electric current to eliminate hair follicles, and chemical peels. We may also face competition from manufacturers of pharmaceutical and other products that have not yet been developed. Our ability to compete effectively depends upon our ability to distinguish our company and our products from our competitors and their products, and includes such factors as:

Intellectual property protection;

Product performance;

Product pricing;

Quality of customer support;

Success and timing of new product development and introductions; and

Development of successful distribution channels, both domestically and internationally.

Some of our competitors have more established products and customer relationships than we do, which could inhibit our market penetration efforts. For example, we have encountered, and expect to continue to encounter, situations where, due to pre-existing relationships, potential customers decided to purchase additional products from our competitors. Potential customers also may need to recoup the cost of expensive products that they have already purchased from our competitors and may decide not to purchase our products, or to delay such purchases. If we are unable to achieve continued market penetration, we will be unable to compete effectively and our business will be harmed.

In addition, some of our current and potential competitors have significantly greater financial, research and development, business development, manufacturing, and sales and marketing resources than we have. Our competitors could utilize their greater financial resources to acquire other companies to gain enhanced name recognition and market share, as well as new technologies or products that could effectively compete with our existing product lines. To compete effectively, we have to demonstrate that our products are attractive alternatives to other devices and treatments by differentiating our products on the basis of performance, brand name, service and price. Our competitors could form strategic alliances with other companies to develop products and solutions that effectively compete with our products. For example, Palomar and Syneron have each entered into agreements with Proctor and Gamble for the proposed development of home-use aesthetic devices. And Syneron entered into an agreement with Obagi Medical Products to study the effects of using Obagi s skin care products during treatments with Syneron aesthetic devices. Business combinations and alliances by our competitors could increase competition, which could harm our business.

Competition among providers of laser and other energy-based devices for the aesthetic market is characterized by rapid innovation, and we must continuously develop or acquire new products and successfully introduce them or our revenue may decline.

Some of our competitors release new products more often and more successfully than we do. For example, in the second half of 2007, revenue from sales of our new Pearl product to new customers did not meet our expectations, although revenue from sales of Pearl upgrades to existing customers grew significantly. We believe that, to increase revenue from sales of new products and related upgrades, we need to continue developing our clinical support and increasing market awareness of the benefits of those new products. If we fail to successfully commercialize any of our products, our business could be harmed.

While we attempt to protect our products through patents and other intellectual property, there are few barriers to entry that would prevent new entrants or existing competitors from developing products that compete directly with ours. For example, while our CoolGlide product was the first long-pulse Nd:YAG, or long wavelength, laser system cleared by the FDA for permanent hair reduction on all skin types, competitors have subsequently introduced systems that utilize Nd:YAG lasers, and received FDA clearances to market these products as treating all skin types. We expect that any competitive advantage we may enjoy from

Table of Contents

other current and future innovations, such as combining multiple hand pieces in a single system to perform a variety of applications, may diminish over time, as companies successfully respond to our, or create their own, innovations. Consequently, we believe that we will have to continuously innovate and improve our products and technology to compete successfully. If we are unable to innovate successfully, our products could become obsolete and our revenue could decline as our customers and prospects purchase our competitors products.

Our ability to compete effectively depends upon our ability to innovate, to develop, acquire and commercialize new products and product enhancements, and to identify new markets for our technology.

We have created products to apply our technology to hair removal, treatment of veins and skin rejuvenation, including the treating of diffuse redness, skin laxity, fine lines, skin texture, pore size and pigmented lesions. Currently, these applications represent the majority of laser and other energy-based aesthetic procedures. To continue growing in the future, we must develop and acquire new and innovative aesthetic applications, identify new markets for our existing technology, and develop and acquire new technology from various platforms. To successfully expand our product offerings, we must, among other things:

Develop or acquire new products that either add to or significantly improve our current products;

Convince our customers and prospective customers that our new products or upgrades would be an attractive revenue-generating addition to their practices;

Sell our products to a broad customer base;

Identify new markets and alternative applications for our technology;

Protect our existing and future products with defensible intellectual property; and

Satisfy and maintain all regulatory requirements for commercialization.

Every year since 2000, we have introduced at least one new product. Historically, these introductions have been a significant component of our financial performance. Our business strategy is based, in part, on our expectation that we will continue to make annual product introductions that we can sell to new customers and to existing customers as upgrades. Even with a significant investment in research and development, we may be unable to continue to develop or acquire new products and technologies annually, or at all, which could adversely affect our projected growth rate.

If there is not sufficient demand for the procedures performed with our products, practitioner demand for our products could be inhibited, resulting in unfavorable operating results and reduced growth potential.

Continued expansion of the global market for laser-and other energy-based aesthetic procedures is a material assumption of our growth strategy. Most procedures performed using our products are elective procedures not reimbursable through government or private health insurance, with the costs borne by the patient. The decision to utilize our products may therefore be influenced by a number of factors, including:

The cost of procedures performed using our products;

The cost, safety and effectiveness of alternative treatments, including treatments which are not based upon laser- or other energy-based technologies and treatments which use pharmaceutical products;

The success of our sales and marketing efforts;

Consumer confidence and disposable income, which may be impacted by political and macroeconomic conditions, such as recession, continuing increases in energy and food prices, high unemployment rates, increased interest rates and subprime mortgage failures; and

The education of our customers and patients on the benefits and uses of our products, compared to competitors products and technologies.

If, as a result of these factors, there is not sufficient demand for the procedures performed with our products, practitioner demand for our products could be reduced, which could have a material adverse effect on our business, financial condition, revenue and result of operations.

If PSS World Medical fails to perform to our expectations, we may fail to achieve anticipated operating results.

We have a distribution agreement with PSS World Medical. PSS sales professionals work in coordination with our sales force to locate new customers for our products throughout the United States. For the years ended December 31, 2007 and 2006, approximately 14% and 15% of our revenue came from PSS, respectively. Although we have dedicated additional sales professionals to work closely with, and increase the focus and attention on, our PSS relationship, it may take time for the increase in resources to result in an improvement in revenue from our PSS relationship. In addition, we can provide no assurances that the increased focus on PSS will translate into increased revenue for us. Further, if PSS does not perform adequately under the arrangement, or terminates our relationship, it may have a material adverse effect on our business, financial condition and results of operations.

Two securities class action lawsuits were filed against us in April and May 2007, respectively, based upon the decreases in our stock price following the announcement of our preliminary first quarter 2007 revenue and earnings, and the announcement of our revised 2007 guidance. Defending ourselves against this litigation could distract management and harm our business.

Two class action lawsuits were filed against us following declines in our stock price in the spring of 2007. On November 1, 2007, the court ordered the two cases consolidated. We will incur legal costs as a result of this litigation. Although we retain director and officer liability insurance, there can be no guarantee that such insurance will cover the claims that are made or will insure us fully for all losses on covered claims. This litigation may distract our management and consume resources that would otherwise have been directed toward operating our business. Each of these factors could harm our business.

We hold auction-rate securities (ARS) in our portfolio of investments. Due to failed auctions for some of our auction rate investments since February 2008, we are unable to readily liquidate our ARS into cash, future earnings could be reduced if we have to take an impairment charge, our business could be harmed and our stock price could decline significantly as a result.

Table of Contents

We invest our excess cash primarily in money market funds and in highly liquid debt instruments of the U.S. government and its agencies, U.S. municipalities, and in bonds of high-quality corporate issuers. At March 31, 2008, we had marketable securities of $66.4 million, of which $11.5 million was invested in ARS, which are classified under the caption of Marketable investments- long term portion in the Condensed Consolidated Balance Sheet. These ARS provide liquidity via an auction process that resets the applicable interest rate at predetermined calendar intervals, generally every 35 days though auctions for some of the securities are held every 360 days. However, in the quarter ended March 31, 2008, auctions for each of our investments in ARS have failed due to the current overall credit concerns in capital markets. Upon an auction failure, the interest rates do not reset at a market rate but instead reset based on a formula contained in the security, which rate is generally higher than the current market rate. The failure of the auctions impacts our ability to readily liquidate our ARS into cash until a future auction of these investments is successful or the auction rate security is refinanced by the issuer into another type of debt instrument.

If in the future we are unable to liquidate our investments in ARS and / or there is an other-than-temporary impairment in their market value, our future earnings could be reduced if we have to take an impairment charge, our business could be harmed and our stock price could decline significantly as a result.

Any acquisitions that we make could disrupt our business and harm our financial condition.

We expect to evaluate potential strategic acquisitions of complementary businesses, products or technologies. We may also consider joint ventures and other collaborative projects. We may not be able to identify appropriate acquisition candidates or strategic partners, or successfully negotiate, finance or integrate any businesses, products or technologies that we acquire. Furthermore, the integration of any acquisition and management of any collaborative project may divert management s time and resources from our core business and disrupt our operations. We do not have any experience as a team with acquiring companies or products. If we decide to expand our product offerings beyond laser and other energy-based products, we may spend time and money on projects that do not increase our revenue. Any cash acquisition we pursue would diminish our available cash balances to us for other uses, and any stock acquisition could be dilutive to our stockholders.

While we from time to time evaluate potential collaborative projects and acquisitions of businesses, products and technologies, and anticipate continuing to make these evaluations, we have no present understandings, commitments or agreements with respect to any material acquisitions or collaborative projects.

The price of our common stock may fluctuate substantially. We have a limited number of shares of common stock outstanding, a large portion of which is held by a small number of investors, which could result in the increase in volatility of our stock price.

As of December 31, 2007, approximately 50% of our outstanding shares of common stock were held by ten institutional investors. As a result of our relatively small public float, our common stock may be less liquid than the stock of companies with broader public ownership. Among other things, trading of a relatively small volume of our common stock may have a greater impact on the trading price for our shares than would be the case if our public float were larger.

The public market price of our common stock has in the past fluctuated substantially and, given the current concentration of stockholders, may continue to do so in the future. The market price for our common stock could also be affected by a number of other factors, including:

Sales of large blocks of our common stock, including sales by our executive officers, directors and our large institutional investors;

Quarterly variations in our, or our competitors , results of operations;

Changes in analysts estimates, investors perceptions, recommendations by securities analysts or our failure to achieve analysts estimates;

The announcement of new products or service enhancements by us or our competitors;

The announcement of the departure of a key employee or executive officer;

Regulatory developments or delays concerning our, or our competitors products;

The initiation of litigation by us or one of our competitors; and

General market conditions and other factors unrelated to our operating performance or the operating performance of our competitors. Actual or perceived instability in our stock price could reduce demand from potential buyers of our stock, thereby causing our stock price to decline.

We may be involved in future costly intellectual property litigation, which could impact our future business and financial performance.

Our competitors or other patent holders may assert that our present or future products and the methods we employ are covered by their patents. In addition, we do not know whether our competitors own or will obtain patents that they may claim prevent, limit or interfere with our ability to make, use, sell or import our products. Although we may seek to resolve any potential future claims or actions, we may not be able to do so on reasonable terms, or at all. If, following a successful third-party action for infringement, we cannot obtain a license or redesign our products, we may have to stop manufacturing and selling the applicable products and our business would suffer as a result. In addition, a court could require us to pay substantial damages, and prohibit us from using technologies essential to our products, any of which would have a material adverse effect on our business, results of operations and financial condition.

We may become involved in litigation not only as a result of alleged infringement of a third party s intellectual property rights but also to protect our own intellectual property. For example, we have been, and may hereafter become, involved in litigation to protect the trademark rights associated with our company name or the names of our products. Infringement and other intellectual property claims, with or without merit, can be expensive and time-consuming to litigate, and could divert management s attention from our core business.

Intellectual property rights may not provide adequate protection for some or all of our products, which may permit third parties to compete against us more effectively.

We rely on patent, copyright, trade secret and trademark laws and confidentiality agreements to protect our technology and products. At March 31, 2008, we had ten issued U.S. patents. Some of our components, such as our laser module, electronic control system and high-voltage electronics, are not, and in the

future may not be, protected by patents. Additionally, our patent applications may not issue as patents or, if issued, may not issue in a form that will be advantageous to us. Any patents we obtain may be challenged, invalidated or legally circumvented by third parties. Consequently, competitors could market products and use manufacturing processes that are substantially similar to, or superior to, ours. We may not be able to prevent the unauthorized disclosure or use of our technical knowledge or other trade secrets by consultants, vendors, former employees or current employees, despite the existence generally of confidentiality agreements and other contractual restrictions. Monitoring unauthorized uses and disclosures of our intellectual property is difficult, and we do not know whether the steps we have taken to protect our intellectual property will be effective. Moreover, the laws of many foreign countries will not protect our intellectual property rights to the same extent as the laws of the United States.

The absence of complete intellectual property protection exposes us to a greater risk of direct competition. Competitors could purchase one of our products and attempt to replicate some or all of the competitive advantages we derive from our development efforts, design around our protected technology, or develop their own competitive technologies that fall outside of our intellectual property rights. If our intellectual property is not adequately protected against competitors products and methods, our competitive position and our business could be adversely affected.

If we fail to obtain or maintain necessary FDA clearances for our products and indications, if clearances for future products and indications are delayed or not issued, if there are federal or state level regulatory changes or if we are found to have violated applicable FDA marketing rules, our commercial operations would be harmed.

Our products are medical devices that are subject to extensive regulation in the United States by the FDA for manufacturing, labeling, sale, promotion, distribution and shipping. Before a new medical device, or a new use of or labeling claim for an existing product, can be marketed in the United States, it must first receive either 510(k) clearance or pre-marketing approval from the FDA, unless an exemption applies. Either process can be expensive and lengthy. In the event that we do not obtain FDA clearances or approvals for our products, our ability to market and sell them in the United States and revenue derived therefrom may be adversely affected.

Medical devices may be marketed in the United States only for the indications for which they are approved or cleared by the FDA. For example, we have FDA clearance to market our Titan product in the United States only for deep dermal heating, and are therefore prevented from promoting or advertising Titan in the United States for any other indications. If we fail to comply with these regulations, it could result in enforcement action by the FDA which could lead to such consequences as warning letters, adverse publicity, criminal enforcement action and/or third-party civil litigation, each of which could adversely affect us.

We have obtained 510(k) clearance for the indications for which we market our products. However, our clearances can be revoked if safety or effectiveness problems develop. We also are subject to Medical Device Reporting regulations, which require us to report to the FDA if our products cause or contribute to a death or serious injury, or malfunction in a way that would likely cause or contribute to a death or serious injury. Our products are also subject to state regulations, which are, in many instances, in flux. Changes in state regulations may impede sales. For example, federal regulations allow our products to be sold to, or on the order of, licensed practitioners, as determined on a state-by-state basis. As a result, in some states, non-physicians may legally purchase our products. However, a state could change its regulations at any time, thereby disallowing sales to particular types of end users. We cannot predict the impact or effect of future legislation or regulations at the federal or state levels.

The FDA and state authorities have broad enforcement powers. If we fail to comply with applicable regulatory requirements, it could result in enforcement action by the FDA or state agencies, which may include any of the following sanctions:

Warning letters, fines, injunctions, consent decrees and civil penalties;

Repair, replacement, recall or seizure of our products;

Operating restrictions or partial suspension or total shutdown of production;

Refusing our requests for 510(k) clearance or pre-market approval of new products, new intended uses, or modifications to existing products;

Withdrawing 510(k) clearance or pre-market approvals that have already been granted; and

Criminal prosecution. If any of these events were to occur, it could harm our business.

If we fail to comply with the FDA s Quality System Regulation and laser performance standards, our manufacturing operations could be halted, and our business would suffer.

We are currently required to demonstrate and maintain compliance with the FDA s Quality System Regulation, or QSR. The QSR is a complex regulatory scheme that covers the methods and documentation of the design, testing, control, manufacturing, labeling, quality assurance, packaging, storage and shipping of our products. Because our products involve the use of lasers, our products also are covered by a performance standard for lasers set forth in FDA regulations. The laser performance standard imposes specific record-keeping, reporting, product testing and product labeling requirements. These requirements include affixing warning labels to laser products, as well as incorporating certain safety features in the design of laser products. The FDA enforces the QSR and laser performance standards through periodic unannounced inspections. Our failure to take satisfactory corrective action in response to an adverse QSR inspection or our failure to comply with applicable laser performance standards could result in enforcement actions, including a public warning letter, a shutdown of our manufacturing operations, a recall of our products, civil or criminal penalties, or other sanctions, such as those described in the preceding paragraph, which would cause our sales and business to suffer.

If we modify one of our FDA-approved devices, we may need to seek re-approval, which, if not granted, would prevent us from selling our modified products or cause us to redesign our products.

Any modifications to an FDA-cleared device that would significantly affect its safety or effectiveness or that would constitute a major change in its intended use would require a new 510(k) clearance or possibly a pre-market approval. We may not be able to obtain additional 510(k) clearance or pre-market approvals for new products or for modifications to, or additional indications for, our existing products in a timely fashion, or at all. Delays in obtaining future clearance would adversely affect our ability to introduce new or enhanced products in a timely manner, which in turn would harm our revenue and future profitability.

Table of Contents

We have made modifications to our devices in the past and may make additional modifications in the future that we believe do not or will not require additional clearance or approvals. If the FDA disagrees, and requires new clearances or approvals for the modifications, we may be required to recall and to stop marketing the modified devices, which could harm our operating results and require us to redesign our products.

We may be unable to obtain or maintain international regulatory qualifications or approvals for our current or future products and indications, which could harm our business.

Sales of our products outside the United States are subject to foreign regulatory requirements that vary widely from country to country. In addition, exports of medical devices from the United States are regulated by the FDA. Complying with international regulatory requirements can be an expensive and time-consuming process and approval is not certain. The time required to obtain clearance or approvals, if required by other countries, may be longer than that required for FDA clearance or approvals, and requirements for such clearances or approvals may significantly differ from FDA requirements. We may be unable to obtain or maintain regulatory qualifications, clearances or approvals in other countries. We may also incur significant costs in attempting to obtain and in maintaining foreign regulatory approvals or qualifications. If we experience delays in receiving necessary qualifications, clearances or approvals to market our products outside the United States, or if we fail to receive those qualifications, clearances or approvals, we may be unable to market our products or enhancements in international markets effectively, or at all, which could have a material adverse effect on our business and growth strategy.

The expense and potential unavailability of insurance coverage for our customers could adversely affect our ability to sell our products, and therefore our financial condition.

Some of our customers and prospective customers have had difficulty in procuring or maintaining liability insurance to cover their operation and use of our products. Medical malpractice carriers are withdrawing coverage in certain states or substantially increasing premiums. If this trend continues or worsens, our customers may discontinue using our products and potential customers may opt against purchasing laser and other energy- based products due to the cost or inability to procure insurance coverage. The unavailability of insurance coverage for our customers and prospects could adversely affect our ability to sell our products, and that could harm our financial condition.

Because we do not require training for users of our products, and sell our products at times to non-physicians, there exists an increased potential for misuse of our products, which could harm our reputation and our business.

Federal regulations allow us to sell our products to or on the order of licensed practitioners. The definition of licensed practitioners varies from state to state. As a result, our products may be purchased or operated by physicians with varying levels of training, and in many states, by non-physicians, including nurse practitioners, chiropractors and technicians. Outside the United States, many jurisdictions do not require specific qualifications or training for purchasers or operators of our products. We do not supervise the procedures performed with our products, nor do we require that direct medical supervision occur. We and our distributors generally offer but do not require product training to the purchasers or operators of our products. In addition, we sometimes sell our systems to companies that rent our systems to third parties and that provide a technician to perform the procedures. The lack of training and the purchase and use of our products by non-physicians may result in product misuse and adverse treatment outcomes, which could harm our reputation and our business, and, in the event these result in product liability litigation, distract management and subject us to liability, including legal expenses.

Product liability suits could be brought against us due to a defective design, material or workmanship or misuse of our products and could result in expensive and time-consuming litigation, payment of substantial damages and an increase in our insurance rates.

If our products are defectively designed, manufactured or labeled, contain defective components or are misused, we may become subject to substantial and costly litigation by our customers or their patients. Misusing our products or failing to adhere to operating guidelines could cause significant eye and skin damage, and underlying tissue damage. In addition, if our operating guidelines are found to be inadequate, we may be subject to liability. We have been involved, and may in the future be involved, in litigation related to the use of our products. Product liability claims could divert management s attention from our core business, be expensive to defend and result in sizable damage awards against us. We may not have sufficient insurance coverage for all future claims. We may not be able to obtain insurance in amounts or scope sufficient to provide us with adequate coverage against all potential liabilities. Any product liability claims brought against us, with or without merit, could increase our product liability insurance rates or prevent us from securing continuing coverage, could harm our reputation in the industry and could reduce product sales. In addition, we have been experiencing steep increases in our product liability insurance premiums. If our premiums continue to rise, we may no longer be able to afford adequate insurance coverage.

If we are unable to maintain adequate insurance coverage, or we have product liability claims in excess of our insurance coverage, claims would be paid out of cash reserves, thereby harming our financial condition, operating results and profitability.

Our manufacturing operations are dependent upon third-party suppliers, making us vulnerable to supply shortages and price fluctuations, which could harm our business.

Many of the components and materials that comprise our products are currently manufactured by a limited number of suppliers. A supply interruption or an increase in demand beyond our current suppliers capabilities could harm our ability to manufacture our products until a new source of supply is identified and qualified. Our reliance on these suppliers subjects us to a number of risks that could harm our business, including:

Interruption of supply resulting from modifications to or discontinuation of a supplier s operations;

Delays in product shipments resulting from uncorrected defects, reliability issues or a supplier s variation in a component;

A lack of long-term supply arrangements for key components with our suppliers;

Inability to obtain adequate supply in a timely manner, or on reasonable terms;

Difficulty locating and qualifying alternative suppliers for our components in a timely manner;

Table of Contents

Production delays related to the evaluation and testing of products from alternative suppliers, and corresponding regulatory qualifications; and,

Delay in supplier deliveries.

Any interruption in the supply of components or materials, or our inability to obtain substitute components or materials from alternate sources at acceptable prices in a timely manner, could impair our ability to meet the demand of our customers, which would have an adverse effect on our business.

Components used in our products are complex in design, and any defects may not be discovered prior to shipment to customers, which could result in warranty obligations that would reduce our revenue and increase our cost.

In manufacturing our products, we depend upon third parties for the supply of various components. Many of these components require a significant degree of technical expertise to produce. If our suppliers fail to produce components to specification, or if the suppliers, or we, use defective materials or workmanship in the manufacturing process, the reliability and performance of our products will be compromised.

If our products contain defects that cannot be repaired easily and inexpensively, we may experience:

Loss of customer orders and delay in order fulfillment;

Damage to our brand reputation;

Increased cost of our warranty program due to product repair or replacement;

Inability to attract new customers;

Diversion of resources from our manufacturing and research and development departments into our service department; and

Legal action. The occurrence of any one or more of the foregoing could materially harm our business.

We forecast sales to determine requirements for components and materials used in our products and if our forecasts are incorrect, we may experience either delays in shipments or increased inventory costs.

We keep limited materials and components on hand. To manage our manufacturing operations with our suppliers, we forecast anticipated product orders and material requirements to predict our inventory needs up to twelve months in advance and enter into purchase orders on the basis of these requirements. Our limited historical experience may not provide us with enough data to accurately predict future demand. If our business expands, our demand for components and materials would increase and our suppliers may be unable to meet our demand. If we overestimate our component and material requirements, we will have excess inventories, which would increase our expenses. If we underestimate our component and material requirements, we may have inadequate inventories, which could interrupt, delay or prevent delivery of our products to our customers. Any of these occurrences would negatively affect our financial performance and the level of satisfaction our customers have with our business.

Lack of demand for our products in the non-core market would harm our anticipated revenue growth.

Most of our revenue in the United States is derived from sales to customers outside of the core dermatologist and plastic surgeon specialties, such as family practitioners, primary care physicians, gynecologists and medi-spas. Continuing to achieve further penetration into this market is a material assumption of our growth strategy.

Demand for our products in the non-core market could be weakened by several factors including poor financial performance of businesses introducing aesthetic procedures to their practice or medi-spas, reduced patient demand for alternative treatments and services being provided by non-core practitioners and an increase in malpractice lawsuits against non-core practitioners. If we do not achieve anticipated demand for our products in the non-core market, our revenue may be adversely impacted.

We depend on skilled and experienced personnel to operate our business effectively. If we are unable to recruit, hire and retain these employees, our ability to manage and expand our business will be harmed, which would impair our future revenue and profitability.

Our success largely depends on the skills, experience and efforts of our officers and other key employees. We do not have employment contracts with any of our officers or other key employees. Any of our officers and other key employees may terminate their employment at any time. We do not have a succession plan in place for each of our officers and key employees. In addition, we do not maintain key person life insurance policies covering any of our employees. The loss of any of our senior management team members could weaken our management expertise and harm our business.

Our ability to retain our skilled labor force and our success in attracting and hiring new skilled employees are critical factors in determining whether we will be successful in the future. We may not be able to meet our future hiring needs or retain existing personnel. We will face particularly significant challenges and risks in hiring, training, managing and retaining engineering and sales and marketing employees. Failure to attract and retain personnel, particularly technical and sales and marketing personnel, would materially harm our ability to compete effectively and grow our business.

Our profit margins may vary over time.

Our profit margins may be adversely affected by a number of factors, including decreases in our shipment volume, reductions in, or obsolescence of, our inventory, shifts in our product mix and increased expenses associated with repairing defective products covered by our warranty program. In addition, the competitive market environment in which we operate may adversely affect pricing for our products. Because we own most of our manufacturing capacity, a

Table of Contents

significant portion of our operating costs are fixed. If we experience a decrease in shipment volume, or have to reduce our pricing to remain competitive, or experience a greater than expected failure rate for any of our products, etc., our gross and operating margins will be adversely impacted.

We are subject to fluctuations in the exchange rate of the U.S. dollar and foreign currencies.

We do not actively hedge our exposure to currency rate fluctuations. While we transact business primarily in U.S. Dollars, and a significant proportion of our revenue is denominated in U.S. Dollars, a portion of our costs and revenue is denominated in other currencies, such as the Euro, Japanese Yen, Australian Dollar, Canadian Dollar and British Pound Sterling. As a result, changes in the exchange rates of these currencies to the U.S. Dollar will affect our net income.

We are exposed to fluctuations in the market values of our portfolio investments and in interest rates.

Our investment portfolio consists of both high investment grade corporate and municipal securities that have a maximum effective maturity of up to two years. In addition to bonds, we invest in variable rate demand notes and auction-rate-securities whose interest rates reset generally every 35 days though auctions for some of the securities are held every 360 days. The longer the duration of a security, the more susceptible it is to changes in market interest rates and bond yields. As yields increase, those securities with a lower yield-at-cost show a mark-to-market unrealized loss. For example, assuming a hypothetical increase in interest rates of one percentage point, the fair value of our total investment portfolio as of March 31, 2008 would have potentially decreased by $610,000, resulting in an unrealized loss that would subsequently adversely impact our earnings. As a result, changes in the market interest rates will affect our future net income.

Anti-takeover provisions in our Amended and Restated Certificate of Incorporation and Bylaws, and Delaware law, contain provisions that could discourage a takeover.

Our Amended and Restated Certificate of Incorporation and Bylaws, and Delaware law, contain provisions that might enable our management to resist a takeover, and might make it more difficult for an investor to acquire a substantial block of our common stock. These provisions include:

- A classified board of directors;
- Advance notice requirements to stockholders for matters to be brought at stockholder meetings;
- A supermajority stockholder vote requirement for amending certain provisions of our Amended and Restated Certificate of Incorporation and Bylaws;
- Limitations on stockholder actions by written consent; and
- The right to issue preferred stock without stockholder approval, which could be used to dilute the stock ownership of a potential hostile acquirer.

These provisions might discourage, delay or prevent a change in control of our company or a change in our management. The existence of these provisions could adversely affect the voting power of holders of common stock and limit the price that investors might be willing to pay in the future for shares of our common stock.

Our effective income tax rate may vary significantly.

Unanticipated changes in our tax rates could affect our future results of operations. Our future effective tax rates could be unfavorably affected by changing interpretations of existing tax laws or regulations, changes in estimates of prior years items, unanticipated decreases in the amount of revenue or earnings in countries with low statutory tax rates, changes in the valuation of our deferred tax assets and liabilities, future levels of research and development spending, deductions for employee stock option exercises being different from what we projected, and changes in

overall levels of income before taxes.

The quarterly royalty payments under our patent license with Palomar are subject to an annual audit. Any material adjustments from this audit could result in a material adverse effect on our business and our stock price.

We pay royalties to Palomar after each fiscal quarter for applicable product sales made in that quarter. These royalty amounts are subject to an annual review by an independent public accountant hired by Palomar. The independent public accountant s interpretation of the applicable royalty rate for any new products, or combination of products, and the net revenue from which to calculate the royalty, could be different from ours. In the event that the independent public accountant s assessment of the accuracy of our estimated royalty payments to Palomar is materially different from our calculations, we could owe a higher amount to Palomar than we accrued for, and would then have to report it as an additional expense in our financial statements for the applicable period. This could result in a material adverse effect on our business and stock price.

We have not paid dividends in the past and do not expect to pay dividends in the future, and any return on investment may be limited to the value of our stock.

We have never paid cash dividends on our common stock and do not currently anticipate paying cash dividends on our common stock. The payment of dividends on our common stock will depend on our earnings, financial condition and other business and economic factors affecting us at such time as our board of directors may consider relevant. If we do not pay dividends, our stock may be less valuable because a return on investment will only occur if our stock price appreciates.

Table of Contents

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

We did not sell any equity securities during the period covered by this report.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

Amendment to 2004 Equity Incentive Plan

At our April 25, 2008 meeting of our Board of Directors, the Board approved amendments to our 2004 Equity Incentive Plan, and our stockholders will vote on whether to approve the amended 2004 Equity Incentive Plan at our June 12, 2008 Annual Meeting of Stockholders.

ITEM 6. EXHIBITS

Exhibit No.	Description
3.2 (1)	Amended and Restated Certificate of Incorporation of the Registrant (Delaware).
3.4(1)	Bylaws of the Registrant.
4.1(2)	Specimen Common Stock certificate of the Registrant.
10.14(3)	Cutera, Inc. 2004 Equity Incentive Plan, as amended by its Board of Directors on April 25, 2008
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Incorporated by reference from our Registration Statement on Form S-1 (Registration No. 333-111928) which was declared effective on March 30, 2004.
(2) Incorporated by reference from our Annual Report on Form 10-K filed with the SEC on March 25, 2005.
(3) Incorporated by reference from our Definitive Proxy Statement on Form 14A filed with the SEC on April 28, 2008.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of The Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Brisbane, State of California, on the 6th day of May, 2008.

CUTERA, INC.

/S/ RONALD J. SANTILLI
Ronald J. Santilli
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Table of Contents

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