



"Proton therapy caused all the negatives of my diagnosis to disappear."

Patient story, p 1

ASHS '16





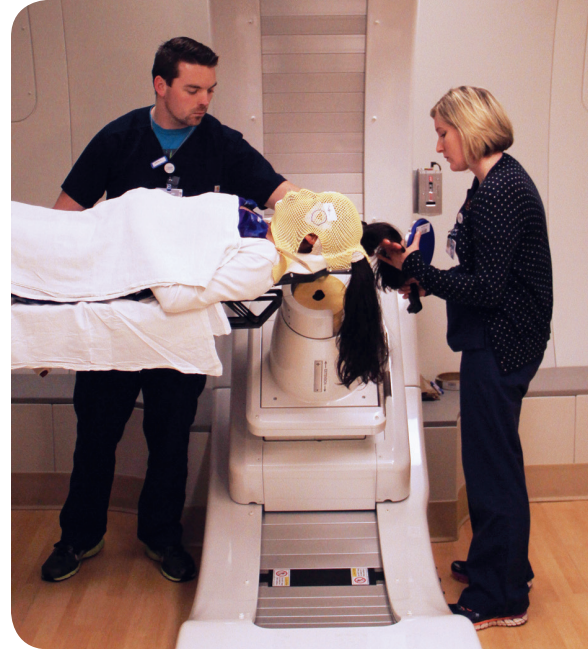
# Opening the door to hope and opportunity

## New Hope for Cancer Patients

When American Shared's first proton therapy installation opened at The Marjorie and Leonard Williams Center for Proton Therapy at the UF Health Cancer Center-Orlando Health in 2016, we were filled with excitement about the difference this remarkable technology could make for cancer patients. This past year, we've witnessed the impact first-hand.

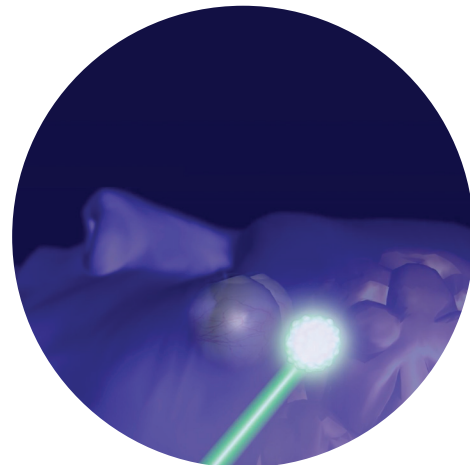
Take the story of Rhea Birusingh, M.D., the first patient to be treated at Orlando Health, who was diagnosed with a tumor behind her eye during her second trimester of pregnancy. Conventional treatments would have exposed other areas of Rhea's brain, along with her optic nerves and pituitary gland, to significant radiation. But proton therapy allowed doctors to successfully direct a proton beam into the exact spot that needed treatment—an area less than a centimeter in diameter. Without this treatment, Rhea may never have been able to watch her child grow.

Rhea's story is only the beginning. Orlando Health will also be treating patients diagnosed with cancers of the brain, spine, prostate, lung, breast, gastrointestinal tract, head and neck, as well as pediatric cancers.



## New Opportunities for American Shared

As news spreads about Orlando Health's success, the doors of opportunity are opening for American Shared to bring proton therapy to many other hospital partners, who will in turn touch the lives of countless cancer patients. Our proven creative financing strategies and demonstrated ability to bring a proton project from inception through completion position us as a leader in this rapidly expanding market.



**“Because it’s so precise, proton treatment allows a great clinical benefit by protecting the normal tissues surrounding the tumor.”**

**DR. NAREN RAMAKRISHNA**  
Director of Proton Therapy  
UF Health Cancer Center-Orlando Health

## To Our Shareholders

For the past decade, American Shared has had a vision of helping our hospital partners bring new hope to patients with cancerous and benign tumors through proton beam radiation therapy. I am thrilled to report that in 2016, this vision became a reality. Treatments at our first Mevion S250™ proton therapy system installed at The Marjorie and Leonard Williams Center for Proton Therapy at the UF Health Cancer Center-Orlando Health, have already touched the lives of numerous patients in 2016, with many more standing to benefit in the years to come.

Equally exciting, our fiscal 2016 financial performance and profitability have exceeded our expectations, with revenues of \$18,700,000—a 13 percent increase over fiscal 2015—and net income of \$930,000 or \$0.17 per share. In addition, we are pleased with our results from the MEVION S250™ proton therapy system we supplied at Orlando Health.

These developments are only the beginning. We are currently in conversation with other hospitals to bring this breakthrough technology to even more cancer patients throughout the country. Interest in proton therapy continues to grow as leading cancer centers have added proton therapy to their armamentarium in the fight against cancer.

We are also seeing continued growth opportunities for our Gamma Knife business. We recently signed a contract for a Gamma Knife® Perfexion™ system, with Bryan Medical Center in Lincoln, Nebraska. We expect this system to begin treating patients in the second half of 2017. In addition, our Gamma Knife system at the Hospital Fuerza Aérea del Peru in Lima, Peru should start treating patients in mid-2017.

As we enter fiscal 2017, we are confident that the leadership position we have built in proton therapy has set the foundation for our long-term growth, and that our Gamma Knife business will continue to yield solid results. I look forward to sharing the unfolding story of our success with you.



Ernest A. Bates, M.D.  
Chairman & Chief Executive Officer  
April 12, 2017

## Corporate Information

### Corporate Headquarters

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Fax: 415.788.5660  
web: www.ashs.com

### Registrar & Transfer Agent

American Stock Transfer  
& Trust Company, LLC  
6201 15th Avenue  
Brooklyn, NY 11219  
Tel: 800.937.5449

### Independent Auditors

Moss Adams LLP  
San Francisco, CA

### Counsel

Davis Polk & Wardwell LLP  
Menlo Park, CA

### Annual Shareholders' Meeting

June 27, 2017  
9:00 AM Pacific Daylight Time  
Hyatt Regency San Francisco  
5 Embarcadero Center  
San Francisco, CA 94111

### Directors

Ernest A. Bates, M.D.  
Chairman of the Board  
Daniel G. Kelly, Jr.  
Retired Former Senior Counsel  
Davis Polk & Wardwell LLP  
Menlo Park, CA

David A. Larson, M.D., Ph.D.  
Professor Emeritus of  
Radiation Oncology  
University of California  
San Francisco  
San Francisco, CA

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Ankara, Turkey

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Vice-Chairman of the Board  
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Raymond C. Stachowiak  
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Steamwood, IL

Stanley S. Trotman, Jr.  
Retired Former Managing Director  
Healthcare Group  
PaineWebber Incorporated  
New York, NY

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Chief Executive Officer

Craig K. Tagawa  
Chief Operating Officer  
Chief Financial Officer

Ernest R. Bates  
Vice President  
Sales and Business Development

Willie R. Barnes  
Corporate Secretary

### Form 10-K

A copy of our annual report on Form 10-K as filed with the Securities and Exchange Commission may be obtained without charge by contacting us at 415.788.5300.

This report may be deemed to contain certain forward-looking statements with respect to the financial condition, results of operations and future plans of American Shared Hospital Services, which involve risks and uncertainties including, but not limited to, the risks of the Gamma Knife and radiation therapy businesses, the risks of the timing of treatments under new Gamma Knife systems, the risks of developing The Operating Room for the 21st Century<sup>SM</sup> program, the risks of investing in Mevion Medical Systems, Inc., and the risks of the timing, financing, and operations of the Company's proton therapy business. Further information on potential factors that could affect the financial condition, results of operations and future plans of American Shared Hospital Services is included in the filings of the Company with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 2016, and the definitive Proxy Statement for the Annual Meeting of Shareholders to be held on June 27, 2017.

Design: Heiney & Craig, Inc., San Francisco  
Photos: Photography provided by Rhea Birusingh, M.D., Mevion Medical Systems, Inc. and UF Health Cancer Center - Orlando Health



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