

CEO CFO

SPA  CAPSULE®
Simulated Environment Concepts, Inc.

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With People Investing More On Their Health And To Reduce Their Stress, Simulated Environment Concepts, Inc. Is In The Right Place At The Right Time With Their SpaCapsule® Product Line For The Health And Fitness Industry, Designed To Decrease The Stress Level For Individuals And Businesses In A Busy World

**Consumer Products
Wellness
(SMEV-OTCPK)**

Simulated Environment Concepts, Inc.

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**Dr. Ella Frenkel
President and CEO**

Company Profile:

Simulated Environment Concepts, Inc. (OTCPK: SMEV) is the U.S. based manufacturer of SpaCapsule and Celude products. The company's doctors, with 40 years of combined professional experience, created the most perfect system for weight loss, anti-cellulite, massage, anti-aging, and de-stressing. This non-invasive technology is called the SpaCapsule. Combined with Celude products it offers complete bio-mechanical and biochemical systems to combat cellulite, weight gain and fatigue. SpaCapsule can be deployed in a corporate environment, as a Corporate Wellness Program; or it provides unattended, self-automated treatments for Health, Beauty, Wellness, Fitness and Sport Industries. Featured on ABC, NBC, CBS, New Your Times,

AARP Magazine, Miami Herald, and many others, the SpaCapsule is becoming a must have retreat for busy people everywhere.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Dr. Frenkel, what is the focus of the company today?

Dr. Frenkel: The focus of the company relates to our name Simulated Environment Concepts, with the stress that is surrounding us in the market, the job market, retail market and all around. We are focused on advancing the product line of the SpaCapsule® at the moment as well as developing and designing more products to decrease the stress level. We are developing and designing more products towards the health, fitness, and rehabilitation industry.

CEOCFO: Would you tell us about your SpaCapsule?

Dr. Frenkel: The SpaCapsule is a capsule shaped massage machine. The user enters the machine fully clothed. The user assumes a relaxing position and enjoys automated massage accompanied by aromatherapy infused oxygen, relaxing audio, and enjoyable video programs. Now, at anytime, the user can control the intensity, force, or the area of massage. The massage is delivered with powerful water-jets, however, as you understand, the user stays completely dry and protected. There is a protective membrane between the user and the jets; we use our own patented and proprietary technology to make sure that user is completely comfortable and feels only massage and relaxation. As

I said before, the jets are controlled with a touch-screen display. The user can control the pressure, the location, the travel speed, the water temperature, and at the same time the SpaCapsule provides and simulates user's environment for total relaxation and healing.

CEOCFO: Who is using the SpaCapsule now?

Dr. Frenkel: We have many vertical markets that we have penetrated so far. Mainly doctors offices, spas, and day spas, corporate offices that are big enough to own the SpaCapsule, private clubs or gyms and salons in the facilities. The retail market in the malls use it, and other shops such as tanning salon use the SpaCapsule for additional services and revenue. We have dentists and plastic surgeons, family doctors, chiropractors, a wide use in medical fields, and some physical therapy offices. There are also a few installations in airports.

CEOCFO: Would you tell us about the new contract in France?

Dr. Frenkel: We were contacted by a company in France, a Lady Fitness of Europe. They own approximately 260 locations of their Lady Fitness franchise, which is a fitness center geared for women. They compared some products in the US and in Europe and they went ahead and chose the SpaCapsule for their product line to include in the fitness centers. We are very excited about that. Their initial purchase was for eight units that are being released right now and we are moving on for further working relationships together. That is a very nice long contract for us and a great opportunity for both companies.

CEO CFO: Why is the Spa Capsule better, and what is the competitive landscape for you?

Dr. Frenkel: With the world being so busy now days, especially the corporate world, with people not having much time to relax, unwind and enjoy or take the time out and break away from their routines, the SpaCapsule fills the void and addresses the relaxation and rest that's missing in corporate world. Imagine having a full time masseuse available at any time – 24/7. Just turn it on, get in, get a massage, get some stress out, rejuvenate and move on. It is programmable, and controllable; you can choose a five-minute, ten-minute, or twenty-minute massage on the go. In reality, there are only a few mom-and-pop manufacturers that attempt to copy our technology; however, no one supplies a complete system like the SpaCapsule. Keep in mind, we even have an iPod and iPhone connections so that the busy people can extend their relaxation with their own choice of entertainment. We see tremendous expansion in our market. For example, in Europe, there are already the work-place regulations that require employers to invest into employee's wellbeing; it's just a matter of time until Canada and the United States adapt similar initiatives; we already see companies like Google and Microsoft leading in the work-space-environment arena.

CEO CFO: Are there water jets in spa machines or is this unique?

Dr. Frenkel: We have a few competitors although I don't know if they are competitors or they are just in the same market. Our product is very unique because it offers so many relaxation devices to stimulate the four senses; I just do not think there is any device like the SpaCapsule on the market today.

CEO CFO: How do you reach your potential customers?

Dr. Frenkel: First, we have already penetrated many markets and the word-

of-mouth really spreads. We advertised in medical publications, tanning salon magazine, and internet. We also attend trade shows; the retail installations serve as a sort of built-in showrooms. Also, our website brings us a lot of leads as well.

CEO CFO: Are these outright purchases?

Dr. Frenkel: Of course, there are plenty of customers who make outright purchases. Many customers also choose leasing or bank financing.

CEO CFO: What is the financial picture like for Simulated Environment Concepts today?

Dr. Frenkel: 2009 was a little tough; the demand was there, however, because of financial crunch only few companies qualified for leasing or financing. That, of course, put a dent into our overall

The market is right. The people are spending more money to reduce stress, to invest in their own health, fitness, and rejuvenation. They want to live longer and feel better. They want to reduce their stress and feel good and they don't have enough time to do it. So the SpaCapsule really fits the formula. What we want to do is increase the value for shareholders and produce more products like the SpaCapsule. The market is ripe to accept personal healthcare products like the SpaCapsule. - Dr. Ella Frenkel

sales. However, 2010 looks much better.

We have joined with a creative manager at Simulated Environment Concepts?

**Sample
Not for distribution!**

CEO CFO: Given today's very busy environment, are spending more money to relieve stress?

Dr. Frenkel: Many magazines or whatever you read now days are talking about stress; there are many studies how people spend money to pamper themselves, and not spend money for other things. The market is showing us that the potential for products like the SpaCapsule that is

geared towards stress reduction, self pampering, health and fitness is growing steadily. People are spending more money de-stressing, losing weight, getting healthy and staying fit.

CEO CFO: So it is the right time for you!

Dr. Frenkel: Absolutely!

CEO CFO: Would you tell us about the attention that the SpaCapsule has been getting?

Dr. Frenkel: We have just recently been featured on the Doctors Show that runs on CBS. It is the show right before Oprah Winfrey Show. They had the doctors try and comment on the SpaCapsule. They really gave us a wonderful testimony saying that it really helps the back pain, it helps the stress, and one of the doctors wanted to keep it for his office. So it was a really nice piece that I am sure shareholders would appreciate. We were also featured on Good Morning America. The New York Times did two stories about stress and SpaCapsule. We were featured on NBC, CBS, ABC, Miami Herald and many other fine publications. There are countless internet articles and feature stories on the internet as well.

CEO CFO: In closing why should potential investors look at Simulated Environment Concepts?

Dr. Frenkel: Just like I mentioned before the market is right. The people are spending more money to reduce stress, to invest in their own health, fitness, and rejuvenation. They want to live longer and feel better. They want to reduce their stress and feel good and they don't have enough time to do it. So the SpaCapsule really fits the formula. What we want to do is increase the value for shareholders and produce more products like the SpaCapsule. The market is ripe to accept personal healthcare products like the SpaCapsule.



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