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Ellipse Technologies Announces FDA Clearance to Market the PRECICE™ Remote-Control Leg Limb Lengthening Device

Irvine, California — Tuesday, August 23, 2011 — Ellipse Technologies, Inc. ("Ellipse") announced today that it has received FDA marketing clearance of the Company's PRECICE™ Limb Lengthening device in the United States. Limb Lengthening procedures are used to treat a number of medical conditions, including legs shortened due to congenital abnormalities, major fractures of one of the legs and shortened leg bones due to other medical diseases, such as cancer.

Ellipse has initiated clinical use of the PRECICE devices and plans an international product launch during the first half of 2012.

Commenting on the PRECICE technology, Stuart Green, M.D., Professor of Orthopedic Surgery, University of California, Irvine said, "The PRECICE Technology will make it possible to use externally controllable implants for patients who require bone lengthening. In the future, this technology will likely be adapted to many other orthopedic applications."

PRECICE ™ Remote Control Limb Lengthening System

The initial PRECICE devices will be used in leg limb lengthening procedures of the femur and tibia bones. Rather than using adjustable external fixation systems which are attached to the leg bone through long-term openings in the skin, the PRECICE REMOTE CONTROL TECHNOLOGY provides an internal implant adjusted to lengthen the leg bones via non-invasive methods from outside the body. Ellipse and its scientific advisors believe the PRECICE devices will not only provide a less-invasive approach to these procedures but also significantly reduce the potential for complications (e.g., infections) during the healing and recuperation period.

The PRECICE System was recently unveiled at the Limb Lengthening and Reconstruction Society (LLRS) Annual Meeting in Chicago. "Our remote control technology was a huge hit among attendees. The PRECICE System is easily recognized as a game-changer for patients suffering from limb deformities." said Ed Roschak, Ellipse Chief Operating Officer.

Ellipse is continuing to develop the PRECICE technology for orthopedic fracture management and trauma applications.

MAGEC™ Remote Control Spinal Deformity System

Ellipse has developed the MAGEC (**MAG**netic **E**xpansion **C**ontrol) Technology for minimally invasive, and ultimately non-invasive, orthopedic deformity prevention and management. MAGEC Technology is a breakthrough medical device technology capable of *non-invasively adjusting* implants within the human body from outside the body via remote control. The adjustment of the

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device can also be reversed. The first application for this technology is for the treatment of spinal scoliosis in children.

With the MAGEC Technology, a single minimally invasive surgical procedure is completed. Then, during a series of routine outpatient visits, the physician will dynamically adjust the MAGEC Technology from outside the body via the MAGEC System's External Remote Controller ("ERC"), thus eliminating the need for multiple highly invasive surgical procedures which are required with currently marketed, conventional products.

The MAGEC System is CE-Marked and Ellipse recently initiated a product launch at the International Meeting for Advanced Spine Therapies (IMAST) in Copenhagen, Denmark. Commenting on this launch, Mr. Roschak, said, "The response to MAGEC from the international spine community at IMAST was profoundly positive. The vast majority of physicians told us the Ellipse break through technology will be of great benefit to their patients with spinal deformity. Now, we can move forward with the international rollout of the MAGEC System."

Ellipse Technologies, Inc. is a privately-held medical device company located in Irvine, California. The Company is focused on developing its implantable remote control technology platforms to include innovative and state-of-the-art treatments for a broad spectrum of spinal and orthopedic deformity applications, orthopedic trauma and fracture management.

The MAGEC™ System is not currently available for distribution in U.S.

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