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Ellipse Technologies Announces First US Implantation of the PRECICE™ Remote-Control Limb Lengthening Device

Irvine, California — Thursday, January 5, 2012 — Ellipse Technologies, Inc. (“Ellipse”) announced today that the first implantations of the PRECICE™ Limb Lengthening device in the United States were successfully performed in December by Dr. Dror Paley, Director of the Paley Advanced Limb Lengthening Institute, West Palm Beach, Florida. Limb lengthening procedures are used to treat a number of conditions, including restoration of length to limbs shortened by congenital abnormalities, major fractures, and other medical problems, such as shortening due to radical cancer surgery.

The PRECICE Remote Control Limb Lengthening System was co-developed by Ellipse and scientific advisors Stuart A. Green, M.D., Clinical Professor of Orthopedic Surgery, University of California, Irvine, and Shawn C. Standard, M.D., Head of Pediatric Orthopedics, International Center for Limb Lengthening, Baltimore, Maryland. Ellipse continues to develop new applications for the PRECICE technology for orthopedic management of complex fractures and residual fracture deformities and trauma.

“The PRECICE is the first FDA cleared implantable limb lengthening device that offers prescribed rate controlled limb lengthening and has the ability to reverse direction,” said Dr. Paley. “This is such a significant advance that it represents the dawn of a new era in Orthopedics. I am honored to be the first US surgeon to implant this technology.”

PRECICE™ Remote Control Limb Lengthening System

The initial PRECICE devices can be used in lower extremity lengthening procedures of the femur and tibia. Rather than using adjustable external fixation systems, which are attached to the limb through long-term openings in the skin, the PRECICE REMOTE CONTROL TECHNOLOGY provides an internal implant adjusted to lengthen 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.

Commenting on these first US cases, Ed. Roschak, Ellipse Chief Executive Officer said, “We are delighted with the initial outcome of these first patients and look forward to a full U.S and international launch of the PRECICE Remote Control Limb Lengthening System in 2012.”

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MAGEC™ Remote Control Spinal Deformity System

Ellipse has also 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 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.

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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