



*News Release*  
FOR IMMEDIATE RELEASE

Contact: Ronald C. Trahan, APR, Ronald Trahan Associates, Inc., (508) 359-4005, x108

## **Applied Spine Technologies completes \$28 million ‘Series C’ financing**

**New investors include Investor Growth Capital and MB Venture Partners, joining existing investors Oxford Bioscience Partners, BioVentures Investors, InterWest Partners and De Novo Ventures**

### **U.S. clinical trial now under way**

NEW HAVEN, Conn., April 11, 2007—**Applied Spine Technologies** (‘AST’) Inc. ([www.appliedspine.com](http://www.appliedspine.com)) announced today that it has closed on a \$28 million ‘Series C’ round of financing led by Investor Growth Capital. MB Venture Partners also participated in the round. Stephen M. Campe, Managing Director of Investor Growth Capital, has joined AST’s Board in connection with the financing. A portion of the proceeds will be used to finance a U.S. IDE clinical trial. This pivotal study is now under way comparing posterior dynamic stabilization using AST’s *Stabilimax NZ™ Dynamic Spine Stabilization System* to patients receiving traditional fusion stabilization to treat degenerative lumbar spinal stenosis.

Stabilimax NZ is a posterior dynamic-stabilization system designed to support an injured or degenerated spine. Stabilimax NZ is intended to be a substantially less-invasive option for many patients who are currently limited to fusion and already has been implanted in several patients at various medical institutions across the country.

“We are extremely pleased to have Investor Growth Capital and MB Venture Partners join our outstanding investor group,” said Thomas E. Wood, President and Chief Executive Officer of AST. “Back pain patients remain one of the most underserved clinical populations today. Many years of research have led to the development of Stabilimax NZ. This device is designed to be a dramatic advance in back and leg pain treatment by stabilizing the spine *without eliminating motion*. This therapy has the potential to be far less invasive than fusion, and the technique can be easily adopted by most spine surgeons. Equally important, Stabilimax NZ may delay or prevent progression of degenerative spine disease, while leaving the door open to future treatments, such as fusion, should they be necessary.”

"AST has taken a rigorous approach to designing a novel device that addresses the complex biomechanical properties of the spine," said Stephen Campe of Investor Growth Capital. "The opportunity to offer improved long-term clinical benefits for patients with degenerative spine disease requires devices that can enable more natural motion in comparison to fusion or dynamic devices that can cause non-physiologic motion. We are excited to support AST as it takes another important step toward offering a new solution for patients."

(more)

Stabilimax NZ is the culmination of more than 30 years of focused research by Manohar Panjabi, Ph.D., who is AST's scientific founder and one of the world's foremost spine authorities. The underlying premise of Stabilimax NZ is that painful spine motion increases in an injured spine and that this abnormal motion is most pronounced in the '**Neutral Zone**'—the area of laxity in the center portion of the spine's range of motion (ROM). Stabilimax NZ utilizes a novel dual-spring mechanism with a uniquely variable dynamic feature that maximizes stiffness and support in the Neutral Zone, where the spine needs it most, thus returning the Neutral Zone to its normal, limited range. By eliminating abnormal motion, the design of Stabilimax NZ is intended to alleviate abnormal loading on surrounding muscles and tissues.

#### **About Applied Spine Technologies Inc.**

Applied Spine Technologies Inc., headquartered in New Haven, Conn., is developing Stabilimax NZ, a posterior dynamic stabilization device designed to support an injured or degenerated spine without eliminating motion. Stabilimax NZ is expected to offer numerous advantages over current spinal fixation products and even new artificial disc products—including a much less invasive and less traumatic implant procedure, maintenance of spine motion and disc function, and the potential to prevent or slow adjacent-segment disc disease.

#### **About Investor Growth Capital**

Investor Growth Capital (IGC) is the wholly-owned venture capital arm of Investor AB, a publicly traded industrial holding company, listed on the Stockholm Exchange with a market capitalization of approximately \$20 billion. IGC was formed in the mid-1990s to invest in high quality, growth oriented companies, primarily in the healthcare and information technology sectors. Today its 30 investment professionals are developing a portfolio whose value exceeds \$850 million from offices located in New York, Menlo Park, Stockholm, Hong Kong, Tokyo and Beijing. Investor AB is a leading shareholder in a number of European multinational corporations, including Astra Zeneca, Ericsson, and Gambro. For almost a century Investor AB's business philosophy has been to build best-in-class companies in sectors where the group has strong knowledge and a networking advantage. IGC shares that approach and benefits from Investor AB's extensive global network of companies and senior managers. For more information, please visit: [www.investorgrowthcapital.com](http://www.investorgrowthcapital.com).

#####