



Radius Ventures, Hospital for Special Surgery Ventures, and Elron Electronics Lead \$18 Million Financing Round for Impliant

MILFORD, CT - JANUARY 9, 2005

Impliant Inc., a developer of novel posterior motion-preservation and cartilage-protection devices for spine and joint arthroplasty, today announced it has secured more than \$18 million in Series C financing from a group of leading financial and strategic investors. New investors Radius Ventures, HSS Ventures, an affiliate of the Hospital for Special Surgery, and Elron Electronic Industries Ltd. (Nasdaq: ELRN) participated in the round alongside Impliant's existing investors—Advent International, Gemini Israel Funds and InnoMed Ventures.

Through its use of cutting-edge polymer materials and engineering techniques, Impliant is developing a new class of spine and joint arthroplasty devices, which target significant portions of the \$20 billion orthopedic implant market. The TOPS™ System—the world's first Total Posterior Spine system—addresses the 300,000 patients undergoing fusion surgery who could benefit from a posterior motion preservation system. The company's Cushion-Bearing™ joint implants fulfill the need among baby boomers for partial hip, knee and shoulder prostheses.

Ron Sacher, CEO of Impliant, said, "The strong interest from such high-quality investors demonstrates the enormous potential of our products, which we believe will revolutionize the field of spine and joint arthroplasty. This current round of financing enables Impliant to complete clinical trials, gain regulatory approvals and begin marketing our TOPS™ System, while advancing our line of Cushion-Bearing™ joint arthroplasty devices."

Jordan Davis, Managing Partner at Radius Ventures, commented, "The TOPS™ System has strong potential to be the first motion-preserving spine implant that broadly addresses multiple sources of posterior back pain. This elegant technology resonates well with leading spine surgeons."

Paddy Mullen, Managing Director of HSS Ventures, an affiliate of Hospital for Special Surgery that is focused on product development, technology incubation and venture investing said, "Impliant's posterior motion preservation solution is an impressive design offering a promising alternative to fusion."

Jordan Davis, Managing Partner at Radius Ventures, commented, "The TOPS™ System has strong potential to be the first motion-preserving spine implant that broadly addresses multiple sources of posterior back pain. This elegant technology resonates well with leading spine surgeons."

Press Release (continued)

Ann Bilyew, a Partner at Advent International, which has been an investor in Impliant since 2001, said, "We are enthusiastic about Impliant's progress to date and potential for advancing its current programs through clinical trials. Our latest investment, which comes from our newest HCLS III fund, is based on the tremendous promise the company has shown in developing a new generation of cushion-bearing joint and spine implants."

FOR MORE INFORMATION CONTACT

Ron Sacher
Impliant Inc.
(917) 270-5538
rsacher@impliant.com

Impliant Inc. is developing a line of innovative spine and joint arthroplasty implants. In 1999, Gemini Israel Funds led Impliant's Series A financing round, while the Series B financing round was led by Advent International and Innomed. For more information on the company, visit **www.impliant.com**.