



DFINE

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News Release

DFine Europe GmbH Removes Comparative Marketing Claims From Its German-Language Product Brochures

San Jose, CA – JULY 14, 2009 - DFine Europe GmbH, a subsidiary of DFine, Inc. will revise its German-language product brochures to be consistent with Germany's Medicinal Advertisement Law.

DFine Europe's product brochures included several marketing claims comparing its ultra-high viscosity StabiliT™ ER² Bone Cement to competitors' products that allegedly violate §§ 3, 6 HWG—Gesetz über die Werbung auf dem Gebiete des Heilwesens (Germany's Medicinal Advertisement Law) and §§ 3, 4 Nr. 11, 5, 6 UWG—Gesetz gegen den unlauteren Wettbewerb (Germany's Unfair Competition Law). These Germany-specific laws state that key features and benefits of competitive medical products *cannot* be compared in marketing literature. In response to a temporary injunction issued by a German Court at the request of Medtronic GmbH, DFine Europe GmbH has recalled from its German sales force all product brochures with direct comparisons to Medtronic's bone cement products and revised these materials to be compliant with German law. It is important to point out that the injunction in Germany was not related to the scientific rigor of DFine's data, but rather to the legality of competitors comparing marketing claims in promotional literature for medical products.

DFine, Inc. remains confident in the science used to develop the comparative data and marketing claims related to Medtronic's KyphX® HV-R® Bone Cement.

DFine, Inc. will continue to dedicate time, investment and scientific focus to prove the value of its products to spine specialists and to patients suffering from vertebral compression fractures.



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ABOUT DFine, Inc.

DFine, Inc. (www.dfineinc.com), founded in 2004, is a medical device company based in San Jose, California.

DFine Europe GmbH located in Mannheim, Germany is a subsidiary of DFine, Inc., and a member of the German Medical Technology Association.

DFine's mission is to develop and market medical devices that treat vertebral compression fractures and other spinal disorders in a minimally invasive manner to improve patient quality of life.

DFine's RF Kyphoplasty procedure with the StabiliT™ Vertebral Augmentation System is the next generation in kyphoplasty. It combines the benefits of site-specific cavity creation, controlled cement delivery, and potential for height restoration with ultra-high viscosity StabiliT™ ER² Bone Cement. During the procedure, radiofrequency energy is applied to specially formulated energy-responsive bone cement to create an ultra-high viscosity cement. The cement is delivered into a cavity within the vertebra using a hand switch that allows the physician to remain up to 10 feet from the fluoroscopic field, potentially reducing the physician's exposure to radiation.

The first RF Kyphoplasty cases were conducted in Europe as part of the SPACE clinical study in December of 2006. US spine specialists began performing RF Kyphoplasty with the StabiliT™ Vertebral Augmentation System in April of 2008, while commercialization in Europe began in February of 2009.