



“Strategic Partnering and Investing in Musculoskeletal Technology”

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Cutting... with Water

HydroCision's *fluidjet* devices are empowering spine surgeons to improve medico-economic outcomes for open and minimally invasive procedures

by Ronald C. Trahan

HYDROCISION IS CURRENTLY FOCUSED ON THE USE OF ITS PROPRIETARY 'FLUIDJET' TECHNOLOGY FOR SPINE SURGERY PROCEDURES. The Company has been able to adapt its *fluidjet* technology to medical applications by controlling a hair-thin, supersonic stream of water in a precise manner—while providing an effective collection system to remove ablated material from a surgical site. HydroCision calls this new field of surgery 'HydroSurgery', which can be used to hold, cut, sculpt, or ablate tissue quickly, with high precision. Indeed, HydroCision's *fluidjet* products can selectively differentiate and cut tissue of various densities, ranging from fat to cartilage and, simultaneously, remove tissue fragments from the operative field. The Company has released products for multiple surgical applications. For example, HydroCision has licensed its arthroscopy products to Johnson & Johnson, and its wound care products to Smith & Nephew. HydroCision's technology has applications in numerous other fields, including ENT, Plastic Surgery, Gastroenterology, and Urology.



DOUG DANIELS is CEO of HydroCision, Billerica, MA

NUMEROUS SIGNIFICANT MARKET OPPORTUNITIES

Privately held HydroCision estimates that the U.S. market opportunity for *fluidjet* technology in spine procedures only is more than \$650 million in 2005, and expected to grow to \$1 billion by 2010. The Company's unique technology provides spine surgeons with the tools to more effectively treat patients in fusion and Total Disc Replacement (TDR) procedures by preparing the endplates more precisely and with less damage than traditional procedures; and, in discectomy and nucleus replacement procedures, by removing the nucleus material in a less invasive and more complete manner. HydroCision already has 510(k) approvals for its *SpineJet XL* and *SpineJet MicroResector* product platforms.

HydroCision had revenue of \$4.87 million in 2003, \$6 million in 2004, and is projected to generate revenue of nearly \$8 million in 2005. Investors include Oxford Bioscience Partners, Zero Stage Capital and Newbury Ventures.

"We are currently seeking an investment of \$7 to \$10 million in order to expand our spine clinical studies, gain additional reimbursement, invest in capital equipment to reduce costs, as well as expedite our sales and marketing efforts to increase penetration into the spine market in the U.S. and in Europe," says Doug Daniels, HydroCision's CEO. "We are eager to be presenting HydroCision's opportunities at Medtech Insight's 'In Spine & Orthopedics' conference, which is the *only* important venue of its kind for high-quality investors interested in this space." □

What leading executives and investors are saying about Medtech Insight's 'IN SPINE & ORTHOPEDICS':



"It's been my experience that Medtech Insight conferences draw numerous young companies with impressive technologies and products, companies looking for funding and partners—a perfect market in which business development activities can flourish."

Gary Henley, President
Orthofix (Nasdaq: OFIX)
McKinney, Texas



"For me, Medtech Insight's meeting structure is really ideal, because I am able to focus my time and energy on numerous opportunities in just a day and a half—opportunities that otherwise would necessitate considerable effort and expense on my part in order to explore."

Michael Jackson, Managing Director
KeyBanc Capital Markets
Cleveland, Ohio



"The companies that are selected to present at Medtech Insight's conferences offer investors a meaningful opportunity to conduct effective due diligence during a well-orchestrated yet brief time span."

Dr. Raouf Guirguis, Partner
Lamina Equities Corporation
Arlington, Virginia

IN SPINE & ORTHOPEDICS: Strategic Partnering & Investing in Musculoskeletal Technology
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Medtech Insight's conferences have drawn a total of more than 5,040 senior execs from the investment community and major medtech companies, and have featured more than 585 innovative early-stage presenting companies. IN SPINE & ORTHOPEDICS will, once again, feature a new group of up to 50 early-stage medical technology companies seeking partnering and/or investment.

To register for this conference, please call 949-219-0150 or 888-290-2225 (toll-free in the U.S.), send an email to in3@medtechinsight.com, or **register online at www.medtechinsight.com**.

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