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**Scandius BioMedical's Stratis™ ST ACL Reconstruction System launched and
successfully used in initial surgeries**

Company's technology designed for simplicity achieves
consistent and reliable results for Orthopedic Surgeons

Littleton, MA — January 12, 2005 — Scandius BioMedical, Inc. announced today that the Stratis ST ACL Reconstruction System and Femoral Fixation Implant have been launched and successfully used in its initial surgeries since its recent FDA market clearance. The Stratis ST system is used by orthopedic surgeons to repair the single most common sports-related orthopedic joint injury – the reconstruction of the torn ACL (Anterior Cruciate Ligament). The Stratis ST System and Implant couples ease of use with secure fixation yielding consistent and reliable reconstruction.

“In surgery, use of the Stratis ST System simplified and expedited our procedures,” said Paul Re, M.D., Chief of Orthopedics at Emerson Hospital, Concord, MA and co-inventor of the Stratis ST system. “I am finding that the fixation is stronger than anything I've used previously.”

Scandius BioMedical launched the Stratis ST system in early December at the Arthroscopy Association of North America (AANA) meeting, held in Palm Springs, California. The meeting draws surgeons focused on Arthroscopic Sports Medicine, offering a great opportunity for those looking to see new and innovative technologies, such as the Stratis ST system.

“The Stratis ST system’s design is intuitive, the measurements required are minimal and the instrumentation is designed such that it leads you to a consistent end result each time” said Jim Vailas, M.D., Bedford Ambulatory Surgery Center, Bedford, NH and Chairman of the Clinical Advisory Board at Scandius. “As I use the Stratis ST system I can see that it will enable me to reduce the amount of time it takes for me to complete ACL repairs.”

By using the Stratis ST system, physicians can address the current challenges associated with Soft Tissue ACL reconstruction and provide an alternative in an area where advances in arthroscopy are needed by surgeons and patients alike. For instance, the Stratis ST system addresses the desire to achieve aperture fixation in the knee joint and greater compression of the graft in the femoral tunnel. The Stratis ST system enables physicians to overcome obstacles associated with traditional Soft Tissue ACL surgery.

The company’s patented technology consists of an instrument set and a femoral fixation implant available in 8mm, 9mm, 10mm diameters, as well as 25mm and 35mm lengths. The implants are available in bio-absorbable and non-absorbable polymer versions.

“The Stratis ST system is an innovative technology solution that was developed to fill the unmet surgical and clinical needs of arthroscopic surgeons,” said Mark A. Johanson, Founder, President and CEO of Scandius BioMedical. “The launch of the Stratis ST system is a significant event for Scandius as we build our presence in the orthopedic sports medicine arena.”

Emerson Hospital and Bedford Ambulatory Surgery Center are the facilities where initial surgeries have been successfully performed and have served as a resource for training and educational support for launch of the Stratis ST product.

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Scandius BioMedical, Inc. is a privately held medical device company that designs, manufactures and markets products for the orthopedic sports medicine market. The company was founded in 2000 and is focused on accelerating innovative solutions for

minimally invasive orthopedic sports medicine procedures. Current focus is on arthroscopic soft tissue ACL reconstruction, with future development addressing the areas of articular cartilage, meniscal repair and other soft tissue sports-related joint injuries. For more information please visit us at www.scandius.com.