

FOR IMMEDIATE RELEASE

New Biologics Company Launches with Focus on Active Orthopaedic Healing

Bioventus Delivers Solutions that Stimulate the Body's Natural Healing Process

DURHAM, N.C. – May 7, 2012 – Bioventus LLC, a new company providing active orthopaedic healing, launched today following the finalization of the strategic venture between the company's owners, an Essex Woodlands led investor syndicate group and Smith & Nephew, the global medical technology business.

Headquartered in Durham, N.C., Bioventus grew out of Smith & Nephew's former Biologics and Clinical Therapies division and includes nearly 500 U.S. employees from that group, as well as innovative and successful products to help accelerate bone healing and treat osteoarthritis pain. For the time being, employees outside of the U.S. will remain with Smith & Nephew and Smith & Nephew will distribute products on behalf of Bioventus outside of the U.S. This business will be transitioned to Bioventus over time as required legal and other approvals are obtained.

"For years, patients and healthcare providers have relied on our innovative products and our more than 250 customer-facing professionals who work directly with them to assist in providing quality care," said Mark Augusti, chief executive officer of Bioventus. "As an independent company with the support and backing of Essex Woodlands and Smith & Nephew, we will now be able to focus attention and resources to more quickly deliver new solutions to market."

The business was formed in 2008 as a division of Smith & Nephew and currently generates about \$240 million in annual revenue worldwide.

"Our go-forward mission is to be the best in helping patients regain active lifestyles by providing clinically proven and cost effective orthopaedic diagnostics and therapies through our world-class, customer-led professionals," Augusti added.

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Experienced Leadership

Bioventus' leadership team includes healthcare industry experts and experienced functional leaders. Most were previously with the Smith & Nephew Biologics Division and came from a variety of leading medical device, orthobiologic and pharmaceutical companies.

The team is led by Augusti, who built the Smith & Nephew Biologics business following successful roles as President of the company's Orthopaedic Trauma & Clinical Therapies Global Business and Senior Vice President and General Manager of the Trauma business. He also previously held leadership positions at JPMorgan Securities and GE Medical Systems.

Augusti's executive leadership team at Bioventus includes:

- Alan Donze, Vice President of Commercial Operations (Americas) – previously with Smith & Nephew, IsoTis Orthobiologics and Stryker Corporation
- Duncan Fatkin, Vice President of Global Marketing and Reimbursement – previously with Smith & Nephew, DePuy (a Johnson & Johnson company) and Baxter Healthcare
- Jeanne Forneris, Vice President and General Counsel – previously with American Medical Systems and Medtronic
- Peter Henderson, Vice President of Compliance – previously with Smith & Nephew, GE Healthcare, Roche Diagnostics and Guidant Sales Corporation
- Anthony James, Vice President of Operations and Quality – previously with Smith & Nephew and Spine Wave
- Walter Kwiatek, Chief Information Officer – previously with Smith & Nephew, Sterling Commerce (AT&T company), Wyeth Pharmaceuticals, BOC, and Pfizer Pharmaceuticals
- Leigh Ann Stradford, Vice President of Human Resources – previously with Smith & Nephew and Nike
- Henry Tung, Vice President of Strategic Planning and Business Development – previously with Smith & Nephew, Boston Scientific Corporation, Bausch & Lomb and McKinsey & Company

Successful Products

Bioventus will be aggressively seeking to expand its product portfolio, focusing on the orthopaedic biologics space. The company delivers highly successful products in the areas of bone healing and osteoarthritis pain relief. Products include:

- EXOGEN[®] Ultrasound Bone Healing System – indicated for the treatment of established non-unions* and indicated* fresh fractures. EXOGEN is developed and marketed by Bioventus in multiple countries around the world.

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- SUPARTZ[®] – a joint fluid hyaluronic acid therapy for knee osteoarthritis (OA). SUPARTZ is developed by Seikagaku Corporation and marketed by Bioventus in the U.S. only.
- DUROLANE[®] – a single-injection joint-fluid treatment indicated for the treatment of OA pain in a variety of joints and for post-arthroscopic pain in selected joints.* DUROLANE is developed by Q-Med AB and currently marketed by Smith & Nephew in many countries outside the U.S. Bioventus expects to assume the marketing of DUROLANE from Smith & Nephew on June 1.

About Bioventus

Bioventus is a global leader of active orthopaedic healing, providing clinically proven and cost-effective therapies and diagnostics that help patients regain active lifestyles. The company's innovative products include the market-leading bone stimulation device and osteoarthritis joint fluid therapies. Bioventus' adherence to high quality standards, its commitment to evidence-based medicine and its strong ethical behavior makes it a trusted partner for physicians worldwide.

For more information, visit www.BioventusGlobal.com or follow the company on Facebook (www.facebook.com/bioventus) or Twitter (@BioventusGlobal or www.twitter.com/BioventusGlobal).

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EXOGEN is a registered trademark of Bioventus LLC. SUPARTZ is a registered trademark of Seikagaku Corp. DUROLANE is a registered trademark of Q-Med AB.

*EXOGEN Summary of Indications for Use: The EXOGEN Ultrasound Bone Healing System is indicated for the non-invasive treatment of established non-unions¹ excluding skull and vertebra. In addition, EXOGEN is indicated for accelerating the time to a healed fracture for fresh, closed, posteriorly displaced distal radius fractures and fresh, closed or Grade I open tibial diaphysis fractures in skeletally mature individuals when these fractures are orthopaedically managed by closed reduction and cast immobilization.

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There are no known contraindications for the EXOGEN device. Safety and effectiveness has not been established for individuals lacking skeletal maturity; pregnant or nursing women; patients with cardiac pacemakers; on fractures due to bone cancer; or on patients with poor blood circulation or clotting problems. Some patients may be sensitive to the ultrasound gel. Full prescribing information can be found in product labeling, at www.exogen.com or by contacting customer service at 1-800-396-4325.

SUPARTZ is indicated for treatment of pain in osteoarthritis (OA) of the knee in patients who have failed to respond adequately to conservative non-pharmacologic therapy and simple analgesics, e.g., acetaminophen.

You should not use SUPARTZ if you have infections or skin diseases at the injection site or allergies to poultry products. SUPARTZ is not approved for pregnant or nursing women or children. Risks can include general knee pain, warmth and redness at the injection site. Full prescribing information can be found in product labeling, at www.supartz.com or by contacting customer service at 1-800-396-4325.

DUROLANE indications vary by market, but include the following:

Symptomatic treatment of mild to moderate knee or hip osteoarthritis. In addition, DUROLAE has been approved in the EU for the symptomatic treatment associated with mild to moderate osteoarthritis pain in the ankle, shoulder, elbow, wrist, fingers, toes and temporomandibular and facet joints. DUROLANE is also indicated for pain following joint arthroscopy either in the presence of osteoarthritis or subsequent to general surgical repair within 3 months of the procedure.

There are no known contraindications. You should not use DUROLANE if you have infections or skin disease at the injection site. DUROLANE has not been tested in pregnant or lactating women, or children. Risks can include transient pain, swelling and/or stiffness at the injection site. Full prescribing information can be found in product labeling, at www.durolane.com or by contacting customer service at 1-800-396-4325.

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