



Press Release

GRAFTYS COMPLETES THIRD ROUND OF FINANCING FOR 4 MILLION EUROS (\$5,3 Million), AND ADDS A NEW FINANCIAL PARTNER

Aix-en-Provence (France) and Chicago (IL), January 5, 2011.

Graftys, an early stage company focused on advanced bone biologics and based in Aix-en-Provence, France, is pleased to announce the completion of its third round of financing, which totaled 4 Million Euros (\$5.3 Million).

This latest round of financing was led by Ventech and included new investments by all of the past major investors in the company: Octalfa (Gilles Alberici), Oreo Finances (Alain Tornier), and Viveris Management (represented by Elisabeth Bertelli). Bionest was the advisor for this program, and Laurent Assaraf (Ventech) has joined the Board of Directors of Graftys.

These funds will be used by the Company to complete its first pilot clinical study for a combination medical device to address osteoporosis on a local basis (the "M.I.A.D.R.OS" project) as well as to support establishment of commercial efforts in the US market for its advanced bone void filler products which are already FDA cleared.

According to Laurent Assaraf: Ventech is pleased to include Graftys among its newest investments. We are confident that Graftys' unique technology will advance the treatment and prevention of orthopedic pathology, especially in osteoporosis, where major clinical needs have yet to be addressed.

According to Jean-Marc Ferrier: « We are very pleased to welcome Ventech, a venture capital company with a strong track record of success as an investor, and to have seen our existing major investors join Ventech in this round. Their involvement with Graftys, as well as renewed participation by our existing shareholders demonstrates the high level of confidence in our projects. »

According to Georges-David Medina: " We are very happy to have helped Graftys in this new round of financing. Graftys now clearly has the means to complete clinical validation of its combined drug/device technology, which is a disruptive technology in the bone graft substitute market."

About M.I.A.D.R.OS :

The M.I.A.D.R.OS project (Matériaux Innovants Actifs contre les Dérèglements de la Résorption OSseuse) was initiated as a academic project and developed into a co-development program with Graftys. The project is supported by several patent filings. This technology addresses osteoporosis on a local basis by reinforcing bony sites which are weakened by this disease. The product is a combination drug/device comprised of a Calcium Phosphate Cement with an active principal from the bisphosphonate family.

About Graftys :

Graftys has been created in 2005. The Company is based in Aix en Provence and Nantes (France) and has opened a local office in Chicago in 2009; the Graftys team (23 employees) develops, manufactures and markets biomaterials and biotechnologies in the field of bone biology. Company technologies provide innovative therapeutic products through bone tissue engineering. Graftys is at the leading edge of combination products (ie drug/device). The company has partnered with leading research institutions in France (INSERM, CRNS, ANR, and various Universities) and co-owns several patents with these organizations.

About Ventech:

Ventech is a venture capital company which has invested for over 10 years in innovative IT and Life Sciences companies. Investments under management total over 360 million euros. Ventech's was initially focused on investments in the Paris region but has established a presence in China. In Life Sciences, the company is focused on Europe and the US, especially in medical research, diagnostics, and medical devices. Further information is available at www.ventechvc.com

About Bionest Partners Finance:

Bionest Partners Finance provides consulting services for fund-raising for early stage companies. The firm is focused on health care (biotech, medical device, diagnostics, and personal care) and has a deep network of investors, and company management resources.

About Bionest Partners

Bionest Partners is a consulting firm which concentrates on strategy and corporate finance from its offices in Paris and New York. The firm has an extensive base of clients which range from startups to successful, mature companies and has access to investment resources. For further information see our website www.bionest.com

About Viveris Management

Viveris Management was licensed by the AMF in 2000, and specializes in the management of capital investment funds. The company oversees nearly €500 million in private equity, with a portfolio of more than 130 companies and a team of 25 experienced investors. Viveris Management works closely with all companies, the managers and possible purchasers, at all development stages (startup, growth financing, buyout), through minority or majority equity, in France and Mediterranean area.

About Octalfa

Set up in 2006, Octalfa is a family-owned, independent investment company specializing in Life Sciences. Octalfa focuses on seed financing, although it also intervenes as a co-investor in later-stage companies. Octalfa recently established the [Dominique Alberici-Octalfa Corporate Foundation](#), aiming at helping cancer patients and disabled people, as well as supporting projects designed to improve their medical care. Octalfa also supports Octalfa 360, an Investment Fund specializing in health and green technologies.

For more information, visit: www.octalfa.eu

About Oreo Finance

Oreo Finance is a Single Person Venture Company (SUIR, "Société Unipersonnelle d'Investissement à Risque") owned by Alain Tornier, dedicated to venture participation in Start-up Companies specializing in Life Sciences.

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