



## **Merlot OrthopediX Enters into Exclusive Global Agreement with Alphatec Spine to Develop and Market Merlot's Bone Anchorage Technology for the Treatment of Spine Disorders**

**CLEVELAND, OHIO** (October 21, 2010) – Merlot OrthopediX, Inc., a Cleveland Clinic spin-off company jointly owned by Cleveland Clinic, Cleveland, OH, Frantz Medical Group, Mentor, OH and Dr. Isador Lieberman, M.D., M.B.A., Texas Back Institute, Plano, Texas, announced today that it has entered into an exclusive agreement with Alphatec Spine, Inc., a medical device company providing treatment solutions for spine disorders with a focus on treating conditions that affect the aging spine, and a wholly owned subsidiary of Alphatec Holdings, Inc. (Nasdaq:A TEC), to develop and commercialize Merlot's novel bone anchorage technology for use in spine surgery. Merlot's technology, covered by nine issued patents and additional patents pending in the fields of spine disorders and bone fixation, was originally invented by Dr. Isador Lieberman, Spine Surgeon, during his tenure with Cleveland Clinic and advanced through development in partnership with Frantz Medical's engineers.

Alphatec Spine will have responsibility for ongoing development, regulatory and worldwide commercialization of the Merlot technology exclusive to the field of spine disorders. "The Merlot bone anchorage platform, based on a fixation anchor with double helical tines – originally conceived from a wine corkscrew (hence the company name) – is an ideal technology platform for Alphatec Spine," said Dr. Isador Lieberman, Chairman, Merlot OrthopediX and Spine Surgeon at the Texas Back Institute. "The helical tine bone anchorage offers minimal bone disruption with comparable or superior bone purchase to traditional spine screws, making it an ideal design for less dense or more fragile bone, commonly observed in aging patients and those with osteoporosis."

"We see the Merlot platform as an extension of our aging spine and MIS portfolios. The double-helix fixation system is unique and offers minimal disruption combined with the potential for superior fixation" said Dirk Kuyper, Alphatec Spine's President and CEO. Mr. Kuyper added "Alphatec Spine will be responsible for the development and commercialization of the technology, and we see applications for the Merlot platform in cervical, adult deformity, and trauma market segments. We will initially target our extensive European sales network in order to develop robust clinical experience and then we will look to launch the products globally, including in the U.S."

"Merlot OrthopediX is delighted with the Alphatec Spine partnership. By utilizing Frantz Medical's turn-key engineering and product development resources, Merlot OrthopediX has been able to translate Dr. Lieberman's original invention into an effective, easy-to-use and manufacturable design," said Ms. Stephanie Harrington, Vice President, Merlot OrthopediX and Vice President, Frantz Medical Group. "With its demonstrated product development pipeline and global reach, Alphatec Spine will be able to integrate the Merlot platform into their spine disorder product line and provide this bone anchorage solution to patients across the world in the near term."

"We are pleased that this innovative collaboration resulted in bringing important technology to treat spine disorders to market through a company with a track record of success like Alphatec," said Chris Coburn, Executive Director of Cleveland Clinic Innovations.

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**About Merlot OrthopediX, Inc.**

Merlot OrthopediX, Inc. is a joint equity venture between Cleveland Clinic, Frantz Medical Group, and Dr. Isador Lieberman. Founded originally in 2004, the Merlot OrthopediX technology encompasses multiple patents invented by Dr. Lieberman on spine fixation, other bone fixation and anchorage as well as patents-pending on unique implant locking mechanisms and proprietary instrumentation, co-invented by Dr. Lieberman and Frantz Medical Group engineers. With Alphatec Spine, Inc. assuming product development and commercialization responsibility for the Merlot technology in the field of spine disorders, Merlot OrthopediX will continue development and seeking strategic partners in the non-spine field (long bone fixation, total joint fixation, small bone fixation, trauma reconstruction). For more information, please visit [www.merlotorthopedix.com](http://www.merlotorthopedix.com) as well as its venture partners: [www.clevelandclinic.org](http://www.clevelandclinic.org) and [www.frantzgroup.com](http://www.frantzgroup.com).

**About Alphatec Spine, Inc.**

Alphatec Spine, Inc. is a wholly owned subsidiary of Alphatec Holdings, Inc. (NASDAQ: ATEC). Alphatec Spine is a medical device company that designs, develops, manufactures and markets products for the surgical treatment of spine disorders, primarily focused on the aging spine. The Company's mission is to combine world-class customer service with innovative, surgeon-driven design that will help improve the aging patient's quality of life. The Company is poised to achieve its goal through new solutions for patients with osteoporosis, stenosis and other aging spine deformities, improved minimally invasive products and techniques and integrated biologics solutions. In addition to its U.S. operations, the Company also markets its products in over 50 international markets through its subsidiary, Scient'x S.A., via a direct sales force in France, Italy and the United Kingdom and via independent distributors in the rest of Europe, the Middle East and Africa, South America and Latin America. In Asia and Australia, the Company markets its products through its subsidiary, Alphatec Pacific, Inc, and through Scient'x's distributors in China, Korea and Australia.

**About Cleveland Clinic Innovations**

Innovations, the corporate venturing arm of Cleveland Clinic, promotes innovation and is responsible for the commercialization of all Cleveland Clinic technologies. Innovations advances product-oriented innovation and transforms promising therapies, devices, diagnostics and software into beneficial medical products, via spin-off companies, licensees and equity partnerships. There have been 33 companies spun off from the Clinic in the last decade, more than 200 licenses, more than \$340 million in equity investment in those spin-offs and a record number of inventions in virtually every area of activity at Cleveland Clinic. In 2010, Cleveland Clinic Innovations was named one of the Most Influential Healthcare Corporate Venturing Divisions by the Global Corporate Venturing.

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