

company news

**DePuy Adds
Finsbury Portfolio**

DePuy Orthopaedics has acquired British-based hip, knee and ankle implant maker Finsbury Orthopaedics Limited for an undisclosed dollar amount.

Privately held Finsbury is based about 25 miles south of London in Leatherhead, England, and reportedly generates about \$55 million in annual revenues.

Finsbury Orthopaedics

Finsbury Orthopaedics was established in 1978 by Bill Day and Mike Tuke. According to Finsbury's Web site, the pair worked together during the 1970s in the Biomechanics Unit at Imperial College London.

It was during this period they first considered the possibility of establishing a company with the development of advanced joint replacements at its heart.

With the guidance of Professor Alan Swanson and Professor Michael Freeman, Finsbury was launched and has continued to grow and develop from its roots as a small self-funded company into, according to the company, one of the most successful British manufacturing companies to date.

Products

DePuy gains several products with this acquisition, including the DeltaMotion Ceramic-on-Ceramic Hip System, the Adept Metal-on-Metal Hip Resurfacing and Total Hip System, as well as the Medial Rotation

Knee System, the Dual Bearing Knee System, the BOX Total Ankle Replacement, Tuke Saw, and multiple small joint reconstructive implant lines.

According to a December 14 announcement by DePuy, "the addition of the Adept and DeltaMotion platforms to DePuy's existing portfolio of advanced high performance hip bearings, [allows] DePuy to offer a comprehensive range of hip bearing options for clinicians worldwide."

—WE (December 16, 2009) 

**SBi Expanding
Investments, Reach**

You won't find the Viscogliosi brothers lounging on one of the lush Malaysian beaches... they'll be hard at work strategizing about the new agreement they've signed. Small Bone Innovations, Inc. (SBi) has announced a joint venture with Khazanah Nasional Berhad (Khazanah) and Malaysian Technology Development Corporation Sdn. Bhd. (MTDC). The joint venture, SBi Asia Pacific Sdn. Bhd. (SBI APAC), is based in Kuala Lumpur, Malaysia.

In the news release, Anthony G. Viscogliosi, Chairman and CEO of SBi, said: "The establishment of SBI APAC continues the execution of our global hub strategy. Malaysia offers several advantages for companies seeking to expand in the region, including its business-friendly economy, strong regional



Finsbury HQ/DePuy Orthopaedics

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growth prospects, highly productive workforce, world-class infrastructure, and its central location in the Asia-Pacific geography.

Concerning the business-friendly aspects of the Malaysian economy, Viscogliosi told *OTW*, “Our Malaysian partners are committed to develop a dedicated life sciences infrastructure and they believe that SBi’s business model is a perfect fit. The business climate there has been described as the ‘Switzerland of Asia’ and is much more open culturally to people and ideas than its neighbors in the region—especially in health care. We certainly feel very excited by the prospects.”

“SBi’s European hub, based in France, is a key reason why the company has a strong, local market share and, in the last two years, has increased sales by 56%, a rate substantially in excess

of overall growth in the small bone & joint market. We expect a similar dynamic will evolve in Asia-Pacific due to our focus and the creation of our hub in Kuala Lumpur,” Mr. Viscogliosi added in the news release.

As for the initial goals, Viscogliosi told *OTW*, “The goal is to make SBi APAC the #1 franchise in the Asia-Pacific region for small bone & joint implants. Our research suggests that growth prospects are exceptional.”

In other big news for the small joint company, SBi has closed on a \$30 million credit facility to fund accelerated business expansion and refinance existing indebtedness. The credit facility has allowed SBi to fully repay approximately \$13 million of its existing debt and will enable the company to build upon its core business by funding the introduction in 2010 of several new

products and improved versions of existing products for both the upper and lower limb anatomies. The company said it also plans to build-out instrument sets to further support its product portfolio. The funding will also support SBi’s focus on evidence-based medicine, by developing and initiating several studies to better support clinical understanding of its product portfolio.

Providing details on how the acceleration of the manufacturing will proceed, Viscogliosi told *OTW*, “Our U.S. team and the staff in Donaueschingen, Germany, is already working with Link Orthopaedics in Hamburg to mobilize the manufacturing process and accelerate delivery times for the S.T.A.R. ankle implant.”

“Since the FDA-approved ‘Indications for Use’ demonstrating S.T.A.R. as superior in efficacy and comparable in safety to ankle fusion, and our U.S. introduction of the S.T.A.R. ankle earlier this year, demand for uncemented total ankle replacement systems in both domestic and overseas markets has exceeded our sales plan,” said Viscogliosi in the news release. “Consequently, SBi intends to accelerate manufacture of both implants and instrument sets by bringing forward capital investment in the S.T.A.R. system and expanding its surgeon education and training programs. “

Commenting to *OTW* on the training programs, Viscogliosi said, “The surgeon training process is being

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enhanced from basic wet lab and didactics to include mentorship (where our training faculty members help review cases and aid in patient selection); also 'proctoring' (where the faculty members travel to the surgeons to guide and assist in cases in a hospital setting); and, a Visiting Fellows program where 'trainee' surgeons visit faculty member facilities to observe and undergo total immersion in the Total Ankle system and procedures. At the same time, the new funds will support increases in both the number and frequency of surgeons trained in some or all of these aspects depending on their prior experience in total ankle replacement."

Helmut D. Link and the investor group of Link America, Inc. made an equity investment in SBi in conjunction with the closing of this credit facility. Mr. Link said in the news release, "Under the leadership of Mr. Viscogliosi and all of the team at SBi, I am confident that the S.T.A.R. ankle can realize its full potential and change the standard of care from fusion to total joint replacement, as we had envisioned when we developed this product for FDA approval and sale in the U.S."

Mr. Link added: "Under SBi ownership, the S.T.A.R. ankle can become the centerpiece of the company's lower limb product

portfolio and it enhances sales opportunities for the entire SBi product portfolio. I am very pleased and highly encouraged with the market response following the FDA PMA approval of the S.T.A.R. ankle and foresee the case for further rapid expansion. Additionally, I believe that SBi's surgeon education and training programs are thorough and well executed. For the above reasons, the Link America investor group and I have decided to make an investment in the company."

—EH (December 17, 2009) 

Alphatec Spine to Acquire Scient'x

Alphatec Spine, Inc. announced on December 17 that it had entered into a definitive agreement to acquire Scient'x Groupe SAS.

The transaction, subject to the approval of company shareholders, is expected to close by the end of the first quarter of 2010. Management anticipates the combined company will generate revenues of \$220 million to \$225 million in 2010 on a pro forma basis.

According to the company's announcement, the acquisition will make Alphatec the third largest independent spinal company in the world. French-based Scient'x is already the largest privately held independent spine company outside the U.S. with product distribution in over 50 countries.