

SURGICAL SPECIALTY HOSPITAL OF ARIZONA IS FIRST U.S.
CENTER TO OFFER TREATMENT WITH THE DASCOR™
DISC ARTHROPLASTY SYSTEM

*Advanced Technology for Treating Degenerative Disc Disease Offers New
Hope for Low Back Pain Sufferers*

PHOENIX & EDEN PRAIRIE, Minn. -- November 11, 2006 -- Bringing advanced spinal treatment technology to the greater Phoenix area, Surgical Specialty Hospital of Arizona has treated the first U.S. patient with the DASCOR Disc Arthroplasty System. DASCOR is a catheter-based, minimally invasive nucleus replacement technology from Minnesota-based Disc Dynamics, Inc. The DASCOR device is designed to treat lower back pain associated with degenerative disc disease.

Disc Dynamics received U.S. Food and Drug Administration (FDA) approval to commence a clinical study of the DASCOR device in August. Surgical Specialty Hospital of Arizona is one of a few U.S. centers participating in the study.

"DASCOR is a wonderful addition to the treatment arsenal for degenerative disc disease, as it allows us to treat people much earlier in the degenerative cascade and in a minimally invasive way. Best of all, it maintains flexibility at the operated spinal level as opposed to spinal fusion surgery which eliminates motion," said Christopher Yeung, MD, Arizona Institute for Minimally Invasive Spine Care, who performed the procedure at Surgical Specialty Hospital. "The first patient is doing remarkably well, with excellent relief of lower back pain. I expect that DASCOR will have a big impact on the treatment of degenerative disc disease in the future."

Back pain is a significant health issue in the United States. There are approximately 10 million patient visits annually due to lower back pain. While 90 percent of lower back pain sufferers recover without surgical intervention, Disc Dynamics' DASCOR device is intended for the remaining 10 percent who seek surgical options for relief.

"Our mission is to deliver the best surgical care to the people of Phoenix, and with the DASCOR Disc Arthroplasty System we are doing that," said Beverly Carpenter, chief executive officer of Surgical Specialty Hospital of Arizona. "With our first patient showing wonderful progress, we look forward to helping others like him who suffer from the lower back pain associated with degenerative disc disease."

The DASCOR Disc Arthroplasty System has been in clinical use outside of the U.S. since 2003. In July 2005, Disc Dynamics received CE Mark approval for the technology in the European Union.

About Surgical Specialty Hospital

Surgical Specialty Hospital is a 33-bed specialty surgical hospital located in Phoenix. A physician-owned facility, the hospital is staffed by highly skilled surgeons in the spine,

neurology and general surgery areas. Surgical Specialty Hospital of Arizona actively participates in clinical studies intended to bring advanced surgical technologies to patients.

About Disc Dynamics

Based in Eden Prairie, Minn., Disc Dynamics, Inc. is an orthopedic spine company founded in 2000 to provide patients and physicians with a minimally invasive surgical alternative for treating degenerative disc disease. The company has developed the DASCOR Disc Arthroplasty System, a catheter-based, minimally invasive nucleus replacement technology for the treatment of degenerated lumbar discs. The goal of the DASCOR technology is to relieve pain, restore function and preserve anatomy. For more information, visit the company's web site at www.discdyn.com. Disc Dynamics is funded by strategic and venture investors. The lead venture investors include Split Rock Partners, Pequot Ventures, Affinity Capital and Brightstone Capital.

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