

**For Immediate Release  
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**Pioneer Surgical Technology Announces the Establishment of Its European Subsidiary in The Netherlands**

Marquette, MI—August 31, 2006—Pioneer Surgical Technology will introduce its NUBAC™ Intradiscal Arthroplasty System in the European market through its new subsidiary, Pioneer Surgical Technology BV, which will be managed by Dr. Lex Giltaij. Following the introduction of NUBAC™, Pioneer Surgical Technology BV will grow its product offerings to include Pioneer's expanding line of spinal and orthopaedic devices and support services.

"The founding of our European subsidiary is an important landmark for Pioneer in its goal to become a global player in the spine market. With NUBAC™ we have developed an exciting non-fusion technology designed to preserve spinal motion. Our experiences in Europe have shown great promise for patients suffering from back pain," says Dr. Matthew N. Songer, President and CEO of Pioneer.

NUBAC™ is the only intradiscal arthroplasty device for patients with degenerative disc disease utilizing articulating PEEK-on-PEEK material designed to achieve load sharing and uniform stress distribution under various physiological loading conditions. The NUBAC Intradiscal Arthroplasty™ procedure is intended to preserve most of the annular tissue while being less invasive than Total Disc Replacement (TDR) and fusion. The NUBAC™ surgical procedure allows further treatment options of TDR or fusion, if revision is required.

Pioneer Surgical Technology began U.S. clinical trials of the NUBAC Intradiscal Arthroplasty™ System for patients with degenerative disc disease as part of its Investigational Device Exemption (IDE) study. Implantations of the NUBAC™ devices took place at Marquette General Hospital in Marquette, Michigan, in July 2006.

About Dr. Lex Giltaij

Dr. Lex Giltaij has over 16 years of experience in international business, sales and marketing management, and product and business development in the orthopaedic and spinal medical device, biotech, and pharmaceutical industries.

Dr. Giltaij had a medical practice at the University Hospital Rotterdam, The Netherlands, as well as worked as an adviser for the Dutch Ministry of Health, which oversaw pharmaceutical reimbursement reforms. In 1992 Dr. Giltaij began at Stryker Inc., where he successfully expanded the endoscopy and instruments divisions. Dr. Giltaij was responsible for the market introduction of OP-1R / BMP-7 in the European market for Stryker Biotech. Subsequently, he managed the international business of the X-STOP Interspinous Process Decompression System for St. Francis Medical Technology.

Dr. Giltaij earned his M.D. from the University of Utrecht, The Netherlands, and his M.B.A. from Henley Management College, Henley-on-Thames, United Kingdom.

### About Pioneer Technology

Pioneer Surgical Technology, headquartered in Marquette, Michigan, is a leading innovator in the design and manufacture of spinal and orthopaedic implants. Founded in 1992, Pioneer has positioned itself as a true surgeon-driven spinal device company that promotes responsiveness through customer intimacy, surgeon-to-surgeon relationships, and a commitment to long-term innovation. In 2005 Pioneer launched the following spinal implant systems, in addition to receiving the CE mark for the NUBAC Intradiscal System™: Quantum® Spinal Rod , Pioneer® Anterior Cervical Plate and its PEEK-Plus Vertebral Replacement Devices.

The company is expanding its 70,000 square foot facility in Marquette as it continues to grow its spinal and orthopaedic products. Pioneer currently employs over 200 employees worldwide and has been awarded 30 patents.