

RAYDIANCE COLLABORATES WITH RUTGERS UNIVERSITY AND NATION'S LARGEST TISSUE BANK TO DEVELOP INNOVATIVE TISSUE PROCESSING APPROACHES

Scientists Leveraging Precision and Power of Raydiance USP Laser Platform to Separate Skin Layers Without Collateral Damage; Decontaminate Tissue; Speed Tissue Cleaning

Initial Proof of Concept Testing Successful During Feasibility Trials

Petaluma, CA and New Brunswick, NJ, November 19, 2007 – Raydiance, Inc. today announced that it has entered into an innovative collaboration with Rutgers University and the Musculoskeletal Transplant Foundation (MTF), the nation's largest tissue bank, to improve the science of dermal tissue processing.

In a first-of-its-kind test, world leading tissue engineers will utilize a new type of laser developed on the Raydiance Ultrashort Pulse (USP) laser platform to maximize the transplants processed from donated dermal tissue. As part of this process, the collaboration will explore new ways to use the transformational power and precision of the Raydiance laser, which can instantly vaporize material without heat or residual damage at very precise scales, down to a resolution of several microns.

The collaboration involves MTF as the project sponsor, Rutgers as the center for developing innovative tissue processing approaches and Raydiance as the core laser technology provider. Experts from all three parties will work towards providing more advanced technology that results in less expensive and faster solutions for those in need of skin transplants for burn, complicated hernia repair, and reconstructive procedures.

Dr. Zhixiong (James) Guo, principal investigator for Rutgers University, said, "Having worked with lasers for years, the Raydiance laser platform is one hundred times more powerful than anything I have ever used before. Not only can it separate skin more precisely and effectively, but also it has the unique capability to decontaminate the surface of soft tissue. If our tests prove successful, we will be able to disrupt and reinvent dermal tissue processing as we know it. This is great news for burn victims as well as those suffering from cancer, degenerative joint disease, arthritis and other skin trauma."

Bruce Stroeve, President and CEO of MTF, said "Over 900,000 Americans receive tissue transplants each year, but many more are in need. Preparing human tissue grafts is a complex and meticulous process. An important part of our mission is the ability to maximize the number and type of transplanted tissues processed from the gift of donation. We believe the Raydiance technology has the potential to process human tissue much more efficiently, increasing the supply of scarce dermal tissues. This would result in more usable tissue, offering the benefit of better outcomes for more patients."

Scott Davison, President of Raydiance, said, "We are delighted to work with Rutgers and MTF on this important project. The Raydiance USP laser platform is unlocking

disruptive innovation across a range of industries, from materials science to next generation surgery to genomics. The unique challenges inherent in the way tissue is recovered today makes this an excellent development category for our laser, one that truly plays to the strengths of Raydiance technology.”

The initial phase of the project will focus on demonstrating the feasibility of USP laser processing of donor skin in the following areas:

- **Separation of donor skin layers** - Develop non-invasive laser-ablation methods to separate the skin’s dermal and epidermal layers to improve and increase the usability and viability of limited donor tissues.
- **Surface decontamination** – Develop non-intrusive sterilization techniques on donor skin and tendons to minimize collateral tissue damage while effectively removing viral or bacterial contamination.
- **Removal of unwanted hairs** - Develop a laser destruction method to effectively remove unwanted hair from donor tissue with minimal collateral tissue damage.

About Raydiance, Inc.

Raydiance, Inc. is the developer of the world’s first compact, cost-effective and fully software-controlled Ultrashort Pulse (USP) laser system. This breakthrough technology platform harnesses the incredible power and precision of these lasers and makes them easily accessible for the development of revolutionary new applications across a wide range of industries. Under the guidance of former AOL Chairman and CEO Barry Schuler, today Raydiance is a fast-growth start-up that is rapidly validating its vision in the marketplace with early adopters across several application sectors. For more information, please visit www.Raydiance-inc.com

About Rutgers University

Established in 1766, Rutgers, The State University of New Jersey, is America’s eighth oldest institution of higher learning and one of the nation’s premier public research universities. Serving more than 50,000 students on campuses in Camden, Newark and New Brunswick, Rutgers offers more than 280 bachelor’s, master’s, doctoral and professional degree programs. The university is home to 27 degree-granting schools and colleges, and more than 150 specialized centers and institutes.

About The Musculoskeletal Transplant Foundation

The Musculoskeletal Transplant Foundation is the nation’s largest full service tissue organization dedicated to providing quality tissue through a commitment to excellence in education, research, recovery and care for recipients, donors and their families. A not-for-profit organization, MTF is a consortium of academic medical institutions and organ and tissue recovery organizations across the country. In its first 20 years, MTF and its recovery partners have recovered over 60,000 donors and provided over 3 million tissue grafts to patients in need. For more information, please visit MTF’s website at www.mtf.org.

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