



PRESS RELEASE

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TORAX MEDICAL RECEIVES CE MARK FOR THE FENIX CONTINENCE RESTORATION SYSTEM

St. Paul, Minnesota – November 14, 2011 – Torax[®] Medical Inc. has received CE Mark for its FENIX[™] Continence Restoration System, an innovative new approach to the treatment of fecal incontinence. Fecal Incontinence (FI) is the inability to control bowel movements. The symptoms can vary in severity and frequency. While studies suggest FI is more prevalent in women and increases with age, men and women of all ages can be affected and for these people there are few treatment options. Torax Medical anticipates first commercial implants in November at specialized medical centers in Europe.

Todd Berg, CEO of Torax Medical, commented, "The FENIX Continence Restoration System represents a promising new treatment option for patients suffering from this debilitating problem. We plan to work with medical centers which specialize in the treatment of fecal incontinence as we introduce the FENIX System in European markets."

"The FENIX system provides another therapeutic alternative for my patients with this difficult condition. In studying this technology for the past 3 years, I've become comfortable with its clinical results and its potential benefits for various patient groups. The FENIX System offers a minimally invasive approach, begins functioning immediately and requires no adjustments by either the physician or the patient. I look forward to incorporating it as part of my routine clinical practice," said Professor Paul-Antoine Lehur of University Hospital of Nantes, France.

About Fecal Incontinence

Fecal Incontinence affects an estimated 30 million people in the U.S. and Europe alone. FI can have several causes including damage to the anal sphincter muscles, damage to the nerves of the anal sphincter muscles or rectum, and loss of storage capacity in the rectum. The impact of FI on patients' quality of life can be debilitating, causing absence from work and limiting the ability to engage in many routine activities.

About the FENIX Continence Restoration System

The FENIX Continence Restoration System is designed to treat fecal incontinence by augmenting the incompetent anal sphincter muscles. The FENIX System is a small, flexible band of interlinked titanium beads with magnetic cores. The magnetic attraction between the beads supports the

sphincter, restoring the barrier to the unexpected passage of stool. The magnetic bond is temporarily released to allow for the intentional passage of stool. The FENIX System begins working immediately after implant and does not require activation by the patient or post-operative adjustments by a physician. The FENIX System is not approved for commercial distribution in the U.S. and is currently limited by Federal law to investigational use.

About Torax Medical

Torax Medical Inc. is a privately held medical device company headquartered in St. Paul, Minnesota that develops and markets products designed to treat human sphincter disorders. Torax Medical's technology platform, Magnetic Sphincter Augmentation (MSA), is currently marketed in Europe as the LINX[®] Reflux Management System for the treatment of Gastroesophageal Reflux Disease (GERD) and the FENIX Continence Restoration System for the treatment of Fecal Incontinence (FI). For more information, please visit www.toraxmedical.com.