KINAMED® INCORPORATED

Expect Innovation.

Q1 2015 SALES UPDATE

Inside This Issue

Sales Success Stories of the Quarter:

Kinamed **"New Rep of the Year"** candidate, Chad Stills, started selling Kinamed products under his own sales agency, *Midwest MedX* just 1 year ago, and has wasted no time spreading ***CarboJet®*** across Missouri. As of May 1, Chad has started 4 new accounts, and he just got approval for a trial at one of the busiest and most prestigious orthopedic centers in the state. We recently sat down with Chad and asked him about his success.

Kinamed: Chad, congrats on your successful first year with us! What do you think helped you get off to such a fast start?

Chad Stills: Kevin Hughes, [Kinamed's Eastern Regional Sales Manager], made a point in our initial training session to stress how important it is to start fast - especially with ***CarboJet***. The sooner you get the foundation laid with ***CarboJet*** accounts, the sooner that "mail box money" starts rolling in. I made it a point to focus my sales efforts on Kinamed for the initial 6 months. I was really impressed by the positive response I got from surgeons. It seems like there is always at least one of the Kinamed products that appeals to an issue they are concerned with. As you know, the challenge these days is getting the hospital to go along. The story has been that surgeons no longer have much power in deciding what goes into the OR, but I've found with products as unique as Kinamed's, you can get a surgeon (or better yet a group of surgeons) fired up enough to make an impression on the VACs.

KMD: Was there any key piece of sales training literature, or advice received form your Regional Manger that stands out as being key to your success? Was there a moment when the allure of Kinamed products "clicked" in your mind and made sense? If so, what triggered that?

CS: Like I mentioned, ***VacuJet®*** has been key to my success with ***CarboJet***. If I hadn't seen that demonstrated, we probably wouldn't be having this discussion. As for literature pieces, I think the white papers you guys have been releasing have been helpful. The more ammo we have for the VACs, the better.

KMD: Chad, I see you've been including ***VacuJet*** nozzles in many of your ***CarboJet*** sets lately, what's the story with that?

CS: Dr Leslie is using the ***VacuJet*** nozzle on knees. He uses it to suction out the tibia as well as blow the water and fat off after he makes his cuts. I'm trying to get in front of another guy here who is busier. Overall, I may try to lead with "clog proof suction" in my sales calls. The cleaning of the bone doesn't get much attention from some guys right off the bat but helping with suction issues does.

KMD: Sounds like you are on to something here. ***VacuJet*** may not only be a way to add value in the eyes of the VACs, but it's also a way to get the attention of a surgeon for whom "clogged suction" is a hot button issue. And we all know the value of getting a surgeon's attention. Any advice for other reps introducing ***VacuJet*** for the first time?

CS: Always bring both the long and the short attachments in the initial surgeries. It's amazing what a difference the 2" makes as far as what applications the tool is effective in. Surgeons and their PAs are sensitive to ergonomics and are creatures of habit, so the more options you provide them initially the better.

KMD: Great advice, thank you so much for your time Chad, and good luck next week at that trial!

CS: Thanks*!*

KineMatch® PFR Sample Kit Carry Case

This new sales demo item will make your ***KineMatch*** PFR Sample Kit finally feel complete, safe, and at-home.

And remember, your ***KineMatch*** PFR Sample Kit isn't truly complete unless you have the following items:

- 22-900-1012 ***KineMatch*** PFR Sales Sample - Bone Model w/Cartilage
- 22-900-1020 ***KineMatch*** PFR Sales Sample - Implant
- 22-900-1030 ***KineMatch*** PFR Sales Sample - Drill Guide
- 22-900-1040 ***KineMatch*** PFR Sales Sample Patella, 30mm
- 22-900-1050 ***KineMatch*** PFR Sales Sample Kit Carry Case

Call or email Tony Poleto or Patrick Miller to order yours today.

New Sales Material

New Publication:

Rosenwasser (2014) **Surgical Techniques of Olecranon Fractures**. J Hand Surg Am 39(8): 1606-14.

This is a great addition to your sales arsenal! It comes from an influential surgeon working at a world-renowned facility… and you can't beat quotes like this one: "Therefore, we are now using a high-molecular-weight polyethylene-coated nylon cable (***SuperCable®***; Kinamed Corp., Camarillo, CA)."

Download the full article pdf here. Note this publication was derived from a substantive white paper (view pdf here), which included direct comparisons of metal cables and wires vs. SuperCables. The heart of this impressive data was not included in the newly published study, so please continue to also utilize the older white paper, as an excellent resource for your olecranon and patella fracture surgeons. We are currently creating a 2-page abstract version of the published study that will highlight the unpublished comparative data. Hardcopies of the abstracts will be available soon, and will be included in the ***SuperCable*** Pocket Folders as a standard insert.

New White Paper:

The Role of *CarboJet* CO_2 Bone Preparation in the Reduction of Aseptic Loosening in Knee Arthroplasty. This is a great new piece that is also "hospital-facing" in that it that speaks the language of VACs and Administrators, warning them that "Projected hospital costs for revision TKA procedures in the Medicare population may exceed $2 billion per year by 2030. The ***CarboJet*** system offers a low cost means of effectively cleaning and drying the bone bed [which – as the white paper argues – may reduce the risk of revision by addressing the most common causes of revision]"

Download pdf here. Hardcopies are available, and are now included as a standard insert in all ***CarboJet*** Pocket Folders.

CarboJet® "Hundred (100) a Month" Club

The following agents sold over 100 tubesets in at least one of the months during Q1 2015:

- Tom Gabriella / Rocky Mountain Surgical in Colorado
- Buddy Garbett / JWC Medical in Virginia
- Tony Lambo/ Nextan in Wisconsin & Iowa
- Chuck Parker / Parker Medical in North & South Carolina

SuperCable® "Twenty (20) a Month" Club

The following agents sold over 20 cables in at least one of the months during Q1 2015:

- **Don Hules / Infinite Version in Minnesota**
- **Bob Austria / Intrinsic Medical in Ohio**
- **Gary Querfeld / Unique Medical In Michigan**
- **Tom Gabriella / Rocky Mountain Surgical in Colorado**
- **John Turner / Turner Medical in Florida**

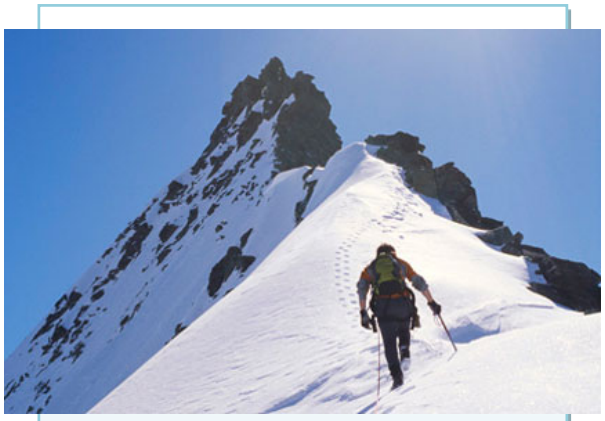
VIP Members: *Sold over 40 in a month*

- Chuck Parker / Parker Medical in North & South Carolina
- Bruce Webb / Southland Orthopedics in Southern California
- Frank Klinkovsky / Klink, Inc. in Texas
- Randy Hebert / VT Industries in Florida
- Josh Sato / Promedica in Utah
- Steve Barber / Scivance in Kansas
- Phil Matinale / Exactech NY in New York

Kinamed "Triple-Threat" Performers

These agents had sales of all three products: ***SuperCable***, ***CarboJet***, *and* ***KineMatch PFR*** in at least one of the months during Q1 2015:

- Mike Murphy of Innovative Medical
- Tom Gabriella of Rocky Mountain Surgical
- Tony Lambo of Nextan
- Chuck Raggio of Apex Orthopedics
- Gary Querfeld of Unique Medical
- Lynn Whitacre of Whitacre & Associates



"Peak Performers"

Top Ten Sales Reps of 2015

(based on total $ sales thru March 31)

1. Tom Gabriella
2. Chuck Parker
3. Tony Lambo
4. John Turner
5. Don Hules
6. Gary Querfeld
7. Bob Austria
8. Chuck Raggio
9. Steve Barber
10. Kenny Atkinson

Kinamed in the News!

Visit http://www.kinamed.com/news-events to see the latest news and a list of upcoming meetings and events.

And if you haven't seen it yet, be sure to check out the new Kinamed web site: www.kinamed.com

From The Archives:

From our April 2009 Issue, these words of wisdom still ring true.

"PFR Surfaces and Finger Prints"

Vineet K. Sarin, Ph. D., President, Kinamed, Inc.

I attended the "Patella Symposium" in New York a couple of weeks ago. The event was organised by Ronald Grelsamer MD from Mt Sinai School of Medicine and featured lectures by several luminaries in the field of patellofemoral reconstruction. The Keynote Speaker for the event was **John Fulkerson MD** from Connecticut. As many of you know, Dr. Fulkerson is a pioneer and world-renown expert in the treatment of patellofemoral disorders. He is also the founder and chairman of The Patellofemoral Foundation.

I had spoken by phone with Dr. Fulkerson about ***KineMatch*** a couple of times over the past few months, describing our custom approach to patellofemoral arthroplasty and why we believe it makes so much sense.

Fortunately, I got to spend some time with Dr. Fulkerson at our booth, showing him the ***KineMatch*** PFR bone model, drill guide, and implant in detail. As we discussed the custom nature of the device, Dr. Fulkerson voiced concern about the goal of matching a trochlea that suffers from dysplasia.

I explained that the back (bony-contact) surface and front (articulating) surface of the ***KineMatch*** implant are "decoupled." In other words, the bony-contact surface is customized to fit the bony anatomy, while the articulating surface is designed to mate with a patella button prosthesis, follow the natural Q angle of the patient's knee, and provide medial-lateral constraint to the patella.

Once Dr. Fulkerson understood these concepts, he stated that it made a lot of sense to him. Later, it dawned on me that it took me *three attempts* to help the world-renown patellofemoral expert Dr. Fulkerson understand our approach. I think the lesson here is that we can all do a better job at helping surgeons understand that "custom" does not mean that the articular surface necessarily matches the bony anatomy.

Another important pearl that we picked up in New York: Several surgeons during the meeting stated that the patellofemoral compartment is the "fingerprint" of the knee (i.e. no two PF compartments are alike). I think this is an extremely simple and effective way to communicate the benefits of a custom approach to patellofemoral arthroplasty and why an off-the-shelf design is not appropriate for the majority of patients.

Great selling!

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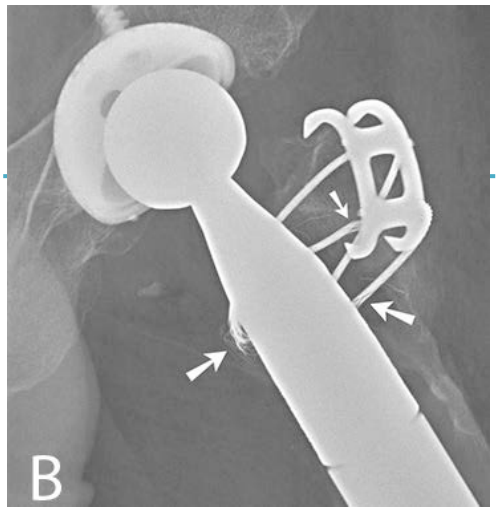
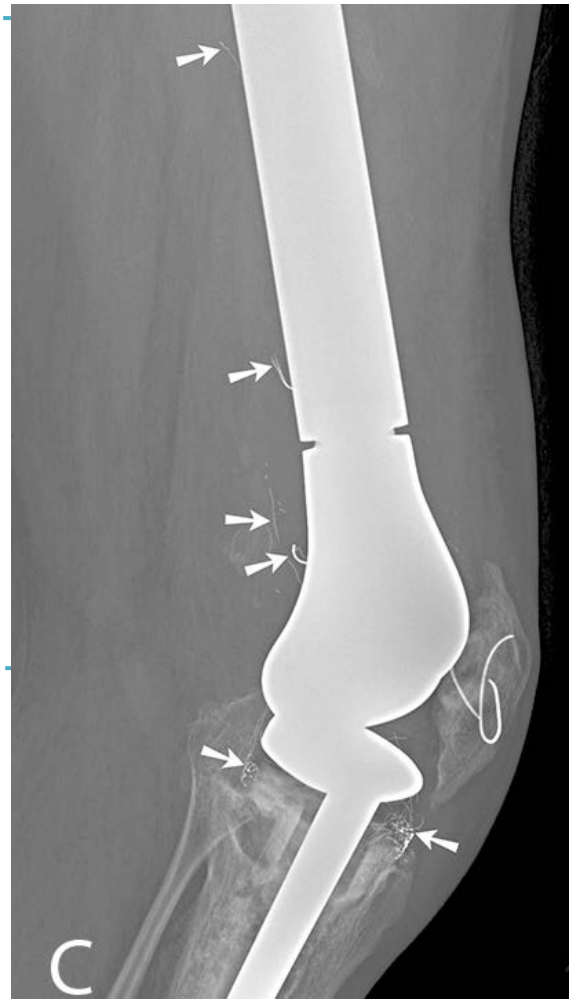
Did you know this article and our complete newsletter archive are available "in-the-cloud"? If you haven't logged into our Securedocs ftp site yet, you should check it out! It houses a condensed version of our "Sales Training Manual on CD", which includes key clinical studies, white papers, brochures, videos, and so on. The best part is, you can log in from anywhere you have internet access, and you can be sure that the files are always the most up-to-date versions. Email Patrick Miller at pmiller@kinamed.com with any questions or to sign up for a free account.

Another Metal Cable FAIL

Reports of broken metal cables have become a regular feature in this newsletter. There is certainly enough literature out there that one could write a book (not a bad idea…). Most recently, we stumbled (a la google) across an article in Radiology Case Reports: "Migration of trochanteric cerclage cable debris to the knee joint". Trust us, your surgeons don't want to explain x-rays like this to their patients: Six months post surgery. B) frog-leg lateral radiographs of the left hip demonstrate fraying of the greater trochanteric cerclage wires (arrows). C) Lateral radiograph of the distal left femur. Multiple wire fragments have migrated distally from the hip joint (arrows); some are now located within the knee joint space.

Full Article: View online here
or download pdf here





Trade Show Update

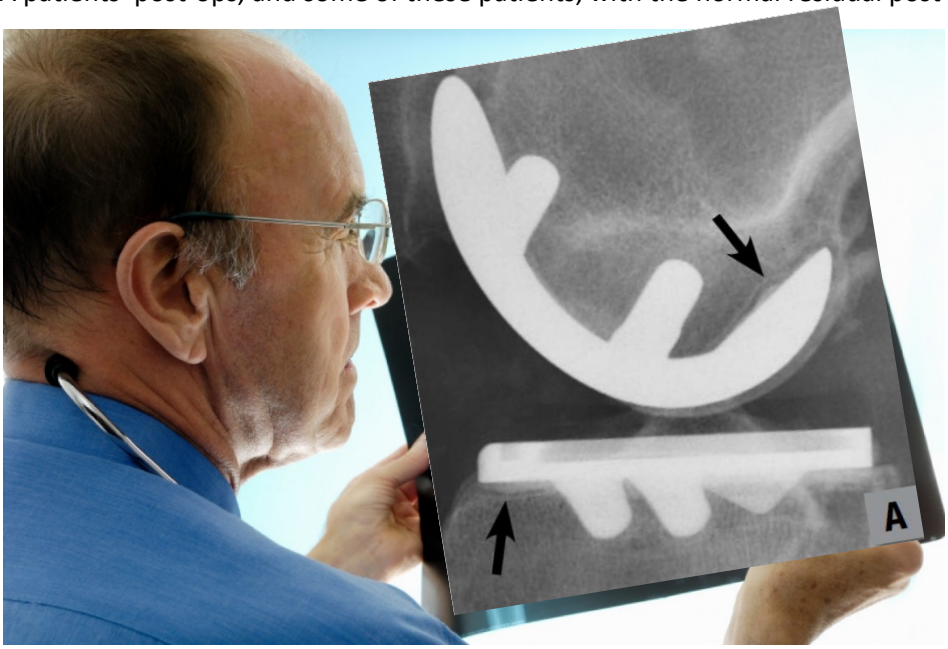
Here's a list of recent and upcoming meetings we are exhibiting at. Please help us make the most of these events by encouraging your surgeons to visit our booth.

Recent/ Upcoming Trade Shows	Dates	Location	Booth #
AAOS Annual Meeting	March 25 -27, 2015	Las Vegas, NV	2639
AAOS/AAHKS Fundamentals of Hip and Knee Arthroplasty for Orthopaedic Residents # 3389	April 24-26, 2015	Rosemont, IL	TBD
The Masters Series: Techniques in Arthritis Surgery	April 30- May 2, 2015	Pasadena, CA	TBD
ICJR Revision Hip and Knee Course	May 1-2, 2015	Philadelphia, PA	TBD
AAOS/AAHKS Fundamentals of Hip and Knee Arthroplasty for Orthopaedic Residents # 3367	May 15-17, 2015	Long Beach, CA	TBD
CCJR Spring Meeting	May 17-20, 2015	Las Vegas, NV	TBD
Malaysian Orthopaedic Associate Annual Meeting	May 22-24, 2015	Kuala Lumpur, Malaysia	B12
16th EFORT Congress	May 27-29, 2015	Prague, Czech Republic	1 #31
ICJR South/RLO Course	May 28-30, 2015	Charleston, SC	TBD
ICJR West	June 4-6, 2015	Napa, CA	TBD
AAOS/AAHKS Fundamentals of Hip and Knee Arthroplasty for Orthopaedic Residents # 3365	June 5-7, 2015	Baltimore, MD	TBD
AAHKS Annual Meeting	November 5-8, 2015	Dallas, TX	316
CCJR Winter Meeting	December 9-12, 2015	Orlando, FL	TBD

A UKA user highly motivated to try *CarboJet*

Message from Bob Bruce, VP, Global Sales & Marketing

I was talking with a surgeon at AAOS who has been using ***CarboJet*** for a while now and he made a very interesting comment about what motivated him to try the system initially. He confided that - before adopting ***CarboJet*** - he was often seeing radiolucent lines in his UKA patients' post-ops, and some of these patients, with the normal residual post--op pain, were going to local competitive surgeons for second opinions and being told that the combination of their pain and the radiolucent lines indicated that they may have loosening and may need revision. He felt that some of his patients had been unnecessarily revised as a result of these radiolucent lines! When he substituted ***CarboJet*** for his pulsed saline lavage the radiolucencies were no longer present and a really excellent, deep cement mantle was consistently observed. This really struck me because the motivation to fix this "radiolucent line problem" was evidently strong in the mind of this surgeon, and it is quite understandable that a surgeon would be very concerned about his patients going to see another surgeon who critiques his joint replacement work and perhaps revises his patient unnecessarily. We all know that getting hospital new product approval is tough these days and that having a highly motivated surgeon to back your efforts with VACs, purchasing departments and the like, can be a key element for success. The issue described is just the kind of thing that will get a surgeon motivated!



So can we use this story to help us sell more ***CarboJet***? We think so. We have shared this story with a couple of our sales agents and they have said they are aware of surgeons doing UKAs in their territory who are seeing some of their patients getting revised by other orthopedic practices in town. The surgeons doing the primary cases are probably unaware of some of these revisions but are surely aware of many. There are obviously a number of reasons a UKA may need an early revision, but some of our reps believe that some of their ***CarboJet*** users had the same initial motivation described above – radiolucent lines and post-op pain that is not atypical even in cases that are ultimately very successful. We think you can employ a ***CarboJet*** sales strategy in which you identify surgeons doing UKAs and then present ***CarboJet*** to them, covering all the benefits we typically highlight, but also mentioning that "a number of ***CarboJet*** users have told us that they previously saw radiolucent lines in their unis when using just pulsatile saline and felt that some of these patients were getting revised by the surgeon across town on suspicion of loosening because of these lucent lines. Once they adopted ***CarboJet*** their radiolucent lines went away and they were seeing a beautiful cement mantle no one would have concerns about".

You might try this and see if it works for you. And experience has shown us that once a surgeon becomes familiar with ***CarboJet*** in an application like UKA (or shoulder or whatever) we wind up seeing it used on all of that surgeon's cemented joint replacements. So this means we get our foot in the door with UKA and then get all of that surgeon's TKA cases as well. And then of course you can work to spread usage to other surgeons in that facility too.

So let's recap some key points to highlight when selling ***CarboJet*** to a UKA surgeon:

- UKA bone cuts are much less accessible for cleaning because of the small incision and limited operative field. It's impossible to direct a pulsatile saline lavage jet at anything close to right angles to the bone so saline is particularly ineffective at removing fatty marrow material from the bone in UKA surgeries.

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- ***CarboJet*** has a nozzle that is great at reaching back into the small incision to clean all the way back to the posterior parts of the femoral cut (40 degree angled tip nozzle).
- UKA components have limited cement-bone interface area as compared to a TKA and thus cement technique is even more critical.
- In a recent large multicenter study, aseptic loosening was the number one cause of failure of all primary knees requiring revision and accounted for 60.6% of all UKA failures!
- ***CarboJet*** users are seeing markedly better cement mantles on post-op x-rays with ***CarboJet*** versus without.
- ***CarboJet*** users have told us that they previously saw radiolucent lines in their unis when using just pulsatile saline and felt that some of these patients were getting revised by the surgeon across town on suspicion of loosening because of these lucent lines. Once they adopted ***CarboJet*** their radiolucent lines went away and they were seeing a beautiful cement mantle no one would have concerns about.
- Ask for the evaluation surgery and offer a free trial! Get the surgeon to sign a request letter that you can take to purchasing to get approval for the trial.

CarboJet sales have been growing strongly for us this year and, as noted below, a remarkable 62% of ***CarboJet*** instrument sets have been sold to hospitals (versus consigned)! Leave no stone unturned and make sure you are not missing out on excellent annuity-like ***CarboJet*** business in your territory!

Best regards,

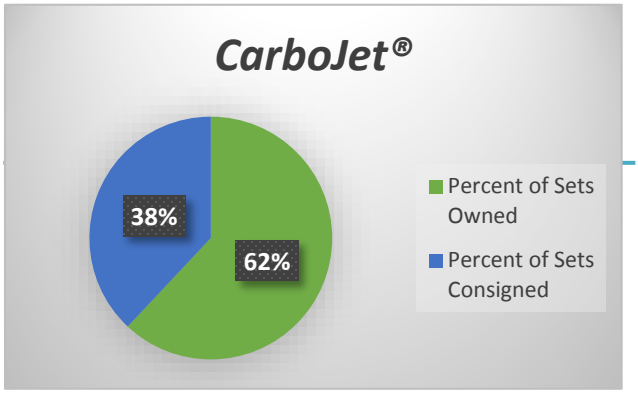
Bob Bruce

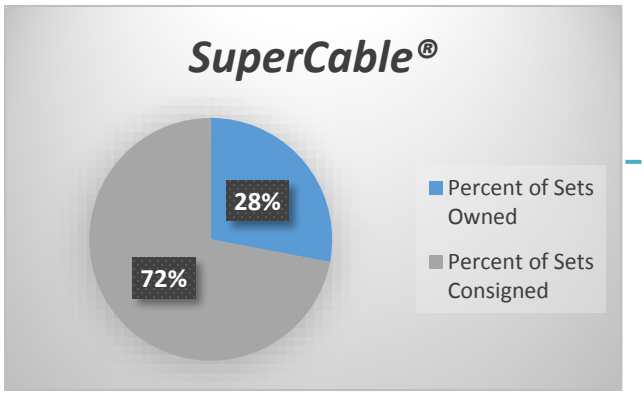
Instrument Set Sales are Real!

We keep hearing that hospitals don't buy instruments. So we decided to do some research…we dug through our instrument sales records and compared them to our consignment records, and here's what we found:

- **62% of *CarboJet* sets in the U.S. were purchased by hospitals.**
- **28% of *SuperCable* sets in the U.S. were purchased by hospitals.**

We are willing to bet that half of those hospitals that own their sets told their rep at one time…"we never buy instruments"...





More on the Berend & Lombardi Study

After the release of this article, we received a few questions from reps. Most were wondering why we are so excited about a paper that concludes with an "81% rate of mechanical success." Our response? Sure, 81% isn't perfect, but here are three key points keep in mind:

1) The cases in this paper are extremely complex, and revision THA is fraught with complications in general.

2) It's nearly impossible to compare these results to results with other cabling systems because there is a wide variety in case complexity, in device design, patient anatomy, patient populations, and surgeon skill. The best way to compare would be a head-to-head randomized control study but that is not practical and is very expensive to pull off.

3) The authors of this study are extremely highly experienced and well-respected, and they conclude in this paper that ***SuperCable Grip & Plate System*** is a good solution for these types of cases. It is also very telling that their actual usage of ***SuperCable*** and ***Grips & Plates*** has gone up since the study was completed!

KineMatch Custom PFR Patient Education Display Cases

The photo below shows a patient education model set we are now making available to surgeons who utilize the ***KineMatch*** Custom PFR. This set includes sample PFR implants (femoral and patellar), a bone model (with cartilage) and a drill guide, along with a display case. The display case can also be used to hold that surgeon's actual patient models and drill guides as cases are completed (as shown in the photo). The drill guides from the actual cases can then be used to educate the patient on the variability of the human trochlea by trying to fit them on other models from other patients. The typically poor interfit from patient to patient helps to educate the patient on the benefits of our custom approach. If the surgeon fills up a display case with patient models we can send him/her another case to park alongside the first. Having these models and way to display them should result in more cases for you because the surgeon will have better tools to educate potential patients and the surgeon will also have a reminder of the typically great results he has been getting with the ***KineMatch*** device!

To the right of the display case in the photo is our ***KineMatch*** Custom PFR patient brochure. You'll note that the pamphlets are in a clear plastic stand. We are now making these pamphlet stands available to you to provide to your surgeons along with the patient pamphlets.

To order your ***KineMatch*** patient education materials please contact Patrick Miller at pmiller@kinamed.com. We will require detailed information on where these sets are to be placed. The display sets with sample PFR are costly for us to build and supplies are very limited but we will work to get these materials to you and your surgeons as quickly as we can. And a special thanks to Steve Barber and Don Hules, Kinamed agents, who each had come up with similar concepts that they shared with us for presenting ***KineMatch*** samples to key surgeons.