

NuVasive.
Moving at cheetah speed.

Exclusive sales force.
Product breadth.
Outstanding service.

Our culture of Absolute Responsiveness®
is driving our rapid growth and
solidifying our position as a leader
in innovative spine technology.

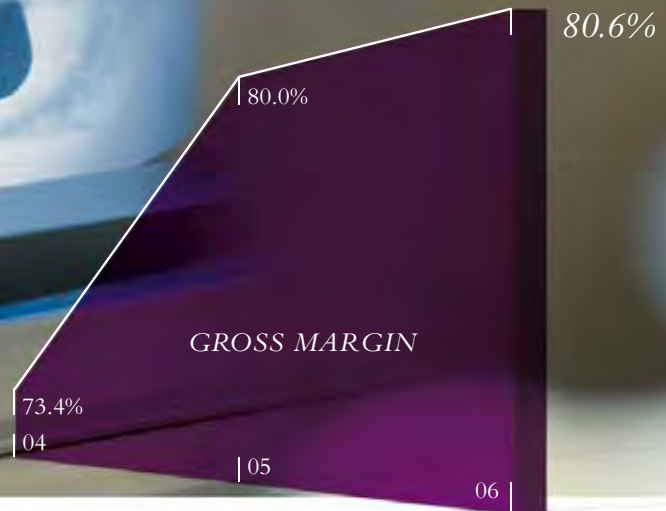
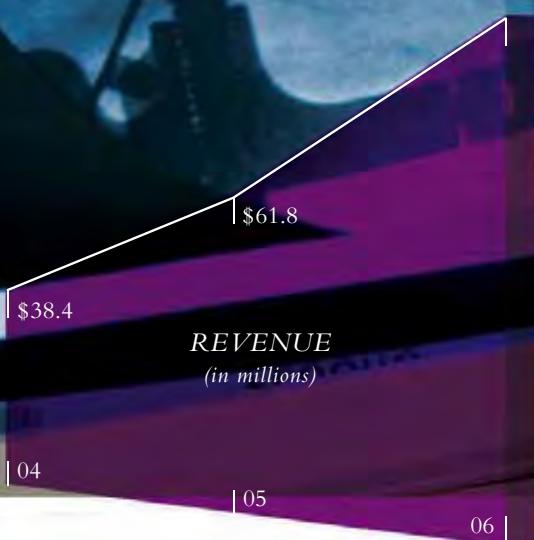


NuVasive designs, develops and markets innovative products for the surgical treatment of spine disorders.

Our product portfolio facilitates minimally disruptive spine surgery procedures, resulting in reduced surgery time and hospitalization costs, and faster patient recovery.

With a culture founded on the pursuit of Absolute Responsiveness®, we strive to bring products to market faster than our competitors while providing superior customer service.

In doing so, we are addressing the critical needs of those people impacted by our innovative products and procedures — the patients, the surgeons and the hospitals.



The culture at NuVasive is extremely important to our success. “Absolute Responsiveness®” in everything we do is not just a culture – it’s a way of life. It is what has enabled us to move at “cheetah speed” toward achieving our goals. It is what motivates NuVasive employees, or shareowners as we call them, to provide the utmost in service to surgeons, bring innovative new products to market, and constantly challenge ourselves to be smarter and faster than the competition.

2006 was a year of rapid growth for NuVasive. We have advanced and matured our business, establishing NuVasive as one of the most innovative and fastest growing companies in spine today. We completed our transition to an exclusive sales force, substantially broadened our product suite and made continued progress on training spine surgeons on our MAS™ Platform. Our culture of Absolute Responsiveness® has been the driving force behind the success of our most important strategic initiatives. These include:

- Generated total annual revenues of \$98.1 million, a year-over-year increase of 56.7%
- Reported non-GAAP earnings per share of \$0.02, our first profitable quarter
- Trained a total of 569 spine surgeons on our MAS Platform
- Increased percentage of vertically integrated hospitals to 45%
- Grew exclusive sale force to 200 sales professionals
- Launched nine innovative products and product enhancements, all of which received positive surgeon feedback
- Generated significant momentum enrolling patients in the NeoDisc™ clinical study, with sites currently enrolling



Alex Lukianov
Chairman and
Chief Executive Officer

NeuroVision®

1.1.04

Proprietary Nerve Avoidance System provides real-time continuous feedback to assist the surgeon in monitoring nerve activity during the surgical procedure

MaXcess®

3.1.04

Unique retractor system with split blade design and fiber optic lighting allows customizable surgical exposure

NUVA

6.18.04

Completed initial public offering with net proceeds of \$68.1 million

Exclusive sales force.

Spine is a very competitive arena. Success on the sales end of the business is in part determined by the strongest relationships, the drive for new territory and the determination to win. If a spine company's sales force falls short on these attributes, chances are it will fall short of its goals. This is a major reason the transition to an exclusive sales force in 2006 was our most important strategic initiative. We strongly believe that this sales force will provide the foundation for our long-term growth. Our goal was to build the best sales team in spine – period. Anything short of this goal would have been unacceptable. The result was achieving exclusivity in June of 2006 – ahead of schedule – and building what is now an elite group of over 200 professionals with national coverage. These professionals bring an attitude of Absolute Responsiveness® to everything they do. It is a commitment to outstanding standards that permeates the entire organization. It's our way of life.

The long-term leverage of this exclusive sales force becomes powerful when coupled with a strategy of vertical product integration. Our business is largely based on our ability to develop products that meet a surgeon's needs. We have spent considerable time developing products and technology that benefit all three constituencies of

surgeon, patient, and hospital, and have now set our sights on deepening our customer relationships and achieving greater product pull-through into existing surgeon business. The days of NuVasive products "sharing the bag" with the competition are over. The ability to sell our full product mix is widely understood by the sales force to be one of the ultimate drivers of success. We have set the bar high with a total focus on execution. The determination and drive to stay several steps ahead of the competition is stronger than it has ever been at NuVasive.

Success in generating increased product pull-through is as reliant on innovation and product breadth as on a focused sales force – a sales force that needs to be consistently supplied with technology that is ahead of the competition. During 2006, we launched nine new products and product enhancements that represented upgrades to all three categories of our MAS™ Platform: NeuroVision®, Access and Specialized Implants. We also completely redesigned our instrument sets to correspond with these new products and to make it even easier for surgeons to use our MAS Platform. The result is more of the same: NuVasive leapfrogging the competition and even making its own products obsolete in the marketplace.



Jeff Gerstner

Scott Irvin

David Lane

Chris Walsh

Mike English

SpheRx®

9.30.04

Launched Pedicle Screw System for less disruptive posterior fixation

Headquarters

1.24.05

Relocated to an expanded facility, including a state-of-the-art Cadaver Operating Theatre and Custom Instrument Machine Shop

MAS™ Momentum

3.15.05

Maximum Access Surgery platform combines NeuroVision® Nerve Monitoring, MaXcess® Access System, and Specialized Implants

SpheRx® DBR®

5.17.05

Launched SpheRx Dual Ball Rod (DBR®) Minimally Disruptive Fixation System for percutaneous posterior spinal fixation

Driving rapid growth.

100%

SALES FORCE EXCLUSIVITY

45%

VERTICALLY INTEGRATED HOSPITALS

(Hospitals purchasing from each category of our MAS Platform: NeuroVision, Access, and Specialized Implants)

Acquisition

6.06.05

Acquired advanced commercialized cervical plate technology from RSB Spine LLC

XLIF®

7.18.05

Announced results of U.S. surgeon study on XLIF showing procedure to provide safe and effective access with economic and patient benefits

NeoDisc™

8.04.05

Acquired NeoDisc cervical disc replacement device from Pearsalls Limited

#1 in Fast 50

9.27.05

Named San Diego's fastest growing technology company in *Deloitte Fast 50 Program*

MAS™ Platform.



NEUROVISION® JJB



MAXCESS®



MAS & SPECIALIZED IMPLANTS

MAS™

9.27.05

Launched five new products within the MAS Platform, including MaXcess® II retraction system

CoRoent®

9.30.05

Family of radiolucent implants for partial vertebral body replacement, offered in a variety of sizes to meet the surgeon's need

#1 in Fast 500

10.19.05

Named the fastest growing technology company in North America in *Deloitte Technology Fast 500*

Increasing product breadth.

Nerve
Avoidance
Leader™

Dynamic Screw Test

Free Run EMG

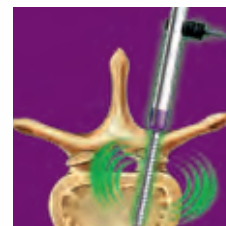
Nerve Detection

Recording Electrodes

Stimulation Probe

Stimulation Clip

I-PAS™ System



NeuroVision provides real-time feedback utilizing free-run EMG to monitor nerves during spine surgery. Shown above – Dynamic Screw Test, Insulated Pedicle Access needle (I-PAS), and screw placement testing.

Customized
Surgical
Access

MaXcess® Access System

Micro Access System

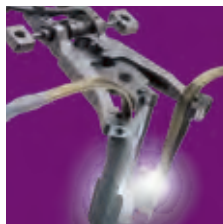
MaXcess II with NeuroVision®

MaXcess III Access System

Decompression/Micro-Decompression

TLIF/PLIF

XLIF®



MaXcess Access System allows the surgeon to customize surgical access to the spine. Shown above – MaXcess I, MaXcess II, and MaXcess III retractors.

Minimally
Disruptive
Fixation

CoRoent® Implants

ExtenSure™ Allograft System

Gradient Plus™

SpheRx® Spinal System

SpheRx DBR® Spinal System

Triad® Facet Screws

Triad Allograft



Specialized Implants are designed to be used in concert with the MAS™ Platform and as stand alone implants. Shown above – CoRoent Implants, Gradient Plus Anterior Cervical Plate, and SpheRx DBR.

NeoDisc™ IDE

10.24.05

Filed for Investigational Device Exemption (IDE) from the FDA for NeoDisc

Operating Capital

2.07.06

Completed an underwritten public offering with net proceeds of \$142 million

Gradient Plus™

3.14.06

Launched Gradient Plus Anterior Cervical Plating System, offering surgeons three intraoperative fixation options in one system

Exclusivity

6.05.06

Achieved over 90% sales force exclusivity ahead of stated guidance

Absolute Responsiveness®.

Our product breadth took a major leap forward in 2006. The products we introduced and our planned launches in 2007 will increase our penetration into a spine surgeon's business by moving further up the spine into cervical, thoracolumbar, and adult degenerative scoliosis cases. This broader addressable market of spinal pathologies has evolved our product suite into a one-stop shop for spine surgeons, addressing over 90% of potential spine surgeon business. This is a powerful tool to cultivate and deepen the surgeon relationships that remain so important to our business.

To support our increasing breadth of innovative products and an exclusive sales force with national coverage, we expanded our distribution capabilities. In September, we opened our newly acquired distribution facility strategically located in Memphis, TN, near the Federal Express distribution hub. This location affords additional working hours each day to process and ship products and instrument sets, including the ability to process last-minute East Coast requests for next-day surgical procedures.

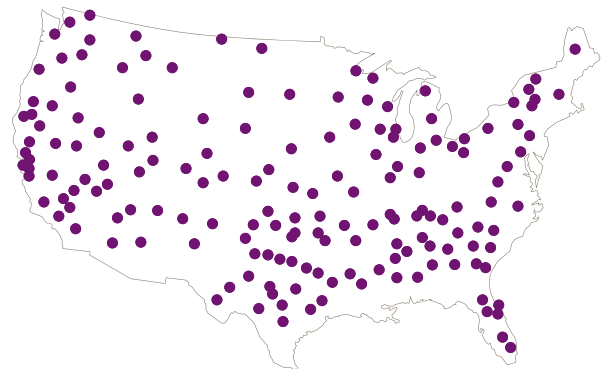
Surgeon training remains a priority at NuVasive. During 2006, we trained a total of 569 spine surgeons on our MAS™ Platform. Our Marquis Visit Program, or MVP, is the cornerstone of this training. The goal of an MVP is to provide the closest possible replication of the clinical experience of using our MAS Platform. Training surgeons on our pioneering lateral access technology, with the on-site presence of product development managers and engineers, combine to ensure the most complete experience possible. This program truly embodies Absolute Responsiveness at NuVasive and differentiates our training program from the competition.

While we continue to focus on introducing surgeons to the clinical benefits and ease of use of our XLIF® procedure, we also have begun to broaden surgeon use of XLIF to address additional pathologies. As the leaders in safe and reproducible lateral approach spine surgery, we have begun to pioneer the lateral approach further north up the spine into the thoracic region and for adult degenerative scoliosis indications. There have also been some early test cases conducting TDR revision procedures of competitive products.

To further broaden the proliferation of the lateral approach to spine surgery, we have helped establish SOLAS™, the Society of Lateral Access Surgery. SOLAS was developed to define and advance the art and science of lateral access surgical applications through peer-to-peer communication, clinical education, and research. It provides a forum

Our sales force.

A growing presence.



Cost Reduction

7.05.06

Announced 20% hospital cost savings when using XLIF® procedure for lumbar spine fusion surgery compared to a traditional ALIF approach

Memphis

9.11.06

Opened distribution facility in Memphis, Tennessee

Clinical Study

9.15.06

First-in-human U.S. use of the NeoDisc™ cervical disc replacement device



Outstanding service.



MaXcess® III

9.26.06

MaXcess III Access System includes a removable fourth blade, which provides greater posterior surgical options

NeuroVision®

10.11.06

Product enhancements include the family of electrodes, MEP (Motor Evoked Potentials) and Remote Monitoring capabilities

\$0.02

12.31.06

Achieved goal of breakeven with first non-GAAP quarter of profitability

Rapid Growth

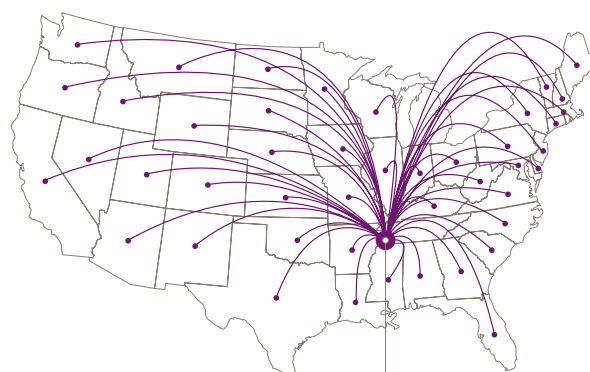
12.31.06

Achieved 45% vertical integration of hospitals; trained 569 surgeons in 2006; sales force grows to 175; full year revenue of \$98.1 million, an annual increase of 58.7%



Strategic
distribution.

Next-day
surgery.



Memphis, TN

Order	Delivery	Surgery
10:00pm Wednesday	8:00am Thursday	9:30am Thursday

to debate and advance techniques, a process to train surgeons in pace with advancements, a vehicle for clinical studies and publications, and a resource for patient education. We are very excited about the early development of SOLAS and have recruited some of the pioneering adopters of the lateral approach as founding members.

Many companies talk about their culture and what it's like to be part of the team. At NuVasive, we believe we are different. Our culture of Absolute Responsiveness® has enabled us to move at a very fast rate toward achieving our goals. We call this moving at "cheetah speed." It's the ability to bring new products to market faster than our competitors and provide the utmost in service to surgeons that differentiates us. If you were to talk to any one of our 350 shareowners or exclusive independent sales professionals, they would be excited to explain to you what it means to be an A-Player. It pushes each of us to challenge ourselves further and is the driving force behind everything we do. In most cases, management does not have to raise the bar for shareowners – they have already raised it for themselves. These are the kinds of people you will find at NuVasive. They are our greatest asset and strongest competitive differentiator. As we continue to grow at a rapid rate, we will hold each other to these high standards as we continue to drive to sustain our position as a leader in innovative spine technology.

Although 2006 was a very successful year for NuVasive, we believe we are just scratching the surface of our potential. We are expanding our product breadth, building on our core MAS™ technology, leveraging our exclusive sales force, and enhancing our operational infrastructure. All of these advancements provide the platform for our rapid growth to continue, while our culture of Absolute Responsiveness and our commitment to outstanding standards provide the fuel for our continued expansion. We are driven by our goal of becoming a dominant force in the spine market by focusing on innovation, quality products and Absolute Responsiveness to our customers.

I look forward to reporting positive news in the coming years. As we like to say at NuVasive, "Onward and Upward!"

Thank you for your continued confidence,

Alexis V. Lukianov
Chairman and Chief Executive Officer

Corporate information.



Board of Directors

Alexis V. Lukianov
Chairman & Chief Executive Officer

Jack R. Blair
Chairman of dj Orthopedics, Inc.
and Retired Group President & Director,
Smith & Nephew Inc.

James C. Blair, PhD
General Partner and Managing Member,
Domain Associates, L.L.C.

Peter C. Farrell, PhD, AM
Chairman and Chief Executive Officer,
ResMed, Inc.

Lesley H. Howe
Retired Partner,
KPMG Peat Marwick L.L.P.

Robert J. Hunt
Retired Chief Financial Officer,
AutoZone, Inc. and Co-founder Mercury
Investment Group

Hansen A. Yuan, MD
Professor of Orthopedic and
Neurological Surgery, State University
of New York, Syracuse and Past President
of North American Spine Society

Senior Management

Alexis V. Lukianov
Chairman & Chief Executive Officer

Keith Valentine
President & Chief Operating Officer

Kevin C. O'Boyle
Executive Vice President,
Chief Financial Officer

Patrick Miles
Executive Vice President of
Marketing & Development

Jeff Rydin
Senior Vice President, U.S. Sales

Jason Hannon
Senior Vice President & General Counsel

G. Bryan Cornwall, PhD, P.Eng
Vice President, Research and
Clinical Resources

Jonathan D. Spangler
Vice President & Chief Patent Counsel

Lisa Brockman
Vice President, Accounting

Investor Relations

Kevin C. O'Boyle
Executive Vice President &
Chief Financial Officer
NuVasive, Inc.
858.909.1800
investorrelations@nuvasive.com

The Ruth Group
757 Third Avenue,
22nd Floor
New York, NY 10017
646.536.7030

Form 10-K

The Form 10-K is available on the internet by accessing NuVasive's website at www.nuvasive.com. A copy of the Company's most recent Form 10-K, as filed with the Securities and Exchange Commission (including consolidated financial statements and schedules thereto) will be provided to shareholders upon written request to the Company's Investor Contact.

Annual Meeting


May 24, 2007
8:00 a.m. (PDT)
4545 Towne Centre Court
San Diego, CA 92121

Corporate Headquarters

NuVasive, Inc.
4545 Towne Centre Court
San Diego, CA 92121
T: 858.909.1800
F: 858.909.2000
www.nuvasive.com

Forward-Looking Statements

NuVasive cautions you that statements included in this annual report that are not a description of historical facts are forward-looking statements that involve risks, uncertainties, assumptions and other factors which, if they do not materialize or prove correct, could cause NuVasive's results to differ materially from historical results or those expressed or implied by such forward-looking statements. The potential risks and uncertainties that could cause actual growth and results to differ materially include, but are not limited to: the risk that NuVasive may be unable to successfully integrate new products or technologies into its business; the uncertain process of seeking regulatory approval or clearance for NuVasive's products or devices, including risks that such process could be significantly delayed; the possibility that the FDA may require significant changes to NuVasive's products or clinical studies; the risk that additional clinical experience may demonstrate that NuVasive's products do not provide the intended safe and reproducible results; risks related to NuVasive's ability to effectively manage the growth of its business; risks related to NuVasive's ability to successfully develop, obtain regulatory approval for, and commercialize new products; and other risks and uncertainties more fully described in NuVasive's annual report and periodic filings with the Securities and Exchange Commission. NuVasive's public filings with the Securities and Exchange Commission are available at www.sec.gov. NuVasive does not intend to update any forward-looking statement to reflect events or circumstances arising after the date on which it was made.

 NuVasive, Creative Spine Technology, Absolute Responsiveness, CoRoent, DBR, MaXcess, NeuroVision, SpheRx, Triad, and XLIF are federally registered trademarks of NuVasive, Inc. ExtenSure, Gradient Plus, I-PAS, MAS, NeoDisc, Nerve Avoidance Leader, and SOLAS are common law trademarks of NuVasive, Inc. Patent(s) pending.

© 2007, NuVasive, Inc. All rights reserved.

NuVasive, Inc.
4545 Towne Centre Court
San Diego, CA 92121

T: 858.909.1800
F: 858.909.2000
www.nuvasive.com

