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**ENDOLOGIX ANNOUNCES IMPROVED FINANCIAL OUTLOOK**

**IRVINE, Calif. (September 6, 2007)** – Endologix, Inc. (Nasdaq: ELGX), the developer and manufacturer of the Powerlink® System for the minimally invasive treatment of abdominal aortic aneurysms (AAA), today revised 2007 product revenue guidance to \$27 million to \$29 million, representing an increase of 87% to 101% compared with 2006 product revenue. The Company also increased 2007 gross margin guidance to 60% to 62%, and expects operating expenses to range from \$32 million to \$34 million.

Previously Endologix expected 2007 product revenue of \$25 million to \$29 million, gross margin of 57% to 61% and operating expenses of \$31 million to \$33 million. The Company affirmed its expectation that currently available cash combined with its revolving credit line will be sufficient to achieve sustainable positive cash flow in 2008.

“We are taking this opportunity to revise 2007 product revenue guidance based on a number of previously discussed factors that we believe will favorably impact our business this year,” said Paul McCormick, Endologix president and chief executive officer. “Our product revenue outlook reflects improved productivity from our current sales representatives as tenure increases and our ability to expand our sales team with highly qualified professionals. Our gross margin outlook reflects the earlier-than-expected beneficial effect of in-house manufacturing of PTFE graft materials, among other factors.”

**About Endologix**

Endologix, Inc. develops and manufactures minimally invasive treatments for vascular diseases. Endologix's Powerlink System is an endoluminal stent graft (ELG) for treating abdominal aortic aneurysms (AAA). AAA is a weakening of the wall of the aorta, the largest artery in the body, resulting in a balloon-like enlargement. Once AAA develops, it continues to enlarge and, if left untreated, becomes increasingly susceptible to rupture. The overall patient mortality rate for ruptured AAA is approximately 75%, making it the thirteenth leading cause of death in the U.S. Additional information can be found on Endologix's Web site at [www.endologix.com](http://www.endologix.com).

*Except for historical information contained herein, this news release contains forward-looking statements, including with respect to anticipated 2007 revenue, gross margin, operating expenses, the Company's ability to achieve positive cash flow from operations in 2008, and the accuracy of which are necessarily subject to risks and uncertainties, all of which are difficult or impossible to predict accurately and many of which are beyond the control of Endologix. Many*

*factors may cause actual results to differ materially from anticipated results including sales efforts, and other economic, business, competitive and regulatory factors. The Company undertakes no obligation to update its forward looking statements. Please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, and the Company's other filings with the Securities and Exchange Commission, for more detailed information regarding these risks and other factors that may cause actual results to differ materially from those expressed or implied.*

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