

Contact:

Immanuel Thangaraj
Managing Director
Essex Woodlands
+ 1 650 543 1555
ithangaraj@ewhv.com

**Essex Woodlands Health Ventures Significantly
Expands Reach to Support New Fund**

*After Raising \$600 Million Fund, Firm Adds Six New Senior
Executives and Opens New York City Office*

Palo Alto, CA—October 2, 2006--- Essex Woodlands Health Ventures,

(www.essexwoodlands.com) a leading venture capital firm solely dedicated to health care investing, today announced six new senior executives joining the firm, and a new office in New York City, all designed to support the recently closed \$600M Essex Woodlands Fund VII.

“After raising \$1 billion of new capital in the last two years, a \$400M Fund VI in 2004 and a \$600M Fund VII in 2006, we are delighted to add new expertise to our senior management team,” said Marty Sutter, co-founder and managing director of Essex Woodlands. “The addition of these new team members, and our new office in New York City, significantly expand our reach into the health care industry, and expand our depth of management and investment expertise.”

Six New Senior Executive Join Essex Woodlands

The six new senior executives include:

Mr. Guido Neels joins Essex Woodlands as Partner. Neels has over 25 years of senior medical device experience and was a founding member and most recently Chief Operating Officer of Guidant Corporation, a world leader in the development of cardiovascular medical products and acquired by Boston Scientific for \$27 billion in November 2005. As COO of Guidant, Neels was responsible for global operations of all four of the corporation's business units: cardiac rhythm management, vascular intervention, cardiac surgery and endovascular solutions. Prior to Guidant, Guido held management, sales and marketing positions at Eli Lilly Corporation in Europe and the U.S.

“With a successful 20-year history, Essex Woodlands is one of the most established health care focused venture capital firms. I look forward to being involved with our growing portfolio of the most dynamic young companies in the healthcare industry,” said Neels.

“Guido demonstrated excellent leadership at Guidant and significantly influenced strategic direction for the company. He will be a great asset to Essex Woodlands,” said James Cornelius, chief executive officer of Bristol-Meyers Squibb.

Mr. Ron Eastman joins Essex Woodlands as Partner. With over 28 years of pharmaceutical and biotech experience, Eastman spent 15 years with American Cyanamid managing pharmaceutical divisions and subsidiaries both in the U.S. and

overseas. After Cyanamid, Ron was the Chief Executive Officer of Geron, a pioneer in regenerative medicine and cancer and, most recently, Eastman was the Chief Executive Officer of Rinat Neuroscience, which was acquired by Pfizer in May 2006 for \$500M in cash.

“I became involved with Essex Woodlands when the partnership invested in Rinat,” said Eastman. “The Essex Woodlands partnership works well together and has delivered excellent returns to its investors. I look forward to sharing my operating experience in biopharmaceuticals with the partnership and their portfolio companies.”

While at Rinat, Ron helped raise over \$65 million in venture capital, recruit an experienced management team and move Rinat’s product for the treatment of pain into clinical trials.

Fred Frank, vice chairman of Lehman Brothers, commented “Ron Eastman is to be commended for his stewardship and leadership in creating a noteworthy monetization event for Rinat and its shareholders which includes all employees as shareholder/option holders. The value received in the strategic merger with Pfizer set a new high water mark in the biotechnology industry for early stage clinical companies. Ron's extensive experience will be of inestimable value in providing advice to entrepreneurs and CEOs seeking financing and or strategic guidance.”

Dr. Nic Chronos joins Essex Woodlands as Adjunct Partner. As the Chief Medical and Scientific Officer of the American Cardiovascular Research Institute (ACRI) and the Saint Joseph’s Institute and Adjunct Professor of Medicine at Duke University Medical Center, Dr. Chronos is a renowned researcher in the area of cardiology devices. Dr. Chronos is also an international lecturer and author of numerous peer-reviewed

papers and abstracts. Dr. Chronos has served on the advisory boards of Medtronic, Guidant and Boston Scientific.

Dr. Michael Gertner joins Essex Woodlands as Adjunct Partner. Dr. Gertner is the co-director of the Surgical Innovation program at Stanford Medical School and previously was involved in the founding of two Essex Woodlands companies, Medlogics and GEM Biosystems. In addition, Dr. Gertner is a noted researcher, general surgeon, engineer, patent agent, inventor and entrepreneur.

Ms. Elizabeth McCabe joins Essex Woodlands as Recruiting Partner. McCabe has over 10 years of senior level executive search experience, eight years of which focused specifically in the life sciences industry. McCabe has conducted hundreds of successful searches including many C-level and Head of Research and Development and general management searches for American and European pharmaceutical, biotech and medical device companies. Previously, McCabe has been a member of the healthcare practices of internationally recognized search firms such as Heidrick & Struggles, Hunt Howe Partners and Rhodes Associates.

Mr. Scott Barry joins Essex Woodlands as Principal. Previously with Novartis Pharmaceuticals, Barry most recently served as their global head of pharmaceutical mergers and acquisitions and collaborations after serving in positions in both business development and licensing and mergers and acquisitions. Barry was responsible for global mergers and acquisitions, equity investments and corporate partnership for Novartis Pharmaceuticals across all therapeutic areas.

Essex Woodlands Opens New York City Office

Several Essex Woodlands investment professionals will be based at the firm's new New York City office located at 717 Fifth Avenue, 14th Floor, Suite B.

“We are excited to consolidate our East Coast team in our new office in New York City. While serving all aspects of our strategy, this office will specifically focus on our specialty pharmaceutical, services, PIPE and expanding growth equity investments,” said Mark Pacala, managing director, Essex Woodlands.

More About Essex Woodlands Venture Partners

With \$1.6 billion under management, Essex Woodlands is one of the nation's largest and oldest venture capital firms pursuing investments in pharmaceuticals, biotechnology, medical devices, health services, managed care and health information. Since its founding in 1985, Essex Woodlands has maintained its singular commitment to the healthcare industry and has been involved in the founding, investing, and/or management of over 100 healthcare companies ranging across all sectors, stages and geography, and brings over 240 years of collective healthcare experience. The team is comprised of 17 professionals with principal offices in Palo Alto, CA., Houston, TX., New York City and London. For more information please see www.essexwoodlands.com.

###