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De Novo Ventures Takes the Lead in a Series of Medical Device Investments; New Portfolio Companies Span a Broad Range of Clinical Specialties from Neurology to Spine Surgery

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MENLO PARK, Calif.--(BUSINESS WIRE)--June 8, 2004--De Novo Ventures today announced its first seven investments from its second fund, De Novo Ventures II, which initially closed in December 2003. The new portfolio companies are broadly diversified across a variety of medical markets including robotics, stroke, congestive heart failure, atrial fibrillation, orthopedics, and hearing impairment. All of these novel therapies offer minimally or non-invasive solutions to significant, unmet clinical needs.

De Novo most recently co-led an \$18.4 million Series B financing of Hansen Medical with Thomas Weisel Healthcare Venture Partners. Hansen is creating automated catheter solutions designed to enable and facilitate difficult interventional procedures for a variety of cardiovascular diseases. The company's founder and CEO, Fred Moll, MD, is an innovator in medical devices, having co-founded Intuitive Surgical (ISRG) and Origin Medsystems (now part of Guidant).

"Hansen is excited to be a De Novo portfolio company. Each of De Novo's partners brings a wealth of experience starting and growing medical device companies," claims Dr. Moll. "This kind of active involvement and management support is critical when working through the major operating challenges that young companies face."

De Novo also co-led a \$19.5 million Series B financing of PhotoThera with Delphi Ventures. PhotoThera is developing a revolutionary, non-invasive stroke therapy that potentially widens the treatment window and increases the number of patients that could benefit from conventional stroke therapies. De Novo and InterWest Partners co-led a seed investment in Inspiration Medical, working on therapeutic devices for the treatment of chronic heart failure, a compelling market traditionally underserved by medical devices. In the area of atrial fibrillation, a large market currently dominated by pharmaceuticals, De Novo co-led the \$13.2 million Series B financing of Sinus Rhythm Technologies, Inc. with Delphi Ventures. Sinus Rhythm Technologies is developing an innovative, minimally invasive approach to treat this very common arrhythmia.

In the rapidly expanding spine surgery market, De Novo recently led two Series A financings, a \$10 million round in Spinal Kinetics and a \$5.8 million round in Calcitec, which is developing unique biomaterials that will be used in spinal and other orthopedic procedures. Finally, in the underserved hearing impairment market, in which less than a quarter of hearing loss patients utilize a hearing aid, De Novo co-led a \$7 million Series D financing extension of InSound Medical with Johnson & Johnson Development Corporation. InSound is producing next-generation hearing devices that offer vastly improved performance and convenience.

"This exciting array of companies is well matched with the De Novo team's breadth of skills. As life science industry veterans, we have founded, run, and exited many successful healthcare companies, some of which have been the 'bell-weather' of medical start-ups," explains Rich Ferrari, a founder and managing director of De Novo Ventures. "Each of us brings this first-hand experience directly to our portfolio companies."



About De Novo Ventures:

De Novo Ventures is a premier venture capital firm specializing in early stage life science investing. The firm aims to deliver superior returns to its investors by leveraging its veteran team's significant operating and investment experience. As entrepreneurs, the fund managers founded or co-founded 10 medical device companies including Advanced Cardiovascular Systems (Guidant), CardioThoracic Systems (Guidant), Origin Medsystems (Guidant), Gynecare (Johnson & Johnson), and Perclose (Abbott). Located in Menlo Park, California the firm invests nationally with a focus on the western United States. De Novo currently has \$350 million under management, and, to date, has invested in over 20 medical device and biotechnology companies. For more information about De Novo Ventures, please visit www.denovovc.com.

Contacts:

De Novo Ventures
Fred Dotzler/Rich Ferrari, 650-329-1999

fred@denovovc.com
rich@denovovc.com