

Onset Ventures
2400 SAND HILL ROAD
SUITE 150
MENLO PARK, CALIFORNIA 94025
(650)529-0700 FAX: (650)529-0777
www.onset.com

For more press information contact:
Abigail Johnson/Paul Michelson
Roeder-Johnson Corporation
(650) 802-1850
<http://email.roeder-johnson.com>

*****FOR IMMEDIATE RELEASE*****

**ONSET VENTURES TARGETS GROWING NEUROMODULATION INVESTMENT ARENA
Adds former Medtronic Senior Executive Steve LaPorte as Venture Partner**

MENLO PARK, CA - November 9, 2005 - ONSET Ventures is expanding its focus on early stage venture capital investments in the growing area of neuromodulation and the firm today announced the addition of Steve LaPorte, a former senior executive at Medtronic, as a venture partner.

"Neuromodulation" is the broad category of medical devices that, like a pacemaker for the heart, uses electricity to stimulate a critical part of the nervous system to effect change in the body. It is increasingly being used for primary pain control, epilepsy, and essential tremor; more importantly, neuromodulation has broad-ranging potential to treat depression, obesity, heart disease, and many other illnesses.

According to Rob Kuhling, ONSET Ventures partner, neuromodulation is attracting a growing amount of focus among early-stage investors. "Unlike many other medical and life sciences segments, it has modest capital requirements, leverages known technologies in novel ways, and can address very large markets."

Kuhling explained that using electricity to stimulate the nervous system as therapy for diseases holds great promise. While drugs are often cited as a "blunt instrument" that impacts the whole body, even though only one symptom is being addressed, neuromodulation has the potential to deliver precisely targeted therapy. This can result in a more effective treatment with fewer side-effects. In addition, unlike drug discovery, which is a years-long scientific process, neuromodulation therapies are often applications of existing technology to treat diseases in new ways. Therefore the invention process is much shorter, allowing effective therapies to reach patients years sooner than a fully tested drug.

According to a July 2005 report by Lazard Capital Markets, implantable neurostimulation, today being used for movement disorders and pain control and a subset of the total neuromodulation market, is estimated to be a \$930 million market in 2006, with the potential for \$2.0 billion by 2010.

ONSET has a long history of investing in medical device companies. Recent investments which contribute to the firm's understanding of how to work with and guide early stage companies with characteristics similar to those of neuromodulation companies include Spiral Concepts (acquired by Abbott), Embolic Protection (acquired by Boston Scientific), Neuronetics, and others.

Steve LaPorte Added to ONSET Team

To enhance its ability to find and support the most promising investments in neuromodulation and other medical device categories, ONSET has added Steve LaPorte (55) as a venture partner. LaPorte spent nearly 27 years at Medtronic, with more than a decade as vice president and general manager of multiple divisions, including electrophysiology systems, drug delivery, and, most recently,

neuroventures. In these roles, he had extensive general operational and management experience as well as broad strategic planning and execution duties. LaPorte holds a BS in Mathematics and Computer Science, University of Wisconsin, Stevens Point, and an MBA from the University of Minnesota.

“We are very pleased to have Steve join us both to expand our medical devices practice and to help pioneer this increasingly important area of neuromodulation,” said Leslie Bottorff, ONSET Ventures partner. “There are few executives with his broad base of experiences that enables him to both help us see the best opportunities, as well as support the companies from germination through ultimate success.”

According to Bottorff, ONSET’s approach to investing is called “venture craftsmanship”, where ONSET and the entrepreneurs frequently craft a viable business strategy and development plan - often from the very hint of an idea. With the neuromodulation category, this is particularly apropos, since many neuromodulation ideas start with known technologies and then pioneer new applications which have been traditionally treated with drugs or surgery. For example, Neuronetics, Inc. is developing a therapy for chronic depression, a condition traditionally treated with drugs. Their technology, called rTMS, has been used for various applications in research for years, but Neuronetics is the first company to take the device through the regulatory process for commercialization specifically for depression patients.

“Using medical devices to modulate the peripheral and central nervous system by delivering either electricity, drugs or biologics has the potential to improve treatments for numerous neurological disorders,” said LaPorte, “I’m looking forward to working with Onset in helping entrepreneurs development successful medical device treatments in this exciting and rapidly growing field.”

About ONSET Ventures

ONSET Ventures specializes in providing an ideal mix of start-up, follow-on, and intellectual capital to entrepreneurs and early-stage technology ventures, to help transform world-class ideas into sustainable and valuable businesses. The firm has backed over 100 companies since 1984 and now has more than \$700 million under management.

ONSET pioneered, and has refined over 20 years, a highly-optimized tool set for risk and capital management, and a *shirt-sleeves style* of active collaboration with entrepreneurs that leverages the firm’s substantial operating experience. That collaboration frequently begins before the closing of any financing, and typically continues throughout the life of the venture. The combined process, which has become the hallmark of the firm, has resulted in ventures that have consistently met their operational and financing milestones. In addition, it has resulted in a franchise that not only brings successful, serial entrepreneurs back to ONSET Ventures time and again, but also attracts investors who want the increasingly rare opportunity to participate in very early stage venture investing.

ONSET Ventures focuses exclusively on information and medical technology-based start-ups, and has a long history of successful ventures in each of these sectors.

-30-

Editors’ Note: All trademarks and registered trademarks are those of their respective companies.

Additional background information is available at www.roeder-johnson.com.