

ONSET Ventures
2490 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*****

**DON'T BE DISTRACTED BY PENDING HEALTH CARE REFORM WHEN MAKING MEDICAL TECHNOLOGY
VENTURE CAPITAL INVESTMENTS, SAYS ONSET PARTNER**

MENLO PARK, CA - AUGUST 6, 2009 - In spite of the tremendous attention being paid this summer to health care reform, it is critical that investments in medical technology startups not go into a "holding pattern", but continue unabated. So says ONSET Ventures partner Rob Kuhling.

There is a danger that investors will take a "wait and see" attitude, Kuhling believes, as the health-care ecosystem works through what could be far-reaching legislative and policy changes in coverage, funding, reimbursements, and even clinical standards and procedures. And there are several key reasons why he thinks that waiting is a mistake.

First, he says, is that the underlying fundamentals of medical technology investments will not change - regardless of what happens with reform. "Today's health care imperatives are very simple," says Kuhling: "provide the highest quality health care to as many people as you can at the lowest attainable cost." To reach this goal, Kuhling says, there are tremendous opportunities for advanced technologies to simplify treatment and thus lower both near-term and long-term costs of care.

Second, he believes that it is always a poor strategy to build business plans around the expectation of government subsidy or regulatory relief. Simply put, he says, "If a company's business plan can't stand on its own merits without government support, it is most likely not a good investment."

In particular, Kuhling believes that startups should be careful about focusing on healthcare IT. "There is a lot of discussion today about electronic health records for all," says Kuhling. "While this very important evolution clearly must happen, we think that the problem is simply far too big - and expensive - for traditional venture-capital-funded startups to tackle." Instead, the very large IT companies that have already been focused on this area and the very large customers within it are most appropriate to deal with the profound security, privacy, real-time data management, and integration with complex systems issues involved, Kuhling maintains.

The most interesting medical technology investments, Kuhling and his ONSET partners believe are: those that use advanced technology to lower total costs for improved treatment of major acute conditions or chronic diseases such as diabetes, heart and lung diseases, or morbid obesity; and those that deal with the special needs of the growing aging population. To this end, the firm has been very active investing in these areas, with companies such as Apieron (www.apieron.com), BAROnova (www.baronova.com), Enteromedics (www.enteromedics.com), Relievant Medsystems

(www.relievant.com), Sadra Medical (www.sadramedical.com), Valeritas (www.valeritas.com), and others gracing their portfolio - all of which meet these criteria.

"We are less concerned about the potential increased involvement by government in health care," adds Kuhling. "Since today the government is already the largest payer of health care expenses, medical technology companies have needed to be aware of complex regulatory and reimbursement issues for years; at the end of the day, changes will be incremental, not revolutionary. And although health care reform is a very complex problem and will undoubtedly take some time to be worked out, medical technology startup investments will continue to be attractive."

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, through a process of "venture craftsmanship." The firm has backed over 100 companies since 1984 and now has more than \$1 billion under management.

ONSET's venture craftsmanship, refined over 25 years, includes 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. This approach, which has become the hallmark of the firm, has resulted in a crafting of 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.

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