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## Our Historic Portfolio

**Cardiothoracic Systems, Inc.** (founded in 1994) pioneered the field of minimally invasive cardiac surgery, with the development of a revolutionary system that permits heart surgery to be performed while the heart is still beating. The company was acquired for nearly \$250 million by Guidant Corporation in 1998 and is now a division of Guidant with \$50 million in annual revenue. Mr. Lasersohn conceived the idea for the company, led the founding round and was a member of the Board of Directors.

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**Cardiovascular Imaging Systems, Inc.** (founded in 1988) developed the first intravascular ultrasound catheter that enabled cardiologists to image the interior of a coronary artery during procedures such as balloon angioplasty and stenting. Vertical Group participated in the early stage venture rounds of the company and was represented by Mr. Lasersohn on the Board of Directors until the sale of the company for over \$100 million to Boston Scientific Corporation in 1994.

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**Ensure Medical** (founded in 2002) developed a proprietary technology for the closure of femoral artery incisions based on a biodegradable closure device and a unique delivery system. Ensure was acquired by Johnson & Johnson in 2006. The Vertical Group was founding investor in Ensure Medical and Yue-Teh Jang served as the company's CEO.

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**E.P. Technologies, Inc.** pioneered the catheter-based treatment of cardiac arrhythmia and was the first company to receive FDA approval for a cardiac arrhythmia ablation system in 1994. Its technology has revolutionized the treatment of these debilitating and potentially life threatening arrhythmia and is now used to treat over 100,000 patients per year. The Vertical Group led the second round financing for the company and was represented on the Board of Directors by Mr. Lasersohn. E.P. Technologies was acquired by Boston Scientific Corporation for approximately \$200 million in 1995.

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**Integrated Vascular Systems** designed and developed innovative catheter-based, nitinol "clip" technology for tissue apposition. Following an initial clinical evaluation of its STARCLOSE system for the closure of femoral artery incisions, Abbott Laboratories acquired IVS in July, 2003 for over \$100 million in initial and future consideration. In December 2005, Abbott received FDA approval for the STARCLOSE system. Jack W. Lasersohn and Yue-Teh Jang were members of the IVS Board of Directors prior to its acquisition by Abbott Laboratories and Mr. Jang also served as its CEO.

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**Kyphon Corporation** was a pioneer developer of technology to facilitate the minimally invasive reduction and repair of compression bone fractures (i.e. fractures involving crushed or collapsed bone). Spinal surgeons utilize the *KyphX* system to treat vertebral body compression fractures, a common osteoporosis-related injury suffered by the elderly. Vertical was a founding investor of Kyphon in 1995 and Jack Lasersohn served on the Company's Board of Directors until its acquisition in 2007 by Medtronic in a transaction valued at \$3.9 billion.

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**Lifecell Corporation** pioneered the field of tissue repair and reinforcement with biologic materials utilizing proprietary processing techniques to remove cells and other impurities from allograft and xenograft dermis, thus creating an ideal "scaffold" material for tissue repair, reinforcement, and replacement applications. Vertical was a shareholder of Lifecell from 2001 until the Company's acquisition by KCI in 2008 for approximately \$1.8 billion. During its seven years as a shareholder, Vertical assisted Lifecell in establishing corporate partnerships with several Vertical portfolio companies.

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**Lifecore Biomedical** pioneered the development of medical products based on *hyaluronate*, a naturally occurring biopolymer with unique tissue healing, lubricating, and protection properties. Lifecore's products are utilized by medical specialists in the fields of oral surgery, ophthalmology, wound care, and gynecology, general surgery. John E. Runnells served on the Lifecore Board of Directors from 2002 until the Company's acquisition in 2008 by a private equity firm for approximately \$160 million.

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**OsteoBiologics Inc.** developed proprietary and patented bioabsorbable polymer materials utilized for the repair and replacement of injured bone, cartilage, and other skeletal tissues. During 2003 OBI received its first FDA marketing clearances. In July, 2006 OBI was acquired by Smith & Nephew for approximately \$75 million. Richard B. Emmitt served on the OBI Board of Directors.

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**SciMed Life Systems** was one of the pioneers in the development of products used in the procedure called PTCA or balloon angioplasty which treats blocked coronary arteries. The predecessors of the Vertical Group led the early financings of the company and were its principal shareholders. Richard Emmitt served on the SciMed Board of Directors from 1984 until the company's merger with Boston Scientific in 1995. At the time of closing, the merger valued SciMed at approximately \$1.0 billion with SciMed shareholders receiving approximately one-third of the equity of the combined companies.

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**Support Systems International** developed the Clinitron Bed in the early 1980's and then successfully marketed it as a fully integrated prescription therapy for the treatment of hospitalized patients with serious illnesses such as burns, severe orthopedic trauma or other conditions requiring extended rest, and the attendant risk of development of decubitus ulcers. Patrick Paul was founder, CEO and chairman of SSI, and the predecessors of The Vertical Group financed the Company at all stages until its sale for over \$450 million to Hillenbrand Industries in 1986.

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**Support Systems International** developed the Clinitron Bed in the early 1980's and then successfully marketed it as a fully integrated prescription therapy for the treatment of hospitalized patients with serious illnesses such as burns, severe orthopedic trauma or other conditions requiring extended rest, and the attendant risk of development of decubitus ulcers. The Clinitron Bed provides an air fluidized resting surface that lowers infection risks and distributes weight over a patient's entire body area. Patrick Paul was founder, CEO and chairman of SSI, and the predecessors of The Vertical Group financed the Company at all stages until its sale for over \$450 million to Hillenbrand Industries in 1986.

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**Ventana Medical Systems** pioneered the market for instrument and reagent systems that automate tissue sample analysis in clinical laboratories. The Vertical Group participated in an early venture round financing and was an investor in Ventana from 1992 until the Company's acquisition in 2008 by Hoffman LaRoche for approximately \$3.9 billion. Edward M. Giles served as a member of the Ventana Board of Directors.

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**Wright Medical Group** is an orthopedic company with a broad product line including leading positions in extremity joint prostheses and biologic and synthetic bone graft materials. The Vertical Group was a participant in both the recapitalization and acquisition financings that formed Wright Medical Group. Richard B. Emmitt served on Wright's Board of Directors from 1999 to 2006.

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**Xomed Surgical Products** is the largest provider of advanced surgical products focused on the ENT markets. Vertical was an early stage investor in Meroce, the predecessor company to Xomed. In 1994, the Xomed division of Bristol Meyers-Squibb was acquired in a transaction financed by The Vertical Group and Warburg Pincus. Richard Emmitt was a member of the Board of Xomed from 1995 until its sale to Medtronic for approximately \$800 million in 1999.