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News Releases

TOP MEDICAL ENTREPRENEUR AND VENTURE FUND FORM NEW INCUBATOR

RALEIGH, North Carolina (9/19/00) - A new medical device incubator has been formed by experienced industry executives and a leading medical venture capital firm. The President, CEO, and a founder of Incumed is Richard D. Randall, formerly President and CEO of Innovative Devices and Target Therapeutics. Incumed's founding investor is The Vertical Group of Summit, New Jersey. Incumed will differ from many incubators financed by the venture capital industry, as its focus will be on incubating products as opposed to companies. Incumed intends to fill a void created by the narrow focus of the medical industry and venture capital community on only the largest new product opportunities.

Richard ("Rick") Randall is a 23-year veteran executive of the medical device industry. Most recently, Mr. Randall served as President, CEO, and Director of Innovative Devices from 1994 until its acquisition by Johnson & Johnson in 2000. From 1989 to 1994, Mr. Randall was President, CEO, and Chairman of the Board of Target Therapeutics, acquired by Boston Scientific in 1997. The Chief Technical Officer and a founder of Incumed is Dennis M. McDevitt. Mr. McDevitt has 10 years of R&D experience in the medical device and electronics industries. Most recently, he was Director of R&D with Innovative Devices where he was employed from 1992 until 2000. Mr. McDevitt also held R&D positions with the Linvatek/Weck division of Bristol-Myers Squibb and with General Electric. Also a founder of Incumed is The Vertical Group, a leading medical device industry venture capital firm. Based in Summit, New Jersey, The Vertical Group and its principals have been associated with several of the medical device industry's most successful venture based companies including American Medical Systems, Cardiovascular Imaging Systems, CardioThoracic Systems, EP Technologies, Kyphon, Inc., Massimo Corporation, Support Systems International, SciMed Life Systems, Ventana Medical Systems, Wright Medical Group, and Xomed Surgical Products. Joining Mr. Randall and Mr. McDevitt on the Incumed Board of Directors will be Richard B. Emmitt and John E. Runnells, both Managing Directors of The Vertical Group.

Incumed was founded in response to revolutionary changes in the healthcare system. The pricing pressure and resistance to new technology that have characterized managed care and Medicare/Medicaid reimbursement policies have permanently altered the economics of the medical device industry. Forced into a consolidation mode over the past ten years, multi-billion dollar medical companies have become much less responsive to new product opportunities. New products for such companies are not economical unless they are virtually ready for market or have multi-hundred million-dollar sales potential. Aware of these changes in industry economics and also enamored of internet and telecom investment opportunities, the venture capital industry's interest in new medical device ideas also has waned. The venture capital industry is interested in new products only if they have the \$100 million plus sales potential to justify building a company and sales force. Incumed's charter is to provide development resources to physicians and entrepreneurs with solid new product ideas but who have been unable to get the attention of industry or venture capitalists.

The experienced Incumed management team will provide a broad array of services to take a product from concept to working prototype. If required, Incumed's services will include fulfilling regulatory requirements including in-vitro and in-vivo testing and 510(k) or PMA filings. The Incumed facility in Raleigh, NC is located less than 15 minutes from two, world-class biomedical research institutions, Duke University and the University of North Carolina at Chapel Hill. The initial internal capabilities will support bioabsorbable and nonabsorbable polymer implant, device delivery system, and surgical instrumentation product development. This in-house development will include rapid prototyping and device iteration supported by thorough preclinical testing validation. Additional internal capabilities will be added as needed to support project demands.

For additional information, please contact Richard D. Randall (910-509-0350), Dennis McDevitt (919-957-8686), or John E. Runnells (908-277-3737).