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News Releases

Vascular Architects, Inc. Completes \$20 Million Equity Financing To Pursue Treatments for Peripheral Vascular Disease and Non-Vascular Obstructions

SAN JOSE, California, April 10, 2001/PR Newswire - Vascular Architects, Inc., an innovator of devices to treat vascular disease and nonvascular obstructions, announced today that the company has closed a \$20 million private placement of its Series C Preferred stock. Domain Associates led the round of financing and was joined by existing investors Medtronic, Inc., Johnson & Johnson Development Corporation, Thomas J. Fogarty, M.D., Three Arch Partners, ARCH Venture Partners, The Vertical Group and Atherton Venture Partners.

"We are pleased to close such a significant round of financing, especially in light of current market conditions," said Bruce Barclay, President and CEO. "This financing will allow us to commercially launch the *aSpire™ Covered Stent* and *Controlled Expansion™ Delivery System* in the U.S. and Europe in the second quarter of this year as planned. We can also continue to enroll patients in our two clinical trials currently underway in the U.S. using the *aSpire Covered Stent* to treat iliac and superficial femoral artery (SFA) occlusions, and dysfunctional arterio-venous (AV) access grafts." Barclay pointed out that the funds will also be used for product development and other general corporate purposes.

Over 8 million people in the U.S. alone suffer from peripheral vascular disease (PVD), and about 2.5 million have been diagnosed with it. In the U.S. alone, more than 250,000 patients are treated with dialysis, most of whom have AV access grafts.

The *aSpire Covered Stent* is a spiral nitinol stent completely covered by a thin layer of ePTFE, which provides significantly greater vessel wall coverage than metallic stents. Unlike other covered stent grafts, the *aSpire Covered Stent* preserves many of the native vessel's desired elements including side branch access. It is available in lengths of 2.5, 5.0 and 10 cm and diameters from 6 to 14mm. The *aSpire Covered Stent* is delivered using Vascular Architects' proprietary *Controlled Expansion* delivery system.

Vascular Architects recently announced receipt of both its CE Mark to market the device in Europe for treating peripheral vascular disease, and its 510(k) clearance to market the device in the U.S. to treat tracheobronchial strictures.

In connection with the private placement, Olav Bergheim, a Venture Partner at Domain Associates, has been elected to the Vascular Architects Board of Directors, bringing Board membership to five. Mr. Bergheim joined Domain in 1995. Prior to joining Domain, Mr. Bergheim spent 18 years in general management positions at Baxter Healthcare Corporation, including serving as President of its Cardiovascular Group. Since joining Domain, Mr. Bergheim has been responsible for the formation of a variety of healthcare companies, and currently is on the Board of Directors of numerous private and public companies.

About Domain Associates

Domain Associates was organized in 1985 to focus a group of senior partners with experience in relevant technologies on the many new venture opportunities evolving in life sciences. Domain's partners are actively involved in the creation of venture capital-backed enterprises that now form the backbone of the biotechnology industry. Companies receiving early venture financing and active involvement from Domain's partners today account for over \$56 billion of stock market value and close to \$5.5 billion in annual revenues. Through the combined financial resources of Domain Partners, L.P., Domain Partners II, L.P., Domain Partners III, L.P., Domain Partners IV, L.P. and Biotechnology Investments Limited, Domain provides \$30-40 million annually to U.S.-based ventures concentrating in the life sciences industries. (www.domainvc.com.)

About Medtronic

Medtronic, Inc., headquartered in Minneapolis, is the world's leading medical technology company, providing lifelong solutions for people with chronic disease. (www.medtronic.com)

About Johnson and Johnson Development Corporation

Johnson & Johnson Development Corporation is a wholly owned subsidiary of Johnson & Johnson.

About Three Arch Partners

Three Arch Partners was formed in 1993 to provide young companies with access to relevant clinical and business resources, as well as capital, investing exclusively in healthcare. The partnership manages four funds with over \$600 million in capital. (www.threearchpartners.com)

About ARCH Venture Partners

ARCH Venture Partners is a premier provider of seed and early-stage venture capital for the commercialization of innovations in information technology, life sciences and physical sciences. The partnership's special expertise is to found, co-found and build technology firms from startup. Following this unique investment model, ARCH has delivered superior returns for investors and entrepreneurs. ARCH currently manages five funds totaling \$650 million and has invested in the founding venture capital round for more than 85 companies. ARCH investors include major corporations, pension funds, endowment funds, financial institutions and private investors. (www.archventure.com)

About The Vertical Group

The Vertical Group is a venture capital firm specializing in the medical device and instrumentation industry. The successor to the venture capital division of F. Eberstadt & Co., The Vertical Group has been an independent firm since 1988. For more than twenty years, The Vertical Group's principals have been founders, early stage investors, major shareholders, and executives of many of the medical technology industry's most successful companies. The Vertical Group currently manages several private partnerships with a "vertical" range of medical device and instrumentation investments including: early and late venture stage companies, private companies acquired in leveraged buyout or corporate spin-off transactions, and public companies of all sizes.

About Atherton Venture Partners

Atherton Venture Partners invests in healthcare, life science and information technology companies. It is funded by the private medical community and has affiliations with major universities and medical research centers located in the West and Southwest, such as Stanford, UCLA, UCSF, Baylor College of Medicine and the UT MD Anderson Cancer Center. By leveraging its network of experts in the medical community, Atherton Ventures brings an extensive range of clinical, academic and regulatory experience to its portfolio companies. (www.athertonventures.com)

For further information contact Bruce Barclay at 408 392-7401 or visit our website at www.vasculararchitects.com.