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News Releases

THE VERTICAL GROUP CONFIRMS INVESTMENT IN RITA MEDICAL

SUMMIT, NJ (May 10, 2001) - The Vertical Group, a leading medical technology venture capital firm, confirmed today that its two affiliated partnerships, Vertical Fund Associates and Vertical Life Sciences, have established a combined investment position in Rita Medical Systems, Inc. (Nasdaq: RITA) of 758,600 shares of Common Stock (approximately 5.3% of the total outstanding). The investments were disclosed in a Schedule 13G filing by the Vertical partnerships with the Securities Exchange Commission (SEC) pursuant to SEC reporting requirements for disclosure of ownership positions exceeding 5% of a public company's outstanding stock. The shares were acquired in the open market at an average price of \$3.95 per share between February 5, 2001 and May 4, 2001.

Stephen Baksa, General Partner in charge of trading for The Vertical Group, commented, "One characteristic of the recent stock market decline has been the indiscriminate liquidation of holdings of many small capitalization stocks, often resulting from mutual fund redemptions or IPO lock-up expirations. These circumstances have created opportunities for long-term investors to acquire substantial positions in companies with real businesses such as Rita Medical at prices equivalent to venture capital valuations."

The Vertical Group is one of the largest venture capital firms in the United States focused exclusively on medical devices and instruments. The Vertical Group's strategy is to leverage the medical device industry knowledge and experience of its General Partners by participating in a "vertical" range of investments including: early and late-stage venture companies; operating companies involved in recapitalization or corporate spin-off transactions; and public companies of all sizes. The Vertical Group is headquartered in Summit, NJ.

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