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News Releases

Velocimed™ Announces Start of U.S. IDE Clinical Trial, International Distribution Agreement with ev3 and Closing of Series C Financing

Minneapolis, MN, July 2, 2003 – Velocimed Inc., a developer and manufacturer of medical devices used in the treatment of cardiological and neurological diseases, announced today it has received FDA approval to begin its first Investigational Device Exemption (IDE) clinical trial for the Proxis™ Embolic Protection System, the first proximal embolic protection device designed for coronary applications.

The unique design of the Proxis™ Embolic Protection System allows it to provide complete embolic protection. The system is deployed in a proximal segment of the target vessel, upstream of the blockage. Therefore, there is no need to cross the blockage without first protecting the vessel. The Proxis System removes embolic debris by transiently stopping and then reversing flow in the blood vessel.

Particles, or embolic debris, are dislodged in virtually all vessels undergoing interventional procedures. The loose debris can travel downstream and block blood flow in smaller vessels causing a heart attack. The Proxis System is designed to capture and remove embolic debris to prevent complications the particles may cause.

"The PROXIMAL trial protocol is very well thought-out and it will be the first embolic protection trial to include more 'real-world' saphenous vein graft (SVG) patients", said Dr. Campbell Rogers, Director of the Cardiac Catheterization Laboratory at Brigham and Women's Hospital, Boston. Dr. Rogers is the Principal Investigator for the trial.

The PROXIMAL Trial is a randomized, multi-center study that will include 600 patients at up to 80 centers. The trial will compare the Proxis System to any approved embolic protection system. The primary endpoint is 30-day Major Adverse Cardiac Event (MACE) rate.

Velocimed also announced today that it has signed a distribution agreement with ev3 International, Inc. The agreement gives ev3 International exclusive distribution rights for the Proxis Embolic Protection System in Europe and other international markets

"We are very excited to sign this agreement with ev3," said Dr. Dennis Wahr, President and CEO of Velocimed. "The company has an excellent international sales organization that is very experienced in interventional cardiology." ev3 International will begin selling the Proxis System immediately. "The Proxis System is a great fit with our portfolio of cardiology products. We welcome the opportunity to bring the Proxis to our customers," said Jim Corbett, President of ev3 International.

In announcing the start of the IDE trial and the ev3 agreement, the company also disclosed that it has completed a Series C financing round totaling \$18 million. The company received funding from Warburg Pincus, The Vertical Group and RiverVest Venture Partners.

"This important round of financing will be used for the pivotal U.S. clinical trial, and to fund ongoing development projects," added Dr. Wahr, the Velocimed CEO.

The Velocimed Proxis™ Embolic Protection System is the first in a series of proximal embolic protection devices that Velocimed is developing for use in coronary, carotid and peripheral applications.

Velocimed is a developer, manufacturer and marketer of medical devices whose products will be used in a broad range of interventional cardiology and neurology applications.

Velocimed is a privately held company located in Minneapolis, Minnesota. For more information visit the company's website at www.velocimed.com.

This press release contains forward-looking statements. The Company wishes to caution the reader of this press release that actual results may differ from those discussed in the forward-looking statements and may be adversely affected by, among other things, risks associated with litigation, clinical trials, the regulatory approval process, reimbursement policies and commercialization of new technologies.

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