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## **THE FOUNDRY CLOSSES THIRD ROUND OF FUNDING**

### **Morgenthaler Ventures and St. Paul Venture Capital Lead Financing of Medical Device Incubator**

Redwood City, CA- March 24, 2003- The Foundry, a leading medical device company incubator specializing in the development of less invasive, lower cost procedures, announced today that it has closed a third round of financing. This financing provides the resources to continue inventing, developing and commercializing breakthrough solutions to major unmet medical needs. St. Paul Venture Capital and Morgenthaler Ventures co-led the round. Allan Will, general partner of St. Paul Venture Capital, will continue as chairman of The Foundry, and Robin Bellas, general partner of Morgenthaler Ventures, will continue to serve on the board of directors.

The new funds will go to Foundry III, an investment unit created by The Foundry. It succeeds Foundry I, funded in 1998, and Foundry II, funded in 2000. Over the course of the last four and one-half years, Foundry I and II have created five leading medical device companies that have collectively raised over \$100 million in venture financing.

“The Foundry’s management is so well-regarded and so well-connected that they see virtually any device concept worth seeing,” says Arch Smith, managing director and senior healthcare analyst at U.S. Bancorp Piper Jaffray, the investment company. “Their principals have proven themselves to be successful at every stage of the device start-up creation process.”

Five current Foundry companies--Evalve, Concentric Medical, Emphasys Medical, Satiety, and Xtent--all address critical clinical needs such as obesity, stroke, emphysema, and heart valve disease. The devices and procedures they have developed offer dramatically less invasive, simpler, and less expensive alternatives to existing complex, traumatic, morbid surgical procedures. Several of The Foundry’s companies are already demonstrating positive results in clinical trials. “The goal is to make these procedures attractive to patients and physicians, as well as the healthcare providers who pay for the procedures,” states Hanson Gifford, president and CEO of The Foundry.

“The concept of ‘Surgery Without Knives’ has become an increasingly important part of Morgenthaler’s investment thinking,” notes Robin Bellas. “We especially appreciate the fact that The Foundry has helped bring that concept to life across a number of medical disciplines.”

“The Foundry has consistently demonstrated the ability to create exciting new businesses by targeting significant unmet clinical needs,” states St. Paul’s Allan Will. “In addition, the principals have developed the credibility and respect critical to attracting new and proven entrepreneurs with great ideas. Transforming concepts into successful companies is a unique skill set, one at which The Foundry excels.”

### **About The Foundry**

The Foundry was co-founded in 1998 by Allan Will and Hanson Gifford, who had worked together previously in the 1980s. Mr. Will had been CEO of Devices for Vascular Intervention, acquired by Eli Lilly and Company in 1989 and CEO of AneuRx, acquired by Medtronic, Inc. in 1996. The Foundry is currently led by CEO Hanson S. Gifford and vice chairman Hank Plain, executives with over twenty years in the healthcare industry. Prior to joining The Foundry at its inception, Mr. Gifford held senior management positions at Heartport, and several other early-stage medical device companies. Mr. Plain was president and CEO of Perclose, Inc. which he led to a successful IPO and acquisition by Abbott Laboratories for \$650 million. Mark Deem, CTO, has been the creative force at a series of successful medical device start-ups. In addition to inventing new technologies itself, The Foundry works closely with outside clinicians and inventors with promising ideas.

The Foundry, Inc. is located in Redwood City, California. For more information, visit the company’s website at [www.the-foundry.com](http://www.the-foundry.com) or email at [info@the-foundry.com](mailto:info@the-foundry.com).

### **About Morgenthaler Ventures**

Morgenthaler Ventures is a leading venture capital and buyout firm, with a 35-year history of working with outstanding entrepreneurs to build world-class companies. The firm’s early-stage venture capital practice is based in Menlo Park, Calif., with satellite offices in Boulder, Boston, Dallas, and Princeton. Morgenthaler focuses on communications, software and life science investments. It has funded nearly 200 companies since its inception, including two of the last decade’s highest performing IPOs: Microchip Technology (1993) and Premisys Communications (1995). The firm currently has a total of \$2 billion under management. Morgenthaler can be found at [www.morgenthaler.com](http://www.morgenthaler.com).

### **About St. Paul Venture Capital**

St. Paul Venture Capital is one of the largest early-stage venture capital firms in the United States with \$3.0 billion in committed capital and offices in Minneapolis, Boston and Silicon Valley. The firm, founded in 1988, invests primarily in the areas of Communications Technology; Software and Services; and Healthcare. Additional information can be found at the firm’s Web site at [www.spvc.com](http://www.spvc.com).