PRESS RELEASE

EndoEvolution Lands $3.3M Series B

October 19, 2011

EndoEvolution, LLC, an emerging medical device company developing next-generation automated suturing devices for **minimally invasive surgery** (MIS), announced today that the Company has received **$3.3 million** in a 'Series B' financing led exclusively by **The Spring Bay Companies**. The cash infusion will be used to launch the Company's initial product, the Endo360°TM MIS suturing device, at next week's 97th annual American College of Surgeons Clinical Congress, Oct. 23-27, in San Francisco. In addition, the funding will be used to complete development of the 5mm EndoTransformerTM, the world's smallest automated MIS suturing device.

EndoEvolution's patented Endo360° and EndoTransformer devices set new standards for advanced automated MIS suturing devices. They are the only automated MIS suturing devices using curved needles and precisely replicating the traditional methods used by surgeons to place stitches and tie intracorporeal knots.

"Endo360° is the only MIS automated device that sutures the way we surgeons suture," said **Paresh C. Shah**, MD, Lenox Hill Hospital, Manhattan Minimally Invasive & Bariatric Surgery, and a Key Opinion Leader (KOL) in the field of Bariatric Surgery.

"EndoEvolution's MIS products have the potential to catalyze substantial growth for the MIS sector," said **Jerry Brecher,** founder, President and CEO. "EndoEvolution's MIS suturing devices are easier to use and easier to learn how to use, more effective in surgery, and our robust, reusable devices can save hospitals up to $100,000 or more as compared to the current more expensive, single-use disposable plastic MIS suturing devices."

Suturing is the most difficult laparoscopic surgical task ("Most surgeons have limited or no ability to insert laparoscopic sutures, due to the difficulty of the task." M.E. Rabie, Eur Surg [210] 42/3:149-151). The substantial market opportunity for the Endo360° device not only includes taking market share from the current standard but also growing the market by empowering the large majority of

surgeons for whom suturing knot-tying in minimally-invasive surgery is difficult to perform and difficult to learn. These same surgeons are expected to be able to easily, quickly, and effectively suture and tie knots in minimally-invasive surgery using the Company's clinically superior curved-needle suturing devices and much less costly reusable product solutions. More than 1.5 million MIS procedures are performed each year in the U.S. that require suturing, implying a market of hundreds of million dollars.

About EndoEvolution's MIS Products

EndoEvolution has FDA clearance to market both of its products.

Endo360° devices are the only suturing devices using curved needles. Surgeons always suture with curved needles, so when they use Endo360° devices they know intuitively that these devices will deliver the best quality results: the same high-quality clinical results as they get when suturing by hand - but much faster and easier. And, the surgeons' learning curve is much shorter with Endo360° devices.

Endo360° devices enable conventional multi-port and single-port (or reduced-port) laparoscopy even for those surgeons who have been reluctant to perform more advanced minimally invasive surgery because they do not feel they can suture well enough. This will expand the MIS surgery market.

Endo360° devices are robust, reliable and reusable, which will save hospitals tens of thousands of dollars - as much as $100,000 or more per year - compared to the cost of using much more costly, plastic single-use disposable devices.

In addition to delivering substantial hospital cost-savings, the robust, reusable Endo360° devices are sustainable "green" products resulting in considerably less impact on the environment, since they do not add to the wasteful and polluting stream of non-biodegradable, contaminated, hazardous, plastic, single-use disposable medical waste. Endo360° devices are easily cleaned and sterilized by standard hospital processes commonly used for all other stainless steel surgical instruments.

EndoEvolution's 5mm EndoTransformer device (in late-stage development) is a potentially revolutionary, breakthrough product because it is responding to the demand from surgeons (and their patients) for smaller - tiny - devices that can be deployed through fewer incisions (single-port or reduced-port laparoscopy) and through smaller incisions that leave smaller scars or no scars at all. The

EndoTransformer will be the first and only 5mm curved needle-suturing device for MIS surgery. And even though it is tiny, it will enable surgeons to place full-sized stitches as if they were using a much larger device.

Both the EndoTransformer and Endo360° devices are the only MIS suturing devices that use all standard types and sizes of sutures commonly used in MIS surgery.

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