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**NEA-INCUBATED ACCLARENT ACQUIRED BY JOHNSON & JOHNSON'S  
ETHICON**

*- Transaction Affirms Value of NEA's Pioneering Approach to Fostering  
Development of Innovative Medical Technologies -*

*Chevy Chase, MD – December 16, 2009* – New Enterprise Associates, Inc. (NEA), a leading global venture capital firm, today announced that one of its portfolio companies, Acclarent, Inc., has entered into a definitive agreement to be acquired by Ethicon, Inc., a Johnson & Johnson company, in an all-cash transaction for approximately \$785 million (net of estimated cash on hand at time of closing). A medical technology company dedicated to designing, developing and commercializing devices that address conditions affecting the ear, nose and throat (ENT), Acclarent was founded by the exclusively NEA-funded ExploraMed incubator in 2004. Today the company's innovative products have been used to treat more than 95,000 patients.

Acclarent's successful outcome exemplifies NEA's pioneering approach to the development of novel medical technologies through incubators like ExploraMed. Acclarent was co-founded by NEA Venture Partner and ExploraMed CEO Josh Makower, MD. Dr. Makower became deeply interested in developing a new treatment option for patients suffering from chronic sinusitis. As he and co-founder John Chang began to build a vision for Acclarent's first approved product—ultimately the company's innovative Balloon Sinuplasty™ technology—the incubator model allowed them to execute a proof of concept human clinical study prior to completing a round of financing for the company.

“The incubator model enabled us to focus on clinical needs first and really develop the technology before investing a tremendous amount of capital, energy and human resources in taking the project forward,” said Dr. Makower. “With the financial and intellectual resources from NEA, we were able to move through early proof of concept and even into early clinical testing, which enabled us to bring a much more fully developed business plan forward when the time came to raise a significant round of venture capital for Acclarent.”

Acclarent went on to raise more than \$100 million in venture capital funding. Under the leadership of CEO Bill Facticeau, the company successfully commercialized its breakthrough technology and grew the business to nearly \$100 million in current annualized revenue.

"The visionary leadership of Bill Facticeau was as instrumental to Acclarent's success as the technology," said Dr. Makower. "He built a fantastic team that has delivered on every financial milestone that was promised at the time of the first investment. Bill broadened the mission of Acclarent and put in place the organization and processes to realize enterprise success for patients, physicians, and stockholders."

Acclarent's acquisition represents one of the largest acquisitions of a privately-held medical device company in 2009. A second company created by an NEA-funded incubator, Evalve, Inc., also ranks among the largest transactions for the year following its acquisition by Abbott Laboratories in September for \$320 million plus potential milestone payments.

NEA Special Partner John Nehra and NEA General Partner Ryan Drant represent the firm on the board of ExploraMed and have worked closely with Dr. Makower to develop the successful ExploraMed medical device incubator model.

"Incubation allows us to be actively involved in defining the scope of the project, assessing the capital requirements, and ensuring that the technology is addressing large, available markets," said Mr. Nehra. "Creating companies yields far greater benefits than investing in a deal farther down the road. NEA can take advantage of its significant capital base to be the sole investor in the early high-risk period, and therefore begins with a substantial ownership position and is able to maintain it through additional rounds of investment. Just as importantly, incubators allow us to develop long-term relationships with industry leading entrepreneurs and innovators."

The ExploraMed incubator has successfully spun out six venture-funded companies to date. In addition to Acclarent and TransVascular, Inc. (acquired by Medtronic, Inc.), these include EndoMatrix (acquired by C.R. Bard, Inc.); Moximed, Inc.; NeoTract, Inc.; and Vibrynt, Inc. Other incubator programs at NEA have created companies like Anulex Technologies, Inc.; Apnex Medical, Inc.; BridgePoint Medical; CVRx, Concentric Medical, Inc.; Evalve, Inc.; Ivantis, Inc.; and Rotation Medical, Inc. Following their incubation, these companies have collectively raised close to \$700 million in venture capital funding.

[About NEA](#)

New Enterprise Associates, Inc. (NEA) is a leading venture capital and growth equity firm focused on helping entrepreneurs build transformational businesses across multiple stages, sectors and geographies. With approximately \$11 billion in committed capital, NEA invests in information technology, healthcare and energy technology companies at all stages in a company's lifecycle, from seed stage through IPO. Since the firm's founding in 1978, NEA's experienced management team has invested in over 650 companies, of which more than 165 have gone public and more than 265 have been acquired. In the U.S., NEA has two offices in the Washington, D.C. metropolitan area and one in Menlo Park, California. In addition, New Enterprise Associates (India) Pvt. Ltd. has offices in Bangalore and Mumbai, India and New Enterprise Associates (Beijing), Ltd. has offices in Beijing and Shanghai, China. For additional information, visit [www.nea.com](http://www.nea.com).

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