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## **FRAZIER HEALTHCARE AND NEA ANNOUNCE PARTNERSHIP TO ACQUIRE 30 DIALYSIS CLINICS, LAUNCH DSI**

*Menlo Park, CA and Seattle, WA – Oct. 3, 2011* – Frazier Healthcare and New Enterprise Associates (NEA) today announced a partnership to acquire 30 dialysis clinics from DaVita and DSI Renal. The resulting new platform company, DSI, will focus on delivering the highest quality of care for patients suffering from chronic kidney failure or end stage renal disease (“ESRD”). The company is co-founded by industry veterans Robert Lefton and Craig Goguen, who will serve as Executive Chairman and CEO, respectively.

“Frazier and NEA have created a platform opportunity for DSI to rapidly scale the business and become a leading provider of dialysis care in the U.S.,” said Mr. Lefton. “I am excited to work in partnership with these firms, along with Craig and members of the former DSI Renal team, to aggressively build a world-class healthcare franchise that provides this life-sustaining therapy.”

Mr. Lefton previously served as CEO of Odyssey Healthcare, which was the largest hospice business in the U.S. when it was acquired by Gentiva Health in 2010. He brings more than 30 years of industry experience, with deep knowledge of growth strategies in both acute care and post-acute care provider settings. Mr. Goguen, who formerly served as COO of Odyssey Healthcare and prior to that spent a number of years with DaVita, has extensive expertise in dialysis services.

“This is a unique opportunity to bring together a strong incumbent management team from DSI Renal with a new leadership team that has a proven track record in building large, scalable healthcare services businesses,” said Mr. Goguen. “We will bring the full weight of DSI’s team, protocols and practices to bear for the benefit of the ESRD patient population that we are serving.”

DSI's formation builds on a 20-year history of collaboration between Frazier and NEA. The firms have partnered on numerous successful healthcare services and growth equity investments, including Bravo Health, CHG Health Services, Elements Behavioral Health and ppoNEXT.

“Backing proven healthcare executives to buy, build and grow healthcare services platforms is a historically proven strategy for NEA and Frazier,” said Mohamad Makhzoumi, Partner, NEA. “We are particularly excited to enter the dialysis market in partnership with one of the premier management teams in all of healthcare services. Bob, Craig and the DSI team have a highly successful track record of scaling platforms like DSI through both de novo and acquisition-driven growth strategies.”

DSI will serve a growing patient population that today includes an estimated 382,000 ESRD patients in the U.S. with about 110,000 receiving dialysis each year.

“The aging patient population in the U.S., higher prevalence of diabetes and hypertension and improved mortality in ESRD patients has all fueled an increasing demand for dialysis services,” said Nader Naini, General Partner, Frazier Healthcare. “We are extremely eager to rapidly build and invest in a network of dialysis clinics that will better enable us to meet the needs of patients, physicians, health systems and payors.”

Joining Mr. Lefton and Mr. Goguen on DSI's Board of Directors will be Frazier General Partner Nader Naini; NEA Partner Mohamad Makhzoumi; NEA General Partner Ryan Drant; and Frazier Principal Ben Magnano.

### **About Frazier Healthcare**

Founded in 1991, Frazier Healthcare is one of the leading providers of growth equity and venture capital to high growth and emerging healthcare service, biopharma and medical device companies. With over \$1.8 billion under management, Frazier invests in over 100 companies across the entire developmental spectrum. From seed stage venture investments to leveraged recapitalizations of cash generating companies, Frazier Healthcare has established itself among entrepreneurs and seasoned executives as a preferred partner to help create and grow successful healthcare companies. For additional information, visit [www.frazierhealthcare.com](http://www.frazierhealthcare.com)

## **About NEA**

New Enterprise Associates, Inc. (NEA) is a leading venture capital 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. The firm's long track record of successful investing includes more than 170 portfolio company IPOs and more than 280 acquisitions. In the U.S., NEA has offices in the Washington, D.C. metropolitan area; Menlo Park, California; and New York City. 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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## **Contact:**

### DSI

Brad Bickman

615-263-4555; [bbickham@DSI-Corp.com](mailto:bbickham@DSI-Corp.com)

### Frazier Healthcare

Bridget Rauvola

303-775-2929; [bridget.rauvola@frazierhealthcare.com](mailto:bridget.rauvola@frazierhealthcare.com)

### NEA

Kate Barrett

301-272-2318; [kbarrett@nea.com](mailto:kbarrett@nea.com)