

Sightline Partners Announces Formation of Independent Private Equity Firm

New Healthcare-Focused Firm Will Be Run by Principals from Piper Jaffray Ventures

Minneapolis, October 13, 2004 –Piper Jaffray Ventures, a leading healthcare venture capital firm, announced today the formation of Sightline Partners as an independent private equity firm. Sightline Partners has been formed by a team of senior investment professionals from Piper Jaffray Ventures, and will be headed by Buzz Benson, a 16-year private equity veteran and Piper Jaffray Ventures managing director. He will be joined by Maureen Harder, Ken Higgins and Heath Lukatch, Ph.D., also Piper Jaffray Ventures managing directors. Sightline Partners will maintain offices in Minneapolis and San Francisco and will continue investing in high growth medical technology, biotechnology and healthcare services companies.

Upon its formation, Sightline Partners will manage each of the four Piper Jaffray Ventures healthcare venture capital funds, including its current investment fund, to be renamed Sightline Healthcare Fund IV. Together these funds comprise \$225 million of committed capital. Future healthcare funds will be raised and managed under the Sightline Partners name.

“Piper Jaffray Ventures has historically raised a majority of capital for its healthcare funds from sources independent of Piper Jaffray,” said Buzz Benson, Managing Director of Sightline Partners. “Our progression to full independence is a natural step given the changes in the financial services industry over the last few years. We have enjoyed a mutually beneficial relationship with Piper Jaffray Companies and in particular, the Piper Jaffray healthcare professionals over the last decade. We look forward to continuing a positive relationship with Piper Jaffray going forward.”

Sightline Partners will continue Piper Jaffray Ventures’ historic healthcare focus. “The transition to Sightline Partners will be seamless for our existing portfolio companies, co-investors and limited partners. The healthcare funds will continue to be managed by the same team of experienced investment professionals,” added Mr. Benson. “We continue to see great opportunities to finance emerging healthcare and life sciences companies. We look forward to investing the balance of Fund IV and raising future healthcare-dedicated funds as an independent firm.”

The transaction will become effective in the fourth quarter of 2004, subject to receipt of approvals from regulators and the funds’ limited partners.

About Sightline Partners:

Sightline Partners will manage over \$225 million in capital dedicated exclusively to funding innovative, emerging growth companies in the medical technology, biotechnology and healthcare services sectors. The Sightline Partners investment team has a successful track record of providing value added assistance to entrepreneurs

through active board representation, access to an extensive network of industry contacts and expert assistance with strategic and financing alternatives.

The founding members of the Sightline Partners management team will consist of:

Buzz Benson, Managing Director. Mr. Benson focuses on emerging companies across the healthcare industry, with a particular focus on the medical technology sector. Prior to founding Piper Jaffray Ventures in 1992, he co-headed Piper Jaffray's healthcare investment banking team for six years. Prior to joining Piper Jaffray, Mr. Benson had four years of public and private investment experience, and also served as a manager in the public accounting firm of Arthur Andersen & Co. He is a graduate of St. John's University and is a Certified Public Accountant.

Ken Higgins, Managing Director. Mr. Higgins focuses on emerging companies in the healthcare services sector. Prior to joining Piper Jaffray Ventures in 1997, he led the healthcare services M&A practice within the Piper Jaffray investment banking group. Previously, he practiced law at Kirkland & Ellis and Dorsey & Whitney, specializing in leveraged buyouts, mergers & acquisitions and venture capital transactions. Mr. Higgins is a graduate of the University of Michigan School of Business Administration and Harvard Law School.

Heath Lukatch, Ph.D., Managing Director. Mr. Lukatch focuses on emerging companies in the biotechnology sector. Prior to joining Piper Jaffray Ventures in 2001, he was an engagement manager in McKinsey & Company's biotechnology practice. Prior to joining McKinsey, he was a co-founder and CEO of a biotechnology instrumentation company. Mr. Lukatch has also held scientific positions with Chiron Corporation, Roche Bioscience and Cetus Corporation. He received his Ph.D. in neuroscience from Stanford University and his B.A. in biochemistry from the University of California at Berkeley.

Maureen Harder, Managing Director and CFO. Ms. Harder is responsible for all financial reporting and operational support. Prior to joining Piper Jaffray Ventures in 1994, she was responsible for tax reporting and private equity investment management in the accounting department at Piper Jaffray Companies. Before joining Piper Jaffray in 1992, Ms. Harder was a tax accountant with Deloitte & Touche. She received her M.B.A. from the University of St. Thomas and is a Certified Public Accountant.