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**FOR IMMEDIATE RELEASE**

**Spiration, Inc. Raises \$18.5 Million Equity Financing**

*Proceeds to Support Commercialization in Europe and Completion of Clinical Trial in U.S.*

**Redmond, Wash.** – March 25, 2008 – Spiration, Inc., a developer of novel medical devices designed to benefit patients with acute and chronic conditions of the lung, announced today that the company has raised \$18.5 million in a series G round of equity funding from existing investors. Versant Ventures led the financing and Olympus Medical Systems Corp., New Enterprise Associates, New Leaf Venture Partners (Sprout Group), InterWest Partners, Investor Growth Capital and Three Arch Partners also returned as investors. With this financing, the total investment in Spiration® is \$97 million.

“This show of support from our returning investors demonstrates strong confidence in the promise of our technology and is a credit to our leadership in the pulmonary device market,” said Rick Shea, president and CEO, Spiration, Inc. “We are pleased that this investment will continue to advance our mission of providing a higher quality of life to people with lung disease through novel therapies.”

Proceeds from this round will be used to support commercialization of the company’s IBV® Valve System in Europe and to complete clinical work to support regulatory approval and the U.S. launch of the product.

The IBV Valve System is a minimally invasive technology that has diverse applications in both acute and chronic conditions of the lung. The device is currently under investigation in the U.S. as a new treatment option for patients with severe emphysema. In Europe, the system has received market clearance through CE Mark for the treatment of diseased and damaged lung, an indication that includes the treatment of emphysema and the resolution of prolonged air leaks, which can occur following lung surgery.



Founded in 1999, Spiration has created a portfolio of intellectual property with more than 20 issued and 35 pending patents that address various conditions of the lung.

### **About the IBV Valve System**

The IBV Valve System was developed as a potential treatment alternative for the many people with emphysema who do not respond well to current medical treatments or are not eligible for invasive surgery such as lung volume reduction or lung transplantation. In addition, the IBV Valve System may also be used to resolve prolonged air leaks that can occur following lung surgery.

For the treatment of emphysema, the IBV Valve System is designed to redirect airflow from diseased portions of the lung to healthier areas. During the minimally invasive procedure, a catheter is passed through a bronchoscope (a flexible tube passed into the bronchial tubes through the mouth or nose) to deploy the small umbrella-shaped valves into the airways of the upper lobes of the lungs.

For more information about the U.S. pivotal study of the device please visit:

[www.emphysematrial.com](http://www.emphysematrial.com).

### **About Spiration, Inc.**

Spiration, Inc. is committed to improving quality of life for patients with acute and chronic conditions of the lung through the development of novel therapies. Founded in 1999 in Redmond, Wash., the privately held company is backed by prominent investors including Three Arch Partners, New Enterprise Associates, Versant Ventures, New Leaf Ventures (Sprout Group), InterWest Partners, Investor Growth Capital, Boston Scientific Corporation and Olympus Medical Systems Corp. For more information, visit the company's website at [www.spiration.com](http://www.spiration.com).

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The IBV Valve System is an investigational device in the United States. The IBV Valve System has the CE Mark in the EU. CAUTION – Investigational device limited by Federal (or U.S.) law to investigational use.