MiCardia Corporation Completes Financing and Spin-off of its Transcatheter Technology to a New Cardiovascular Company, ValCare, Inc.

The Associated Press

IRVINE, Calif.--(BUSINESS WIRE)--Jul 10, 2012-- MiCardia Corporation, a privately held medical device company, announced today that it had completed an internal round of funding, which will provide the Company with $4.4 million during 2012 and 2013. MiCardia plans to use the proceeds of this funding to expand the commercialization of its enCorSQ Mitral Valve Repair SystemTM in Europe and select countries worldwide.

In addition, MiCardia announced the spin-off of its transcatheter technology to a new medical device company, ValCare, Inc., backed by an Israel investment firm Accelmed Medical Partners LP. Accelmed will invest $8.0 million to further advance the technology and intellectual property for the transcatheter mitral valve repair system developed by MiCardia.

MiCardia's enCor SQ MiCardia's enCorSQis an annuloplasty device to treat Mitral Regurgitation (MR) with unique features that enable the physician to adjust the device at a later date without another surgery. This late adjustment capability corrects recurrent mitral valve regurgitation that results from the progressive nature of the underlying cardiovascular disease. Don Rohrbaugh, MiCardia's CEO, commented, "late adjustment, which can be achieved weeks to months post implantation without the need for a repeat high risk surgical procedure, has the capability to expand the market for mitral valve repair." In the European Union, approximately 20,000 mitral valve repair procedures are performed annually. Up to 30% of those patients may experience recurrence of mitral valve regurgitation depending upon the etiology of the disease. To the Company's knowledge, the enCorSQ Mitral Valve Repair System is the only device available that can correct recurrent regurgitation without further surgical procedures.

ValCare, Inc.

ValCare's transcatheter mitral valve repair system is a unique device which utilizes interventional cardiology methods to implant a mitral annuloplasty device. Mitral annuloplasty devices are used in the treatment of moderate to severe mitral valve regurgitation. Nearly 4 million people in the United States suffer with moderate to severe mitral regurgitation and the total U.S. market for treatment of Mitral regurgitation is estimated to be $3.5 billion. This unique, non-surgical, catheter delivered system preserves the "gold standard" of mitral repair and could be a new effective means for treatment of a substantial number of these patients while lowering the risks of the traditional open heart treatment. Sam Shaolian, ValCare's CEO, said, "To date, laboratory and pre-clinical tests have demonstrated feasibility of the designs and initial patent applications. The next phase is to complete the

development and validate the device in a pre-clinical studies in the near term." About Mitral Regurgitation Mitral Regurgitation (MR), mitral insufficiency or mitral incompetence, the most common type of heart valve disorder, occurs when the heart's mitral valve does not close properly resulting in an inadequate blood flow to the body. It is the abnormal leaking of blood from the left ventricle, through the mitral valve, and back into the left atrium when the left ventricle contracts.

Both the American Heart Association (AHA) and the American College of Cardiology (ACC) recommend open-heart surgery to repair or replace the mitral valve for patients who suffer from moderate (Grade 3+) to severe (Grade 4+) mitral regurgitation. Both the AHA and ACC guidelines recommend repair as the operation of choice. An estimated four million people in the United States have significant (>2+) MR, with an annual incidence of 300,000 newly diagnosed patients. Similar incidence of MR exists within the European Union.

About MiCardia MiCardia is a privately held medical device company in Irvine, CA. The Company is currently marketing its enCorSQ Mitral Valve Repair SystemTM, in the European Union. The enCorSQ device allows the surgeon to address any recurrent MR or coaptation correction, real-time, off-pump, on a beating heart, days or months after the surgical implant. The enCorSQ Mitral Valve Repair System has been available for sale in the EU since January, 2012.

MiCardia has had 14 patents issued and multiple on-going patent applications in the field of mitral valve repair. MiCardia will retain the intellectual property related to the enCorSQ. As part of the creation of ValCare, MiCardia has licensed the intellectual property concerning transcatheter mitral repair to the new entity.

About ValCare, Inc.

ValCare is a privately held medical device company currently located in Irvine, CA. The Company is developing a unique, transcatheter device, which will provide the capability to implant the mitral annuloplasty device interventionally, without surgery. This unique catheter delivery, anchoring system and annuloplasty device will provide a totally non-surgical, lower risk method for treating mitral valve regurgitation.

For further information about MiCardia and enCorSQ, please visit www.micardia.com or contact:Robin GibbsDirector of Communications and Marketing+949-951-4888rgibbs@micardia.com For further information about ValCare, please contact:Samuel ShaolianChief Executive Officer+949-378-4742sshaolian@gmail.com The MiCardia enCor Mitral Valve Repair System TM and the enCor SQ Mitral Valve Repair System TM are not currently available for sale in the USA. MiCardia, Dynaplasty TM , enCor Mitral Valve Repair System TM and enCor SQ Mitral Valve Repair System TM are registered trademarks of MiCardia Corporation. All rights reserved.

CONTACT: MiCardia Corporation Robin Gibbs Director of Communications and Marketing +949-951-4888 rgibbs@micardia.com or ValCare, Inc.

Samuel Shaolian Chief Executive Officer +949-378-4742 sshaolian@gmail.com
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