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TYRX, Inc. Raises \$20 Million in Private Financing

Proceeds will Support Continued Commercialization of the AIGISR[®] Antibacterial Envelope and Development of Next Generation Products

Monmouth Junction, NJ (December 8, 2010) – TYRX, Inc., the leader in the commercialization of implantable medical devices designed to help reduce surgical-site infections associated with implantable pacemakers and defibrillators, announced today that it has raised \$20 million in venture capital funding. The funding was led by new investor, HLM Venture Partners along with previous investors Clarus Ventures and Pappas Ventures. The financing round also included \$4 million in debt financing from Comerica Bank. In connection with the financing, Edward L. Cahill, Managing Partner, HLM Venture Partners, will join TYRX's Board of Directors.

"This continued investment from Clarus and Pappas Ventures, along with participation from new TYRX investor HLM Venture Partners, is a strong validation of TYRX's products and business strategy," stated Robert White, TYRX's Chief Executive Officer. "During 2010 we have reached a number of key milestones in a transformational year for TYRX including:

- Successfully implanting the AIGISR[®] device in over 13,000 patients.
- Realization of over \$10M in AIGISR revenue since commercial launch, growing nearly 100% in 2010.
- Publication of our first human clinical trial data on 642 patients showing a 99.5% rate of successful implantation and demonstrating 70% fewer infections than some previous studies within the highest risk cohort of implantable defibrillator replacements. The study also showed no infections in patients receiving initial implantations of pacemakers or implantable defibrillators.
- Completion of the enrollment phase at 50 clinical study sites in 2 major new studies designed to measure infections and mechanical complications associated with implantable defibrillators. These studies will enroll a total of 4300 patients.
- U.S. Food and Drug Administration (FDA) 510(k) clearance to market AIGISR[®] ST, an antibacterial product for the surgical repair of damaged or ruptured soft tissue."

"We are excited to be partnering with Clarus and Pappas Ventures to finance TYRX in the pursuit of making AIGISR the standard of care in the cardiac rhythm management space,"

commented Mr. Cahill. “With over 500,000 critically important pacemakers and defibrillators being implanted annually in the United States, and an infection rate that is growing much faster than the growth in procedures, TYRX has a unique and powerful solution. Each infection typically costs between \$28,000 and \$58,000 but can exceed \$100,000. In addition major infections carry a very high risk of death with 1-year patient mortality recently reported to be over 17%. TYRX is the leader in addressing this important patient safety issue and offers a meaningful improvement in the quality of patient care.”

About Clarus Ventures

Founded by a group of accomplished professionals with extensive and complementary industry backgrounds, Clarus Ventures is a life sciences venture capital firm with a team that has a long history of success in creating value. Internal operating experience combined with longstanding relationships with key opinion leaders and industry thought leaders and decision makers allow this team to identify unique investment opportunities and shepherd them to maturity. Clarus Ventures augments its core expertise of investing in biopharmaceuticals and medical technology with deep and diverse expertise in research and development, commercialization, business development and operations management at the global level. This firm has \$1.2 billion under management and has offices in Cambridge, Mass., and South San Francisco, CA. (www.clarusventures.com)

About Pappas Ventures

Pappas Ventures is a Research Triangle Park, North Carolina-based venture capital firm that invests nationally in the life science industry. Founded in 1994, Pappas has over \$300 million under management, and is currently investing out of its fourth venture capital fund. Among the firm’s more than 40 portfolio companies are Arena Pharmaceuticals, NuVasive, Panacos, Peninsula Pharmaceuticals (acquired by Johnson & Johnson), Cerexa (acquired by Forrest Laboratories), Syntonix Pharmaceuticals (acquired by Biogen Idec), and CoLucid Pharmaceuticals. (www.pappasventures.com)

About HLM Venture Partners

HLM Venture Partners is a leading venture capital firm providing capital to emerging companies focused on health care service, health care information technology and medical devices. HLM has over \$400 million of venture capital under management and works with the leading growth companies that are improving the quality of health care while reducing overall costs. HLM supports entrepreneurs as they turn innovative ideas into market-leading businesses, offering guidance on financial structuring, resource allocation and deployment, strategic planning, strategic introductions, and recruitment. HLM has offices in Boston, Mass, and San Francisco, CA. (www.hlmventurepartners.com).

About TYRX, Inc.

TYRX, Inc. commercializes innovative, implantable combination drug/device products focused on infection control, including the AIGISRx® Antibacterial Envelope and AIGISRx® Flat Sheet products. AIGISRx products contain antimicrobial agents, rifampin and minocycline, which have been shown to reduce infection by organisms representing a majority of the infections reported in implantable pacemaker and defibrillator related endocarditis, including “superbugs” or MRSA*. Following commercial release in 2008, the AIGISRx Envelope has been implanted in

over 13,000 patients nationwide. The company estimates that approximately 2% of all U.S. implantable pacemaker and defibrillator patients in 2010 will receive an AIGISRx product during their procedure.

TYRX, Inc. is an ISO 13485:2003 certified medical device manufacturer and its products utilize technology licensed exclusively from Rutgers, Baylor College of Medicine, and The University of Texas M. D. Anderson Cancer Center. For more information, please visit <http://www.tyrx.com>.

* Based upon preclinical *in vitro* and *in vivo* data. Data on file at TYRX and published in *PACE* 2009; 32(7) 898-907.

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