

For Immediate Release:
August 25, 2010

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Baxano Moves to North San Jose

Company develops and manufactures innovative spinal surgery instruments at its new facility

SAN JOSE, CALIF. – Promising medical device startup Baxano, Inc., has moved into a new North San Jose facility. The new, larger space will support the company's growth as it commercializes its first product, the iO-Flex™ System, and continues to develop innovative surgical tools that restore spine function, preserve healthy tissue, and enable a better quality of life for the patient. The San Jose Redevelopment Agency helped to recruit Baxano to San Jose from Mountain View.

"I would like to thank Baxano for joining the ranks of San Jose's growing medical devices industry," said San Jose Mayor Chuck Reed. "We look forward to watching this promising company grow here in San Jose as they roll out their new line of innovative surgery tools."

Lumbar spinal stenosis, which feels like pain, tingling or numbness down a person's leg, affects up to 1.5 million people every year, and results in more than 300,000 surgical interventions each year. The symptoms of lumbar spinal stenosis are caused by crowding of spinal nerves by bone and soft tissue.

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Before the iO-Flex System, instruments to treat lumbar spinal stenosis were highly invasive, removed healthy tissue in order to access the diseased tissue crowding the nerves, and had the potential to destabilize the spine, which often results in the need for additional surgical procedures. However, the iO-Flex System provides surgeons with thin, flexible instruments to easily access and remove tissue causing the symptoms of lumbar spinal stenosis in a minimally-invasive surgical approach.

“We evaluated many possible Bay Area locations when looking for a new facility that could accommodate the growth we anticipate for our innovative spinal surgery instruments. Due to investments in infrastructure and a dedication to nurturing innovation and business growth, San Jose was an easy choice for us,” said Tony Recupero, President and CEO, Baxano, Inc. “We are proud and honored that The San Jose Redevelopment Agency and the City of San Jose chose Baxano as their partner in high-tech business growth.”

The company’s new 21,000-square-foot facility at 655 River Oaks Parkway provides space for a diversity of business needs, including engineering labs, manufacturing, and a conference center where Baxano holds training and demonstration classes for surgeons and other medical practitioners.

“We are energized by the confidence of the CEOs who have many clear choices, but have chosen this City to locate their business,” said Harry Mavrogenes, Executive Director, San Jose Redevelopment Agency. “We are very pleased to welcome Baxano to San Jose, and we thank them for choosing San Jose.”

The company currently has 40 employees and plans to double its growth by 2011. Baxano recently closed a third round of funding with \$30 million Series C led by new investor CMEA Capital. Funds were also contributed by new investors Kaiser Permanente Ventures, Affinity Capital Management and Athenian Venture Partners and existing investors Prospect Venture Partners, Three Arch Partners, and Kearny Venture Partners.

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San Jose Redevelopment Agency

The Agency is dedicated to improving the quality of life for all who live and work in San Jose. Governed by the City Council, acting as the Redevelopment Agency Board, the Agency facilitates and oversees comprehensive programs for development to revitalize and strengthen quality of life and competitiveness for San Jose's downtown, neighborhoods and industrial areas.

www.sjredevelopment.org.

Notes: Baxano™ and iO-Flex™ are trademarks and service marks of Baxano, Inc.

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