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Pulmonx Acquires Assets of Emphasys Medical and Unveils Combined Product Portfolio at International Conference of the American Thoracic Society (ATS) Annual Meeting

Acquisition of Zephyr[®] EBV Technology Enables Pulmonx to Develop Both Assessment Tools and Therapeutic Solutions for Emphysema

PALO ALTO, Calif. (May 13, 2009) – Pulmonx, a medical device company focused on advancing therapies for patients with emphysema, announced today that it has acquired all of the assets of Emphasys Medical, including its endobronchial valve (EBV) technology platform and associated intellectual property. Pulmonx has now assumed global sales, marketing, customer support, and future development programs of the Emphasys[®] EBV (formerly known as Zephyr[®] EBV).

“This acquisition provides Pulmonx with a strengthened ability to deliver innovative therapeutic solutions to emphysema patients and their physicians,” said Niyazi Beyhan, Executive Vice President and General Manager of Pulmonx. “Our ongoing pre-clinical and clinical research programs provide encouraging evidence that the combined offering of the Emphasys EBV and our Chartis System will deliver a promising solution for endobronchial lung volume reduction (ELVR) that includes an effective assessment tool to optimize patient selection and outcomes.”

Treatment of emphysema by ELVR using the Emphasys EBV has been shown in the Endobronchial Valve for Emphysema Palliation Trial, known as VENT, to improve lung function, exercise tolerance and quality of life for some patients.¹ More recent research suggests that inter-lobar collateral flow in the lungs, known as collateral ventilation, can limit the effectiveness of ELVR.^{2,3} Pulmonx has developed its Chartis System to identify the presence of collateral ventilation in the lungs. This may enable physicians to better identify patients who could benefit from ELVR and also confirm the effectiveness of valve placement by measuring air flow following EBV deployment.

Earlier this year, Pulmonx submitted an application to the U.S. Food and Drug Administration (FDA) to market the Chartis System in the United States. The company hopes to receive its 510(k) clearance and begin marketing in the fall of 2009. Additionally, a CE Mark application has been submitted and the company expects to launch the Chartis System in Europe by the end of 2009.

“There is significant data and broad physician support that suggests ELVR using the Emphasys EBV can be effective but that patient selection and valve placement are the critical factors in improving the probability of success of the therapy,” added Dr. Rodney Perkins, Founder and Chairman of Pulmonx. “We believe that the combined platform offering of the Emphasys EBV and the Chartis System will strengthen the ability of physicians to transform the treatment of emphysema for millions of patients worldwide and support expanded usage of this therapy.”

Pulmonx’s newly expanded product portfolio will be unveiled at the Pulmonx booth (1205) at ATS 2009, the International Conference of the American Thoracic Society, beginning May 15th in San Diego, Calif. Researchers also will present new data for the first time on ELVR using the combination of the Emphasys EBV and Chartis System. The poster presentation is scheduled for 1:30-4:00 p.m. Wednesday, May 20, 2009, in Room 16 A-B at the San Diego Convention Center.

“Emphasys was a true pioneer in EBV therapy, and we have gained tremendous institutional knowledge through the acquisition,” said Richard Ferrari, Managing Partner of De Novo Ventures, an investor in Pulmonx. “A number of factors, including the addition of the Chartis System with the Emphasys EBV, will support commercial adoption of the product worldwide. We are hopeful that our efforts will allow us to move forward and fulfill the critical unmet medical need for a minimally invasive option that improves the quality of life for patients living with severe emphysema.”

About Pulmonx

Pulmonx Corporation, based in Palo Alto, Calif., is an innovative medical device company focused on developing implantable devices and diagnostic tools that are clinically effective, safe and minimally invasive in the treatment of patients with severe emphysema. The company is currently engaged in the design, development and manufacture of products that will improve the effectiveness and benefits of endoscopic lung volume reduction (ELVR). The Emphasys EBV is limited to investigational use in the United States. 510(k) clearance is pending for the Chartis System. For more information visit www.pulmonx.com.

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1. Emphasys Medical PMA P070025 Panel Presentation, December 5, 2008, link: <http://www.fda.gov/ohrms/dockets/ac/08/slides/2008-4405s1-03.pdf>

2. Aljuri N, Freitag L. Validation and pilot clinical study of a new bronchoscopic method to measure collateral ventilation prior to endobronchial lung volume reduction. J Appl Physiol. 2009;106:774-783.

3. Fessler HE. Collateral damage assessment for endobronchial lung volume reduction. J Appl Physiol. 2009;106:755-756.