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For Immediate Release

INTERLACE MEDICAL CORPORATION SECURES \$20.5 MILLION Baird Venture Partners and HLM Venture Partners-led VC Syndicate Backs Leading Women's Health Company

FRAMINGHAM, Mass., June 15, 2009 – Interlace Medical (Interlace), a Framingham-based medical device company, announced today it has raised \$20.5 million in Series C financing. The proceeds will be used to begin commercialization of the MyoSure™ system, an easy-to-use, minimally invasive treatment to remove intrauterine fibroids and polyps. Proceeds will also support clinical assessment of the system's utility in an office-based environment. Baird Venture Partners and HLM Venture Partners led the round, alongside Hambrecht & Quist Capital Management LLC and Aperture Venture Partners. Existing investors New Leaf Venture Partners and Spray Venture Partners also participated in the round.

Fibroids are a common cause of abnormal uterine bleeding, which afflicts over 10 million women in the United States. The MyoSure system's innovative design quickly and safely removes uterine fibroids and polyps, while affording physicians the flexibility to conduct procedures in either an operating room or office setting. By developing cost effective, technologically advanced devices that improve patient care, reduce cost and improve physician efficiency, Interlace addresses a persistent need for safer, less invasive gynecology procedures.

"We are very excited to team up with this top-tier group of investors to enable the launch of our initial product," said Bill Gruber, President of Interlace. "There is a strong need for less invasive solutions that provide safe, reliable, and quick methods for fibroid and polyp removal. The MyoSure procedure offers women a terrific alternative to conventional surgical treatments."

"The women's health sector has long been an underserved market in dire need of better medical solutions as an alternative to traditional surgeries and drug therapies," said Michael Liang, Ph.D., Principal at Baird Venture Partners. "Interlace has focused on a particular sector where existing treatment options are sub-optimal, and we believe Interlace has developed a unique and proprietary system that will be well received by gynecological surgeons."

As part of the transaction, Liang and Albert Wiegman, HLM Venture Partners, will join Interlace's Board of Directors.

About Baird Venture Partners

Baird Venture Partners, the U.S.-based venture capital fund of Baird Private Equity, makes venture capital investments in early and expansion stage business services and life sciences companies. Baird Venture Partners leverages its in-depth sector knowledge, experienced investment team and network of relationships to serve as a value-added partner for its portfolio companies. For more information, please visit www.bairdventurepartners.com.

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About HLM Venture Partners

HLM Venture Partners provides venture capital to emerging companies focused on health care information technology, health care services and medical technology. HLM has helped more than 60 privately-held health care companies turn innovative ideas into market-leading businesses. The company's investment professionals have over 125 years of collective expertise in the health care industry, an accumulation of knowledge and experience that is invaluable to the leadership of its portfolio companies. For more information, visit www.hlmventurepartners.com.

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