

VIDA DIAGNOSTICS AND VERAN MEDICAL SIGN DEFINITIVE AGREEMENT FOR JOINT DEVELOPMENT OF ENDOBRONCHIAL NAVIGATION SYSTEM

Launching Clinical Evaluation Version to Clinical Advisory Board to Formalize Clinical Protocols and Verify System Enhanced Accuracy in the Peripheral Lung

ST. LOUIS, MO and IOWA CITY, IA, - November 30, 2009 - VIDA Diagnostics, a leading developer of quantitative imaging software for the advanced analysis of pulmonary diseases, and Veran Medical Technologies, a leader in minimally invasive delivery of interventional oncology therapies, announced the companies have signed a definitive agreement covering joint development and distribution of an endobronchial lung navigation and biopsy system.

“Veran’s innovative instrumentation and automatic 4D registration combined with VIDA’s highly validated lung analysis and visualization is a true next-generation guided biopsy solution that addresses significant limitations in our current evaluation of patients with suspected lung cancer” said J. Scott Ferguson, M.D., head of Interventional Pulmonology at the University of Wisconsin Medical School. “With the integrated PW2 and ig4 offering, Veran and VIDA are creating a comprehensive diagnostic solution for the investigation of focal lung lesions, comprising accurate guidance, detailed image analysis, and unmatched quantitative procedural mapping.”

Under terms of the agreement, the companies will integrate VIDA’s comprehensive lung analysis package, generating quantitative airway maps, lesion locations and path plans with Veran’s best in class electromagnetic endobronchial solutions. The result is expected to generate the most accurate registration between the patient and device. The 3D bronchial map and the exact location of the ig4 Plug-N-Play Navigation System enables bronchoscopic evaluation of lung nodules to make informed patient decisions and avoid more invasive, higher risk procedures.

“The promise of this partnership is a more accurate and cost effective procedure to evaluate the indeterminate lung nodule,” said Susan A. Wood, Ph.D., president and CEO of VIDA Diagnostics. “VIDA’s PW2 is a highly validated quantitative pulmonary analysis solution with over 25,000 CT exams processed. Combining our quantitative roadmap and clinical expertise with Veran’s industry leading navigation and registration tracking technology, results in an elegant, exact guidance planning solution with instant registration and breathing compensation.”

Lung cancer remains the number one cause of cancer death in the United States. While most solitary lung nodules are benign, they may represent an early stage of lung cancer. As a result, the early diagnosis and management of lung nodules is critical to improve patient survival. Upon detection of a solitary lung nodule, noninvasive imaging tests, such as CT or PET, are generally used to evaluate the nodule. However these “Watchful Waiting” protocols that include multiple scans over years are expensive, produce patient stress, and often do not produce a definitive answer until it is too late. Providing a definitive answer to the patient and physician through a single, minimally invasive bronchoscopic procedure can significantly reduce cost and anxiety to the patient.

“When you combine two best in class tools, the resulting solution is often greater than the sum of the parts,” said Jerome R. Edwards, president and CEO of Veran Medical. “Blending VIDA’s quantitative analysis and lung mapping expertise with Veran’s extensive navigation and

bronchoscopy experience, we expect to breakthrough to wide-scale use and fulfill endobronchial navigation's promise to not only to improve patient care but also to reduce healthcare costs through a definitive, less invasive solution."

About VIDA Pulmonary Workstation 2.0 (PW2)

VIDA's Pulmonary Workstation 2.0 (PW2) is the first and only comprehensive CT lung analysis tool, generating quantitative, repeatable measurements of lung structure and function. PW2's measurements and visualization are complementary to existing pulmonary function tests and are in use worldwide, refining and improving lung diagnoses and aiding in patient assessment, procedure planning and therapeutic response assessment.

About Veran IG4 Navigation System

The Veran IG4 system's unique four-dimensional capabilities allow the system to capture and display three-dimensional images that were gathered at various moments in time (the fourth dimension) along natural respiratory movement cycles. When these images are synchronized in real-time to live patient conditions, clinicians experience powerful and simultaneous diagnostic and treatment capabilities. Veran's 4D registration technology is unparalleled and opens new applications and opportunities to integrate information at the point of patient care in ways never before imagined.

About Veran Medical Technologies, Inc.

Veran Medical Technologies is a privately held image guided medical device company focused on developing the next standard of care for minimally invasive delivery of interventional oncology therapies. Veran provides proprietary 4D registration capability for precise targeting of lesions via its FDA cleared platform. The Veran platform aims to reduce procedure time, reduce radiation exposure for the clinical staff, and increase targeting accuracy enabling physicians to cost effectively treat patients with reduced co-morbidity risk. For more information on Veran Medical Technologies, visit: <http://www.veranmedical.com/> .

About VIDA Diagnostics

VIDA Diagnostics is a leader in quantitative pulmonary image analysis for the diagnosis and treatment of pulmonary diseases. The FDA-cleared Pulmonary Workstation 2.0 (PW2) is the leading lung analysis tool for COPD, emphysema and asthma. Participating in the emerging pulmonary device market that is expected to grow to nearly \$3.8 billion by 2011, VIDA's vision is to establish lung quantitative CT methods as the standard of care for diagnosis and staging of chronic lung disease. Founded by four University of Iowa faculty members, Eric Hoffman, Ph.D., Geoffrey McLennan, M.D., Ph.D., Joseph Reinhardt, Ph.D and, Milan Sonka, Ph.D., VIDA Diagnostics is based on research associated with the UI's Iowa Comprehensive Lung Imaging Center directed by Dr. Hoffman and on core technology licensed from the UI Research Foundation. For more information on VIDA Diagnostics, visit: <http://www.vidadiagnostics.com/>.

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