



# Varian Medical Systems Makes Equity Investment and Obtains Option to Purchase Augmenix

## Agreement creates opportunity for improving outcomes in radiation oncology

PALO ALTO, Calif. and WALTHAM, Mass., May 12, 2011 /PRNewswire/ -- Varian Medical Systems, Inc. (NYSE: [VAR](#)), the world's leading supplier of medical technology for treating cancer with radiotherapy, and privately-held Augmenix, Inc. today announced that they have reached an agreement under which Varian will make a \$15 million minority equity investment in Augmenix, a company that is developing hydrogel products to improve outcomes in radiation oncology. The agreement also provides Varian with the exclusive option to acquire the rest of Augmenix provided certain agreed-upon milestones have been met.

Augmenix' lead product, SpaceOAR™ System, is designed to be used in men scheduled to undergo radiotherapy for prostate cancer. The product is injected between the prostate and rectum under ultrasound guidance. Once injected, the liquid hydrogel solidifies within seconds to move the rectum away from the prostate, helping to reduce the amount of radiation that goes to the rectum during therapy. After treatment, the hydrogel dissolves and is absorbed by the body.

SpaceOAR System is commercially approved for sale by Augmenix in select European countries and Australia. In the United States, SpaceOAR is under clinical investigation and will require the submission of a premarket approval application, or PMA, and approval by the Food and Drug Administration before being commercialized.

The objective, with radiotherapy, is to deliver as much dose as possible to a tumor while minimizing exposure of surrounding healthy tissues. During prostate radiotherapy, avoiding the rectum can be a special challenge because the rectal wall borders the prostate gland. While studies have shown that advanced forms of conformal radiotherapy such as intensity-modulated radiotherapy (IMRT) reduce the amount of dose received by the rectum, (1,2) outcomes may be further improved with a better physical separation between the prostate and the rectum during treatment. (3)

Amar Sawhney, chief executive officer and director of Augmenix said, "The SpaceOAR System is designed to provide a unique and cost effective way to manage potential reduction in injury to organs at risk, such as the rectum, during radiotherapy of the prostate. Better targeting may enable radiation oncologists to deliver more radiation per treatment, thus decreasing the total number of treatments required (hypofractionation), resulting in significant healthcare savings. We are excited to have Varian, with its significant market leading expertise in radiation therapies, appreciate this potential for improvement of cancer care, and help us bring these advances to market."

"By enabling urologists and radiation oncologists to shift anatomy into optimal positions prior to irradiation, the SpaceOAR System represents a therapeutic paradigm shift that could potentially lead to improved radiotherapy outcomes, including lower complication rates and higher tumor control rates," said John Adler, M.D., Varian's chief of new clinical applications. "Investing in Augmenix fits perfectly with our commitment to provide physicians with novel technologies that offer cancer patients both highly efficacious and cost-effective treatments."

### **About Varian Medical Systems, Inc.**

Varian Medical Systems, Inc., of Palo Alto, California, is the world's leading manufacturer of medical devices and software for treating cancer and other medical conditions with radiotherapy, radiosurgery, and brachytherapy. The company supplies informatics software for managing comprehensive cancer clinics, radiotherapy centers and medical oncology practices. Varian is a premier supplier of tubes and digital detectors for X-ray imaging in medical, scientific, and industrial applications and also supplies X-ray imaging products for cargo screening and industrial inspection. Varian Medical Systems employs approximately 5,500 people who are located at manufacturing sites in North America, Europe, and China and approximately 70 sales and support offices around the world. For more information, visit <http://www.varian.com>.

### **About Augmenix, Inc.**

Augmenix, Inc. is a privately held Company based in Waltham, MA focused on the development and commercialization of radiation oncology products using its proprietary hydrogel technology. The company was founded by Incept LLC in 2008 and is funded by several leading venture capital groups including Ascension Health Ventures, Catalyst Health Ventures, Pinnacle Ventures, and the Sparta Group LLC. More information about Augmenix can be found at <http://www.Augmenix.com>.

### **Forward-Looking Statements**

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. The statements are based upon management's current expectations and are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated. Statements regarding industry outlook; the expectations, plans and prospects for the companies, including potential clinical applications and results, anticipated regulatory submissions and approvals and future product launches; projected financial results; and any statements using the terms "will," "may," "promise," "potential," "objective," "improve," or similar terms are forward-looking statements that are based upon current expectations and are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated. These risks and uncertainties include market conditions the companies' ability to meet Food and Drug Administration (FDA) and other regulatory requirements for product clearances or to comply with FDA and other regulatory regulations or procedures, changes in the regulatory environment, including with respect to FDA requirements, and other factors beyond the companies' control. For Varian, the risks and uncertainties include the other risks listed from time to time in its filings with the Securities and Exchange Commission, which by this reference are incorporated herein. Neither Varian nor Augmenix assumes an obligation to update or revise the forward-looking statements in this release because of new information, future events or otherwise.

*Augmenix and SpaceOAR are trademarks of Augmenix, Inc.*

(1) Zelefsky MJ et al. High-dose intensity modulated radiation therapy for prostate cancer: early toxicity and biochemical outcome in 772 patients. *Int J Radiat Oncol Biol Phys.* 2002 Aug 1;53(5):1111-6.

(2) Zelefsky MJ et al. Incidence of late rectal and urinary toxicities after three-dimensional conformal radiotherapy and intensity-modulated radiotherapy for localized prostate cancer. *Int J Radiat Oncol Biol Phys.* 2008 Mar 15;70(4):1124-9.

(3) Susil RC et al. Effects of prostate-rectum separation on rectal dose from external beam radiotherapy. *Int J Radiat Oncol Biol Phys.* 2010 Mar 15;76(4):1251-8. Epub 2009 Nov 24.

**FOR INFORMATION CONTACT:**

Varian Medical Systems  
Meryl Ginsberg, 650-424-6444  
[meryl.ginsberg@varian.com](mailto:meryl.ginsberg@varian.com)

Augmenix  
Patrick Campbell, 781-902-1630  
[pcampbell@augmenix.com](mailto:pcampbell@augmenix.com)

SOURCE Varian Medical Systems

**RELATED LINKS**

<http://www.varian.com>