



Barrx Medical to consider IPO or possible bid in next financing round, says CEO

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Barrx Medical, Inc., a private California-based medical device company, likely will consider an initial public offer during 2007 as part of its next capital financing, said **chief executive officer Greg Barrett**. Barrx, which commercially launched its **HALO 360** device in January 2005, already has received advances from large device companies as potential bidders, said Barrett. The CEO would not rule out accepting a bid as the next capital financing. Barrett expects the company to be cash-flow positive by mid- to late 2008.

Barrx plans to use USD 27.8m it recently raised in a series C venture round to begin manufacturing of a disposal device, continue advancing clinical trials and to further develop Halo 90, a new generation of Halo 360, said Barrett. The company also wants to expand its marketing capability in the US and launch its device in Europe in the fourth quarter.

Barrx's Halo 360 treat Barrett's esophagus, a precancerous condition of the lining of the esophagus [swallowing tube] that is caused by gastroesophageal reflux disease, or GERD. The Halo 360 uses bi-polar energy to deliver a rapid [less than one second] burst of radio-frequency ablative energy, which removes the very thin [less than one millimeter] layer of the diseased esophagus that characterizes Barrett's disease. After the diseased layer is removed, clinical studies have demonstrated that 70% of the treated patients were Barrett's free at one year of follow-up. CEO Barrett [who did not discover the disease] said Barrx tightly controls the patents and the depth and penetration of the company's technology that delivers uniform and controlled ablative therapy at a consistent depth. Barrx envisions future applications for the technology in the stomach and colon, said Barrett.

Companies such as Boston Scientific, Johnson & Johnson and Conmed, which market devices to gastroenterologists, accordingly could be potential bidders, said Barrett. "Right now, we want to drive [our] execution on the sales side and improve our [US] reimbursement level," said Barrett. Barrx, based in Sunnyvale, California, has raised approximately USD 50m in venture funding.