NEW YORK, May 23, 2005 – The New York City Investment Fund and HSS Ventures, Inc. (HSSV), Sprout Group, Venrock Associates and Alexandria Real Estate Equities, Inc. (Alexandria) announced their commitment today to work together to identify and support seed technologies in orthopedics and related areas. HSSV is a product development, technology licensing and venture capital company that supports the mission of its affiliate, Hospital for Special Surgery.

The five organizations have formed New York Orthopedic Technologies, LLC, which brings together the industry knowledge and expertise of HSS Ventures and the investment experience and capital of Sprout Group and Venrock Associates. The objective is to spur the development of orthopedics-related inventions and ideas and to encourage companies to pursue these new technologies in New York City.

New York Orthopedic Technologies intends to screen technologies from across the U.S. and abroad to identify those with the highest potential for clinical success that can also benefit from the capital and expertise of New York Orthopedic Technologies’ members.

The members of New York Orthopedic Technologies plan to invest in the seed or Series “A” round of early stage orthopedic companies. The New York City Investment Fund and Alexandria are providing capital for due diligence related expenses, as well as co-investing with Venrock and Sprout.
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The field of orthopedics is widely considered to be one of the fastest growing segments of the life sciences industry, with over $19 billion in revenue and the expectation of double-digit growth over the next several years.

“The City’s medical institutions have traditionally been net exporters of technologies that are commercialized elsewhere. New York Orthopedic Technologies should be a magnet to draw cutting-edge technologies to the City.” said Maria Gotsch, Co-CEO and Co-President of the New York City Investment Fund. “We are excited to work with HSS Ventures, Venrock, Sprout and Alexandria to build a stronger bioscience industry in New York City.”

The New York City Investment Fund, a $100 million fund which serves as the economic development and investment arm of the Partnership for New York City, is investing in the project as its second major investment towards a $20 million commitment to promote the growth of New York City’s commercial bioscience industry. Late last year, the Investment Fund announced a commitment of up to $10 million in the East River Science Park, a research and development campus that will provide expansion space for New York-based bioscience companies and help attract new ones to the city.

“The Hospital for Special Surgery is committed to providing the best patient care in orthopedics,” said John R. Reynolds, President and CEO of Hospital for Special Surgery. “Currently there is a need in orthopedics for support of technologies that are in their earliest stage of development. New York Orthopedic Technologies can catalyze innovations that will advance patient care and outcomes.”

"New York Orthopedic Technologies is an important vehicle that will foster the accelerated development of the most promising seed technologies,” added Paddy Mullen, Managing Director of HSS Ventures.

“We are proud to be one of the founders of New York Orthopedic Technologies and continue our pioneering efforts in the life science industry,” said Joel Marcus, CEO of Alexandria.

“Venrock Associates is committed to funding cutting edge technologies in life sciences. We believe that New York Orthopedic Technologies leverages the excellent platform that HSS Ventures has created within orthopedics and look forward to working with the other participants to fund interesting technologies with high growth potential,” said John Choi, Ph.D.-M.D., Principal of Venrock Associates.

Added Andrew Firlik, M.D., General Partner of Sprout Group: "As venture investors, we are excited about the dynamics of the orthopedic market over the next decade. This partnership with HSS Ventures positions us to build market driven companies that will meet the unmet needs of several large sectors of the orthopedic patient population. We believe that our commitment to developing deep domain knowledge and experience will enable us to drive strong returns for our limited partners."

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The New York City Investment Fund (www.nycif.com) is the vision of Henry R. Kravis, founding partner of Kohlberg, Kravis, Roberts & Co., who serves as its Co-Chairman, along with Russell L. Carson, General Partner of Welsh, Carson, Anderson & Stowe. The Investment Fund has raised over $100 million to mobilize the city's world financial and business leaders to help build a stronger and more diversified local economy. To that end, the Investment Fund has built a network of top experts from the investment and corporate communities who help identify and support New York City's most promising entrepreneurs in both the for-profit and not-for-profit sectors. The Investment Fund is the investment and the economic development arm of the Partnership for New York City (www.pfnyc.org), the city's largest business organization. The Partnership for New York City (www.pfnyc.org) is a network of business leaders dedicated to enhancing the economy of the five boroughs of New York City and maintaining the city's position as the center of world commerce, finance and innovation.

Hospital for Special Surgery (www.hss.edu); Founded in 1863, the Hospital for Special Surgery is a world leader in orthopedics, rheumatology and rehabilitation. Top ranked in the Northeast in its specialties by U.S. News and World Report, HSS was awarded Magnet Recognition for Excellence in Nursing Service from the American Nurses Credentialing Center. A member of the New York-Presbyterian Healthcare System and an affiliate of Weill Medical College of Cornell University, HSS provides orthopedic and rheumatologic patient care at New York-Presbyterian Hospital at New York Weill Cornell Medical Center. All HSS medical staff are on the faculty of Weill Medical College of Cornell University. Its Research Institute is internationally recognized as a leader in the investigation of musculoskeletal and autoimmune diseases. The hospital is located in New York City.

HSS Ventures, Inc. (www.hssventures.com) is a product development, technology licensing and venture capital company that supports the mission of Hospital for Special Surgery. HSS Ventures works with leading (HSS and Non-HSS) inventors, scientists, engineers and physicians around the world to develop technologies, products and companies that enhance clinical care in orthopedics and rheumatology. HSS Ventures is an affiliate of Hospital for Special Surgery.

Founded in 1969, Sprout Group (www.sproutgroup.com) is one of the oldest and largest venture capital firms in the United States. Sprout has helped finance more than 300 companies with combined sales exceeding $40 billion and currently manages approximately $2 billion in committed capital. With offices in Menlo Park and New York, Sprout focuses on helping to grow promising companies at all stages of development in the healthcare technology and information technology sectors. Sprout's healthcare team is actively investing in medical devices, biopharmaceuticals, and laboratory technologies and services. Representative recent healthcare technology investments include: Adolor Corporation, Aspreva Pharmaceuticals, Corixa, Epicor, Focus Technologies, ISTA Pharmaceuticals, Kalypsys, Sirna Therapeutics, Spiration, TolerRx, Inc., and Visiogen. Sprout Group is a venture capital affiliate of Credit Suisse First Boston.

Venrock Associates (www.venrock.com) was founded as the venture capital arm of the Rockefeller Family and today continues a seven-decade tradition of funding entrepreneurs and establishing successful, enduring companies. Venrock has a distinguished history of investing in early stage companies in information technology and healthcare. The firm has made over 300 investments in the past 35 years and has an established track record of identifying and supporting promising early stage, technology-based enterprises. Representative healthcare investments include Millennium Pharmaceuticals, Triangle, Illumina, Caliper Technologies, Renovis, Oratec Interventions, Cardiothoracic Systems, Mitek, NanoGram Devices, and Satiety.
Alexandria Real Estate Equities, Inc. (NYSE:ARE) is the pre-eminent real estate investment trust focused principally on the ownership, operation, management, acquisition, expansion and redevelopment and selective development of properties containing office/laboratory space. Alexandria has an outstanding almost eight-year track record as an NYSE listed company with an approximate $2.85 billion total market capitalization and provides high-quality laboratory facilities, services and capital to the broad and diverse life science sector. Alexandria’s national operating platform is based on the principle of “clustering” with assets and operations strategically located in key life science hub markets. Alexandria was the founder and pioneer of the Science Hotel® in Cambridge, Massachusetts and one of the founders of The Accelerator® in Seattle, Washington.

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