

Advanced BioHealing, Inc. Closes \$8 Million in First Institutional Financing

Financing to Fund Clinical Trial, Manufacturing and Marketing

NEW YORK, Nov. 29 /PR NEWSWIRE/ -- Advanced BioHealing, Inc. (ABH), a biomedical company commercializing products based on its proprietary cell culture and tissue preservation technologies, today announced it has closed its Series B private placement, raising \$8 million in gross proceeds. This is the company's first institutional financing. This investment follows a \$2.4 million Series A financing completed with angel investors in October, 2004. The company also announced that Stephen Bloch, MD from Canaan Partners and David Dantzker, MD from Wheatley Partners would be joining the Board of Directors.

"This investment places Advanced BioHealing on solid financial footing to commercialize our lead product, Celaderm(TM), in the next 12-18 months," said David Eisenbud, MD, President & CEO of Advanced BioHealing. "The Series B funds will finance ABH's pivotal clinical trial to study Celaderm(TM) for accelerating healing in partial-thickness burns, enable manufacturing scale-up and develop a marketing team. We are fortunate to be able to draw upon the extensive life-science networks and experience of our venture capital co-lead investors, Canaan Partners and Wheatley Partners."

Advanced BioHealing is preparing to begin a pivotal clinical trial. The trial will compare Celaderm(TM) in a randomized, controlled study to a standard of care for the treatment of serious partial-thickness burns. "Celaderm(TM) solves fundamental problems in cellular-based wound healing. David and his team are well-positioned to move Celaderm(TM) through its clinical trial. We're excited to develop a cost-effective and easy-to-use product to enhance wound management options for patients and physicians," said Stephen Bloch, MD, a principal with Canaan Partners and chairman of the ABH board.

Canaan Partners and Wheatley Partners co-led the financing which also included existing Advanced BioHealing investors. Walter Greenblatt & Associates, LLC (member NASD, SIPC), a life-science-focused investment bank, served as the exclusive financial advisor to Advanced BioHealing for both Series A and B financings. Advanced BioHealing will move its headquarters to New York.

About Advanced BioHealing

Advanced BioHealing, Inc. is a biomedical company commercializing products that accelerate wound healing using its proprietary cell culture and tissue preservation technologies. Additional information is available at <http://www.AdvancedBioHealing.com>.

About Canaan Partners

Canaan Partners are proven venture capital company-builders who catalyze the development of innovative emerging technology and healthcare companies to create next-generation market leaders. Canaan invests in consumer Internet and Internet technology services, communications, semiconductor, enterprise software and services, biopharmaceuticals/diagnostics, and medical devices. Founded in 1987, the firm has invested in more than 210 companies, completed 52

mergers and acquisitions, and brought 45 companies public. Canaan was an early investor in DoubleClick (DCLK), CommerceOne (CMRC), Copper Mountain Networks (CMTN), Immunicon (IMMC), ONI Systems (ONIS), and Peninsula Pharmaceuticals, along with dozens of other market-leading companies. Canaan has a bi-coastal U.S. presence with offices in Menlo Park, California and Rowayton, Connecticut. For more information visit: <http://www.canaan.com>.

About Wheatley Partners

Wheatley Partners is a New York-based private equity firm focused primarily on technology-related companies at all stages of development. Wheatley's target sectors include Medical Technology, Information Technology, Business Services and Healthcare. Since inception in 1992, Wheatley Partners has invested in over 150 private companies, most through multiple rounds of financing.

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