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Press Release

Source: MedAvante, Inc.

MedAvante Closes \$20 Million Financing by Goldman Sachs, Trevi Health Ventures

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Pioneer in Centralized Psychiatric Patient Evaluation for Clinical Trials Expanding Into New Areas of Drug Development

HAMILTON, N.J., July 1 /PRNewswire/ -- MedAvante, Inc., the leader in centralized psychiatric patient evaluation, announced today that it has closed a \$20 million financing by Goldman, Sachs & Co. and Trevi Health Ventures. MedAvante has developed an innovative platform to centralize and calibrate the assessment of patients undergoing treatment in clinical trials in order to more reliably and precisely measure their response to therapies. MedAvante currently provides centralized patient evaluation services to many of the world's largest pharmaceutical companies with central nervous system drug candidates, and has administered more than 21,000 remote expert assessments for Phase 2 and Phase 3 large pharma studies including acute schizophrenia, major depressive disorder, generalized anxiety disorder, and psychotic depression.

The Company will use the capital to fund the expansion of its existing patient evaluation platform to meet increasing demand from pharmaceutical companies. The capital will also enable MedAvante to apply its platform into new areas of drug development, including monitoring by mental health professionals of potential warning signs for suicide. The U.S. Food and Drug Administration (FDA) is requiring most drugs with centrally acting mechanisms to be assessed for suicidality, regardless of whether the drugs are being developed for neurological or psychiatric indications.

"The investment by Goldman Sachs and Trevi Health gives MedAvante the capital and resources to deliver on our mission of helping the life sciences industry bring better and safer drugs to patients faster," stated Paul Gilbert, Chief Executive Officer of MedAvante. Gilbert further noted, "Our unique ability to centralize and standardize the assessment of psychiatric patient's disease severity and progression is transforming clinical trials for psychiatric drugs; we will now be able to bring this same new paradigm to bear in other areas of critical medical need, such as the development of new treatments for Alzheimer's disease and the assessment of the risk of suicidality for all classes of drugs."

The former FDA Deputy Commissioner for Medical and Scientific Affairs, Scott Gottlieb, MD, a member of MedAvante's Board of Directors, commented, "The cost of conducting trials to treat neurological and psychiatric disorders has been increasing rapidly in recent years in large part due to the approaches industry has been using to measure patient response. Larger numbers of patients are being enrolled in psychiatric trials simply because outdated approaches to drug development require more patients to be exposed to an experimental drug to see whether it's working." He continued, "MedAvante has pioneered an approach that offers one of the most effective solutions to improving the efficiency and reliability of psychiatric drug development, enabling new treatments to be assessed more efficiently for safety and effectiveness and potentially reach patients sooner and at lower cost."

Andrew Fink, Managing Director of Trevi Health Ventures, noted, "MedAvante's solution solves the critical problem of enhancing precision and reliability in central nervous system trials head-on. This capital infusion will enable the company to meet the rapidly expanding demand for more accurate psychiatric assessment. Importantly, MedAvante has demonstrated the ability to deliver centralized ratings with the operational precision and scalability needed to expand globally."

Walter Greenblatt & Associates served as MedAvante's exclusive financial advisor in the transaction.

About MedAvante

MedAvante has pioneered and commercialized a solution that addresses one of the global pharmaceutical industry's most intractable problems: the high rate of uninformative or failed studies. MedAvante provides centralized expert psychological rater services to the pharmaceutical industry using unique methods to systematically remove potential sources of bias and

variability from the assessment process. By centralizing assessments with expert, standardized, objective, clinical interviewers over MedAvante's 2 way real-time high quality video-conferencing, MedAvante makes subjective measures of determining drug efficacy increasingly objective. As a result, it is now possible to increase study power, reduce trial failure rates, and get more effective central nervous system (CNS) drugs to market sooner. MedAvante has administered more than 21,000 remote expert assessments for Phase 2 and Phase 3 large pharma CNS studies. MedAvante employs 73 professionals based in facilities in Hamilton, NJ; Los Angeles, CA and Madison, WI.

About Goldman Sachs

Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high net worth individuals. Founded in 1869, it is one of the oldest and largest investment banking firms. The firm is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world.

About Trevi Health Ventures

Trevi Health Ventures is a healthcare investment firm with over \$100 million under management. The investment team combines experienced investment professionals and senior-level executives/entrepreneurs with proven track records. Trevi provides development and growth capital for private healthcare companies with emphasis on medical devices, biopharmaceuticals and healthcare services. The firm was founded in 2005 and has offices in New York and London.

About Walter Greenblatt & Associates

Walter Greenblatt & Associates is an investment banking and specialized consulting organization focused on helping healthcare companies succeed through strategic planning, capital raising and mergers and acquisitions. The firm serves biotechnology, healthcare and healthcare services companies from very early stage startups to established public companies.

Source: MedAvante, Inc.

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