

FDA grants clearance to ClearCount Medical Solutions

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FDA grants clearance to world's first RFID Surgical Sponge Counting System

to Prevent Retention of Surgical Sponges

Pittsburgh, June 13, 2007 - ClearCount Medical Solutions, a Pittsburgh-based company focused on developing smarter solutions to improve patient safety inside the operating room, announced today that their patented SmartSponge® System has received Food and Drug Administration (FDA) 510(k) clearance.

David Palmer, ClearCount's President & CEO said, "we are hopeful that FDA clearance of the SmartSponge® System will address the pervasive problem of retained surgical sponges and increase patient safety. This is the world's first RFID system that has been approved for counting and recording surgical sponges and towels during surgical procedures." Mr. Palmer continued, "system can most certainly address the problem of retained surgical sponges and lead to increased patient safety. The FDA clearance paves the way for us to roll out the ClearCount's SmartSponge® System to hospitals everywhere that seek a simple and reliable solution to this problem."

ClearCount's SmartSponge® System is a novel, RFID-based solution that was designed in response to extensive work with nurses and surgeons at leading healthcare institutions. "ClearCount expects to make available a commercial solution that fully integrates into the current workflow of the operating room by the end of this year" said Steve Fleck, Co-Founder and Chief Technology Officer.

The SmartSponge® System automates the process of managing surgical sponges during surgery by using RFID technology. The sponges are permanently affixed with passive RFID tags smaller than a dime. Unlike other technologies, ClearCount's RFID-based SmartSponge® System allows users to count and differentiate many different types of sponges simultaneously. Additionally, since RFID does not require a line-of-sight between the reader and tags, there is no need to physically separate sponges or orient the tags in any way to scan them. This minimizes the handling of soiled sponges by nursing staff.

According to Dr. Verna Gibbs from the No Thing Left Behind Initiative, "The problem of surgical sponges being left behind in various body spaces after an operation has been with us since the practice of surgery began. We know that every surgeon and perioperative nurse in this country has thought about, if not experienced, some aspect of the problem of retained foreign bodies. These events are the result of poor communication and faulty processes of care that cause patient injury. ClearCount's SmartSponge® System is important in terms of saving patients extra morbidity and perhaps even mortality."

Gautam Gandhi, Co-Founder and Chief Marketing Officer, said, "The benefits are clear from an economic standpoint - the system improves patient and staff safety, reduces hospital and surgeon liability, and minimizes a surgical patient's exposure to harmful x-ray radiation. We are confident that hospitals will look to our solution as a cost-effective investment in patient safety and a means to operating room efficiency."

About ClearCount Medical Solutions

ClearCount Medical Solutions is a privately held medical device company founded in 2004 and headquartered in Pittsburgh, PA. ClearCount's mission is to develop automated systems that improve patient safety in the operating room. The company's revolutionary SmartSponge® System will replace the current manual, error-prone system of tracking surgical equipment. For more information see: www.clearcount.com

About RFID

Radio Frequency Identification (RFID) systems are comprised of two basic components: a reader and tags which are applied to the items to be tracked. RFID tags contain small integrated circuits that contain unique identification codes as well as programmable memory that can be used to store information about the items being tracked. ClearCount's RFID tags are passive- they have no power supply of their own. They are powered by the radio signal from the scanner. These broadcast signals are designed to be read between a few inches and several feet away, and no line-of-sight is required between reader and tag in order for data to be communicated.

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