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**NEWS RELEASE
For Immediate Release****Simbionix Raises Largest Amount in Company's History in Venture Capital to Accelerate Growth**

October 6, 2008 (Cleveland, OH and Tel Aviv, Israel) – Simbionix USA Corporation is pleased to announce the completion of a Series C round of growth capital financing led by River Cities Capital Funds, along with incumbent investor Early Stage Partners and other existing shareholders, as well as Western Reserve Partners who served as the company's investment bankers. The investment will enable Simbionix to accelerate the already rapid growth of its medical simulation technology via the introduction of innovative new products and expanded distribution channels. "This significant funding will help us continue the company's momentum and support Simbionix's commitment to maintain its position as the global leader in medical simulation technology," stated Dr. Avshalom Horan, Chairman.

"We are excited about the market's validation of our technology as well as the strong financial support of River Cities and the continuing support of our existing investors," commented Gary Zamler Simbionix CEO. "This infusion of new growth capital will fuel further domestic and international growth of our existing products as well as our emerging products – that includes the recently launched PROcedure Rehearsal Studio, a truly revolutionary virtual reality endovascular simulator with unprecedented hands-on, "patient-specific training capabilities," he added. "Simbionix works closely with global leaders in healthcare, both on the medical device side and the provider side. They take comfort with Simbionix as a partner because of our size, profitability, and the resources to bring innovative products to market," Mr. Zamler concluded.

Ran Bronstein, Simbionix President and one of its founders commented "funding of this sort is an important achievement for the Simbionix team. It's an additional indication

demonstrating the growth and the validity of the medical education and simulation market since River Cities has experience in both fields. We welcome River Cities' involvement to boost our efforts to improve patient safety and medical outcomes through advanced simulation. “

“We have been very impressed with the Simbionix team and its best-of-breed technology in an attractive, emerging global marketplace – the combination of people and technology at Simbionix looks tough to beat,” stated Mr. Murray Wilson, Managing Director of River Cities. “The impressive rate of adoption of the new e-Learning initiatives makes us confident that the company can build on its already-demonstrated success with the simulation platform.

About Simbionix

Simbionix is the industry's leader in the development and delivery of innovative and effective virtual reality simulation products and solutions for clinical education and training of medical professionals. Our products are designed to accelerate best-practice medical training, advance clinical performance, and improve patient safety. The company is committed to continuously innovating and growing its product offering with a wide range of training modules, case studies and scenarios developed in response to the growing importance of clinical training and education for the improvement of patient care. For more information, please visit www.simbionix.com.

About River Cities

River Cities Capital Funds is a venture capital firm based in Cincinnati, Ohio with an office in Raleigh, North Carolina. It has raised nearly \$400MM in four venture funds since being founded in 1994, and has backed over 80 portfolio companies, located mainly in the Midwest and Southeastern regions of the U.S. River Cities invests behind exceptional management teams in expansion stage companies in healthcare and information technology that have unique technology or services and strong market positions, with a special emphasis on recurring revenue business models. For more information, please visit www.rccf.com.

About Early Stage Partners

Early Stage Partners is an early stage venture capital firm based in Cleveland, Ohio. The company invests in promising opportunities in instrumentation and control technology, life sciences, advanced materials, energy, information technology, and electronics. The company's principals have over one hundred years combined experience in early stage company formation and development, with a significant network of relationships throughout the United State that can be used to attract management, develop strategic partnerships, and provide later stage funding. For more information, please visit www.esplp.com .