

## **Sarasota Medical Products Secures Funding, Begins Manufacturing in Florida**

SARASOTA, Fla. (September 19, 2011) Sarasota Medical Products Inc., an early-stage company specializing in ostomy and advanced wound care products, has secured \$3.56 million in private and public funding to begin manufacturing in October at a new Sarasota facility.

“We are excited to begin manufacturing medical products for several partners as we prepare to bring to market our patent-pending technologies for advanced wound care,” said Walter Leise, III, president and chief executive officer at Sarasota Medical Products (SMP). “Our strategic business plan and a favorable tax environment for private investors have helped us attract funding to begin generating revenue that will fuel future growth.”

Leise said his management team plans to grow the company to \$200 million in revenue and 60 employees within five years through a combination of contract manufacturing, product development partnerships and company-driven research and development of new wound care solutions. SMP specializes in gentle and secure adhesive formulations that are suitable for long- or short-term skin wear. The company also is developing technologies to deliver medication and active oxygen to stimulate healing of chronic wounds.

SMP’s 16,000-square-foot headquarters in Sarasota includes a research laboratory and manufacturing facility that will be ISO-certified and FDA-compliant. Initially, SMP will manufacture bandage adhesives, wound care dressings, and ostomy coupling devices that are more comfortable for patients. Rather than employing its own sales force, SMP will use a network of medical product distributors, allowing the company to operate with lower overhead to make its products more cost-competitive.

“We have received \$3.9 million in purchase orders from a partner to manufacture ostomy products for global distribution,” Leise said. “This market segment alone represents an untouched niche worth \$65 million in SMP revenue over the next five years. We have also agreed to develop custom formulations, provide rolled adhesive, and produce components for several new partners.”

In addition to manufacturing high quality, industry-standard adhesives, SMP has developed several new adhesives that provide a natural healing environment and that don’t hurt patients when removed. SMP also has entered into an agreement with Oxygen Biotherapeutics (NASDAQ: OXBT) to develop products that deliver oxygen to stimulate healing of chronic wounds.

According to research by Global Data, in 2008, the ostomy market was worth \$1.3 billion, growing by 1-2% each year, and the wound care market was worth \$3.6 billion, growing by 5-8% per year. This market potential and a capital gains tax exclusion for qualified investments in U.S. businesses is helping to attract private investors, Leise said. The exclusion applies to certain investments made by the end of 2011.

Since the company’s founding in 2010, Leise and his team have secured \$1.6 million in private equity, an SBA-backed loan of \$1.6 million through Synovus Bank, and a commitment of \$360,000 in economic development incentives through Sarasota County Government. The company is seeking additional investment to accelerate growth, Leise said.

SMP’s management team includes individuals who have designed, developed, manufactured, and sold brand label wound care, incontinence and ostomy products offered by current market leaders such as Hollister and ConvaTec. For more information, visit the company’s website: [www.sarasotamedical.com](http://www.sarasotamedical.com).

### **About Sarasota Medical Products Inc.**

Sarasota Medical Products Inc. (SMP) is an early-stage company that develops and manufactures ostomy and advanced wound care products. SMP is a private-label manufacturer of medical devices and has a growing portfolio of proprietary technology to drive next-generation product development in the wound, ostomy and incontinence market segments. SMP specializes in gentle and secure adhesive formulations that are suitable for long- or short-term skin wear, and is a leader in developing technologies to deliver medication and active oxygen to chronic wounds. As a contract manufacturer and technology development partner, SMP offers creative, collaborative and custom device design services for medical products. Information: [www.sarasotamedical.com](http://www.sarasotamedical.com).

###

Contact:

Rich Lovell, VP Sales and Marketing, Sarasota Medical Products Inc.

941.377.1451, ext. 223

[Rich.Lovell@sarasotamedical.com](mailto:Rich.Lovell@sarasotamedical.com)