



FOR IMMEDIATE RELEASE

**WATERMARK MEDICAL SECURES INVESTMENT
FROM BALLAST POINT VENTURES**

*BPV Contributes Capital to Advance Healthcare Cloud Computing and
Sleep Disordered Breathing Diagnosis and Treatment*

BOCA RATON, FLA., September 22, 2010 – Watermark Medical, Inc., a privately-held medical products and services company servicing the 25 million patients suffering from sleep-disordered breathing, today announced the completion of a \$6 million equity investment from Ballast Point Ventures.

Watermark Medical has developed the first web-based, end-to-end system and is the leading sleep diagnostics provider in the emerging Software-as-a-Service (SaaS)-based healthcare cloud market focused on Obstructive Sleep Apnea (OSA.) Ballast Point Ventures will hold a minority stake in Watermark Medical and one seat on Watermark's Board of Directors along with CA Technologies (NASDAQ: CA), who led the round with a \$15 million dollar investment earlier this year.

“We made this investment because Watermark Medical has best in class technology along with a management team in whom we are confident will transform the emerging sleep industry,” said Dick Brandewie, managing partner of Ballast Point Ventures. “Our successful investment history with Sean Heyniger and his team, with their innovative healthcare expertise, presents an exciting opportunity for our firm.”

Through successful deployment of its home sleep testing (HST) platform, Watermark Medical has become an industry-recognized expert in cloud platform medical services. As a result, medical practitioners can easily manage, aggregate and access critical diagnostic and historical patient information.

“With this additional capital from Ballast Point Ventures we will further the deployment of our advanced, web-based technology platform,” said Sean Heyniger, CEO of Watermark Medical. “As our technology is increasingly incorporated into the day-to-day functions of the medical community, benefits for the physician and patient will include an overall reduction in health costs and increased accuracy in tracking long term health and wellness of patients.”

Lee A. Surkin, MD, double board certified in Sleep Medicine and Cardiology, and a member of the American Academy of Sleep Physicians affirms that, “Watermark Medical has made great strides in gaining the support of the sleep physician community and the American Academy of Sleep Physicians.” Dr. Surkin goes on to say, “Sleep physicians who once felt threatened by home sleep testing now see the many benefits for their patients in providing Watermark’s high-tech, lower cost and reliable testing as an alternative to the traditional sleep lab.”

John Sculley, chairman of Watermark’s Board of Directors agrees. “As an emerging leader in the medical cloud computing arena, Watermark is on track to expand the technological capabilities of traditional primary care physician (PCP) offices with our comprehensive cloud platform services,” he said. “With Electronic Medical Records, the growing tele-health industry and a new focus on preventative healthcare, there is more opportunity than ever for Watermark’s game-changing technology to help curb rising healthcare costs through efficiencies.”

OSA is a major contributor to the country’s poor health, causing millions of Americans to be plagued by diabetes, hypertension, obesity, and atrial fibrillation, the leading cause of stroke, which together cost the health care system billions of dollars each year. OSA is a huge public health risk, with 250,000 people a day falling asleep while driving a motor vehicle, according to the Harvard Medical School Sleep Division. Clinical data proves that when left untreated OSA causes reaction time to drop to levels equivalent to a driver who is driving under the influence. The epidemic of sleep-deprivation is a public safety issue, according to the Institute of Medicine.

Many companies and organizations, such as the Department of Transportation, FAA and the Department of Labor, are actively working to help counter and alleviate the many risks associated with OSA and operating equipment while suffering from sleepiness. For example, a recent plan from the FAA would bar airlines from scheduling pilots to be on duty longer than 13 hours in a 24-hour period, three hours fewer than current regulations. In its effort to address this public safety issue, Watermark Medical is applying its technology to help improve the quality of care physicians provide to employees suffering from OSA which can reduce fatal mistakes on the ground with truckers, rail operators, and in the air with pilots.

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About Watermark Medical

Watermark Medical, Inc., (WM) is a privately held medical products company servicing the sleep-disordered breathing market. Its co-founders/investors are serial entrepreneurs with extensive experience building successful business models and sales and distribution channels for medical services. Watermark Medical has quickly become a leader in this market, demonstrated by the equity investment from its largest shareholder, CA Technologies (NASDAQ: CA). Watermark Medical's product, the Watermark ARES, is currently distributed through PSS Medical (NASDAQ:PSSI), McKesson Corporation (NYSE: MCK) and Henry Schein (NASDAQ: HSIC). The company is headquartered in Boca Raton, FL. For more information, visit www.watermarkmedical.com.

About Ballast Point Ventures

Ballast Point Ventures is a later stage venture capital fund established to provide expansion capital for rapidly growing, privately owned companies in diverse industries, with a particular emphasis on companies located in Florida, the Southeast and Texas. The BPV partners have more than 70 years of combined experience investing in and building high-growth companies in a number of industries, including healthcare, business services, communications, technology, financial services and consumer. BPV has \$200 million under management and seeks to make equity investments ranging in size from \$3 million to \$10 million. For more information, visit www.ballastpointventures.com.

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