

Broncus Technologies Secures \$38 Million in Funding Round Led by Ares Life Sciences

December 4, 2008, Mountain View, CA – Broncus Technologies, Inc., a medical device company developing products for emphysema and other lung diseases announced today that it has closed a \$38 million round of Series G funding, led by a \$25 million investment from Ares Life Sciences AG, a Swiss-based private equity fund. Almost all existing investors are participating in this round, including Abingworth, Bio*One/Singapore, Charter Ventures, HBM BioVentures, JAIC America, Menlo Ventures, Pac-Link Ventures, Saints Capital and Sightline Ventures. Dr. Beat Merz from Ares Life Sciences will join Broncus' Board.

"Broncus' solutions address a large and growing market demand for effective, minimally-invasive emphysema treatments and improvements in lung cancer care. We are excited about the market opportunity and the potential to help so many patients" said Jacques Theurillat, Chief Executive Officer of Ares Life Sciences. "The company's strong leadership team, clinical trial experience, and proprietary medical technology were all leading factors in our investment decision."

Broncus is currently conducting the EASE (Exhale Airway Stents for Emphysema) Trial, a pivotal randomized, double-blind clinical trial to study the safety and effectiveness of the Airway Bypass procedure. The objective is to seek pre-market approval by the US FDA in 2010 as a class III implantable device. Airway Bypass is designed to reduce lung hyperinflation and shortness of breath (the clinical hallmarks of emphysema) by creating new pathways for trapped air to exit the lungs.

Broncus has randomized 240 patients in the EASE Trial to date at 40 clinical sites around the world. The procedure initially is being studied in patients with homogeneous emphysema (estimated at approximately 65% of all people with emphysema) whose only treatment options today are medical management and lung transplantation, both of which have significant limitations. In the US and Europe it is estimated there are about four million and 6-8 million emphysema patients, respectively.

"We are delighted to add Ares Life Sciences to our group of high-quality investors," said Cary Cole, Broncus' President and Chief Executive Officer. "The team at Ares has a very impressive, long-term record of building high-quality life science companies. With this round of funding, we will be able to complete our pivotal EASE Trial for emphysema and start commercialization activities for our emphysema and lung cancer products."

About Broncus Technologies, Inc.

Broncus Technologies is a medical technology company focused on developing minimally-invasive medical devices for emphysema and other lung diseases. Broncus is investigating the Exhale emphysema product line to perform its patented treatment method called Airway Bypass. Airway Bypass could be the first minimally-invasive

procedure for the treatment of homogeneous, or diffuse, emphysema, which constitutes the majority of the emphysema patient population.

About Ares Life Sciences AG.

Ares Life Sciences is a Swiss-based private equity fund established in 2008 whose lead investor is the Bertarelli family. Its objective is to build a portfolio of revenue generating, late-stage innovative companies in life sciences. The Fund is focused on five specific sectors: pharmaceuticals, biotechnology, diagnostics, medical technology and healthcare services. Its first investment, in June 2008, was in Euromedic, a pan European provider of dialysis and diagnostic imaging services with 170 centers in 15 countries. In November 2008 the Fund took a 10.9% stake in Santhera Pharmaceuticals, a publicly quoted Swiss pharmaceutical company focused on the discovery, development and commercialization of small-molecule pharmaceutical products for the treatment of severe neuromuscular diseases. Ares Life Sciences aims to add value to its portfolio companies through a management team that provides extensive sector experience, investment expertise, scientific knowledge and industry networks. The team has a unique balance of industry and investment professionals and is led by Jacques Theurillat, previously Deputy CEO of Sero, while the investment committee is chaired by Ernesto Bertarelli

Editors Notes

For more information on Broncus Technologies, please contact Meghan Oreste at 617-823-1441 or moreste@comcast.net

For more information on Ares Life Sciences, please contact Paco Latorre at +41 (0)79 5716207 or media@areslifesciences.com, or Nick Miles, Bell Pottinger Switzerland, at +41 (0)79 6787626 or nmiles@bellpottinger.ch