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**FOR IMMEDIATE RELEASE**

## **Prolacta Bioscience<sup>®</sup> Secures Series D Funding From Health Evolution Partners**

*-- New Members Added to Prolacta Board of Directors --*

**MONROVIA, Calif. Nov. 3, 2011** -- Prolacta Bioscience, the first and only company to offer human milk fortifier (HMF) made from 100% human breast milk for critically ill, premature infants, has announced that they have secured Series D funding from Health Evolution Partners (HEP). HEP invests in rapidly growing companies that are commercial leaders in the healthcare industry. The funding will be used primarily to fund a second facility and to support growth of Prolacta's sales organization.

"Prolacta is an exceptional, high-growth health care company. Its products are unique in how they address the unmet needs of high-acuity premature infants in the NICU setting," said David Brailer, Chairman of Health Evolution Partners. "We are particularly excited to partner with a company that is helping improve outcomes for a vulnerable patient population and providing real savings in health care spending as well. The HEP Life Science team will work with Prolacta to realize its full potential and will also expand our investment activities in this sector."

Prolacta's primary product is Prolact+ H<sup>2</sup>MF<sup>®</sup>, which is unique in that it is the only human milk fortifier made exclusively from human milk for extremely premature infants in neonatal intensive care units (NICU). The only other alternative to Prolact+ H<sup>2</sup>MF is human milk fortifier made from cow milk. Neonatologists prescribe Prolact+ H<sup>2</sup>MF for infants weighing two pounds 12 ounces (1250 grams) or less at birth. It is concentrated breast milk that is added to the mother's breast milk or to donor milk (if a mother's own milk is unavailable), in order to meet the precise protein and caloric needs of the preemie. Prolact+ H<sup>2</sup>MF can only be administered in a hospital setting and cannot be purchased directly by

consumers.

“Health Evolution Partners is a prominent group that has a track record of identifying and partnering with strong, growing companies in the healthcare industry,” said Scott Elster, CEO of Prolacta Bioscience.

“Prolacta has a great future in helping preemies in the NICU, and we are proud that HEP will be working with us to continue that effort.”

A recent cost effectiveness study published in the Journal of Breastfeeding Medicine concluded that a 100% human milk-based diet that included Prolact+ H<sup>2</sup>MF for extremely premature infants may result in a net savings of medical care resources by reducing the incidence of NEC, when compared with feeding these infants HMF produced from cow milk. In this same study, extremely premature infants fed an exclusively human milk diet including Prolact+ H<sup>2</sup>MF, had lower expected costs of hospitalization and medical care, resulting in net direct savings of \$8,167.17 per infant fed this diet.

“We are delighted to be partnering with Prolacta. Scott Elster and his superior management team have consistently executed on their strategy,” said Ned Brown, Investment Partner at Health Evolution Partners. “We look forward to working with the company to help accelerate their growth through our reimbursement, strategic, and operating resources, along with our industry, channel, and customer relationships. Together with them, and the existing group of experienced healthcare investors, we are excited about the prospects for Prolacta.”

The considerable growth of NICUs using human milk-based products has largely been due to clinical data pointing to the benefits of exclusive human milk-based nutrition over cow milk-based nutrition for extremely premature infants. The Journal of Pediatrics published one of these studies in 2010. It concluded that when Prolact+ H<sup>2</sup>MF was added to human milk, the odds of developing the dangerous intestinal condition necrotizing enterocolitis (NEC) was reduced by 77% in premature infants weighing between 500g and 1250g at birth, when compared to infants receiving human milk fortified with cow milk-based HMF, or compared to preterm infant formula when the supply or mother’s own milk was insufficient. Prolact+ H<sup>2</sup>MF is the only HMF that has been clinically proven to reduce the odds of developing NEC in infants born weighing between 500g and 1250g.<sup>1</sup>

Prolacta has also named Joshua Saipe and Ned Brown to their board of directors. Ned Brown is an Investment Partner for Health Evolution Partners, focusing on investments in the life sciences area, including medical devices and products, specialty pharmaceuticals and outsourcing services for the life sciences industry. Mr. Brown has been involved in the healthcare industry for over 25 years, as an investor, board member and advisor to a broad range of companies in all sectors of the industry. Prior to HEP, Mr. Brown served as managing director at TPG Biotech. He was also co-founder and Managing

Director of Healthcare Investment Partners, and previously served as a Managing Director and head of the west coast Healthcare Group for Credit Suisse.

Joshua Saipe is Vice President of Health Evolution Partners' Growth Fund. He also focuses on the firm's investments in the life sciences sector. Prior to HEP, Mr. Saipe served as a Vice President at RoundTable Healthcare Partners where he focused on principal investing in middle market healthcare companies predominantly in the medical technology, pharmaceutical, and drug delivery sectors. Previously, he served with J.P. Morgan Securities in the firm's Financial Sponsor Group.

### **About Prolacta**

Prolacta Bioscience, Inc. ([www.prolacta.com](http://www.prolacta.com)) is a life science company dedicated to improving quality of life by *Advancing the Science of Human Milk*<sup>™</sup>. Prolacta creates specialty formulations made exclusively from human milk for the nutritional needs of critically ill, premature infants in neonatal intensive care units. It is the first and only company to provide a human milk fortifier made from 100% human milk, Prolact+H<sup>2</sup>MF. They operate a pharmaceutical grade processing plant and have designed and patented processes that enable them to make their one-of-a-kind life saving products. Prolacta is committed to making a meaningful difference in the lives of the most vulnerable infants through world-class research and innovative products.

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<sup>1</sup>Sullivan S, Schanler RJ, Kim JH et al. An exclusively human milk-based diet is associated with a lower rate of necrotizing enterocolitis than a diet of human milk and bovine milk based products. *J Pediatr.* 2009;156(4):562-567.