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News Release

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**Acorn Cardiovascular Announces FDA's Ombudsman to Convene Medical Devices
Dispute Resolution Panel for CorCap™ Cardiac Support Device**

*Acorn Cardiovascular and heart failure experts confident that amended PMA provides
reasonable assurance of safety and effectiveness of CorCap CSD*

St. Paul, Minn. – Oct. 17, 2006 – Acorn Cardiovascular announced today that the Food and Drug Administration's (FDA) Medical Devices Dispute Resolution Panel (MDDRP) will convene on December 15, 2006 to review scientific issues relating to the premarket approval application (PMA) for Acorn's CorCap™ Cardiac Support Device (CSD).

The MDDRP was established by the Center for Devices and Radiological Health (CDRH) in response to a provision in the FDA Modernization Act of 1997 requiring the FDA to provide a procedure for independent review of a scientific controversy between a sponsor and the agency by an appropriate scientific panel. The MDDRP is comprised of standing members and temporary voting members appointed by CDRH to participate, based on their clinical and scientific expertise relevant to the particular dispute. After reviewing written submissions and holding a public hearing on December 15, the MDDRP will make its recommendations to the CDRH Director regarding the scientific issues between CDRH and Acorn Cardiovascular. Since its founding, the MDDRP has convened one Dispute Panel, which resulted in the unanimous recommendation that the FDA approve the product in question.

“Acorn designed the CorCap trial with input from CDRH, including the primary endpoint, secondary endpoints, and success criteria. Since the trial met all its success parameters and numerous independent clinical and statistical experts have affirmed the robustness of the trial, we believe that the MDDRP will agree that the CorCap meets the FDA approval requirements of reasonable assurance of safety and effectiveness,” said Steve Anderson, Vice President of Corporate Assurance for Acorn Cardiovascular.

The CorCap CSD is a proprietary mesh wrap that is implanted around the heart to provide ventricular support and to reduce ventricular wall stress in patients with dilated cardiomyopathy and symptomatic heart failure who are worsening despite optimal medical management.

The safety and effectiveness of the CorCap CSD were evaluated in a 300-patient prospective, randomized, controlled, multi-center trial at 29 sites in the United States and Canada. The CorCap CSD trial results met the pre-specified success criteria approved by the FDA for both the primary endpoint (p=0.02) and secondary endpoints (p=0.03) of the

trial. However, in June 2005, the Circulatory System Advisory Panel voted against recommending approval of the CorCap CSD PMA, citing concerns with the statistical methodology and the resulting benefit-risk profile of the CorCap CSD.

Per the FDA's suggestions, Acorn amended the PMA in October 2005 to address the Advisory Panel's concerns. However, the FDA subsequently determined that an additional confirmatory clinical trial was required for PMA approval. Acorn disagreed with this assessment and filed a request for referral to the MDDRP. This request was granted by the CDRH Ombudsman in June 2006.

"We are looking forward to the opportunity to present this data to the Dispute Panel as we are confident in our clinical study and outcomes. Additionally, heart failure clinicians have supported the CorCap CSD as safe and effective and an important option for appropriate patients who are suffering from heart failure and do not have other therapeutic options," said Rich Lunsford, CEO of Acorn Cardiovascular.

About Acorn Cardiovascular

Acorn Cardiovascular is a privately held medical device company that was incorporated in 1996 and is located in St. Paul, Minnesota