

American Medical Systems Signs Cross-Licensing Agreement with Caldera Medical

Patent Litigation Suit Dismissed Under Separate Agreement

MINNEAPOLIS--(BUSINESS WIRE)--July 5, 2006--American Medical Systems Holdings, Inc. (NASDAQ:AMMD) and Caldera Medical, Inc. today announced that they have entered into a settlement and cross-license agreement. AMS filed suit against Caldera in November 2005 claiming that Caldera infringed on certain patents related to treating stress urinary incontinence. The companies have entered into a restricted, royalty bearing cross-license agreement that covers a broad intellectual property portfolio of both incontinence and prolapse technologies, allowing each company to focus upon providing solutions to patients. The cross-license restriction relates to the ability for the companies to protect the uniqueness of their products. AMS has subsequently dismissed the suit.

"Caldera is deeply committed to the pelvic health market," said Caldera Medical CEO Bryon L. Merade, adding, "This transaction with AMS allows us to accelerate the pace of our research and development programs specifically focused on making life better for millions of men and women."

Ross A. Longhini, Chief Operating Officer of American Medical Systems, commented, "AMS is proud of its rich history of providing innovative solutions for men and women seeking pelvic health solutions. We also aggressively protect our product and surgical treatment innovations through the use of our vast portfolio of intellectual property. Our agreement with Caldera represents our commitment to both issues."

American Medical Systems

American Medical Systems, headquartered in Minnetonka, Minnesota is a diversified supplier of medical devices and procedures to cure erectile dysfunction, benign prostatic hyperplasia, incontinence, menorrhagia, prolapse and other pelvic disorders in men and women. These disorders can significantly diminish one's quality of life and profoundly affect social relationships. In recent years, the number of people seeking treatment has increased markedly as a result of longer lives, higher quality-of-life expectations and greater awareness of new treatment alternatives. American Medical Systems' products reduce or eliminate the incapacitating effects of these diseases, often through minimally invasive therapies. The Company's products were used to provide approximately 170,000 patient cures in 56 countries during 2005.

More information about the Company and its products can be found at its website www.AmericanMedicalSystems.com and in the Company's Annual Report on Form 10-K for 2005 and its other SEC filings.

About Caldera Medical

Caldera Medical is dedicated to bringing innovative medical devices to the marketplace. Caldera focuses exclusively on differentiated, high-impact products across the gynecology, urology, and urogynecology specialties.

Caldera Medical is a privately held company located in Agoura Hills, California. For more information, please visit Caldera's website at www.CalderaMedical.com.

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