

News From



Phase One Clinical Trial Initiation and \$1.4 Million NIH STTR Grant

Cleveland Cell-Therapy Start-up Among the First to Target Heart Disease with Stem Cell Treatments

For Release: Immediate

Cleveland, OH, January 19, 2006 -- Arteriocyte, Inc., a Cleveland-based company developing proprietary stem cell-based therapies for the treatment of vascular diseases, announced it has initiated its Phase I clinical trial to evaluate the safety of adult derived hemangioblasts (stem cells) to treat chronic ischemia, a serious form of heart disease. The company also announced receipt of a Small Business Technology Transfer (STTR) grant totaling \$1.4 million that will fund the Phase I trial.

The study is one of the first clinical trials in the United States to evaluate the safety of delivering adult derived hemangioblasts through a catheter into the coronary arteries of patients suffering from a condition in which one or more of the primary arteries supplying blood flow to the heart are clogged. The method was developed by Mary Laughlin, M.D., a hematologist and Vincent Pompili, M.D., a cardiologist, both of Case Western Reserve University and University Hospitals of Cleveland. The study will involve ten patients who are not candidates for existing treatments such as angioplasty or stent placement.

"We are pleased to start this important clinical evaluation of this potential therapy," said Arteriocyte CEO Don Brown. "Heart disease is a leading cause of morbidity in America and around the world. Currently, about five million people in the U.S. have heart failure and the number is growing. While there are some many effective treatments available, there is still a significant need for additional approaches, and based on research to date, the use of adult stem cells may prove to provide regenerative benefit for these patients ."

"Traditionally, physicians have been able to prevent heart attack or alleviate its after-effects, but they have not figured out how to initiate the sort of blood vessel repair that remains a key to survival," noted Dr. Laughlin. "Now there is promise of achieving that repair by infusing highly selected marrow stem cells."

The study, which began earlier this month, is led by Dale Adler, M.D., vice chair of Cardiology at University Hospitals. The Harvard Clinical Research Institute (HCRI) has been retained to help run the clinical event reporting for study.

About Arteriocyte

Arteriocyte, Inc. is an early-stage biotech company based in Cleveland, Ohio that is developing proprietary stem cell based therapies targeted for the treatment of ischemia in patients suffering from coronary artery disease, peripheral vascular disease, stroke, and renal ischemia. The Company

was founded in January of 2004 and is based upon more than four years of NIH-sponsored research utilizing stem cells to stimulate angiogenesis (new vessel growth).

Arteriocyte's development program is focused on creating cellular therapies that will trigger new blood vessel growth to relieve ischemia in patients who suffer from insufficient blood flow to their organs and tissues. Arteriocyte's scientists have identified and conducted extensive research on vascular delivery of defined combinations of stem cells to ischemic tissue, and while their research has utilized stem cells from a variety of sources, Arteriocyte's ultimate goal is to develop umbilical cord blood - a rich source of stem cells - as the basis for the company's future cellular medicines.

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