



NIH Awards \$310,000 Grant to Arteriocyte and Cleveland Clinic for Eye Disease Research

National Eye Institute chooses Arteriocyte and Cleveland Clinic to investigate novel treatment methods to inhibit diabetic retinopathy and eye disease

Cleveland, OH, October 1, 2007 -- Arteriocyte, Inc., a leading clinical stage biotechnology company developing cellular therapies for ischemic diseases, announced today the successful award of a \$310,000 National Institute of Health grant to evaluate its cellular therapy product (ACY001) as a potential treatment for diabetic retinopathies in collaboration with researchers at Cleveland Clinic. The award was made by the NIH Eye Institute as a part of the Small Business Technology Transfer (STTR) program.

The planned research, in collaboration with the Cleveland Clinic Cole Eye Institute, is aimed at treating one of the underlying causes of diabetic retinopathy—hypoxia resulting from vaso-obliteration—reduced blood flow due to blood vessel loss. “Our research efforts will focus on what role Arteriocyte’s cell therapy may play in preventing the initial vaso-degenerative phase of this disease” said principal investigator Bela Anand-Apte, MBBS, Ph.D., Associate Professor at the Cleveland Clinic Lerner College of Medicine, who will lead the research.

According to the American Academy of Ophthalmology, diabetic retinopathy constitutes the leading cause of blindness among working Americans, with estimated numbers approaching 8 million patients in the United States alone. Prevalent in diabetic patients, retinopathies often occur when vascular disease stunts existing blood vessel growth, often leading to blindness. Unfortunately, traditional therapies have historically failed to prevent retinal pathologies from developing.

Dr. Anand-Apte’s team is part of the Cleveland Clinic Cole Eye Institute which is ranked as one of the top eye care departments in the country and provides outstanding resources for clinicians and researchers seeking to treat major eye complications including macular degeneration, diabetic retinopathy, glaucoma, and pediatric eye disorders. The Institute is designated as a Wright Center for Innovation with support from the State of Ohio’s Third Frontier Project. John Griffin, Director of the Technology Division at the Ohio Department of Development said, “Arteriocyte’s award is another example of cutting edge medical research taking place at leading research institutions right here in our state.”

"We are thrilled to have the NIH’s support in Arteriocyte’s efforts to further translate our cellular therapies into disease categories with significant unmet medical need. The National Eye Institute’s vote of confidence provides validation for our cellular therapy research and stresses the importance of continuing to develop this potential therapy," said Arteriocyte CEO Don Brown. "This grant provides an opportunity to better understand the effects on treating retinal neovascular disease with a cellular therapy designed to improve blood flow”.

About Arterioocyte

Arterioocyte, a clinical stage biotechnology company located in Cleveland, Ohio and Hopkinton, Massachusetts, is developing proprietary, non-embryonic stem cell-based therapies targeted for the treatment of ischemia. The Company spun out of Case Western Reserve University in 2004 and is based upon significant research utilizing stem cells to stimulate angiogenesis (new vessel growth). Arterioocyte's ultimate goal is to develop cellular therapies using multiple sources of adult derived stem cells (marrow, peripheral and cord blood) to treat diseases where ischemia is the cause or contributing factor in the disease progression.

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