

ARTERIOCYTE

Arterioocyte
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Arterioocyte Receives \$509,000 Grant from Cleveland Clinic's Global Cardiovascular Innovation Center

Cleveland, OH, January 15, 2008 – Arterioocyte, a clinical stage biotechnology company developing stem cell therapies for ischemic diseases, has received a \$509,000 subgrant award to further the development of its technology. The funding, received as part of a \$60 million Third Frontier award to the Cleveland Clinic-led Global Cardiovascular Innovation Center (GCIC) initiative, will allow Arterioocyte to initiate Phase II clinical evaluation of its lead stem cell product to be used in chronic coronary ischemia.

GCIC is a multi-institutional initiative that includes major research institutions in Ohio including Cleveland Clinic, Case Medical Center, The Ohio State University, University of Cincinnati and University of Toledo. Arterioocyte is one of 12 Ohio companies participating as research partners under subcontract to Cleveland Clinic in the GCIC project.

"We are pleased to be collaborating with the Cleveland Clinic to advance cardiovascular technology development and commercialization," said Donald Brown, Arterioocyte's Chairman. "As Arterioocyte prepares to enter Phase II clinical evaluation of our lead stem cell therapy (ACY001), the Third Frontier support and collaboration with Cleveland Clinic's GCIC will help to accelerate our entry into the company's next stage of clinical development."

"Through Ohio's Third Frontier Project, substantial investments have been made that are contributing to the growth of the State's bioscience industry," said Lt. Governor Lee Fisher, who also serves as a Director of the Ohio Department of Development and the Chair of the Third Frontier Commission. "Arterioocyte is on an accelerated path to success, capitalizing on those investments and the preeminence of Northeast Ohio's cardiovascular research and clinical capabilities exemplified by the Cleveland Clinic."

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, based on technology developed at Case Western Reserve University and University Hospital's Case Medical Center, 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 a contributing factor in the disease progression. In October 2007, Arterioocyte partnered with DW Healthcare Partners and Comerica to create Arterioocyte Medical Systems inc., in order to develop and acquire novel medical devices and point of care surgical solutions to improve patient

outcomes. Arteriocyte Medical Systems recently announced a broad Strategic Partnership with Medtronic, including the acquisition of the Magellan Platelet Business and a worldwide exclusive distribution agreement in the Cardiac Surgery Market that includes promotion by 80 representatives spread throughout North America and Europe for the Magellan system, which is in over 400 surgical centers worldwide.

About the Third Frontier Project

Governor Taft unveiled The Ohio's Third Frontier Project in February 2000 which is the state's largest-ever commitment to expanding Ohio's high-tech research capabilities and promoting innovation and company formation, while creating high-paying jobs for generations to come. The 10-year, \$1.6 billion initiative is designed to build world-class research capacity, support early stage capital formation and the development of new products, and finance advanced manufacturing technologies to help existing industries become more productive. Through Ohio's Third Frontier Project, additional federal and private sector support can boost the total investment to more than \$6 billion.

About GCIC

The Global Cardiovascular Innovation Center (GCIC) is a \$250 million research and product development consortium established by the Cleveland Clinic to significantly accelerate the commercialization of cardiovascular products. Led by Steve Nissen, M.D, the GCIC is enlisting a team of national leaders in cardiovascular (CV) research, technology development, and investing. The GCIC has been seeded with a \$60 million grant from the State of Ohio.

About Cleveland Clinic

Cleveland Clinic, located in Cleveland, Ohio, is a not-for-profit multispecialty academic medical center that integrates clinical and hospital care with research and education. Cleveland Clinic was founded in 1921 by four renowned physicians with a vision of providing outstanding patient care based upon the principles of cooperation, compassion and innovation. *U.S. News & World Report* consistently names Cleveland Clinic as one of the nation's best hospitals in its annual "America's Best Hospitals" survey. Approximately 1,800 full-time salaried physicians and researchers at Cleveland Clinic and Cleveland Clinic Florida represent more than 100 medical specialties and subspecialties. In 2006, there were 2.9 million outpatient visits to Cleveland Clinic. Patients came for treatment from every state and from more than 80 countries. There were nearly 54,000 hospital admissions to Cleveland Clinic in 2006. Cleveland Clinic's Web site address is www.clevelandclinic.org.

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