



## **Athersys and CSCRM Receive Grant Funding to Support Research Into Novel Stem Cell Treatment of Spinal Cord Injury**

CLEVELAND, Jun 25, 2010 (GlobeNewswire via COMTEX News Network) -- Athersys, Inc. (Nasdaq:ATHX) and its collaborators, including the Center for Stem Cell and Regenerative Medicine (CSCRM) and Case Western Reserve University (CWRU), announced today that they have been awarded \$1 million through the Ohio Third Frontier Biomedical Program to support research into the treatment of spinal cord injury (SCI) with MultiStem(R), Athersys' proprietary stem cell product candidate. The project is intended to advance preclinical and translational research involving the use of MultiStem as a treatment for damage associated with SCI.

Athersys and a team of CWRU researchers led by Dr. Jerry Silver, a leading neuroscientist, have demonstrated that MultiStem reduces the inflammation that occurs following spinal cord injury and supports neuronal growth. Work presented by Dr. Silver and members of his research team at recent scientific conferences including the International Society for Stem Cell Research 8th Annual Meeting showed that in preclinical models of SCI MultiStem suppressed the neuroinflammation which results in additional axonal damage following such neurological injury. In addition, Dr. Silver's work also provides evidence that MultiStem inhibits axonal "dieback" normally observed following SCI and promotes the re-growth of the axons following injury. Results from preclinical research conducted in other labs exploring the effects of administering MultiStem in treating other types of neurological injury, such as ischemic stroke and traumatic brain injury, show similar benefits.

The treatment of spinal cord injuries and related paralysis and disability is an unmet medical condition of significance in the United States and globally. According to a study by the Christopher and Dana Reeve Foundation, more than 1.2 million Americans have had spinal cord injuries. Direct medical costs associated with treating SCI patients can be substantial, especially for those with severe injury.

"Spinal cord injury is a devastating condition, and our research with Athersys suggests that MultiStem has strong potential to help these patients," said Dr. Jerry Silver, professor of Neuroscience at Case Western Reserve University. "The effects following administration of these remarkable cells after spinal cord injury in simultaneously preventing axonal dieback and stimulating nerve fiber sprouting are as strong as I have ever seen."

"We are excited by the preclinical results observed to date and the possibility that MultiStem may be able to help people suffering from spinal cord injury," said William B.J. Lehmann, president and COO of Athersys. "We look forward to working with scientists and clinicians at Case Western and the Cleveland Clinic to further develop this program and evaluate the potential for clinical entry in treating SCI. This collaborative effort is consistent with our strategy of working with leading scientists and clinical collaborators to evaluate the potential of MultiStem for multiple diseases and conditions, and also highlights the innovative translational work being conducted at CSCRM."

### **About MultiStem**

MultiStem is a patented and proprietary cell therapy product consisting of a special class of stem cells that are obtained from the bone marrow or other tissue sources of healthy, consenting adult donors, and which have the demonstrated ability to produce a range of factors, as well as form multiple cell types. MultiStem appears to promote tissue repair and healing in multiple ways, such as through the production of multiple therapeutic factors produced in response to signals of inflammation and tissue damage. Athersys believes that MultiStem represents a unique "off-the-shelf" stem cell product based on work that demonstrates the ability to deliver multiple mechanisms of therapeutic benefit, administration of the product without tissue matching or immunosuppression, and its capacity for large-scale production. Athersys has forged strategic partnerships with Pfizer to develop MultiStem for Inflammatory Bowel Disease (IBD) and with Angiotech to develop MultiStem in acute myocardial infarction (AMI) and other cardiovascular indications. In 2008 Athersys was awarded the Frost & Sullivan North American Product Innovation of the Year Award for MultiStem, which cited the product as having best-in-class potential among stem cell and regenerative medicine technologies.

### **About Athersys**

Athersys is a clinical stage biopharmaceutical company engaged in the discovery and development of therapeutic product

candidates designed to extend and enhance the quality of human life. The Company is developing MultiStem(R), a patented, adult-derived "off-the-shelf" stem cell product platform for multiple disease indications, including damage caused by myocardial infarction, bone marrow transplantation and oncology treatment support, ischemic stroke, and inflammatory bowel disease. The Company is also developing a portfolio of other therapeutic programs, including orally active pharmaceutical product candidates for the treatment of metabolic and central nervous system disorders, utilizing proprietary technologies, including Random Activation of Gene Expression (RAGE(R)). Athersys has forged several key strategic alliances and collaborations with leading pharmaceutical and biotechnology companies, including Pfizer, Angiotech and Bristol-Myers Squibb, as well as world-renowned research institutions in the United States and Europe to further develop its platform and products.

The Athersys, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=4548>

#### About the Center for Stem Cells and Regenerative Medicine

The Center for Stem Cell and Regenerative Medicine (CSCRM) is a multi-institutional center composed of over 100 investigators from Case Western Reserve University, University Hospitals Case Medical Center, the Cleveland Clinic, Athersys, Inc., and Ohio State University. Building on the 30 year history of adult stem cell research in northeast Ohio, the Center was created in 2003 with a \$19.4 million award from the State of Ohio as a Wright Center of Innovation. An additional \$8 million award in 2006 from the State of Ohio's Biomedical Research and Commercialization Program further validated the Center's ability to achieve its mission to utilize human stem cell and tissue engineering technologies to treat human disease. In 2009, \$5 million was awarded by the Ohio Third Frontier Program to continue the commercialization of new stem cell and related technologies. Since its inception, CSCRM affiliated investigators have advanced more than 70 stem cell and regenerative medicine programs into clinical trials, and CSCRM partners have attracted more than \$300 million in funding.

#### Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. We have attempted to identify forward-looking statements by using such words as "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "should," "will," or other similar expressions. These forward-looking statements are only predictions and are largely based on our current expectations. A number of known and unknown risks, uncertainties, and other factors could affect the accuracy of these statements. Some of the more significant known risks that we face are the risks and uncertainties inherent in the process of discovering, developing, and commercializing products that are safe and effective for use as human therapeutics, including the uncertainty regarding market acceptance of our product candidates and our ability to generate revenues, including MultiStem for the treatment of Inflammatory Bowel Disease or other indications. These risks may cause our actual results, levels of activity, performance, or achievements to differ materially from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. You should not place undue reliance on forward-looking statements contained in this press release, and we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

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