



Arterioocyte Medical Systems, Inc.
For Immediate Release:
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Arterioocyte Medical Systems Forms Strategic Partnership with Medtronic including Acquisition of the Magellan Platelet Rich Plasma Business

Cleveland, OH, November 8, 2007 – Arterioocyte Medical Systems announced today that the company has struck a Strategic Partnership with Medtronic that includes the acquisition of the Magellan Platelet Business, a worldwide exclusive distribution agreement in the Cardiac Surgery Market for the next five years, and a manufacturing services agreement for the Magellan products. Medtronic's Cardiac Surgery sales force includes 80 representatives spread throughout North America and Europe and has placed the Magellan system in over 400 surgical centers.

The Magellan System, a one-source biologic concentrator and delivery system, collects and concentrates platelets and white blood cells from a small volume of a patient's own blood, providing a readily accessible supply of plasma that serves as a foundation for autologous platelet gel. The Magellan System presents a significant opportunity to accelerate wound healing and reduce infection in cardiac surgery, plastic and reconstructive surgery, orthopedics and vascular surgery.

"The acquisition positions our company to capitalize on the convergence of medical device and biologic delivery for patients, further differentiating our cellular therapy strategy" said Don Brown, Chief Executive Officer for Arterioocyte Medical Systems. "The Magellan System is the best platelet separation technology available, and Medtronic has developed the Magellan brand into a leader in Cardiac Surgery. We are excited to continue the development and rapid growth of the Magellan brand including expansion into markets beyond Cardiac Surgery."

Scott Ward, President of Medtronic's CardioVascular business added "We are pleased to partner with Arterioocyte Medical Systems. We believe the Magellan technology has the potential to benefit thousands of patients."

Financing for the transaction was provided by DW Healthcare Partners, and Comerica Bank's Technology and Life Sciences Division.

Roberts Mitani, LLC acted as investment banker for Arterioocyte Medical Systems.

About Arterioocyte Medical Systems

Arterioocyte Medical Systems, Inc. was created in 2007 by DW Healthcare Partners and Arterioocyte, Inc. to develop and acquire novel medical devices and point of care surgical solutions to improve patient outcomes. Arterioocyte, a clinical-stage stem cell company, develops cellular therapies using multiple sources of adult derived stem cells (marrow, peripheral blood and umbilical cord blood) to treat diseases where ischemia is the cause or a contributing factor in the disease progression. The company is based on technology developed at Case Western Reserve University and University



Hospital's Case Medical Center, and is a partner of the National Center for Regenerative Medicine, also based in Cleveland.

About DW Healthcare Partners

DW Healthcare Partners is a leading private equity firm focused exclusively on the healthcare industry. DW has over \$200 Million under management and is led by five seasoned healthcare executives with more than 100 years of combined industry experience. DW provides the capital, strategic guidance and acquisition expertise to accelerate the growth of leading healthcare products and businesses with proven management teams. DW has invested in numerous life science companies, and has successfully leveraged the extensive research, operating, and financial expertise and experience of its team of investment professionals. DW's current portfolio investments include Pentec Health, Hill Top Research, Tandem Labs, Verathon, and Genesis Technology Partners.

About Medtronic

Medtronic, Inc. (www.medtronic.com), headquartered in Minneapolis, is the global leader in medical technology – alleviating pain, restoring health, and extending life for millions of people around the world.

About Comerica Bank's Technology and Life Sciences Division

Comerica Bank's Technology and Life Sciences Division is one of the nation's leading technology banking practices, offering a wide range of financial services tailored to corporate customers, entrepreneurs and professionals. Veteran bankers provide credit and financial services and products to young, growing, professionally backed technology and life sciences companies, as well as their more mature counterparts. The Technology and Life Sciences Division serves all major U.S. technology centers from offices coast-to-coast and its headquarters in Palo Alto, Calif. Comerica Bank is a subsidiary of Comerica Incorporated (NYSE: CMA), a financial services company based in Dallas that is among the 20 largest U.S. banking companies, with \$60 billion in assets at June 30, 2007. For more information, visit www.comerica.com.

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