

## Press Release

### STEM CELL SCIENCES IMPLEMENTS STRATEGIC REORGANISATION ("SCS", "THE COMPANY")

15<sup>th</sup> February 2008

Stem Cell Sciences plc (AIM:STEM, ASX:STC) today announced the implementation of a comprehensive restructuring programme, designed to improve financial, operational and growth performance, as well as provide a greater focus on its commercialisation efforts in the application of stem cell technologies. These initiatives are the result of a strategic review that the Board, in conjunction with the new CEO Dr Alastair Riddell, commenced in 2007.

#### Highlights:

- Driving revenue growth by accelerating commercialisation activities and leveraging the company's intellectual property position
- Consolidating commercial operations and all senior management into existing and expanded facilities in Cambridge, UK
- Closing of facilities in Edinburgh, UK
- Streamlining of operations in Melbourne, Australia to become a centre for research excellence

#### **Driving Revenue Growth**

With historical leadership in stem cell technology, SCS is in a prime position to take advantage of the growing need by the pharmaceutical industry for an automated, scalable supply of high quality cell lines for drug research. SCS intends to increase its business development efforts in this potentially lucrative market opportunity. In addition, SCS will initiate a programme to realise full commercial value of its existing intellectual property portfolio through the signing of a series of non-exclusive licenses.

#### **Streamlining of Operations**

SCS is in the process of moving into expanded laboratory and administration facilities on the Babraham Research Campus in Cambridge, UK, immediately adjacent to their existing facility. These new premises will become the operational headquarters from March 1<sup>st</sup>, housing all administrative and operational functions as well as all senior management, including Dr Alastair Riddell, the company's recently appointed CEO. The Cambridge site is already home to SCS' pharmaceutical services division, which the company believes will be a key driver of future growth for the company.

The Company will close its Edinburgh, UK, operations due to take place by the end of April 2008. All employees have been offered positions in Cambridge but it is expected that some will opt not to move and these will be made redundant.

The facility in Melbourne, Australia, will now fully concentrate on advancing pioneering stem cell research, such as the advances being made with rat embryonic stem (ES) cells.

## **Managerial Changes**

As part of the restructuring, several members of the management team have decided not to relocate with the company. These include Executive Directors Dr Peter Mountford, Chief Technology Officer (Australia) and Hugh Ilyine, Vice President and Chief Operations Officer (Edinburgh). Dr Mountford will remain with the Company as a Non-Executive Director and consultant specifically to evaluate new strategic growth opportunities.

In addition, the Finance Director and Company Secretary, Sue Furber, has elected not to relocate. She will be replaced by Mr Giorgio Reggiani, who will act as interim Finance Director and Company Secretary. Mr Reggiani is a Chartered Management Accountant with extensive senior financial managerial experience. He currently also serves as Finance Director at Sareum Holdings plc.

"This restructuring will provide the basis of a new, more commercially-orientated Stem Cell Sciences. We believe we have the people, the products and technological understanding to play a key role in the growing stem cell research market. These changes provide increased operational efficiency and place us in a better position to deliver shareholder value," commented Dr. Alastair Riddell, Chief Executive Officer of SCS.

- Ends -

### **For further information, please contact:**

#### **Stem Cell Sciences plc**

Alastair Riddell CEO  
01223 499160

#### **Halsin Partners**

Michael Sinclair, Director  
020 7084 5955

#### **Talk Biotech (Australia)**

Fay Weston  
+61 4 2220 6036

### **Notes to Editors**

Stem Cell Sciences plc (SCS, AIM:STEM, ASX:STC) is a leading provider of cells and cell culture media to the burgeoning stem cell research market. The successful application of stem cells in both research and clinical applications is reliant on the reproducible supply of pure, fully characterised stem cells and stem cell-derived specialised cells such as nerves and muscle. By providing these products, to the life sciences industry and academia for use in basic research and drug discovery, Stem Cell Sciences has multiple potential revenue streams.

Stem Cell Sciences has multiple industry collaborations, including Millipore Corporation for the marketing and distribution of HEScGRO™, its serum free media for the growth of human embryonic stem cells and Merck & Co for the use of mouse neural stem cell technology for research applications. It recently announced deals with a major pharmaceutical company in the field of diabetes research and with the Myelin Repair Foundation in the USA in neurological research.

To access cutting edge technologies on a rapid and on-going basis, Stem Cell Sciences has built an exceptional network of highly interactive collaborations with academic centres of excellence in the stem cell field. These collaborations have been the source of our founding technologies and continue to provide an expanding pipeline of products and intellectual property that are central to the Company's strategy and success.

For further information on the company please visit: [www.stemcellsciences.com](http://www.stemcellsciences.com).