

For Immediate Release

CyGenics Expands into Revenue Generating Clinical Cell Therapy

Key Points:

- Takes 20% stake in Pharmacell, with option to purchase 100%
- Establishes European presence and develops into integrated global cell therapy company
- Revenue expansion and product/service leveraging through Pharmacell's cGMP manufacturing of cellular products
- Pharmacell currently supporting Phase II/III clinical trials for heart tissue repair technology

5th June 2006 – Leading stem cell therapy company CyGenics Ltd. (ASX: CYN) today formally completed its strategic investment of an initial 20% stake in Dutch-based Pharmacell BV, with an option to purchase the remaining 80% at a later date.

As announced in April, an investment in Pharmacell enables access to a Food and Drug Administration approved Good Manufacturing Practices (cGMP) facility, positioning CyGenics as a vertically-integrated cell therapy group. CyGenics now offers:

- Cell therapy manufacturing services – Pharmacell
- Cell and tissue banking services – CordLife and BioCell
- Cell-based therapeutic products and cell growth device products – CytoVations and Cytomatix

Pharmacell generates revenue through the out-licensed use of its cGMP facility. It has ongoing collaborations with a number of companies, including Bioheart, a cell therapy company based in Florida that focuses on the treatment of cardiovascular diseases. PharmaCell's cGMP facility in Maastricht is producing skeletal myoblast cells for heart patients, prior to their insertion back into the patient's heart. The results have been promising and Phase III trials are planned, after which it is expected that this technology will enter into widespread use globally. Heart attack is today one of the world's leading causes of death, with some 7.2 million fatalities in 2003, according to a World Health Organization report.

In a ceremony witnessed in Maastricht by Mr Martin Eurlings, Deputy Commissioner of the Province of Limburg, the deal was signed by Pharmacell CEO, René Lardenoije, and CyGenics' Group CEO, Steven Fang. This investment and partnership strengthens CyGenics' focus on developing cell therapies with potential worldwide applicability.



“CyGenics, with its investment in Pharmacell, is repositioning itself as an integrated cell therapy company, one of the first such companies in the world,” said Mr Fang. “With the range of services and products CyGenics can now offer, combined with its presence in four continents, the company is now ideally positioned to focus on cellular-based healthcare solutions.”

The CyGenics group includes tissue banking services companies CordLife in Asia, and BioCell in Australia, both of which are generating significant revenues from cord blood banking. This stored tissue will provide the source material for future cell therapies, as well as the material for research purposes from donated cord blood samples.

The group also comprises CytoVations in the US; among its offerings are the group’s patented cellular expansion and artificial thymus technology. Its research arm, Cytomatrix, continues to develop these core technologies with key partners, such as Johns Hopkins University. Pharmacell will provide a platform to continue the development of the technologies, as well as other cell therapy solutions with potential partners, particularly in Europe.

“CyGenics, a globally focussed company, now has a European arm,” said Mr Lardenoije. “Pharmacell, which is well placed in Europe, together with CyGenics, is now in a stronger managerial, financial, and technological position to drive more clinical trials towards cell therapies. It is our hope that in the near future, with initiatives such as that with Bioheart, we will be able to help save many lives around the world.”

About CyGenics Ltd

CyGenics is a cell therapy services company focused on the development and commercialisation of adult stem cell-related products, services, applications and technologies. From its headquarters in Australia, CyGenics operates five subsidiaries: Singapore-based CordLife and Australia-based BioCell (tissue banking services, in particular, cord blood banking), Cell Sciences (consumable cell culture products), Cytomatrix (cell therapeutics and technology development), and CytoVations (new product development), both based in New Jersey, USA. CyGenics is listed on the Australian Stock Exchange, under the symbol CYN. For more information, please visit www.cygenics.com.

About PharmaCell BV

PharmaCell is a Life Science company providing know-how and resources for product and process design combined with GMP manufacturing in its own facility. PharmaCell is located in the Biopartner Center Maastricht and, therefore, can take advantage of an extensive network to mediate in R&D, financing and housing requirements of the clients. Close cooperation with the Maastricht University and the associated Academic Hospital gives PharmaCell the unique capability to provide support and/or partnership to R&D companies to bring new products from the lab into the clinic.



For more information, please contact

General Inquiries

Steven Fang, Group CEO, CyGenics Ltd Ph : +61 (0)400 933 243 Email: steven.fang@cygenics.com	Ian Brown, COO, CyGenics Ltd Mob: +61 (0)438 565 212 Email: ian.brown@cygenics.com
--	--

Media Inquiries

Rebecca Piercy, Buchan Consulting Ph: +61 (0)2 9287 2800 Mob: +61 (0)422 916 422 Email: rpiercy@bcg.com.au	Ronald Hee, CyGenics Ltd Ph: +65 6238 0808 Mob: +65 9061 9098 Email: ronald.hee@cygenics.com
---	---