



## **Cytomedix Second Quarter Financial Results Feature Product Sales Up 72% Over First Quarter**

**ROCKVILLE, Md. (August 10, 2009)** – Cytomedix, Inc. (NYSE Amex: GTF) (“the Company”), a leading developer of biologically active regenerative therapies for wound care, inflammation and angiogenesis, today reported financial results for the three and six months ended June 30, 2009.

Financial highlights for the second quarter of 2009 include the following (all comparisons are with the second quarter of 2008):

- Total revenues of \$569,000, up 33%
- Royalty revenue of \$496,000, up 24%
- Product sales of \$73,000, up 165%
- Gross margin of 79%, up from gross margin of 75%
- Net loss to common stockholders of \$891,000 or (\$0.03) per share, compared with a loss of \$1.25 million or (\$0.04) per share

Highlights of the second quarter of 2009 include:

- Publication in *WOUNDS* of a paper entitled, “Double impact: Synergism in using Negative Pressure Wound Therapy (NPWT) with alternated applications of Autologous Platelet Derived Growth Factors in treating post acute surgical wounds,” which demonstrated the AutoloGel™ System can be used effectively in combination with other widely used wound care therapies such as NPWT.
- Two clinical posters demonstrating positive outcomes of the AutoloGel™ System in challenging chronic wound patients were presented at the 22<sup>nd</sup> Annual Symposium on Advanced Wound Care and Wound Healing Society (SAWC/WHS) Meeting.
- Subsequent to the close of the quarter Cytomedix filed a 510(k) application with the U.S. Food and Drug Administration for the Cytomedix Platelet Separation System for use in orthopedic applications.

Commenting on the quarter’s results, Martin P. Rosendale, Chief Executive Officer of Cytomedix, said, “We are especially pleased with the meaningful increase in product sales during the second quarter, up 165% from the prior year and up 72% from the first quarter, as this growth confirms early success with our strategic shift in commercialization tactics for AutoloGel™. While current dollar values are modest, the underlying positive momentum resulting from positive evaluation outcomes at numerous facilities and supportive feedback from well-regarded key opinion leaders in the wound care industry is quite positive and very encouraging.”

“This new sales and marketing campaign emphasizes the considerable clinical and scientific data that support the AutoloGel™ System and the positive patient outcomes it produces. Recent clinical publications and poster presentations further support these marketing efforts and we believe will help drive increased sales in the coming quarters,” he added.

## **Second Quarter Results**

Total revenues for the second quarter of 2009 were \$569,000 up 33% from total revenues of \$428,000 in the second quarter of 2008, reflecting higher royalty revenue and product sales. Product sales increased nearly three-fold to \$73,000 during the quarter from \$28,000 in the prior year primarily as a result of the Company’s revised sales and marketing campaign, which was launched in the first quarter of 2009. Royalty revenue of \$496,000 increased 24% from \$400,000 for the second quarter 2008.

Gross margin improved to 79% for the 2009 second quarter from 75% for the 2008 second quarter, driven by increases in the higher-margin royalty and product revenue, partly offset by a \$14,000 write-off of obsolete inventory in the second quarter of 2009.

Operating expenses decreased 17% to \$1.34 million from \$1.62 million in the year-ago second quarter. Salaries and wages declined 29% to \$639,000 from \$896,000 in the prior year, reflecting the accrual in 2008 of the net severance costs for the former CEO, partly offset by an increase in the number of employees and salaries in 2009. General and administrative expenses declined 23% to \$419,000 from \$543,000 in the prior year, primarily due to lower equity-based compensation, patent amortization, recruiting fees and various other expenses, partly offset by increased travel expenses and other general and administrative expenses.

The net loss to common stockholders for the second quarter of 2009 was \$891,000 or (\$0.03) per share, compared with a net loss to common stockholders of \$1.25 million or (\$0.04) per share reported for the second quarter of 2008.

## **Six Month Results**

Total revenues for the first six months of 2009 were \$1.11 million, up 5% from total revenues of \$1.06 million in the first six months of 2008 due to higher product sales, partially offset by lower royalty revenues. Product sales of \$115,000 increased 145% compared with \$47,000 in the first six months of 2008. Royalty revenue of \$993,000 declined 2% compared with \$1.01 million for the same period in 2008.

Gross margin for the first half of 2009 was 77%, up over 8 points from 69% in the first half of 2008. Operating expenses for the six months of 2009 decreased 11% to \$2.65 million from \$2.99 million reported for the six months of 2008.

The net loss to common stockholders for the first half of 2009 was \$1.79 million or (\$0.05) per share, compared with a net loss to common stockholders for the first half of 2008 of \$2.16 million or (\$0.07) per share.

Cash and cash equivalents as of June 30, 2009 were \$2.4 million, compared with \$4.0 million as of December 31, 2008. The Company used \$1.6 million in cash to fund operating activities during the first six months of 2009.

Additional information will be available in the Company's quarterly report on Form 10-Q, expected to be filed in the coming days.

## **About Cytomedix**

Cytomedix develops, sells and licenses regenerative biological therapies including the AutoloGel™ System, a device for the production of Platelet Rich Plasma ("PRP") gel derived from the patient's own blood. The AutoloGel™ System is cleared by the U.S. Food and Drug Administration ("FDA") for use on a variety of exuding wounds. The Company is pursuing a multi-faceted strategy to penetrate the chronic wound market with its AutoloGel™ System. The Company is also moving forward with the development of other product candidates in its pipeline. Most notably is its CT-112 product, an anti-inflammatory peptide, which has shown promise in preclinical testing. Additional information regarding Cytomedix is available at [www.cytomedix.com](http://www.cytomedix.com).

## **Forward-Looking Information**

Statements contained in this press release not relating to historical facts are forward-looking statements that are intended to fall within the safe harbor rule for such statements under the Private Securities Litigation Reform Act of 1995. The information contained in the forward-looking statements is inherently uncertain, and Cytomedix's actual results may differ materially due to a number of factors, many of which are beyond Cytomedix's ability to predict or control, including among others, the outcome of development or regulatory review of CT-112 or of the Company's premarket notification, commercial success or acceptance by the medical community, the Company's ability to market and capitalize on the AutoloGel opportunities in orthopedics, competitive responses and the Company's ability to execute in a timely fashion or at all upon the plan of compliance approved by the NYSE Amex. There is also no assurance that the Company's current capitalization will be sufficient to attain its goals, that future funding will be available to the Company on acceptable terms, or that the Company will ever be able to sustain itself from ongoing operations. These forward-looking statements are subject to known and unknown risks and uncertainties that could cause actual events to differ from the forward-looking statements. More information about some of these risks and uncertainties may be found in the reports filed with the Securities and Exchange Commission by Cytomedix, Inc. Cytomedix operates in a highly competitive and rapidly changing business and regulatory environment, thus new or unforeseen risks may arise. Accordingly, investors should not place any reliance on forward-looking statements as a prediction of actual results. Except as is expressly required by the federal securities laws, Cytomedix undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, changed circumstances or future events or for any other reason.

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