



## Cytomedix Reports First Quarter Financial Results

*Conference Call Begins Tuesday, May 18<sup>th</sup> at 10:00 a.m. Eastern Time*

**ROCKVILLE, Md. (May 17, 2010)** – Cytomedix, Inc. (NYSE Amex: GTF) (the “Company”), a leading developer of biologically active regenerative therapies for wound care, inflammation and angiogenesis, today announced financial results for the three months ended March 31, 2010.

Financial highlights for the first quarter of 2010 include the following (all comparisons are with the first quarter of 2009) and do not include any contribution from the recently acquired Sorin assets as the transaction closed after quarter end:

- Total revenues of \$179,000, down 67%
- Royalty revenue of \$115,000, down 77%
- Product sales of \$63,000, up 50%
- Gross product margin of 76%, down five percentage points
- Net loss to common stockholders of \$1.06 million or \$0.03 per share, compared with a net loss to common stockholders of \$895,000 or \$0.03 per share

Other highlights of the first quarter and recent weeks include the following:

- Acquired the Angel® Whole Blood Separation System (“Angel”) and activAT® Autologous Thrombin Processing Kit (“activAT”) from the Sorin Group for \$7 million in cash, to be paid in installments over the next two and one-half years. Together these products had sales of approximately \$5 million in 2009, of which more than 90% were from high-margin, single-use disposable products.
- Raised \$3.65 million (gross) in a private placement of securities through the issuance of convertible preferred stock and five-year warrants. The proceeds from this offering were used to fund the upfront payment of the Sorin asset purchase and also will be used for general corporate and working capital purposes.
- Delivered six poster presentations and one podium presentation highlighting the clinical merits of the Company’s AutoloGel™ System at the 23<sup>rd</sup> Annual Symposium on Advanced Wound Care and Wound Healing Society (SAWC/WHS).

“Our recent purchase of the Angel® and activAT® product lines from Sorin was a transformational event for Cytomedix. In addition to providing an established revenue stream, this highly accretive and synergistic acquisition expands our product offering in regenerative medicine and provides us with a truly best-in-class product for the surgical suite and other aseptic environments. The integration to date of these assets has been smooth as Sorin continues to be very supportive in the ongoing transition of the customer base to Cytomedix,” commented Martin P. Rosendale, President and CEO of Cytomedix. “We are pleased with the response our sales team is receiving from the field and with the positive affirmation we are hearing from customers regarding the Angel® product. We look forward to leveraging the multiple opportunities available through this transaction.”

Mr. Rosendale continued, “We were encouraged by the overwhelmingly positive response we received at this year’s SAWC meeting and were proud to present such a significant body of

clinical and scientific data in support of the ability of our AutoloGel System to meaningfully accelerate and enhance the body's own natural healing processes in a variety of exuding wounds and in a variety of patient settings. This growing body of clinical data continues to enhance our sales efforts and strengthen our position for reimbursement."

## **First Quarter Results**

Due to the November 2009 expiration of the patent underlying certain royalty agreements, total revenues for the first quarter of 2010 of \$179,000 were down 67% from \$539,000 in the first quarter of 2009 reflecting the lower royalty revenue somewhat offset by higher product sales. Product sales increased 50% to \$63,000 from \$42,000 in the prior year primarily as a result of the Company's continued success with its revised sales and marketing strategy, which was launched in the first quarter of 2009. Royalty revenue of \$115,000 decreased 77% from \$497,000 for the first quarter 2009 due to the expiration of the patent underlying our royalty agreements, with only final close-out adjustments being recorded in the first quarter of 2010.

Gross product margin was 76% for the 2010 first quarter, down from 81% for the 2009 first quarter largely the result of special one-time discounts on existing disposable kits as the Company prepares to introduce an enhanced version of these disposable kits during the current quarter.

For the first quarter of 2010, gross profit decreased 13% to \$353,000 from \$406,000 in the first three months of 2009 primarily the result of the decrease in royalty revenues. Cost of royalties in 2010 reflected a credit of \$189,000 due to final adjustments relating to the close-out of license agreements described above.

First quarter 2010 operating expenses increased 8% to \$1.41 million from \$1.30 million in the prior year first quarter due primarily to increased consulting fees associated with regulatory compliance and CMS reimbursement initiatives, and increased legal and accounting fees associated with the acquisition of the Angel® and activAT® products.

The net loss to common stockholders for the first quarter of 2010 was \$1.06 million or \$0.03 per share, compared with a net loss to common stockholders of \$895,000 or \$0.03 per share reported for the first quarter of 2009.

Cash and cash equivalents as of March 31, 2010 were \$1.23 million, compared with \$2.11 million as of December 31, 2009 and do not include the proceeds from the private placement described above. The Company used \$880,000 to fund operating activities during the first quarter of 2010.

For additional information, please refer to the Company's quarterly report on Form 10-Q, filed with the Securities and Exchange Commission on May 17, 2010.

## **Conference Call**

Cytomedix management will conduct a conference call to discuss these results and answer questions beginning at 10:00 a.m. Eastern time on Tuesday, May 18, 2010. Shareholders and other interested parties may participate in the call by dialing 866-356-4279 (domestic) or 617-597-5394 (international) and entering passcode 42765128. The call will also be broadcast live on the Internet at [www.streetevents.com](http://www.streetevents.com), [www.fulldisclosure.com](http://www.fulldisclosure.com) and [www.cytomedix.com](http://www.cytomedix.com).

A replay of the conference call will be accessible two hours after its completion through May 24, 2010 by dialing 888-286-8010 (domestic) or 617-801-6888 (international) and entering passcode 47837146. The call also will be archived for 90 days at [www.streetevents.com](http://www.streetevents.com), [www.fulldisclosure.com](http://www.fulldisclosure.com) and [www.cytomedix.com](http://www.cytomedix.com).

## About Cytomedix

Cytomedix is a biotechnology company that develops, sells, and licenses regenerative biological therapies, to primarily address the areas of wound care, inflammation, and angiogenesis. The Company currently markets the AutoloGel™ System, a device for the production of platelet rich plasma (“PRP”) gel derived from the patient’s own blood for use on a variety of exuding wounds; the Angel® Whole Blood Separation System, a blood processing device and disposable products used for separation of whole blood into red cells, platelet poor plasma and platelet rich plasma (“PRP”) in surgical settings; and the activAT® Autologous Thrombin Processing Kit, which produces autologous thrombin serum from platelet poor plasma. The activAT® kit is sold exclusively in Europe and Canada, where it provides a completely autologous, safe alternative to bovine-derived products. The Company is currently pursuing a multi-faceted strategy to penetrate the chronic wound market with its products. Cytomedix is also pursuing opportunities for the application of AutoloGel™ and PRP technology into other markets such as hair transplantation and orthopedics, as well as actively seeking complementary products for the wound care market. The Company also seeks to monetize other product candidates in its pipeline through strategic partnerships, out-licensing, or sale. Most notably is its anti-inflammatory peptide (designated “CT-112”) that has shown promise in pre-clinical testing. Additional information regarding Cytomedix is available at [www.cytomedix.com](http://www.cytomedix.com).

## Safe Harbor Statement

Statements contained in this communication 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, viability and effectiveness of the Company’s sales approach and overall marketing strategies, the outcome of development or regulatory review of CT-112, commercial success or acceptance by the medical community, competitive responses, the Company’s ability to raise additional capital and to continue as a going concern, and Cytomedix’s ability to execute on its strategy to market the AutoloGel™ System as contemplated, the Company’s ability to successfully integrate the Angel® and activAT® product lines into its existing business, to assume and satisfy certain liabilities related to the Angel® and activAT® product lines, or its ability to service the deferred payments related to the acquisition of the Angel® and activAT® product lines. 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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[Financial Tables to Follow]

**CYTOMEDIX, INC. BALANCE SHEET  
(Unaudited)**

	March 31, 2010	December 31, 2009
<b>ASSETS</b>		
Current assets		
Cash	\$ 1,227,949	\$ 2,107,499
Short-term investments, restricted	52,729	52,672
Accounts and royalties receivable, net	44,641	180,560
Prepaid expenses, inventory, and other current assets	202,831	166,731
	1,528,150	2,507,462
Property and equipment, net	75,653	84,623
	\$ 1,603,803	\$ 2,592,085
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<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,018,658	\$ 1,037,894
Dividends payable on Series A and Series B preferred stock	10,701	7,285
	1,029,359	1,045,179
Commitments and contingencies		
Stockholders' equity		
Series A Convertible preferred stock; \$.0001 par value, authorized 5,000,000 shares; 2010 and 2009 issued and outstanding - 97,663 shares, liquidation preference of \$97,663	10	10
Series B Convertible preferred stock; \$.0001 par value, authorized 5,000,000 shares; 2010 and 2009 issued and outstanding - 65,784 shares, liquidation preference of \$65,784	7	7
Series C Convertible preferred stock; \$.0001 par value, authorized 1,000,000 shares; 2010 and 2009 issued and outstanding - 0.0 shares	--	--
Common stock; \$.0001 par value, authorized 65,000,000 shares; 2010 and 2009 issued and outstanding - 37,273,628 shares	3,727	3,727
Additional paid-in capital	44,166,736	44,074,575
Accumulated deficit	(43,596,036)	(42,531,413)
	574,444	1,546,906
Total liabilities and stockholders' equity	\$ 1,603,803	\$ 2,592,085

**CYTOMEDIX, INC. STATEMENT OF OPERATIONS**  
**(Unaudited)**

	Three Months Ended March 31,	
	2010	2009
Revenues		
Sales	\$ 63,260	\$ 42,375
Royalties	115,474	496,762
Total revenues	178,734	539,137
Cost of revenues		
Cost of sales	14,937	8,054
Cost of royalties	(189,380)	124,933
Total cost of revenues	(174,443)	132,987
Gross profit	353,177	406,150
Operating expenses		
Salaries and wages	622,201	635,655
Consulting expenses	76,097	15,821
Professional fees	185,407	159,854
Research, development, trials and studies	64,491	79,193
General and administrative expenses	465,687	413,293
Total operating expenses	1,413,883	1,303,816
Loss from operations	(1,060,706)	(897,666)
Other income (expenses)		
Interest, net	(501)	6,830
Total other income (expenses)	(501)	6,830
Loss before provision for income taxes	(1,061,207)	(890,836)
Income tax provision	--	--
Net loss	(1,061,207)	(890,836)
Preferred dividend on:		
Series A preferred stock	2,033	1,877
Series B preferred stock	1,383	1,917
Net loss to common stockholders	\$ (1,064,623)	\$ (894,630)
Loss per common share --		
Basic and diluted	\$ (0.03)	\$ (0.03)
Weighted average shares outstanding --		
Basic and diluted	37,273,628	33,962,623

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