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EpiStem Well Placed to Move Forward in 2006.

LONDON, December 22 /PRNewswire/ -- EpiStem, one of the UK's leading stem cell research companies based in the Manchester science incubator, moves into 2006 with a much strengthened balance sheet following a private equity placing of GBP1.72 and the recognition by its peers of the leading edge technology platform for extracting and using adult epithelial stem cells for diagnostic and therapeutic purposes.

The company has that highly desired combination of a fully commercial cash generating business as well as a Novel Therapies Division both of which are based on the same core expertise and understanding of the biology and development of adult epithelial stem cells.

Adult stem cells are responsible for the healthy maintenance of all the major human organs and should not to be confused with embryonic stem cells. The failure of adult stem cells is directly associated with many intractable diseases. EpiStem specializes in the understanding of why epithelial stem cells go wrong and give rise to serious diseases from cancer and mucositis to bowel disease. Epithelial stem cells also play a role in wound healing and have a key role to play in tissue replacement. This means that EpiStem's Novel Therapies Division is developing products that will compete in multi billion pound markets that are poorly served by current therapies.

EpiStem is one of the country's leading adult stem cell companies and was recognised by its peers as the Biotechnology Company of the Year at the recent Northwest Biotechnology Awards organised by the Northwest Regional Development Agency. The award, sponsored by AstraZeneca, was given to EpiStem against very stiff competition from other established biotechnology companies in the region.

EpiStem's Clinical Research Organisation works with clients drawn from the pharmaceutical, biotechnology and cosmetics industries as well as academia. This business is cash generative and has historically provided the funding for the Novel Therapies Division. The CRO conducts pre-clinical trials to test the mechanism of action and efficacy of new drugs as they are prepared for clinical trials. In addition, EpiStem's novel plucked hair biomarker allows a non-invasive assessment of drug efficacy in the clinic. Importantly, EpiStem has developed new skin assays that support the cosmetics industry's move away from live animal testing.

EpiStem's business has grown rapidly, generating business around the World establishing the Company as a respected supplier of clinical services to industry.

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