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**BioE AND PHILLIPS PLASTICS TO DEVELOP AND COMMERCIALIZE  
STEM CELL THERAPEUTICS**

*Bio-device combinations to capitalize on opportunities within rapidly growing orthobiologics market*

**ST. PAUL, Minn. and PRESCOTT, Wisc. — May 21, 2007** — BioE<sup>®</sup>, Inc., a biomedical company that provides enabling, high-quality human stem cells for drug discovery and therapeutic research, and Phillips Plastics Corp.<sup>®</sup>, a custom injection molder with more than 40 years of experience in material science and a history of developing new and innovative technologies, announced today they entered into a collaborative agreement to develop and commercialize stem cell therapeutics for orthopedic applications.

These stem cell therapeutics will consist of BioE's highly functional proprietary Multi-Lineage Progenitor Cell<sup>™</sup> (MLPC<sup>™</sup>) stem cell derived from human umbilical cord blood and Phillips Plastics' patented and proprietary growth structures. In early development studies, the MLPC has differentiated into bone (osteoblasts) and cartilage (chondrocytes) progenitor cells, along with numerous other cell and tissue precursors. Phillips Plastics is developing custom structures to enhance the growth of these cells from the MLPC.

"The convergence of medical technologies in the form of bio-device combinations has enormous potential in the orthopedic sector," said Michael Haider, president and chief executive officer (CEO) for BioE. "We are pleased to partner with Phillips Plastics — which has significant experience in the medical manufacturing arena — to create stem cell therapeutics based on our MLPC. These therapeutics could lead to treatments for osteoporosis and bone fractures of the hip, spine, wrist, arm and leg, as well as remedies for injured or deteriorated joints throughout the body. We anticipate this application of the MLPC will be the first among many opportunities BioE will have to impact medicine via our rare cord blood derived stem cell."

Orthopedic conditions affect upwards of 75 million Americans annually, making it one of the largest and rapidly growing sectors of U.S. medicine. According to industry analysts, the specific stem cell market for orthopedic applications could exceed \$3 billion within the next 10 years, from less than \$100 million today.

"As the U.S. population ages and individuals become more active throughout their lives, the use of orthobiologics will be a key part of many future orthopedic treatment paradigms," said Robert Cervenka, founder and CEO of Phillips Plastics. "We are excited to formalize our relationship with BioE. The synergy between our products and intellectual property creates numerous avenues for developing additional therapeutics."

BioE will serve as the commercial arm of the partnership, and has the right to commercialize any combined technologies developed through the collaboration. Initially, BioE and Phillips Plastics will focus on developing combination products for strategic licensing.

**About BioE**

Headquartered in St. Paul, Minn., BioE is a biomedical company that provides enabling, high-quality human stem cells for drug discovery and therapeutic research. The company's novel Multi-Lineage Progenitor Cell™ (MLPC™) stem cell — derived from human umbilical cord blood and obtained using PrepaCyte®, the company's proprietary cell isolation platform — provides clinicians and researchers a flexible, long-term and non-controversial tool for therapeutic research and drug discovery and screening. BioE is privately owned and was founded in 1993. For more information about the company, please visit [www.bioe.com](http://www.bioe.com) or call (800) 350-6466.

**About Phillips Plastics**

Phillips Plastics Corporation is a high-tech custom injection molder of plastic and metal with annual sales of over \$250 million. The Company employs 1,600 people in 15 locations throughout the United States, including design centers in Wisconsin and California, and a medical campus with 176,000 square feet of FDA registered facilities dedicated to high volume medical and clean room manufacturing. Phillips Plastics provides complete services from concept design, rapid prototyping, and tooling through production, assembly, packaging and distribution to virtually every market.  
[www.phillipsplastics.com](http://www.phillipsplastics.com)

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