

FOR IMMEDIATE RELEASE

ACELL WINS AGAIN IN FEDERAL APPEALS COURT

*Federal Appeals Court Denies Cook Biotech's and Purdue Research Foundation's
Petition for Rehearing in ACell's Victory on Patent Infringement*

JESSUP, MARYLAND (October 19, 2006) - ACell, Inc., the owner of highly valued extracellular matrix (ECM) patents, along with co-defendants Dr. Stephen Badylak and Dr. Alan Spievack, today won another legal victory against Cook Biotech, Inc. (Cook) and Purdue Research Foundation (Purdue) when the Court of Appeals for the Federal Circuit denied Cook's and Purdue's Petition for Rehearing and Rehearing En Banc. In the Petition Cook and Purdue had requested both the original Federal Circuit three judge panel and the entire Federal Circuit Court to reconsider a detailed 29 page written opinion issued on August 18, 2006. In that opinion the three judge panel unanimously reversed a July 2005 finding against ACell of patent infringement, holding instead that ACell's product does not infringe Purdue's patent. The Federal Circuit is the federal court which specializes in patent law and provides guidance to federal district courts on patent law issues.

ACell's ECM is a graft material that can be implanted at the site of an injury or damaged tissue in order to stimulate a unique healing response. The graft attracts the body's own progenitor cells which have the potential to diversify into site specific tissues. Consequently, instead of the body's default healing mechanism of scar tissue formation, the body heals by remodeling with new tissue almost as if the injury had never occurred. Because ACell already has multiple Food and Drug Administration (FDA) approvals allowing its ECM to be placed in humans, the victorious conclusion of this litigation eliminates a major hurdle to the use of ACell's technology for solving a wide range of medical problems in various fields including orthopedics, cardiovascular, urology, gastrointestinal, general surgery and wound care.

"ACell's plan is to accelerate the development and commercialization of advanced medical therapies involving our unique ECM technology by partnering with leading companies in the life sciences industry," explained Jim DeFrancesco, ACell's CEO and President. "This litigation was the biggest impediment to our ability to finalize partnerships. The difference in the way we are being perceived within the industry now that these victories are behind us is remarkable. We are delighted to finally be receiving the attention that we always felt we deserved."

Miles Grody, ACell's Chief Operating Officer and General Counsel, commented "Cook and Purdue have had their day in court, and there can be no question now that ACell's technology is completely independent of the claims they have made. Despite extensive document reviews and depositions during this three year litigation they failed to raise any legitimate material issue of fact meriting a trial. This attempt by Cook and Purdue to deprive ACell of its proprietary technology has completely failed, and we are glad to have it behind us."

About ACell, Inc.

ACell, Inc. was incorporated in Delaware in June 1999 for the purpose of developing, manufacturing, and marketing products in the field of regenerative medicine. These tissue engineered products are based on naturally occurring ECM scaffolds. The Company's proprietary ECM technology changes the fundamental healing response by encouraging the body's own regenerative capabilities to repair tissues and restore them to natural health. ACell's business plan involves building strategic relationships with leading companies in the life sciences field to make valuable ECM products available across a broad range of medical applications.

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