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FOR IMMEDIATE RELEASE

**Aldagen Announces Publication of Mechanism of Action Data
For its Cardiovascular Cell Therapy Products**

- Publication in *Journal of Stem Cell Research & Therapy* supports the potential of Aldagen's cellular therapies to improve blood flow in ischemic tissues-

Durham, NC – November 16, 2011 – Aldagen, Inc. today announced that a paper describing the angiogenic properties of its cellular therapies was published in a special issue of *The Journal of Stem Cell Research & Therapy* entitled "Cardiovascular Cell Therapy."

The paper, entitled *Mechanisms of Action of Human Aldehyde Dehydrogenase Bright Cells in Therapy of Cardiovascular Diseases: Expression Analysis of Angiogenic Factors and Aldehyde Dehydrogenase Isozymes*, describes the multiple mechanisms by which Aldagen's cell therapy products promote formation of new blood vessels in ischemic tissues. These mechanisms include the expression of angiogenic genes encoding soluble growth factors, regulatory molecules and extracellular molecules that protect endothelial tubules from damage from hypoxia.

"This scientific paper outlines the various mechanisms whereby our cellular products may be useful in repairing ischemic damage in patients with cardiovascular disease. Data from the clinical trials completed to date in critical limb ischemia and ischemic heart failure has demonstrated a pro-angiogenic activity of our cellular therapies," said Lyle A. Hohnke, Ph.D., Chief Executive Officer of Aldagen. "We also believe this mechanism will be important in the repair and regeneration of ischemic stroke, which we are currently exploring in a Phase 2 trial."

About Aldagen

Aldagen is a clinical-stage biopharmaceutical company developing proprietary regenerative cell therapies. Our product candidates consist of a specific population of a patient's own stem cells, which are isolated using our proprietary technology and which we believe have the potential to promote the regeneration of multiple types of cells and tissues, including the growth of new blood vessels. Our initial focus is on developing product candidates to address cardiovascular disease. Our clinical stage cardiovascular product candidates are ALD-301 for the treatment of critical limb ischemia, ALD-201 for the treatment of ischemic heart failure, and ALD-401 for the post-acute treatment of ischemic stroke.

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