



ANGIOTECH PHARMACEUTICALS AND PARTNER ATHERSYS ANNOUNCE POSITIVE RESULTS FROM PHASE I STUDY OF MULTISTEM[®] IN HEART ATTACK PATIENTS

Vancouver, BC, July 28, 2010 – Angiotech Pharmaceuticals, Inc. (NASDAQ: ANPI, TSX: ANP) (“Angiotech”) and partner Athersys, Inc. (NASDAQ: ATHX) announced positive results from its phase I clinical trial of MultiStem[®], its allogeneic cell therapy product, administered to individuals following acute myocardial infarction (AMI), more commonly referred to as a heart attack. The study results, which represent at least four months of post-treatment patient data, demonstrate that MultiStem was well tolerated at all dose levels and also suggest improvement in heart function in treated patients.

The phase I clinical trial is an open label, multi-center dose escalation trial evaluating the safety and maximum tolerated dose of a single administration of allogeneic MultiStem cells following an AMI. Enrolled patients received MultiStem delivered via a catheter into the damaged region of the heart 2-5 days following percutaneous coronary intervention (PCI), a standard treatment for heart attack. The study includes patients in three treatment cohorts or dose groups (20 million, 50 million and 100 million cells per patient) and a registry group where patients received only standard of care. Nineteen treated and six registry subjects participated in the study. The trial is being conducted at cardiovascular treatment centers in the United States, including the Cleveland Clinic, Columbia University Medical Center and Henry Ford Health System.

Highlights of the Study:

- Administration of MultiStem was found to be well tolerated at all dose levels
- No clinically significant changes in vital signs, allergic reactions, or infusion-related toxicities were associated with MultiStem administration
- Each dose group showed improvement in mean left ventricular ejection fraction (LVEF), a measure of heart function, compared to baseline and relative to the registry group
- Patients in the 50 million dose group had a statistically significant absolute improvement in mean 4-month LVEF relative to baseline (9.8 percentage points, representing a 23.4% improvement over baseline, $p < 0.02$)
- Among patients with more severe heart attacks – as measured by baseline LVEFs less than or equal to 45% – the 50 and 100 million dose groups each demonstrated better than a 25% improvement in mean LVEF at 4 months post treatment over baseline

"Myocardial infarction remains one of the leading causes of death and disability in the United States," said William Hunter, M.D., President and CEO of Angiotech. "We believe these positive Phase 1 results validate the value of our partnership with Athersys, and we are looking forward to working with Athersys to formulate the next clinical development steps for this important product candidate."

Dr. Marc Penn, M.D., Ph.D., co-principal investigator of this study and Director of Cardiovascular Cell Therapy at the Cleveland Clinic, and Director of the Skirball Laboratory for Cardiovascular Cellular Therapeutics, plans to present additional data and results and further discuss the study on September 22, 2010 in Washington, D.C. at the Symposium “Strategies for Cardiovascular Repair: Stem Cell Therapy and Beyond,” at the Transvascular Cardiovascular Therapeutics Conference.

“These phase I results suggest that MultiStem is well tolerated when administered to the damaged region of the heart following a heart attack,” said Dr. Penn. “MultiStem’s safety profile, together with trends suggesting meaningful improvement in functional measures, illustrates the potential of this therapy in this area and supports further clinical study of MultiStem for the treatment of heart disease.”

Safety

During the first 24 hours following MultiStem administration, patients were assessed for infusion-related toxicity and other acute adverse events. Subsequently, patients were evaluated for cardiac adverse events. The primary endpoints for the study were the assessment of acute adverse events during the first 24 hours following administration, post-acute adverse events up to 30 days, and catheter-related events.

The administration of MultiStem was found to be well tolerated at all dose levels evaluated. There were no dose limiting toxicities associated with the administration of MultiStem. Immediately following dosing, there were no clinically significant changes to vital signs or evidence of allergic reaction associated with MultiStem administration. Over the 30-day post-acute observation period, no infusional toxicities or clinically significant cardiac adverse events deemed to be definitely related to MultiStem occurred.

MultiStem had a favorable safety profile over the four-month period following treatment. There was no dose dependent effect of MultiStem on adverse events (AEs) and generally AEs were mild to moderate in nature. Overall, there were several observed AEs characterized as potentially related to MultiStem or catheter delivery. These were generally mild to moderate in nature and were not dose dependent.

Heart Function

While the primary objective of this phase I study is to evaluate the safety of MultiStem administered to AMI patients, echocardiogram data are being collected and evaluated for evidence of efficacy signals to facilitate planning for subsequent clinical studies, noting importantly that the study was not powered for efficacy endpoints. Specifically, following a heart attack, patients were screened by left ventriculogram and/or echocardiogram, analyzed at the clinical site, to determine if their LVEFs met inclusion criteria (30 to 45). Prior to MultiStem administration (and between 2-5 days following PCI for registry patients), an additional echocardiogram was performed, which served as the baseline for subsequent analysis. Additional echocardiogram data were collected at prescribed time points according to the protocol. Echocardiogram data collected for each patient were blinded, and evaluated at a central facility.

The preliminary echocardiogram data demonstrated that each group had improvement in mean LVEF at four months compared to mean baseline LVEF. Patients receiving 20, 50, or 100 million MultiStem cells demonstrated absolute improvements in mean LVEF at 4 months of 5.2, 9.8 and 1.5 percentage points, respectively, compared to an absolute improvement of 1.1 percentage points in the registry group. Although the study was not powered for efficacy endpoints, patients in the medium dose group exhibited a statistically significant improvement in LVEF over mean baseline for that group, 9.8 percentage points ($p < 0.02$), representing a 23.4% improvement over baseline. The improvement in mean LVEF for each group compared to the registry group, though meaningful, was not statistically significant.

Notably, several patients in the high dose group exhibited substantially higher baseline LVEFs than their initial screening LVEFs, which created a higher baseline mean for that patient group. Including only patients whose baseline LVEFs ≤ 45 , the absolute improvements in mean LVEF were 3.9, 13.5 and 10.9 percentage points for the 20, 50, or 100 million dose groups, respectively, compared to an absolute improvement of 0.9 percentage points in the registry group. Among these patients (i.e., LVEFs ≤ 45), those in both the medium and high dose

groups exhibited a substantial increases in LVEF, representing more than 25% improvements relative to baseline LVEF for those patient groups. Additional analysis of the echocardiogram data is ongoing, and we will evaluate possible effects on other measures of heart function.

“These preliminary phase I MultiStem results are consistent with the results obtained in preclinical studies and compare favorably to the results from other cell therapy treatments for AMI. This suggests that MultiStem could have a meaningful impact on improving heart function following heart attack,” stated Dr. Warren Sherman, co-principal investigator and Director of Stem Cell Research and Regenerative Medicine, Center for Interventional Vascular Therapy at Columbia University Medical Center in New York.

Further Evaluation and Development

Athersys and Angiotech will continue to evaluate the phase I results and intend to begin planning for a subsequent clinical study, which they currently anticipate will be initiated in 2011. Further guidance about subsequent clinical development, such as trial design and timing, will be provided after evaluation and planning are completed and discussion with the FDA has occurred.

Conference Call

Athersys, Inc. will host a conference call today at 4:30 PM (Eastern Time) to review the top-line data results of the phase I clinical trial of MultiStem, its cell therapy treatment for individuals following AMI (or heart attack).

Investors and other interested parties are invited to listen to the conference call by dialing 800-273-1254 in the U.S. and Canada, 973-638-3440 from abroad, or via a live Internet broadcast on Athersys' website at www.athersys.com, under the Investor Relations section.

A replay will be available for on-demand listening shortly after the completion of the call until 11:59 PM (Eastern Time) on August 11, 2010, at the aforementioned URL, or by dialing 800-642-1687 in the U.S. and Canada, or 706-645-9291 from abroad, and entering access code 90560271.

Forward Looking Statements

Statements contained in this press release that are not based on historical fact, including without limitation statements containing the words “believes,” “may,” “plans,” “will,” “estimates,” “continues,” “anticipates,” “intends,” “expects” and similar expressions, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and constitute “forward-looking information” within the meaning of applicable Canadian securities laws. All such statements are made pursuant to the “safe harbor” provisions of applicable securities legislation. Forward-looking statements may involve, but are not limited to, comments with respect to our objectives and priorities for the remainder of 2010 and beyond, our strategies or future actions, our targets, expectations for our financial condition and the results of, or outlook for, our operations, research and development and product and drug development. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Many such known risks, uncertainties and other factors are taken into account as part of our assumptions underlying these forward-looking statements and include, among others, the following: general economic and business conditions in the United States, Canada and the other regions in which we operate; market demand; technological changes that could impact our existing products or our ability to develop and commercialize future products; competition; existing governmental legislation and regulations and changes in, or the failure to comply with, governmental legislation and regulations; availability of financial reimbursement coverage from governmental and third-party payers for products and related treatments; adverse results or unexpected delays in pre-clinical and clinical product development processes; adverse findings related to the safety and/or efficacy of our products or products sold by our partners; decisions, and the timing of decisions, made by health regulatory agencies regarding approval of our technology and products; the requirement for substantial funding to conduct research and development, to expand manufacturing and commercialization activities; and any other factors that may affect our performance. In addition, our business is subject to certain operating

risks that may cause any results expressed or implied by the forward-looking statements in this press release to differ materially from our actual results. These operating risks include: our ability to attract and retain qualified personnel; our ability to successfully complete pre-clinical and clinical development of our products; changes in our business strategy or development plans; our failure to obtain patent protection for discoveries; loss of patent protection resulting from third-party challenges to our patents; commercialization limitations imposed by patents owned or controlled by third parties; our ability to obtain rights to technology from licensors; liability for patent claims and other claims asserted against us; our ability to obtain and enforce timely patent and other intellectual property protection for our technology and products; the ability to enter into, and to maintain, corporate alliances relating to the development and commercialization of our technology and products; market acceptance of our technology and products; our ability to successfully manufacture, market and sell our products; the availability of capital to finance our activities; our ability to restructure and to service our debt obligations; and any other factors referenced in our other filings with the applicable Canadian securities regulatory authorities or the Securities and Exchange Commission (“SEC”). For a more thorough discussion of the risks associated with our business, see the “Risk Factors” section in our annual report for the year ended December 31, 2009 filed with the SEC on Form 10-K, as amended, and our quarterly report for the first quarter of 2010 filed with the SEC on Form 10-Q.

Given these uncertainties, assumptions and risk factors, investors are cautioned not to place undue reliance on such forward-looking statements. Except as required by law, we disclaim any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained in this press release to reflect future results, events or developments.

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About Angiotech Pharmaceuticals

Angiotech Pharmaceuticals, Inc. is a global specialty pharmaceutical and medical device company. Angiotech discovers, develops and markets innovative treatment solutions for diseases or complications associated with medical device implants, surgical interventions and acute injury. To find out more about Angiotech (NASDAQ: ANPI, TSX: ANP), please visit our website at www.angiotech.com.

About Athersys

Athersys is a clinical stage biopharmaceutical company engaged in the discovery and development of therapeutic product candidates designed to extend and enhance the quality of human life. The Company is developing MultiStem[®], a patented, adult-derived “off-the-shelf” stem cell product platform for multiple disease indications, including damage caused by myocardial infarction, bone marrow transplantation and oncology treatment support, ischemic stroke, and inflammatory bowel disease. The Company is also developing a portfolio of other therapeutic programs, including orally active pharmaceutical product candidates for the treatment of metabolic and central nervous system disorders, utilizing proprietary technologies, including Random Activation of Gene Expression (RAGE[®]). Athersys has forged several key strategic alliances and collaborations with leading pharmaceutical and biotechnology companies, including Pfizer, Angiotech and Bristol-Myers Squibb, as well as world-renowned research institutions in the United States and Europe to further develop its platform and products.

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