STEMCELLS, INC. GRANTS GENOWAY EXCLUSIVE LICENSE TO GENE INSERTION TECHNOLOGY FOR GENETICALLY ENGINEERED MICE

genOway to be Exclusive Source Worldwide for this Cell Manipulation Technology in Genetically Modified Mice

NEWARK, Calif., March 20, 2012 (GLOBE NEWSWIRE) -- StemCells, Inc. (Nasdaq:STEM) and genOway (NYSE:ALGEN) announced today that they have entered into a license agreement under which StemCells has granted genOway a worldwide, exclusive license to StemCells' Internal Ribosome Entry Site (IRES) technology for use in the development and commercialization of genetically engineered mice. Financial conditions were not disclosed.

The IRES technology enables the dual expression of a protein of interest and a selectable marker, thereby enabling researchers to genetically modify any mammalian cell and monitor the activity of a particular gene of interest in living cells or tissues without blocking the normal function of the gene. The IRES technology is particularly important for evaluating the success of gene knock-outs or knock-ins in stem cells and for the successful creation of transgenic rodent disease models. The IRES technology has been used to develop hundreds of genetically modified models in the past decade, and the technology is now considered to be the reference technology for transgene expression in some key rodent animal models, such as humanized models, reporter models, and cell trafficking models.

"We are very happy to have entered this license agreement with genOway, who are well-recognized for their experience and expertise in the field of genetically engineered mouse models," said Martin McGlynn, President and CEO of StemCells, Inc. "This exclusive license gives genOway a very powerful and unique tool to expand their product offerings to the research market."

"We are proud to be the only company or institution in the world able to sell IRES mouse models," said Alexandre Fraichard, CEO of genOway. "This technology is already frequently used for transgenic research, and this license represents a clear competitive advantage as it strengthens our proprietary technology portfolio and increases the uniqueness of our commercial offerings. As the leader in the development of sophisticated and highly predictable genetically modified rodents, genOway is well positioned to bring this unique technology to any scientist worldwide, in academia or industry, and we will guarantee our customers the freedom to operate for their R&D activities."

About StemCells, Inc.

StemCells, Inc. is engaged in the research, development, and commercialization of cell-based therapeutics and tools for use in stem cell-based research and drug discovery. The Company's lead therapeutic product candidate, HuCNS-SC® cells (purified human neural stem cells), is currently in development as a potential treatment for a broad range of central nervous system disorders. The Company recently completed a Phase I clinical trial in Pelizaeus-Merzbacher disease (PMD), a fatal myelination disorder in children, and the trial data will be reported in late March. The Company is also conducting a Phase I/II clinical trial in chronic spinal cord injury in Switzerland and has received authorization from the FDA to initiate a Phase I/II clinical trial in dry age-related macular degeneration (AMD). In addition, the Company is pursuing preclinical studies of its HuCNS-SC cells in Alzheimer's disease. StemCells also markets stem cell research products, including media and reagents, under the SC Proven® brand. Further information about StemCells is available at http://www.stemcellsinc.com.
The StemCells, Inc. logo is available at http://www.globenewswire.com/newsroom/prs/?pkgid=7014

About genOway

genOway (NYSE:ALGEN) is a biotechnology company developing genetically modified and high value-added research models for the bio-pharmaceutical, chemical, agrochemical and food industry as well as for academic research. With highly qualified scientific personnel, the company has a work force of 60 people and operates in over 25 countries in Europe, Asia and North America, supplying more than 260 academic institutes and 80 biopharmaceutical companies. genOway is a leader in its market in terms of both size and customer portfolios. The company's development is founded upon both a broad and exclusive technology platform as well as strong intellectual property rights combining patents and licensing agreements. Taking advantage of the global trend towards outsourcing the production of genetically modified research models, genOway has signed many contracts with leaders of the pharmaceutical industry (Pfizer, Bayer, Boehringer Ingelheim, etc.), and with the most prestigious academic research centers (King's College and the University of Manchester, in England; Duke University and the National Institutes of Health, in the United States; the Institut Pasteur, in France; NGFN and the Max Planck Institutes, in Germany, etc.). To strengthen its technological position and benefit from worldwide business partners, genOway has signed strategic alliances with leading companies in their field: Charles River Laboratories (NYSE:CRL), (a world leader in supplying laboratory animals), Invitrogen (Nasdaq:IVGN), (world leader in supplying molecular biology reagents).
For more information please go to www.genoway.com.

Apart from statements of historical fact, the text of this press release constitutes forward-looking statements within the meaning of the U.S. securities laws, and is subject to the safe harbors created therein. These statements include, but are not limited to, statements regarding the clinical development of its HuCNS-SC cells; the Company's ability to commercialize drug discovery and drug development tools; and the future business operations of the Company. These forward-looking statements speak only as of the date of this news release. The Company does not undertake to update any of these forward-looking

statements to reflect events or circumstances that occur after the date hereof. Such statements reflect management's current views and are based on certain assumptions that may or may not ultimately prove valid. The Company's actual results may vary materially from those contemplated in such forward-looking statements due to risks and uncertainties to which the Company is subject, including those described under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 and in its subsequent reports on Form 10-Q and Form 8-K.

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