



FOR IMMEDIATE RELEASE

SAFEGUARD SCIENTIFICS LEADS \$8.7 MILLION SERIES B FINANCING FOR CELLUMEN, INC.

The growth equity financing will support the commercialization of Cellumen's proprietary cellular systems biology technology, which offers a powerful approach to improving drug discovery, drug development and clinical trials.

Wayne, PA, July 10, 2007 – [Safeguard Scientifics, Inc. \(NYSE: SFE\)](#), a holding company that builds value in growth-stage technology and life sciences companies, today announced an \$8.7 million Series B financing for [Cellumen, Inc.](#), a cellular systems biology (CSB) company, of which Safeguard provided \$6 million. Joining Safeguard in the financing for \$2 million is [PA Early Stage Partners](#), a venture capital fund that provides capital to early stage life sciences and technology companies primarily based in the Mid-Atlantic region. PA Early Stage provided Cellumen with its Series A financing back in 2005.

Based in Pittsburgh, PA, Cellumen delivers proprietary services and products to support drug discovery and development. By leveraging CSB, Cellumen's objective is to improve the efficacy, decrease the toxicity, and optimize patient stratification and treatment for pharmaceutical companies' new and existing drugs. Cellumen intends to use the proceeds from this financing to complete its management team, further develop its product catalog, continue its CSB platform development, and commercialize its cellular models of disease and cytotoxicity profiling services and products.

"Cellumen's breakthrough technology is positioned to tap into a \$2 billion market opportunity by focusing on the pharmaceutical industry's continuous push to improve product development timelines," says Peter J. Boni, President and CEO of Safeguard. "Our partnership builds upon Safeguard's commitment to growth-stage, entrepreneurial life sciences companies, and ultimately strengthens Cellumen's competitive advantage in this sizable market. With the current failure rate in drug development surpassing 90%, the pharmaceutical industry has shown that it values more efficient drug discovery methods and technologies. Cellumen has positioned itself to address this need."

Cellumen uses cells and surrogate systems to optimize the drug discovery process. The company's functional biology approach puts a variety of bio-sensors and cell manipulation reagents in different types of cells, and examines their response to drugs and biologics. This measures efficacy and potential toxicity well before entering expensive clinical testing. In addition, it is also projected to improve clinical trial enrollment and increase new drug efficacy by conducting theranostic patient profiles.

"Our objective is to partner with entrepreneurial life sciences companies that address three major themes: the aging population, high cost of medical care and high cost of drug development," said James A. Datin, Executive Vice President and Managing Director of Life Sciences at Safeguard. "Through systems biology, Cellumen is striving to be the leading provider of proprietary solutions for pharmaceutical companies, to drive down costs and increase the efficacy of drug development and clinical trials. We are eager to support Cellumen's vision as part of the Safeguard team. Furthermore, Dr. Taylor has a extraordinary background as a world class scientist coupled with his role as a seasoned life sciences entrepreneur."

Dr. Lansing Taylor, President and CEO of Cellumen, stated, "Safeguard's extensive commercial experience in the life sciences space complements our deep technical knowledge. As a result of this financing, our company



will continue to flourish in this next growth phase, as we reap the benefits of access to Safeguard’s strategic, operational, and management resources. It promises to be an exciting and productive partnership.”

Michael J. Pellini, MD, Vice President of Life Sciences at Safeguard Scientifics, will join Cellumen’s Board of Directors.

About Cellumen

Cellumen, Inc. is the Cellular Systems Biology Company. Cellumen focuses on the cell as an integrated and interacting network of genes, proteins and metabolites responsible for normal and abnormal (disease) function. To promote efficient drug discovery and development, the company offers solutions to the dual challenges of efficacy and toxicity. The company’s products and services have application in each of the major segments of the pharmaceutical pipeline: drug discovery (“cellular models of disease”), drug development (“cytotoxicity profiling”) and clinical trials (“patient sample profiling”). The Cellumen team leverages its experience and expertise in High Content Screening, cell-based assays, advanced reagents and bioinformatics to create high value solutions. www.cellumen.com.

About PA Early Stage

PA Early Stage Partners, headquartered in Wayne, PA and founded in 1997, is a family of venture funds that makes investment in early stage life sciences and technology companies. With over \$235 million under management, PA Early Stage invests in companies that are primarily based in the Mid-Atlantic region. www.paearlystage.com

About Safeguard

Safeguard Scientifics, Inc. (NYSE: SFE) builds value in growth-stage technology and life sciences businesses. Safeguard provides growth capital as well as a range of strategic, operational and management resources to our partner companies. Safeguard participates in expansion financings, corporate spin-outs, management buyouts, recapitalizations, industry consolidations and early-stage financings. www.safeguard.com

Except for the historical information and discussions contained herein, statements contained in this release may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Our forward-looking statements are subject to risks and uncertainties. These forward-looking statements that could cause actual results to differ materially, include, among others, managing rapidly changing technologies, limited access to capital, competition, the ability to attract and retain qualified employees, the ability to execute our strategy, the uncertainty of the future performance of our companies, acquisitions and dispositions of companies, the inability to manage growth, compliance with government regulations and legal liabilities, additional financing requirements, the effect of economic conditions in the business sectors in which our companies operate, and other uncertainties described in the Company’s filings with the Securities and Exchange Commission. Many of these factors are beyond our ability to predict or control. In addition, as a result of these and other factors, our past financial performance should not be relied on as an indication of future performance. The Company does not assume any obligation to update any forward-looking statements or other information contained in this press release.

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