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For Immediate Release

January 26, 2010

**American Medical Systems and Tissue Genesis
Sign \$1.1 Million Collaboration Deal**

Regenerative Cell Therapy Development Offers Immense Potential Health Benefits

Tissue Genesis, Inc., an emerging leader in advanced tissue engineering and cell therapy solutions, and American Medical Systems Holdings, Inc. (NASDAQ: AMMD) announced today they have signed an agreement for the research and development of adipose (fat)-derived regenerative cells for use in treating pelvic health disorders. American Medical Systems will pay \$1.1 million over the life of the agreement to obtain rights offered by Tissue Genesis, Inc.

“AMS is committed to being at the forefront of innovation to improve the lives of the millions of people worldwide who suffer from pelvic health disorders,” said Tony Bihl, President and CEO of American Medical Systems. “We are delighted to partner with Tissue Genesis, a leader in the burgeoning field of regenerative cell technology, to research therapies that may fundamentally improve patient treatment within our markets.”

“We are proud to partner with American Medical Systems – a company with true vision and initiative – as they recognize the immense potential benefits of cell therapy,” said Anton Krucky, President and CEO of Tissue Genesis. “Adipose tissue is a rich source of regenerative cells – including adult stem cells – and these cells have shown promising results in their ability to help patients. American Medical Systems’ world-class technology and business acumen will be a tremendous asset to Tissue Genesis.”

Through the deal, American Medical Systems has a four year option to obtain exclusive distribution and license rights to Tissue Genesis' regenerative cell technology – including the Tissue Genesis Cell Isolation System™ – for use in human pelvic health applications, with an additional two year right of first refusal. Along with milestone payments, Tissue Genesis will receive rights to certain data and derivative technology developed under the agreement. Tissue Genesis, in turn, will provide American Medical Systems with instruments, disposables, and know-how to allow American Medical Systems to develop state-of-the-art regenerative cell applications.

The Tissue Genesis Cell Isolation System processes a small amount of the patient's own adipose tissue into a concentration of millions of regenerative cells, including adult stem cells, microvascular endothelial cells, and other cells. These cells can be coated onto artificial implants or directly injected into damaged tissue, to improve circulation and support the formation of new tissue. The Cell Isolation System conveniently brings cell therapy solutions right to a patient's bedside, as it completes the process in about an hour – in the operating room – while the surgeon prepares the patient to receive his or her own cells back into the damaged area.

Through this new collaboration, American Medical Systems joins the Tissue Genesis Commercialization ConsortiumSM of companies, institutions and researchers who share their expertise. The consortium forms a network of top researchers in the field of adipose-derived regenerative cell technology for the mutual benefit of all the members.

Dr. Stuart Williams, Chief Science Officer of Tissue Genesis, and a pioneer of adipose-derived cell technology, said: "The addition of American Medical Systems to the companies and institutions working on Tissue Genesis' regenerative cell technology will significantly extend our advancement in this market. This collaboration has the potential to propel both companies into the next generation of regenerative healthcare."

About Tissue Genesis

An emerging leader in adipose-derived cell therapy and regenerative medicine, Tissue Genesis, Inc. is a high-growth, clinical-stage company based in Honolulu, Hawai'i. Industry-leading engineers and scientists have developed a proprietary process for Tissue Genesis that may deliver innovative medical solutions for a wide range of existing medical problems, including: cardiac and peripheral vascular disease; orthopedic injuries; cosmetic and soft tissue defects; and many other applications. For more information, visit www.tissuegenesis.com.

Tissue Genesis Safe Harbor Statement

This press release contains statements, which may constitute "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. Those statements include statements regarding the intent, belief or current expectations of Tissue Genesis, Inc., and members of its management as well as the assumptions on which such statements are based. There can be no assurance that Tissue Genesis will be able to commercially develop its therapeutic cell technology or products, that necessary regulatory approvals will be obtained, that any clinical trials will be successful, or that the proposed treatments will prove to be safe and/or effective. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. Important factors currently known to management that could cause actual results to differ materially from those in forward-statements include fluctuation of operating results, the ability to compete successfully and the ability to complete before-mentioned transactions. The company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.

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