



Neostem, Inc. (AMEX: NBS)



NeoStem, Inc., founded in 1980 and headquartered in New York City, is an international biopharmaceutical company with operations in the U.S. and China committed to advancing the potentially vast therapeutic and diagnostic applications of adult stem cells. In the U.S., the company provides adult stem cell collection, processing and storage services through its network of adult stem cell collection centers focused primarily on the Southern California and Northeast markets. The company is also conducting research and development activities at its Cambridge, MA laboratory facility and through collaborations in pursuit of diagnostic and therapeutic applications using autologous adult stem cells, including applications using its VSEL™ technology involving very small embryonic-like stem cells, which the company licenses from the University of Louisville. Leveraging China's regulatory and scientific stem cell therapy environment, the company launched several initiatives, such as establishing a research and development laboratory and processing facility in Beijing to provide comprehensive adult stem cell collection, processing and storage capabilities in support of its therapeutic programs and forming collaborations for its licensed stem cell applications in orthopedics and anti-aging, cosmetics and wellness treatments, including medical tourism opportunities. These initiatives are conducted via two Chinese domestic entities, Qingdao Niao Bio-Technology Ltd. and Beijing Ruijieao Bio-Technology Ltd and controlled by the company through various contractual arrangements. The current cornerstone of the company's China business is the controlling 51% ownership interest in Suzhou Erye Pharmaceuticals Company Ltd, a vertically-integrated developer, manufacturer and distributor of generic antibiotic products in both finished dosage prescription drugs and active pharmaceutical intermediate (API) forms. Generating 2009 revenues of \$61 million, nearly twice that of 2007 sales level, Suzhou Erye currently sells over 100 products and has seven products in its pipeline, including two drugs approved by the State Food and Drug Administration of China (SFDA) pending launch.



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CURRENT PRICE: \$2.08
52-WEEK RANGE: \$1.26 - 3.50
AVG DAILY VOLUME (90-DAY): 383,775
FLOAT: 19.1 million
OUTSTANDING SHARES: 53.0 million
MARKET CAPITALIZATION: \$110.3 million

INCOME STATEMENT HIGHLIGHTS

REVENUE: \$27.4 million
GROSS PROFIT: \$4.0 million
EBITDA: (\$21.9 million)
NET INCOME: (\$33.7 million)
DILUTED EPS: (\$1.60)

All figures for twelve months ended March 31, 2010

BALANCE SHEET HIGHLIGHTS

CASH: \$11.4 million
WORKING CAPITAL: \$10.7 million
TOTAL ASSETS: \$122.0 million
LONG TERM DEBT: \$7.5 million
NET WORTH: \$65.3 million

All figures as of March 31, 2010

RECENT COMPANY HEADLINES

July 12, 2010 — Neostem announced that it has been awarded a \$700,000 contract from the U.S. Army Medical Research and Materiel Command, Telemedicine and Advanced Technology Research Center (USAMRMC-TATRC) under U.S. Army Medical Research Acquisition Activity contract number: (W81XWH-10-2-0039), for the purpose of evaluating the use of topically applied bone marrow-derived adult mesenchymal stem cells (MSCs) for rapid wound healing. The company will begin receiving funds to initiate the program in 2010.

July 6, 2010 — Neostem announced that it has been selected for the "Best Stem Cell Company, 2010" award in *The New Economy's* Biotech Awards. The award was presented to Chairman and CEO Robin Smith at the London Stock Exchange on July 8, 2010. *The New Economy* is an international magazine published by London-based World News Media.

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