



The Small Cap Report

SPECIAL COMPANY OVERVIEW



For more information, please visit www.neostem.com

NeoStem, Inc. (OTCBB: NEOI)

specializes in the collection, processing and long-term storage of Adult Stem Cells (ASCs) for autologous use—Your cells for your use. This science is unrelated to embryonic stem cell research. Adult Stem Cells are collected and stored from an individual's own body for future therapeutic use in the treatment of such life-threatening diseases as diabetes, heart disease and blood cancer. ASC therapy may also be effective in the treatment of radiation exposure, whether from a cancer treatment, fire or a dirty bomb from a terrorist attack. Along with these advances, there is the need for infrastructure, methods, and systems that allow adults to have their stem cells safely collected and conveniently banked for their personal future use.

NeoStem provides this service today, using the minimally invasive form of collection called apheresis, a well-known safe way of extracting stem cells from an adult's peripheral blood. Once collected,

**INVESTMENT CONSIDERATIONS
NEW YORK, Sept. 2006 - NeoStem is poised to become the leader in Adult Stem Cell collection, processing and storage. It is a new way of addressing the rapidly growing field of regenerative medicine. NeoStem is the first business to enable adults to bank their own stem cells for long-term storage for personal use in treating disease. This service addresses potential new therapies for heart disease, radiation exposure, diabetes and wound healing, as well as various cancers, degenerative diseases like multiple sclerosis and lupus. NeoStem's management is well connected in the stem cell arena. Its first bank has opened in Los Angeles and the Company has received initial financing of more than \$3.75 million.**

—Stan Wunderlich

GROWTH STRATEGY

NeoStem, Inc. is leveraging its position as a pioneer in providing Adult Stem Cell (ASC) collection and banking services for the general population providing long-term storage for multiple therapeutic uses. NeoStem uses the minimally invasive form of collection called apheresis, a well known and safe procedure that extracts stem cells from an adult's peripheral blood. NeoStem cryo-preserves these cells for use by the owner when needed for multiple uses.

As a service company, NeoStem's business can be expanded to almost any location in the world where basic blood collection equipment and storage facilities are available.

The Company operates an ASC processing laboratory and long-term storage facility at the Good Samaritan Hospital complex in Los Angeles. In September 2006, it entered into its first strategic alliance for the operation of a stem cell collection center, the first of a series planned for various locations nationally and internationally.

The Company also anticipates collaborations with

NeoStem's unique storage process allows the cells to be cryopreserved for an individual's lifetime so they can be transplanted into the owner for multiple uses in the future.

NeoStem has **two pending US patent applications** describing key aspects of its process. It has begun to establish a network of centers to collect stem cells to be processed and stored by NeoStem. **Recent financing of over \$3.75 million** is being used to build company infrastructure, establish collection center relationships and market the business.

COMPETITIVE ADVANTAGES

- ◆ **First commercial enterprise to provide Adult Stem Cell collection and banking services for the general population—Your cells for your use.**
- ◆ **Addresses rapidly growing field of regenerative medicine for heart disease, types of cancer, radiation exposure and wound healing, among others.**
 - ◆ **Service business, not an R&D company.**
 - ◆ **Recent financing of more than \$3.75 million to build and market business.**
- ◆ **First processing and storage bank facility has opened in Los Angeles. New collection center to open at California Healthspan Institute in Encinitas, Calif.**
- ◆ **Uses safe, minimally invasive procedure, apheresis, to collect stem cells from an adult's peripheral blood. Unlike extracting bone marrow stem cells, apheresis does not require inserting a needle into a person's iliac crest (hip). Unlike umbilical cord and placental blood units, ASCs from peripheral blood can be collected at any time in a person's life.**
 - ◆ **Business easily expanded to any location where blood collection and storage facilities are available.**
 - ◆ **Management team comprises prominent medical and business leaders from major medical institutions and industry.**

pharmaceutical companies, medical institutions and other customers that will use NeoStem technology for collection, processing and storage.

NeoStem intends to create a library of banked cells for medical research and to reach out to government agencies to provide programs for First Responders at risk of radiation, severe wounds and other illnesses.

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