

June 22, 2009 - 8:51 AM EDT

## NeoStem Featured in Business Week; 'Promising' Adult Stem Cell Market Discussed in Fortune-CNNMoney.com Article

NEW YORK, June 22 /PRNewswire-FirstCall/ -- NeoStem, Inc. (NYSE Amex: NBS), which is pioneering the pre-disease collection, processing and long-term storage of adult stem cells for future medical need, was featured in Gene Marcial's prominent *Business Week* column, 'Inside Wall Street,' on June 18, 2009. Also, on June 16, 2009, the expanding investment potential for adult stem cell businesses was assessed in a substantial *Fortune Magazine* article distributed by CNNMoney.com.

In his *Business Week* column, Mr. Marcial observed, 'Big plans by tiny NeoStem (NBS), which collects and stores adult stem cells for future medical use, have helped catapult its stock to \$2.27 a share from 50 cents on March 9.' The columnist went on to cite NeoStem's patent protection filed for in May for an adult stem cell technology to be used in cosmetic facial rejuvenation. He also cited the 51% stake NeoStem is taking in Suzhou Erye Pharmaceutical Co. Ltd., a 50-year-old Chinese drug manufacturer with approximately \$50 million in revenues in 2008. This acquisition is subject to obtaining the approval of the shareholders of the Company and China Biopharmaceuticals Holdings, Inc., obtaining appropriate regulatory approvals and other customary closing conditions. For clarification, separate from the Company's planned entrance into the pharmaceutical business in China through the acquisition of Erye, the Company is embarking on its own independent initiatives to develop stem cell therapies in China. Mr. Marcial also cites NeoStem's raise of \$11 million in April and its exclusive 10-year agreement, announced June 15, 2009, with Enhance BioMedical Holdings Limited, a Shanghai corporation, to develop a network of Stem Cell Collection and Treatment Centers in Shanghai, and the Chinese provinces of Jiangsu, Zhejiang, Fujian, Anhui and Jiangxi using NeoStem's proprietary technologies.

To read the 'Inside Wall Street' column taking the above into account please use the following link:

[http://www.businessweek.com/magazine/content/09\\_26/c4137insidewal637710.htm?chan=magazine+channel\\_personal+business](http://www.businessweek.com/magazine/content/09_26/c4137insidewal637710.htm?chan=magazine+channel_personal+business)

In addition, the expanding investment opportunities for adult stem cell companies were discussed in depth in a *Fortune Magazine* article distributed by CNNMoney.com on June 16, 2009. The article states that Robin Young, a medical industry analyst from RRY Publications, 'estimates that gross sales of adult cellular therapies will be well over \$100 million in the United States this year. By 2018, he says stem cell therapy revenues could grow to \$8.2 million.' The article, which compares prospects for adult stem cells versus those for embryonic stem cells, also notes that 'adult stem cells are currently the only type of stem cells used in transplants to treat diseases, such as cancers like Leukemia,' and adds, 'Furthermore, researchers are far closer to commercializing drugs based on adult stem cells than any product based on embryonic stem cells.'

To read the Fortune/CNNMoney.com story, please use the following

link:[http://money.cnn.com/2009/06/16/technology/adult\\_stem\\_cell\\_therapy.fortune/?postversion=2009061610](http://money.cnn.com/2009/06/16/technology/adult_stem_cell_therapy.fortune/?postversion=2009061610)

Robin Smith, M.D., MBA, NeoStem's Chief Executive Officer, said, 'We are very pleased that investors and prominent commentators like Mr. Marcial are taking note of the driving power of NeoStem's adult stem cell therapeutic development initiatives. We have achieved numerous milestones in the past few months that have attracted the attention of investors who believe in the commercial as well as medical promise of this field. Articles such as that in *Business Week* and

CNNMoney.com are creating new awareness of the rapid advances being made in applying adult stem cell technologies. NeoStem is a pioneer in recognizing these multiple emerging technologies and is taking a leadership position in their powerful commercial potential.'

Dr. Smith continued, 'As the biotechnology industry expands and the number of diseases showing promise from stem cell therapies grows, astute institutional investors are buying into businesses that they believe can serve this projected \$20- billion worldwide industry. We believe our company's recent \$11-million above-market financing can be attributed to our expansion in the therapeutic arena as evidenced by recent licensing of stem cell intellectual property.' Dr. Smith made clear that the Company is not able to comment on the projected revenues for the Company contained in this article.

Eric Wei, a NeoStem investor and the Managing Partner of RimAsia Capital Partners, a Pan-Asian private equity firm with deep connections across Asia, declared, 'I believe investors are beginning to see that, compared to Osiris -- which is the largest stem cell company with a market cap of around \$425 million -- NBS is dramatically undervalued given its IP portfolio, product pipeline and time to market, particularly within the vast market of China.'

NeoStem recently licensed certain stem cell technology in the therapeutic areas of orthopedics, wounds and skin rejuvenation, adding it to its Very Small Embryonic Like (VSEL) adult stem cell technology licensed in 2007. The Company believes that VSELS and other adult stem cells found in the human body are responsible for cellular regeneration and believes it is well positioned to become an important research and therapeutic company by identifying, collecting and concentrating these unique cells for delivery when the person needs them in the future. Compared to embryonic stem cells, these cells are one's own and are not subject to risk of rejection nor require immune suppressing drugs and could remove any ethical dilemmas surrounding embryonic stem cell research or treatment. The Company anticipates accelerating its revenue growth by acquiring new stem cell therapeutic technologies and expanding its IP portfolio.

'We believe clinical application of NeoStem's proprietary technologies, including its Very Small Embryonic Like (VSEL) adult stem cell technology, should accelerate dramatically in China over the next several years,' said Jackson Ling, Chairman of Enhance Biomedical Holdings Limited a recent investor in the Company and strategic partner with which NeoStem recently entered into a 10-year agreement to develop a Stem Cell Collection and Treatment Network utilizing NeoStem's proprietary adult stem cell technologies in certain territories in Asia.

### **About NeoStem, Inc.**

NeoStem is developing a network of adult stem cell collection centers that are focused on enabling people to donate and store their own (autologous) stem cells when they are young and healthy for their personal use in times of future medical need. The Company has also entered into research and development through the acquisition of a worldwide exclusive license to technology to identify and isolate VSELS (very small embryonic-like stem cells), which have been shown to have several physical characteristics that are generally found in embryonic stem cells and is pursuing other technologies to advance its position in the field of stem cell tissue regeneration.

For more information, please visit: [www.neostem.com](http://www.neostem.com).

### **Forward-Looking Statements**

*This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect management's current expectations, as of the date of this press release, and involve certain risks and*

*uncertainties. The Company's actual results, including its success, if any, in developing adult stem cell therapies could differ materially from those anticipated in these forward-looking statements as a result of various factors. Factors that could cause future results to materially differ from the recent results or those projected in forward-looking statements include the 'Risk Factors' described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and the Company's other periodic filings with the Securities and Exchange Commission. The Company's further development is highly dependent on future medical and research developments and market acceptance, which is outside its control.*

Source: PR Newswire (June 22, 2009 - 8:51 AM EDT)

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