ADAPTIMMUNE
transforming T cell therapy

PRESS RELEASE – ADAPTIMMUNE

NeoStem's Subsidiary, Progenitor Cell Therapy, Enters Into a Cell Therapy Manufacturing Services Agreement with Adaptimmune

PCT to provide cell product development and manufacturing for Adaptimmune's clinical trials

ALLENDALE, N.J. and OXFORD, UK, January 16, 2013 – NeoStem, Inc. (NYSE MKT:NBS) and its subsidiary, Progenitor Cell Therapy LLC ("PCT"), together with Adaptimmune Limited and Adaptimmune LLC (collectively, "Adaptimmune"), announced today a Services Agreement under which PCT will provide services to support Adaptimmune's NYESO-1^{c259}-T cell therapy product being developed for multiple oncology indications (for more information with respect to Adaptimmune's clinical trials, see clinicaltrials.gov, identifiers NCT01350401, NCT01343043 and NCT01352286).

PCT's services will include the transfer and qualification of Adaptimmune's manufacturing process for its NYESO-1^{c259}-T cell therapy product candidate at PCT's facility in Allendale, New Jersey and subsequent manufacturing of the product for Adaptimmune's clinical trials.

Adaptimmune develops products containing unique engineered T cell receptors for the treatment of cancer and infectious diseases. The company has a research base in Oxford, UK and a clinical base in Philadelphia, Pennsylvania.

In December, at the American Society of Hematology conference, Adaptimmune announced encouraging preliminary results from its expanded multiple myeloma trial. Related trials in melanoma and sarcoma are also recruiting patients.

PCT is an internationally recognized contract development and manufacturing organization with facilities in Allendale, New Jersey and Mountain View, California. The company has expertise in GMP manufacture for cell therapies, including dendritic cells, stem cells and T cells. Notably, PCT provided manufacturing for the pivotal studies for Dendreon's Provenge®, the first cell therapy approved for cancer treatment.

"With our sights set on future pivotal trials for our T cell therapy products, we have invested significant effort towards establishing capabilities within Adaptimmune that support expansion of our clinical platform in terms of both scale and compliance with FDA requirements beyond phase I/II. Our relationship with PCT is an important component," said James Noble, Chief Executive Officer of Adaptimmune. "PCT's impressive level of experience in the burgeoning field of cell therapy, combined with their flexible capacity and professionalism, are among the reasons we selected them for this critical role for our T cell product."

"We are excited to enter into this agreement with Adaptimmune, an innovator for T cell therapy to treat cancers," said Robert A. Preti, PhD, President and Chief Scientific Officer of PCT. "Given our extensive experience with technology transfer, process qualification and GMP manufacturing, we feel PCT will be an asset to Adaptimmune as it develops its product for the U.S. commercial market."

Dr. Robin L. Smith, NeoStem's Chairman and Chief Executive Officer, stated that, "PCT's expertise is recognized globally as demonstrated by the services agreement executed with Adaptimmune. As PCT continues to expand its GMP manufacturing capabilities and focus to support the development of an increasingly wide range of cell therapies under development, it remains focused on providing outstanding client services."

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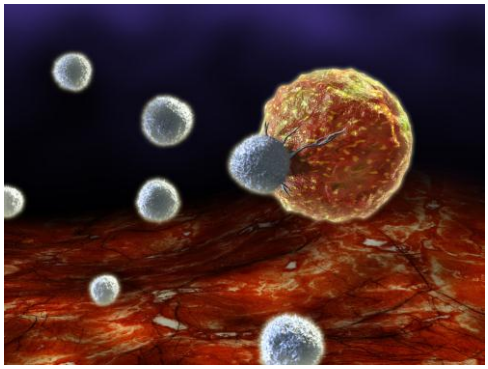

T cell (blue) killing a tumor cell (red)

Images available on request:

1. Adaptimmune laboratory – Scientist cloning a T cell receptor
2. Adaptimmune laboratory – Scientists growing research cells
3. Adaptimmune laboratory – Scientist growing a cell therapy product

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Notes for editors

About Adaptimmune

Adaptimmune focuses on the use of T cell therapy to treat cancer and infectious disease. It aims to use the body's own machinery – the T cell – to target and destroy cancerous or infected cells.

Established in July 2008 and with a research base in Oxford, UK and clinical base in Philadelphia, US, Adaptimmune was set up to develop a unique T cell receptor engineering technology for adoptive T cell therapy.

All cells, including cancerous cells, present small parts of internal proteins on their surface, offering a "molecular fingerprint" of the internal protein (called an epitope) for killer T-cells from the immune system to identify and destroy. Most cancer-associated protein targets are internal proteins and T cell receptors (TCRs) are the guidance system for the body's natural killer T cells to identify cancer cells. However, most of these internal proteins are derived from normal "self" proteins and not recognized at natural affinity levels by the body's T cells. Adaptimmune therefore enhances the power of these killer T cells to identify and destroy cancer cells by engineering the TCR to a higher potency (or affinity) and overcoming this natural tolerance mechanism. The treatment of patients involves taking their own T cells and genetically modifying them so that they then have the engineered TCRs to target the patient's cancer, before re-introducing the cells to the patient.

Adaptimmune has undertaken significant preclinical development with a number of pipeline TCRs to demonstrate their potency and specificity preclinically. The TCR in the current myeloma study specifically recognizes two cancer testis antigen targets: NY-ESO-1 157-165 and LAGE-1 (HLA A2; SLLMWITQC), and was engineered using Adaptimmune's proprietary TCR engineering platform. Myeloma is the lead indication for the therapy, with related trials in melanoma and sarcoma also recruiting patients and further trials in ovarian and hepatic cancer scheduled to open in 2013. http://www.adaptimmune.com

About NeoStem, Inc.

NeoStem, Inc. continues to develop and build on its core capabilities in cell therapy, capitalizing on the paradigm shift that we see occurring in medicine. In particular, we anticipate that cell therapy will have a significant role in the fight against chronic disease and in lessening the economic burden that these diseases pose to modern society. We are emerging as a technology and market leading company in this fast developing cell therapy market. Our multi-faceted business strategy combines a state-of-the-art contract development and manufacturing subsidiary, Progenitor Cell Therapy, LLC ("PCT"), with a medically important cell therapy product development program, enabling near and long-term revenue growth opportunities. We believe this expertise and existing research capabilities and collaborations will enable us to achieve our mission of becoming a premier cell therapy company.

Our contract development and manufacturing service business supports the development of proprietary cell therapy products. NeoStem's most clinically advanced therapeutic, AMR-001, is being developed at Amorcyte, LLC ("Amorcyte"), which we acquired in October 2011. Amorcyte is developing a cell therapy for the treatment of cardiovascular disease and is enrolling patients in a

Phase 2 trial to investigate AMR-001's efficacy in preserving heart function after a heart attack. Athelos Corporation ("Athelos"), which is approximately 80%-owned by our subsidiary, PCT, is collaborating with Becton-Dickinson in the early clinical exploration of a T-cell therapy for autoimmune conditions. In addition, pre-clinical assets include our VSELTM Technology platform as well as our mesenchymal stem cell product candidate for regenerative medicine. Our service business and pipeline of proprietary cell therapy products work in concert, giving us a competitive advantage that we believe is unique to the biotechnology and pharmaceutical industries. Supported by an experienced scientific and business management team and a substantial intellectual property estate, we believe we are well positioned to succeed.

For more information on NeoStem, please visit www.neostem.com

Forward-Looking Statements for NeoStem, Inc.

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. Forward-looking statements include statements herein with respect to the successful execution of the Company's business strategy, including with respect to the Company's or its partners' successful development of AMR-001 and other cell therapeutics, the size of the market for such products, its competitive position in such markets, the Company's ability to successfully penetrate such markets and the market for its contract development and manufacturing business, and the efficacy of protection from its patent portfolio, as well as the future of the cell therapeutics industry in general, including the rate at which such industry may grow. The Company's actual results could differ materially from those anticipated in these forward- looking statements as a result of various factors, including but not limited to matters described under the "Risk Factors" in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 20, 2012 and in the Company's other periodic filings with the Securities and Exchange Commission, all of which are available on its website. The Company does not undertake to update its forward-looking statements. The Company's further development is highly dependent on future medical and research developments and market acceptance, which is outside its control.