



isolagen

JPMorgan 25th Annual Healthcare Conference

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the
science
of
cellular
rejuvenationTM

AMEX: ILE

Safe Harbor Provision

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Today's Agenda



- Company Vision/Strategic Intent
- Progress Update - Last 6 Months
- Company Background
 - Isolagen Technology
 - Clinical Program
 - Market Overview
- Key Milestones - Next 6 Months

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Isolagen, Inc. is a biotechnology company focused on developing and commercializing emergent, novel skin and tissue rejuvenation technologies with broad potential in aesthetic and therapeutic markets

The New Isolagen...

■ Company Being Built On:

- ❑ A revitalized business strategy
- ❑ “On time” execution of objectives
- ❑ Promising novel technology with broad applications in aesthetics and therapeutics
- ❑ Clinical development excellence
- ❑ Marketable science & commercial know-how
- ❑ A passion for lowest possible cost & highest quality manufacturing
- ❑ Management experience and track record
- ❑ Transparency

Isolagen Lead Technology

- **Novel, patented, autologous cell processing system**
- **Potential to provide skin rejuvenation**
- **Broad aesthetic potential**
 - Facial aesthetics
 - Acne scars
- **Broad therapeutic potential**
 - Restrictive Burn Scars
 - Periodontal Disease



Strategic Intent

- **Focus** on a select number of skin and tissue rejuvenation areas with most promising market potential and unmet medical needs
- **Advance the Clinical Development** of the Isolagen Process™ in key aesthetic and therapeutic areas
- **Streamline & Drive** a highly efficient and effective manufacturing system
- **Expediently hire** the best people for key positions
- **Complement** existing clinical pipeline through in-licensing and/or small acquisitions to expand commercial platform
- **Partner** to optimize development resources and market potential

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PROGRESS
The Last 6 Months ...

Progress – The Last 6 Months

- ✓ Hired experienced management
 - Proven in the aesthetic and therapeutic marketplace
 - New leadership team and capabilities in critical functions:
 - Operations/Manufacturing
 - Marketing
 - Business Development and Licensing
 - Experienced BLA Regulatory Support
 - Closing in on hiring new head of Clinical Development
- ✓ Revitalized business strategy
 - Focused resources and energy on US market
 - Advancing clinical program in aesthetic and therapeutic areas
 - Finalizing five year operating/financial objectives
 - Finalizing capital structure options

Progress (cont'd)

✓ Cost of Goods Outlook

- ❑ Hired experienced operations executive
- ❑ Streamlining Exton PA manufacturing into a high quality/high efficiency manufacturing center
- ❑ Analysis shows cost per patient directly related to number of patients
- ❑ Solid gross margin potential moving forward--- targeted to be in 50%-70%* range; will improve as a function of scale/volume
- ❑ Manufacturing improvements will be a continuous process

* Market pricing strategy not yet finalized

Progress (cont'd)

- ✓ Initiated Corporate Restructuring
 - UK Closure
 - Decision to close UK operations announced November 8, 2006
 - Business ran at a loss
 - Decision based on resource priorities rather than commercial failure
 - Valuable patient experience and lessons gained
 - Shutdown virtually complete
 - Switzerland Facility Sale Options Under Review
- ✓ Advanced Clinical Programs
- ✓ Two Shareholder Lawsuits Dismissed
- ✓ Finalizing Corporate Re-branding



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Isolagen Technology

Aesthetics and Therapeutics

Isolagen Process™

- Through the Isolagen Process, a person's own collagen-producing cells, or fibroblasts, are
 - Extracted
 - Multiplied into a therapy; and
 - Approximately 15M cells re-introduced by injection

Isolagen Therapy™

- Creates a natural, personalized therapy
- Unique skin rejuvenation treatment
 - Complements existing aesthetics treatments
 - Potential as a therapeutic application where there are unmet medical needs
- Cells can be cryogenically stored for future uses
 - Reproduces additional cells for maintenance regimen
 - Potential to create personalized topicals

UK Experience

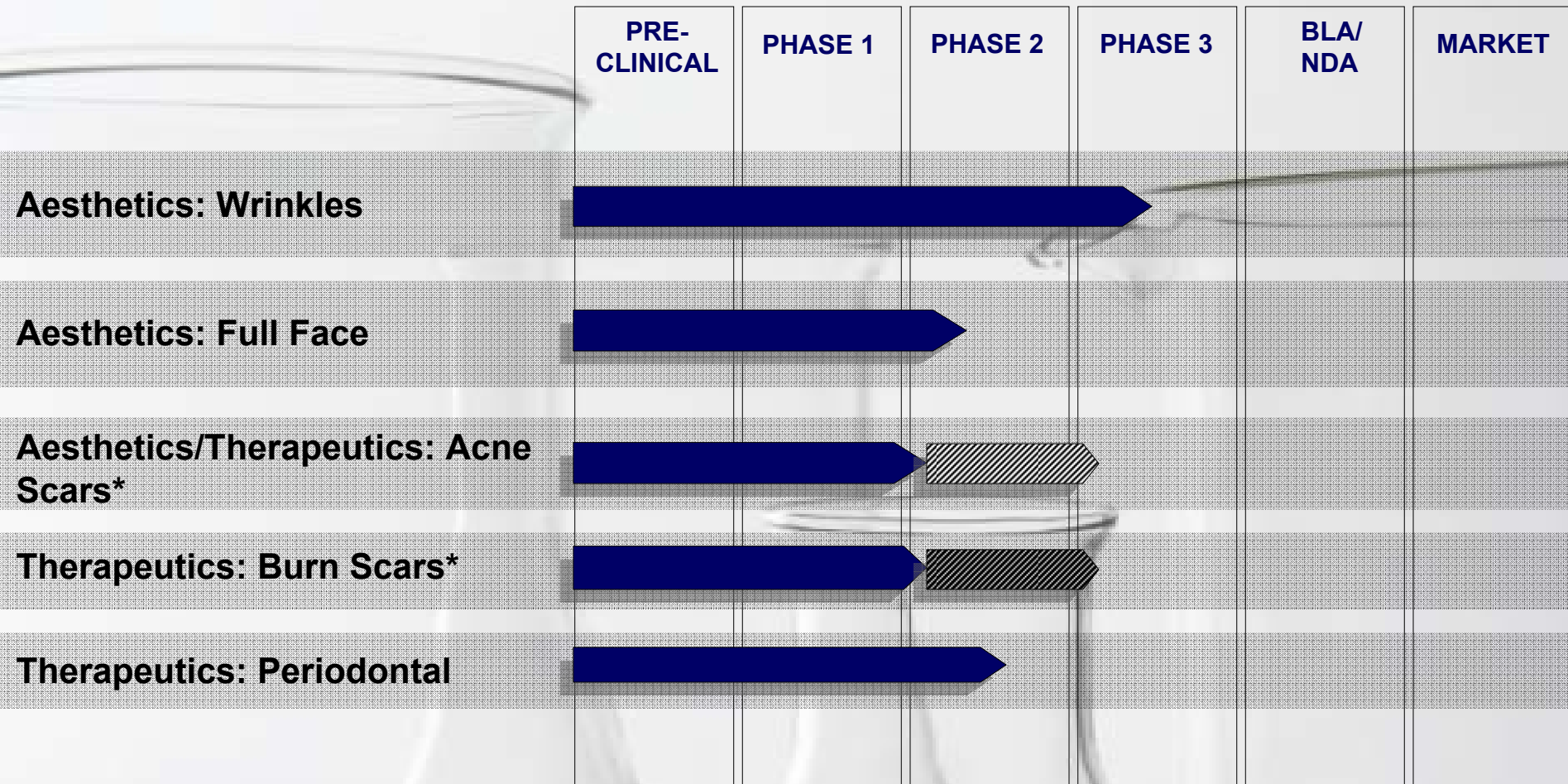
- Since market introduction in 2002:
 - Over 7,000 patients treated with Isolagen Therapy™
 - Approximately \$20M US in UK product sales
- Valuable lessons learned
 - Proper physician training, skilled injection technique
 - Appropriate marketing, patient communications
 - Better operating efficiency, managing cost of goods

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US Clinical Program

Clinical Development Pipeline



* Phase dependent on FDA agreement

Clinical Progress – Last 6 Months

- ✓ Gained FDA agreement on Phase III trial design
- ✓ Initiated pivotal study for nasolabial wrinkles
 - Enrollment advancing robustly
- ✓ Submitted protocol to FDA for open label study for full face wrinkles and creases
 - Investigators identified; training scheduled
- ✓ Scheduled pre-IND meeting for Phase II/III study for burn scars
- ✓ Drafted protocol for Phase II/III study for acne scars
 - Submitted a pre-IND meeting request
- ✓ Advanced Phase II open label study G-003 for treatment of interdental papillary insufficiency

Wrinkle Study R-003 A/B Review

■ Key Study Issues:

- ❑ 52 out of 213 subjects in the studies had either a Grade 2 wrinkle score (difficult to show improvement) or were randomized but not treated
- ❑ Injection and assessment techniques not standardized among investigators

■ Study Outcomes:

- ❑ 3 out of 4 objective endpoints achieved statistical significance
- ❑ Study B was statistically significant; Study A close to statistical significance
- ❑ Studies would have met SPA specifications if results combined

Wrinkle Study (R-005/006)

- Randomized, double-blind, pivotal Phase III trials to evaluate the efficacy and safety of Isolagen Therapy™ against placebo for the treatment of nasolabial skin fold wrinkles
 - Two identical clinical trials: IT-R-005 and IT-R-006; 12 sites
 - Each to include 200 patients; 100 patients of which will receive Isolagen Therapy
 - Enrollment going very well
- Under an FDA Special Protocol Assessment (SPA)
- Study design and clinical/regulatory execution informed by lessons learned from R-003 studies

Open Label Full Face Study

- Open label study for full face wrinkles and creases
- Protocol submitted to FDA in December



Acne Scar Study



- In pursuit of a Phase II/III Acne Scar study
 - Draft protocol completed
 - Submitted a pre-IND FDA meeting request
 - Objective is to initiate Phase III Acne scar study in 1st half of 2007
 - Need FDA non-objection

Burn Scar Study



- The Phase II/III* Burn Scar study project
 - Pre-IND FDA meeting scheduled this month
 - Protocol under development
 - Negotiations with FDA will include the possibility of fast tracking the indication through a Phase II/III study
 - 1H 2007 target study enrollment start date

*Phase dependent on FDA Agreement

Periodontal Study

- Phase II open label study IT-G-003 for treatment of interdental papillary insufficiency underway
 - 1 site, 13 subjects, study fully enrolled
- Isolagen Trial IT-G-002 results suggest autologous fibroblasts are safe and may be efficacious in increasing papillary growth
 - Visual Assessment Scale (VAS) assessments were superior to placebo at 4 months; objective endpoints failed to demonstrate statistical significance
- Current Study goal: test more sensitive measurement techniques and find optimal treatment protocol

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Market Potential



Isolagen Aesthetics

Aesthetics Portfolio Potential*

Isolagen[®] Therapy

Wrinkles

Acne Scars

\$50M - \$200M

Market Potential

\$25M - \$175M

Market Potential

Facial Aesthetics Patient Pop: 300k-500k
% Eligible for Isolagen Cosmetic: 5%-10%

Acne Scar Patient Pop: 150k-300k
% Eligible for Isolagen Cosmetic: 5%-15%

Agera[®] Skincare

Total Rx Channel:
\$135M-\$160M**

Agera Rx Market Potential:
\$10M-\$15M

** Cline & Company Report
Projected US Rx Skincare sales for 2008

*All market potential projections are preliminary based on company analysis and still under review

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Isolagen Medical

Therapeutic Portfolio Potential*

Burn Scars

**\$100M - \$700M
Market Potential**

Burn Scar Patient Pop: 250k-500k
% Eligible for Therapy : 10%-30%

Periodontal

**\$100M - \$400M
Market Potential**

Periodontal Patient Pop: 750k-1.0M
% Eligible for Isolagen Therapy: 5%-15%

*All market potential projections are preliminary based on company analysis and still under review

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Agera[®] Skincare

Nano-Peptide Technology (NPT)[™]



Complete Skincare System

- NPT™ (Nano-Peptide Technology™) drives product systems
 - AM/PM Daily Systems
 - Everyday skincare for different skin types
 - Treatment Systems
 - Treats specific high demand skincare issues
 - Acne
 - Anti-Aging
 - Photo-Damaged & Pigmentation
 - Pre/Post Procedures
 - Designed to enhance the results of aesthetic procedures



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Agera® Strategic Rationale

- Aligns with overall aesthetics strategy
- Establishes commercial infrastructure
- Should provide a competitive offering to existing Rx channel skin care lines
- Possibility to make inroads selling in non-Rx channels
- Deal provides access to other novel peptides
- Excellent product experience in London
- Product Systems concept with “Nano-Peptide Technology™” (NPT) has tested well

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**Building on the Momentum
The Next 6 Months ...**

Next 6 Months-- Key Milestones

Clinical

- US “wrinkle study” fully enrolled— all subjects receive all injections—move program into data collection phase
- Hire Clinical Development leader
- Seek protocol acceptance/ initiate full face aesthetics study
- Negotiate best outcome with FDA so to start burn & acne scar clinical programs
- Finalize dental program strategy

Operating/Business

- Launch Agera® Business successfully
- Continue to improve cost efficiency and quality in manufacturing process
- Finalize UK closure
- Sell Swiss facility
- Complete capital structuring plan
- Make decisions on potential acquisitions/collaborations/partnerships

Why Isolagen?

- New experienced management
- Revitalized business strategy
- Innovative technology in Phase III under Special Protocol Assessment
- Excellent therapeutic and aesthetics market potential
- Turnaround fundamentals firmly in place



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