NeoStem's Subsidiary, Progenitor Cell Therapy (PCT), to Provide Process Development and Manufacturing Services to Kite Pharma

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Services Will Utilize Additional Clean Room Capacity Recently Added to PCT's California Facility

New York, Jan. 9, 2014 -- NeoStem, Inc. (NASDAQ:NBS) and its subsidiary, Progenitor Cell Therapy, LLC ("PCT"), announced today the execution of a Services Agreement with Kite Pharma, Inc., under which PCT will provide cell therapy process development and manufacturing services for Kite Pharma's lead engineered Autologous T Cell Therapy (eACT™) clinical development program.

Kite Pharma ("Kite") is developing proprietary cancer immunotherapy products, with a primary focus on eACT™ designed by Kite to restore the immune system's ability to recognize and eradicate tumors. In connection with Kite's lead eACT™ clinical development program, anti-CD19 CAR T cells to treat aggressive lymphoma, Kite has engaged PCT for process development services, technology transfer and implementation of the manufacturing process, including manufacturing, packaging, labeling, quality control testing, and product release and storage.

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 Good Manufacturing Practices ("GMP") manufacturing 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. PCT has provided high quality and cost efficient development and manufacturing services to over 100 clients in its more than 15-year history.

Marc Better, PhD, Kite's Vice President, Product Sciences, stated, "In our mission to rapidly advance products that harness the power of immunotherapy, we have seen substantial progress in our lead programs in exclusive collaboration with the National Cancer Institute, including impressive clinical results in lymphoma patients highlighted at the recent American Society of Hematology meeting. We believe that PCT offers industry-leading experience and expertise that will help speed progress toward Kite-sponsored clinical studies in the US."

Robert A. Preti, PhD, Chief Scientific Officer and President of PCT, said, "We are excited to enter into this agreement with Kite and look forward to applying our expertise in technology transfer and manufacturing to help Kite meet its clinical trial timelines and commercialization goals."

Kite will be accessing capacity in PCT's California facility, which recently brought online one additional, fully-outfitted Class 10,000 clean environment room ("CER") bringing the total of active CERs at the California facility to seven. Additionally, PCT's New Jersey facility recently completed an extensive renovation that added two additional CERs (one of which is rated Class 1,000 to meet European Union manufacturing requirements) bringing the total number of CERs in the New Jersey facility to five, in addition to almost doubling useable office space.

"The expanded space at PCT's California and New Jersey facilities reflects our belief that the regenerative medicine industry is continuing to grow and our desire to be prepared to serve the needs of clients such as Kite," said Robin L. Smith, MD, MBA, Chairman and CEO of NeoStem, Inc.

About NeoStem, Inc.

NeoStem, Inc. is a leader in the emerging cellular therapy industry. Our business model includes the development of novel proprietary cell therapy products as well as operating a contract development and manufacturing organization providing services to others in the regenerative medicine industry. The combination of a therapeutic development business and revenue-generating service provider business provides the Company with capabilities for cost effective in-house product development and immediate revenue and cash flow generation. www.neostem.com.

About Kite Pharma

Kite Pharma, Inc. ("Kite") is a privately held development stage biotechnology company engaged in the development of novel cancer immunotherapy products, with a primary focus on eACT™ designed to restore the immune system's ability to recognize and eradicate tumors. In partnership with the NCI Surgery Branch, Kite is advancing a pipeline of proprietary eACT™ product candidates, both CAR and TCR products, directed to a wide range of cancer indications. These novel personalized and targeted immunotherapies, which capitalize on the selectivity and potency of immune cells, are designed to provide significant and durable clinical benefit regardless of tumor origin, disease stage, and prior treatments. Kite's management team has a proven track record of building successful biotechnology companies and successfully developing cutting-edge immunotherapies and oncology treatments. Kite is based in Los Angeles, CA. For more information, visit the company's website at http://www.kitepharma.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. Forward-looking statements include statements herein with respect to the successful execution of the Company's business strategy, including with respect to the successful development of cellular therapies, including with respect to AMR-001 and regulatory T cells, the future of the regenerative medicine industry and the role of stem cells and cellular therapy in that industry and the Company's ability to successfully grow its contract development and manufacturing business, including growth based on the successful development and commercialization by PCT's clients of their own cell-based therapies and the continuation of the PCT and client relationship. The Company's actual results 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 filed with the Securities and Exchange Commission on March 11, 2013 and in the Company's periodic filings with the SEC. The Company's further development is highly dependent on future medical and research developments and market acceptance, which is outside its control.