UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 4, 2012

NEOSTEM, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware	001-33650	22-2343568
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

420 Lexington Avenue, Suite 450, New York, New York 10170
(Address of Principal Executive Offices)(Zip Code)

(212) 584-4180
Registrant's Telephone Number

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Compensatory Arrangements

On January 4, 2012 the Compensation Committee of NeoStem, Inc. ("NeoStem" or the "Company"), after consultation with the Board, adopted the NeoStem 2012 Board of Directors Compensation Plan (the "Board of Directors Compensation Plan"), which provides that each Board member who is not an employee of NeoStem or one of its wholly-owned subsidiaries shall be authorized to receive, in such Board member's sole discretion, either (i) options to purchase 120,000 shares of the Company's common stock ("Common Stock"); or (ii) a stock award of 120,000 shares of our Common Stock, in either case issued under and subject to the terms of the 2009 Equity Compensation Plan (the "2009 Plan"), for his or her service as a Board member. These options and shares shall vest fully on the date of grant. The Board of Directors Compensation Plan further provides that the Chair of each Board Committee who is not an employee of the Company or any of its wholly-owned subsidiaries shall be authorized to additionally receive, in such Committee Chair's sole discretion, either (i) options to purchase 50,000 shares of our Common Stock; or (ii) a stock award of 50,000 shares of our Common Stock, in either case issued under and subject to the terms of the 2009 Plan, for his or her service as a Committee Chair. These options and shares shall vest fully on the date of grant. In each case, the exercise price of options authorized pursuant to the Board of Directors Compensation Plan shall be equal to the closing price of a share of our Common Stock on the date of grant. The foregoing shall be issued on January 4th of each year during the term of the Board of Directors Compensation Plan, commencing January 4, 2012. Directors who are not employees of NeoStem or its wholly-owned subsidiaries are also entitled to cash fees equal to $7,500 per calendar quarter commencing with the quarterly period ending March 31, 2012. Notwithstanding the foregoing, the Compensation Committee shall have the discretion to renew or adjust, as appropriate, this Board of Directors Compensation Plan at the end of each calendar year, including with respect to whether to continue offering the choice under such plan between options and stock. In accordance with the above, on January 4, 2012 the Company issued an aggregate of 410,000 options to purchase shares of our Common Stock at a per share exercise price of $0.52 and 580,000 shares of our Common Stock (120,000 of which were granted under the Company's 2009 Non-U.S. Based Equity Compensation Plan (the "Non-US Plan")).

On January 4, 2012, NeoStem granted under the 2009 Plan to certain employees, consultants and advisors options to purchase an aggregate of 3,116,552 shares of our Common Stock at a per share exercise price equal to $0.52 which was the closing price of the Common Stock on the date of grant. In addition, 75,000 options were granted under the Non-US Plan. Options to purchase a total of 1,841,400 shares were granted to executive officers.

Item 7.01. Regulation FD Disclosure.

NeoStem intends, from time to time, to utilize at various industry and other conferences two slide presentations. These slide presentations are accessible on NeoStem's website at *www.neostem.com* and are being furnished as Exhibits 99.1 and 99.2 hereto. NeoStem undertakes no obligation to update, supplement or amend the materials attached hereto as Exhibits 99.1 and 99.2.

The information under Item 7.01 in this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K. In accordance with General Instruction B.2 of Form 8-K, the information under Item 7.01 of this Current Report on Form 8-K, including, without limitation, Exhibits 99.1 and 99.2, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in Item 7.01 of this Current Report on Form 8-K, including, without limitation, Exhibits 99.1 and 99.2, shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

Item 8.01. Other Events.

On January 3, 2012, NeoStem issued a press release that included a letter to the shareholders of the Company. A copy of the press release is attached as Exhibit 99.3 to this Current Report on Form 8-K and is incorporated herein by reference.

The Company is taking steps to limit its adult stem cell therapy services business in China, including decreasing the number of employees, including members of senior management.

On January 6, 2012, pursuant to a letter agreement (the "Letter Agreement") entered into with Catherine M. Vaczy, the Vice President, Legal and General Counsel for the Company, the Company extended Ms. Vaczy's employment agreement dated January 26, 2007, which employment agreement was amended on January 9, 2008, August 29, 2008, July 8, 2009 and July 7, 2010 (the "Original Agreement "). The Letter Agreement is effective as of January 6, 2012 (the "Effective Date") and continues through December 31, 2012 (the "Term"). In consideration for Ms. Vaczy's services during the Term, Ms. Vaczy shall continue to receive her base salary of $232,500 through July 7, 2012 at which time such salary shall be increased by 10%.

Upon the Effective Date, Ms. Vaczy received an option grant for 150,000 shares of Common Stock under the 2009 Plan with an exercise price equal to the closing price of the Common Stock on the date of grant, which option shall vest as to all shares upon the expiration of the Term. Options granted to Ms. Vaczy shall remain exercisable for a period of two years following her termination of employment with the Company. Under the Letter Agreement, Ms. Vaczy also agreed to accept $10,000 of the $30,000 portion of her 2011 bonus payable in shares of the Company's Common Stock on a net basis, based on the closing price of the Company's Common Stock on the Effective Date, and the vesting was accelerated for 50,000 unvested options held by her.

Forward-Looking Statements

This Current Report on Form 8-K, including Exhibits 99.1, 99.2 and 99.3 hereto, contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically preceded by words such as “believes,” “expects,” “anticipates,” “intends,” “will,” “may,” “should,” or similar expressions, although some forward-looking statements are expressed differently. Forward-looking statements represent the Company's management's judgment regarding future events. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, the Company can give no assurance that such expectations will prove to be correct. All statements other than statements of historical fact included in the Current Report on Form 8-K are forward-looking statements. The Company cannot guarantee the accuracy of the forward-looking statements, and you should be aware that the Company's actual results could differ materially from those contained in the forward-looking statements due to a number of factors, including the statements under "Risk Factors" contained in the Company's reports filed with the Securities and Exchange Commission.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Investor Presentation of NeoStem, Inc. dated January 2012*
99.2	Cell Therapy Presentation of NeoStem, Inc. dated January 2012*
99.3	Press release of NeoStem, Inc., dated January 3, 2012

*Exhibits 99.1 and 99.2 are furnished as part of this Current Report on Form 8-K.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, NeoStem has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NEOSTEM, INC.

By: /s/ Catherine M. Vaczy
Name: Catherine M. Vaczy
Title: Vice President and General Counsel

Date: January 6, 2012

NeoStem, Inc. ("NBS")

Investor Presentation

January 2012

NeoStem
YOUR CELLS • YOUR USE • YOUR LIFE
WWW.NEOSTEM.COM

Forward-Looking Statements

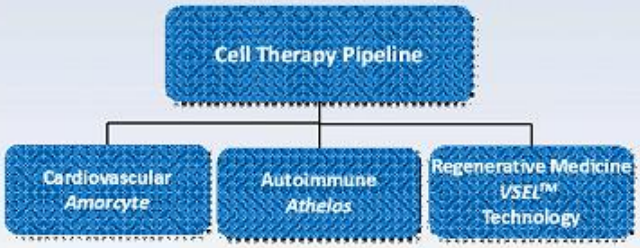
Included in this presentation are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995, as well as historical information. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of NeoStem, Inc. and its subsidiaries (collectively, the "Company"), or industry results, to be materially different from anticipated results, performance or achievements expressed or implied by such forward-looking statements. When used in this presentation, statements that are not statements of current or historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "plan," "intend," "may," "will," "expect," "believe," "could," "anticipate," "estimate," or "continue" or similar expressions or other variations or comparable terminology are intended to identify such forward-looking statements, although some forward looking statements are expressed differently. Additionally, statements regarding our ability to successfully develop, integrate and grow the businesses at home and abroad, including with regard to the Company's research and development efforts in cellular therapy, its adult stem cell and umbilical cord blood collection, processing and storage business, contract manufacturing and process development of cellular based medicines, and the pharmaceuticals manufacturing operations conducted in China, the future of regenerative medicine and the role of stem cells in that future, the future use of stem cells as a treatment option and the role of VSEL™ Technology in that future and the potential revenue growth of such businesses, are forward-looking statements. Our future operating results are dependent upon many factors and our further development is highly dependent on future medical and research developments and market acceptance, which is outside our control. Forward-looking statements, including with respect to the successful execution of the Company's strategy, may not be realized due to a variety of factors and we cannot guarantee their accuracy or that our expectations about future events will prove to be correct. Such factors include, without limitation, (i) our ability to manage the business despite operating losses and cash outflows; (ii) our ability to obtain sufficient capital or strategic business arrangements to fund our operations and expansion plans, including meeting our financial obligations under various licensing and other strategic arrangements and the successful commercialization of the relevant technology; (iii) our ability to build the management and human resources and infrastructure necessary to support the growth of the business; (iv) our ability to integrate the Company's acquired businesses successfully and grow such acquired businesses as anticipated; (v) whether a large global market is established for our cellular-based products and services and our ability to capture a share of this market; (vi) competitive factors and developments beyond our control; (vii) scientific and medical developments beyond our control; (viii) our ability to obtain appropriate governmental licenses, accreditations or certifications or comply with healthcare laws and regulations or any other adverse effect or limitations caused by government regulation of the business; (ix) whether any of our current or future patent applications result in issued patents and our ability to obtain and maintain other rights to technology required or desirable for the conduct of our business; (x) whether any potential strategic benefits of various licensing transactions will be realized and whether any potential benefits from the acquisition of these licensed technologies will be realized; (xi) the results of our development activities, including the timing, enrollment, outcome and/or results of any clinical trials; (xii) our ability to successfully divest our 51% ownership of our Erye subsidiary; (xiii) factors regarding our business and initiatives in China and, generally, regarding doing business in China, including through our variable interest entity structure, including (a) costs related to funding these initiatives, (b) the successful application under Chinese law of the variable interest entity structure to the Company's business, which structure the Company is relying on to conduct its business in China, (c) the ability to integrate the Company and the business operations in China successfully and grow such integrated businesses as anticipated, (d) the need for outside financing to meet capital requirements, and (e) the ability of the Company to realize on its investment in Erye through distributions, divestiture or other strategic alternatives; and (xiv) other risk factors disclosed in the Company's definitive proxy statement filed September 16, 2011 and in the Company's periodic filings with the Securities and Exchange Commission which are available for review at www.sec.gov under "Search for Company Filings."

All forward-looking statements attributable to us are expressly qualified in their entirety by these and other factors. We undertake no obligation to update or revise these forward-looking statements, whether to reflect events or circumstances after the date initially filed or published, to reflect the occurrence of unanticipated events or otherwise, except to the extent required by federal securities laws.

The contents of this PowerPoint presentation reflect the merger of Amorcyte, Inc., a clinical stage therapeutics company pursuing cell-based therapies for cardiovascular diseases, with and into a wholly-owned subsidiary of NeoStem, which closed on October 17, 2011.

NeoStem: A Leader in Cell Therapy

NeoStem is a global cell therapy company with a strategic combination of revenues that is focused on transforming chronic disease through cell based medicine. We have a clinical philosophy based on traditional drug development with state of the art manufacturing and high level regulatory expertise



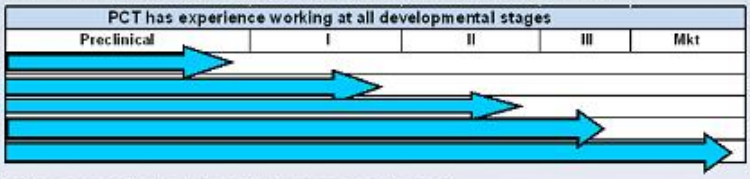
P2 Asset	P1 Asset	Preclinical Asset
AMR-001: Cardiovascular Disease	T-Reg Cells: Restoring Immune Balance	VSELs™: Pluripotent Adult Stem Cells

Commercial Scale Manufacturing

- Industry leader in commercial cell therapy manufacturing
- 50,000 square feet of cGMP manufacturing capability located in North America and China
- Manufactured 30,000+ cell therapy product procedures and delivered 6,000+ cell therapies to patients worldwide for over 100 clients
- Cost-efficient cell therapy development platform
- Diversified revenue stream from cell therapy manufacturing contracts

Progenitor Cell Therapy: Extensive Pipeline

- PCT has experience with virtually every cell type including dendritic cells (7 years of manufacturing for Provenge®)
- Partnering relationships with a goal of commercial manufacturing



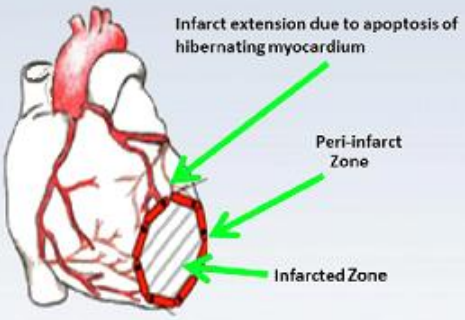
- Active companies in the cell therapy space include:

Amorcyte, SANGAMO, OPEXA THERAPEUTICS, BD, Athersys, BOSTWICK SCIENTIFIC, SanBio, Osiris, invitrogen, Hospira, Baxter, Johnson & Johnson, Pfizer, coronado, TxCell, Therakos, NeurOnyx, Dendreon, IRX Therapeutics, STEMCELLS, ERYtech Pharma, gamida Cell, PRIMA BIOMED LTD, Australian Cancer Treatment Company, MINNESOTA THERMAL SCIENCE

- An autologous pharmaceutical grade product: purified and enriched natural cell population derived from patients' bone marrow and intended to preserve heart muscle function and limit MACE following acute myocardial infarction
- Clinical biologic dosing threshold established in clinical trial
- Defined mechanism of action: $CD34^{+}CXCR4^{+}$ homing & integration
- Dominant IP position with both composition of matter and method patents
- Pharmacoeconomic value

Clear Unmet Medical Need for AMI Patients

- Of the 800,000 annual AMI patients in U.S., 20% (160,000) are STEMI, and **experience progressive deterioration in heart muscle function leading to:**
  - Premature Death
  - Recurrent Myocardial Infarction
  - Congestive Heart Failure
- Inadequate perfusion (microvascular insufficiency) leads to hibernating cardiomyocytes and progressive cardiomyocyte loss due to apoptosis

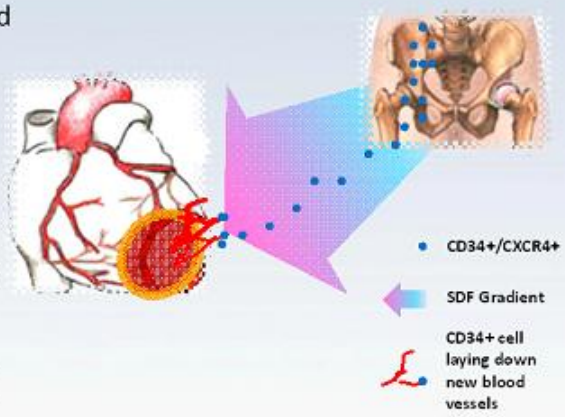


References:
American Heart Association
Ouyyumi AA et al 2011, American Heart Journal: 161(1) 98-105

Cell Type: CD34⁺CXCR4⁺ Cells are a Natural Repair Mechanism

The body attempts to rescue damaged tissue to prevent ventricular remodeling:

- A distress signal (HIF) is induced by hypoxia in the peri-infarct zone
- HIF induces synthesis of SDF and VEGF, which mobilize CD34⁺CXCR4⁺ cells
- The mobilized cells are trophic to the peri-infarct zone, preventing apoptosis through paracrine effects and effecting neoangiogenesis



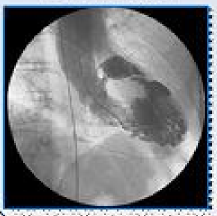
AMR-001: Highly purified T (CD34⁺) and active (CXCR4⁺) cell population

PreSERVE AMI Trial for AMR-001

- Patient presents with chest pain + STEMI
- All enrolled patients receive a stent
- If ejection fraction (EF) ≤ 48%, patient is enrolled in trial & randomized for treatment

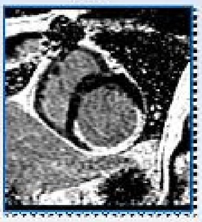
- Patient bone marrow harvested
- $CD34^+CXCR4^+$ isolated using proprietary technology
- Intracoronary infusion of $CD34^+CXCR4^+$ cell product (treatment arm) or media (control arm)

Ventriculography



Day 1

CMR

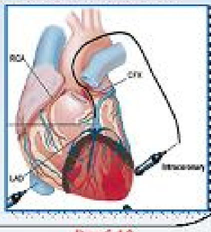


Day 4

6-8 Hour Cell Separation Process

Day 5-8

Injection into the IRA



Day 6-10

6-Months Follow-up: Cardiac function measures by SPECT-MPI and MRI with MACE Follow-up

Primary endpoint of RTS6 and a host of secondary measures to assess the impact of AMR-001 on infarct size and cardiac function. These will include left ventricular ejection fraction (LVEF) [illegible] end systolic and end diastolic volumes, regional myocardial strain and regional wall motion. [illegible] Seattle Angina Questionnaire (SAQ), administered at [illegible] acute coronary syndrome (ACS), and revascularization (PCI, CABG) will be assessed at 6 months, one year, 18 months, two years and three years. All cause mortality will be assessed as will be the number of days alive and out of the hospital at 6 and 12 months.

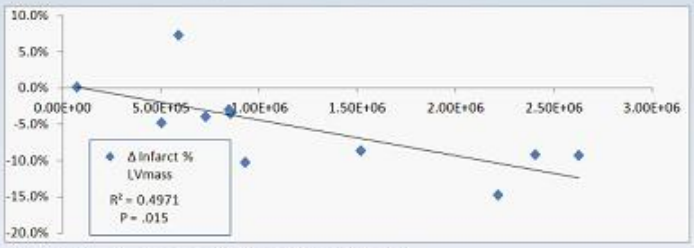
AMR-001 Phase 1 Clinical Trial Protocol

Indication	Post-AMI with LVEF ≤50% and wall motion abnormality in the myocardium of the IRA
Primary Endpoint	Safety in post-AMI patients
Other Endpoints	RTSS* (Perfusion); LVEF; ESV; SDF mobility
Key Inclusion Criteria	Confirmation of ST Elevation MI; Ejection fraction ≤ 50%
Dosing Frequency	Single dose
Groups and Randomization	3 dose cohorts (5, 10, 15 million cells, randomized 1:1)
Number of Subjects	N=31
Number of Sites	4
Geography	United States
Trial Duration	6 months

Quyyumi AA et al 2011, American Heart Journal: 161(1) 98-105
*RTSS: Resting Total Severity Score

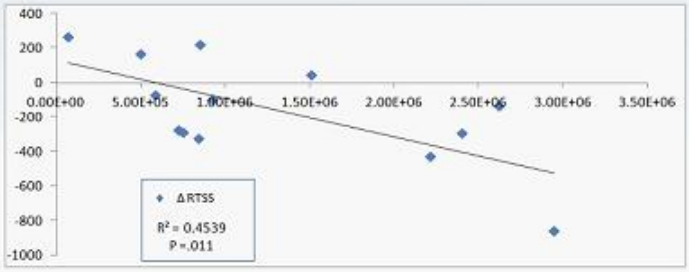
Dose Response Established

Y = Δ Infarct % LV Mass, X = Dose of SDF1 mobile CD34 cells



Increasing doses of AMR-001 reduced the size of the infarct region by CMR

Y= Δ RTSS, X = Dose of SDF1 mobile CD34 cells



Increasing doses of AMR-001 reduced RTSS (hypoperfusion), and improved perfusion

Quyyumi AA et al 2011, American Heart Journal: 161(1) 98-105

Threshold Dose for Efficacy Established

RTSS (Hypoperfusion)

Baseline correlates with infarct size

Cohort	Base Line	6 months	Delta	% Change
Control	259.0	273.5	+14.5	**+5.6**
5M Cells	714.2	722.0	+7.8	**+1.1**
10M Cells	998.6	635.8	-362.8	**-36.4**
15M Cells	584.0	462.0	-122.0	**-20.9**

Patients dosed ≥ the threshold dose of 10 million cells showed significant improvement in perfusion

DSMB determined that no adverse events were related to therapy

Ouyyumi AA et al 2011, American Heart Journal; 161(1) 98-105
RTSS: Resting Total Severity Score

Subgroup Analyses: Additional Cardiac Function Test Results

RTSS (Hypoperfusion)

	6 month			
	Base Line	6 Mo.	Δ	% Δ
Below Threshold	385.4	398.1	+12.6	+3.3
Above Threshold	814.3	558.6	-255.8	-31.4 (p=0.01)*

Ejection Fraction

	6 month			
	BL	6 Mo.	Δ%	% Δ
Below Threshold	51.0	51.8	0.7	+1.3
Above Threshold	48.2	52.7	+4.5	+9.4

End Systolic Volume

	6 month			
	BL	6 Mo.	Δml	% Δ
Below Threshold	77.7	81.3	+3.6	+4.6
Above Threshold	94.1	88.4	-5.7	-6.1

Drop in Ejection Fraction

The overall composite data and individual scores for support potential best items produce

* change in 10M/15M cells cohorts significant compared to 5M cells/Control cohorts

Quyyumi AA et al 2011, American Heart Journal; 161(1) 98-105

PreSERVE AMI Trial Phase 2 Clinical Plan

Indication	Post-AMI Preservation of Cardiac Function
Primary Endpoint	Increased Cardiac Perfusion (RTSS) measured by SPECT
Other Endpoints	A composite of endpoints will be used to determine overall cardiac function (including preservation of LVEF and prevention of adverse remodeling) and Quality of Life (KCCQ & SAQ*)
Safety	Reduction in cumulative MACE and other adverse events at 6, 12, 18, 24, and 36 months
Dosing Frequency	Single dose
Dosing and Randomization	Minimum dose for release ≥10m cells Randomized 1:1 treatment to sham placebo control
Number of Subjects	160 patients
Number of Sites	34
Geography	United States
Trial Duration	Perfusion, cardiac function and QOL at approximately 18 months post first enrollment (12 months of enrollment and 6 months of treatment)

* KCCQ: Kansas City Cardiomyopathy Questionnaire
SAQ: Seattle Angina Questionnaire

AMR-001 Advantages in the Landscape

	AMORCYTE	i2cure	Athersys/Aggrecell	Mesoblast/Cephalon	Cytori	Osiris	Aastrom	Aldagen	Baxter
Clinical Development Stage	PII	PII	PI	PI	PII	PII	PII	PI	PII
Field of Use	AMI	AMI	AMI	AMI	AMI	AMI	HF	HF	CMI
Defined Mechanism of Action	✓	✓			✓			✓	✓
Autologous	✓	✓			✓		✓	✓	✓
Potential Toxicities /Safety Signals				✓		✓	✓		
Centralized Manufacturing	✓	✓	✓	✓		✓	✓	✓	✓
cGMP Defined Product	✓		✓	✓		✓	✓	✓	✓
Threshold Dose	✓	✓	✓	✓					✓
Cells Expanded			✓	✓		✓	✓		
Strong IP	✓								

AMI = Acute Myocardial Infarction
HF = Heart Failure
CMI = Chronic Myocardial Ischemia

AMR-001 Advantages

- Functionality of $CD34^+CXCR4^+$ cells
- Confirmed mechanism of action
- cGMP processing and manufacturing that stabilizes the $CD34^+CXCR4^+$ cells
- Potency, viability, stability, sterility, and variability assays
- Threshold dose is established at 10 million cells
- Dominant IP
  - composition of matter
  - methods and processes
  - catheter delivery

Pharmacoeconomic Impact

- Adverse left ventricular remodeling after STEMI results in an average medical burden of ≥ $50K per patient, per year of life
- If the patient's LVEF declines below 40%, then the cost per year escalates for the balance of the patient's lifetime
- AMR-001 is designed to prevent a decline in LVEF, thereby limiting adverse left ventricular remodeling and its negative consequences
- Pricing will allow strong commercial margins while significantly reducing costs to the health care system

Therapy	Stem Cell Product Acquisition Charge		Total Cost of Therapy
	US	International	
Bone Marrow	$26,090	$41,555	$125 – 150,000
Peripheral Blood (PBSC)	$25,620	$41,645	$85 - $125,000
Cord Blood Transplant	$34,045	$43,025	$150 – 300,000
Provenge®	$93,000 (3Trt)		Not Available
AMR-001	TBD	TBD	TBD

Additional Potential Indications for AMR-001

- AMR-001 platform can be applied to other conditions resulting from underlying ischemia
  - Chronic Myocardial Ischemia post-AMI
  - Cardiomyopathy:
    - Ischemic
    - Chemotherapy Induced
  - Congestive Heart Failure
  - Critical Limb Ischemia
  - Cryopreserved preparations of AMR-001

AMR-001 platform can be applied to other conditions resulting from underlying ischemia

- AMR-001: Composition of matter patent (2028)
- NeoStem's patent estate includes patents for Amorcyte, Athelos & VSELs™
  Over 30 issued patents and over 90 pending patent applications, including composition of matter and methods claims. Geographic breadth of filings includes North America, Europe, Asia, Australia, Israel and South Africa

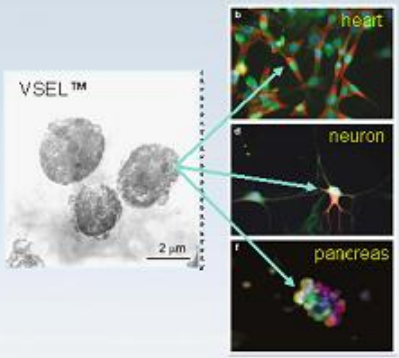
Athelos: T-reg Cells - Restoring Immune Balance

- Partnership with Becton Dickinson which owns 20% of the Athelos subsidiary
- Immune mediated diseases, such as GVHD, autoimmune diseases and allergic diseases, are a result of an imbalance between T-effector cells and T-regulatory cells (T-reg)
- T-reg therapy represents a novel approach for restoring immune balance by enhancing T-regulatory cell number and function
- T-reg cells are collected by apheresis, isolated using surface markers (for example: CD4+, CD25+, FoxP3+), activated and expanded *ex vivo* approximately 500 fold in 20 days[1]
- Phase 1 work is ongoing globally under several independent physician INDs, results of which will inform NeoStem's future clinical direction

1) Chai, Jian-Guo et al. Journal of Immunology 2008; 180;858-869

VSEL™ Pluripotent Adult Stem Cells

- VSEL™ (Very Small Embryonic-Like) technology is NeoStem's proprietary adult stem cell technology platform
- Believed to be naturally pluripotent – no manipulation required
- iPSCs (induced pluripotent stem cells) are recognized as manipulated and destroyed by the immune system (even as an autologous product)
- VSELs™ have been shown in animal research to home to sites of injury, up-regulate angiogenesis, down-regulate inflammation (the "paracrine effect"), BUT, importantly, go one step further and differentiate into target cell types



VSELs™ potentially represent the most powerful regenerative cell as they are pluripotent, autologous, "natural", powerful "paracrine" cells

Rodgerson DO, Harris AG, "A Comparison of Stem Cells for Therapeutic Use", Stem Cell Rev. 2011 Mar 2.

Financial Highlights

Key Metrics as of September 30, 2011

Revenue	$56.0m (nine months ended 9/30/11)
Cash Position	$15.6m*
Net Loss Excluding Non-Cash Charges	$10.0m (nine months ended 9/30/11)*
Total Stock and Equivalent Shares	
Common Shares	100.4m
Options	17.7m
Warrants	35.2m
Series E Preferred Stock	4.7m

*See Appendix for GAAP to Non-GAAP reconciliation

Key Executives

Robin Smith, MD, MBA *CEO & Chairman of the Board*	• MD – Yale; MBA – Wharton • Formerly President & CEO IP2M (HC multimedia), EVP & CMO HealthHelp (radiology management) • Trustee of NYU Medical Center; Chairman of the Board of NYU Hospital for Joint Diseases (through November 2009) and Stem for Life Foundation
Larry May *Chief Financial Officer*	• BS Business Administration – University of Missouri • Formerly Treasurer & Controller at Amgen; SVP Finance & CFO at BioSource Intl • Extensive experience building accounting, finance and IT operations
Jason Kolbert, MBA *VP of Strategic Business Development*	• BS Chemistry – SUNY New Paltz, MBA - University of New Haven • 17 years experience on Wall Street as Research Analyst in biotechnology in US and Asia • 6 years in the pharmaceutical industry with Schering-Plough in Japan
Andrew Pecora, MD, FACP *Chief Medical Officer*	• MD – University of Medicine and Dentistry of New Jersey • Chief Innovations Officer, Professor and Vice President of Cancer Services at John Theurer Cancer Center at Hackensack University Medical Center
Robert Preti, PhD *President and Chief Scientific Officer of PCT*	• PhD and MS in Cellular Biology / Hematology - New York University • One of the country's leading authorities on cell engineering and the principal investigator for a number of clinical trials relating to stem cell transplantation • 10 years experience as Director of Hematopoietic Stem Cell Processing & Research Laboratory
Jian Zhang *General Manager, Suzhou Erye Pharmaceuticals Co., Ltd*	• Joined Erye in 2003; extensive experience in the Chinese pharmaceutical industry • Degree in Finance and Accounting from Central Television University • Certified Public Accountant in China

Recent and Expected Milestones

- First patient enrollment in PreSERVE AMI Phase 2 trial (Q1 2012)
- Expansion of intellectual property beyond cardiovascular disease (Q1 2012)
- Start of AMR-001 trial in congestive heart failure (2012)
- Athelos – data read-out from investigator sponsored P1 trials in GVHD, diabetes, solid organ transplant, and asthma (2012)
- Presentation of VSEL™ Technology data at American Society of Hematology Annual Meeting by SAB member, Dec. 10-13, 2011
- Monetization of 51% ownership in Suzhou Erye (2012)
- Data readouts for PreServe AMI Phase 2 Trial (Q3 2013)
- Additional government research grants

Questions

Board of Directors

NeoStem Board Members

Robin Smith, MD, MBA *CEO & Chairman of the Board*	• MD – Yale; MBA – Wharton • Formerly President & CEO IP2M (HC multimedia), EVP & CMO HealthHelp (radiology management) • Experience - Trustee of NYU Medical Center; Chairman of the Board of NYU Hospital for Joint Diseases (through November 2009) and Stem for Life Foundation
Richard Berman *(Independent)*	• Over 35 years of venture capital, management, M&A experience • Experience – Current Board of Directors of Apricus Biosciences, Easylink Services International, Inc., Advaxis, Inc., Broadcaster, Inc., National Investment Managers
Drew Bernstein, CPA *(Independent)*	• BS – University of Maryland Business School • Licensed in State of New York; member AICPA, NYSSCPA and NSA • Experience – Bernstein & Pinchuk LLP (member of BDO Seidman Alliance); PRC auditing; 200+ real estate transactions with $3B+ aggregate value; accountant and business advisor
Edward Geehr, MD *(Independent)*	• BS – Yale University; MD – Duke University • Experience – Abraxis Bio-Science; Allez Spine; IPC-The Hospitalist Company
Martyn Greenacre, MBA *(Independent)*	• BA – Harvard College; MBA – Harvard Business School • Experience – Board and executive positions for multiple biopharmaceutical companies; Former CEO of Delsys Pharmaceutical Corporation and Zynaxis Inc; Chairman of the Board of BMP Sunstone Corporation
Steven Myers *(Independent)*	• BS Mathematics – Stanford University • Experience – Founder/Chairman/CEO SM&A (competition management services); career in aerospace and defense sectors supporting DoD & NASA programs
Andrew Pecora, MD, FACP	• MD — University of Medicine and Dentistry of New Jersey • Experience – Chief Innovations Officer, Professor and Vice President of Cancer Services at John Theurer Cancer Center at Hackensack University Medical Center, and Managing Partner of the Northern New Jersey Cancer Center
Mingsheng Shi *Chairman of the Board of Suzhou Erye Pharmaceutical*	• BSc Economics & Management – Party School of the Communist Party of China • Professional title of Senior Economist • Extensive experience in pharmaceutical industry in China
Eric Wei *Managing Partner, RimAsia Capital Partners*	• BS Mathematics & Economics – Amherst College; MBA – Wharton • Experience – Founder/Managing Partner of RimAsia Capital Partners (private equity); Peregrine Capital, Prudential Securities, Lazard Freres, Citibank; Gilbert Global Equity PartnersCrimson Asia Capital Partners

Amorcyte Scientific Advisory Board

Eugene Braunwald, MD, FRCP	• Brigham & Women's Hospital
Bernard J. Gersh, MD, ChB, DPhil, FRCP	• The Mayo Clinic
Dean J. Kereiakes, MD, FACC	• The Christ Hospital Heart of Greater Cincinnati
Douglas L. Mann, MD, FACC	• Washington University School of Medicine
Andrew L. Pecora, MD, FACP, CPE	• Chief Medical Officer, NeoStem • Hackensack University Medical Center
Carl J. Pepine, MD	• University of Florida College of Medicine
Emerson C. Perin, MD, PhD, FACC	• Texas Heart Institute
Bertram Pitt, MD	• University of Michigan School of Medicine
Arshed Quyyumi, MD, FRCP, FACC	• Principal Investigator, Phase II • Emory University School of Medicine
Edmund K. Waller, MD, PhD, FACP	• Emory University School of Medicine
James T. Willerson, MD	• University Texas Health Science Center
Joseph Wu, MD, PhD	• Stanford University School of Medicine

Athelos Scientific Advisory Board

Robert A. Preti, PhD, Chairman	• Progenitor Cell Therapy
Bruce Blazar, MD	• University of Michigan Masonic Cancer Center
Jeffrey Bluestone, PhD	• University of California, San Francisco, Diabetes Center
David A. Horwitz, MD	• University of Southern California
Carl June, MD	• Perelman School of Medicine, University of California
Robert Korngold, PhD	• Hackensack University Medical Center
Wayne A. Marasco, MD, PhD	• Dana-Farber Cancer Institute
Robert S. Negrin, MD	• Stanford University
David Peritt, PhD	• Hospira
Camillo Recordi, MD	• University of Miami Diabetes Research Institute
Noel L. Warner, PhD	• BD Biosciences

Appendix

GAAP to Non-GAAP Reconciliations for the nine months ended September 30, 2011

Cash Position Reconciliation		
Cash & cash equivalents	$	11,713,338
Short term investments		555
Restricted cash		1,427,827
Cash included in Other Assets (represents cash held in escrow as security associated with Preferred Series E obligations, with maximum lock up through May 2013)		2,500,000
Cash Position	$	15,641,720
Net Loss Excluding Non-Cash Charges Reconciliation		
Net Loss	$	(27,728,736)
Non cash charge adjustments per Cash Flow Statement:		
Common stock, stock options and warrants issued		8,164,814
Depreciation and amortization		6,754,953
Amortization of preferred stock discount and issuance cost		1,903,703
Changes in fair value of derivative liability		(1,661,049)
Write off of acquired in-process research and development		1,150,000
Loss on disposal of assets		396,635
Non-cash interest expense		328,425
Contributions paid with common stock		607,363
Bad debt expense		50,024
Net Loss Excluding Non-Cash Charges	$	(10,033,868)

A Paradigm Shift to Cell Therapy is Coming!

Alliance for Regenerative Medicine

NeoStem
YOUR CELLS · YOUR USE · YOUR LIFE
WWW.NEOSTEM.COM

Robin Smith MD, MBA
Chairman & CEO

January 2012

Capturing the Paradigm Shift to Cell Based Therapy

THE NEW ERA OF REGENERATIVE MEDICINE

Dozens of biotech companies and university labs are developing ways to replace or regenerate failed body parts. Here are a few of the projects:

BONE

Bone-growth factors or stem cells are inserted into a porous material cut to a specific shape, creating new jaws or limbs. A product that creates shinbones is in clinical trials.

COMPANIES: Creative Biomolecules, Orquest, Sulzer Orthopedics Biologics, Genetics Institute, Osiris Therapeutics, Regeneron.

SKIN

Organogenesis' Apligraf, a human-skin equivalent, is the first engineered body part to win FDA approval, initially for leg ulcers. Other skins are in the works for foot ulcers and burns.

COMPANIES: Organogenesis, Ad-vanced Tissue Sciences, Integra LifeSciences, LifeCell, Ortec International.

PANCREAS

Insulin-manufacturing cells are harvested from pigs, encapsulated in membranes, and injected into the abdomen. The method has been tested in animals and could be in human trials in two years.

COMPANIES: BioHybrid Technologies, Neocrin, Circe Biomedical

HEART VALVES, ARTERIES, AND VEINS

A 10-year initiative to build a heart has just started. Genetically engineered proteins have been successfully used to regrow blood vessels.

COMPANIES: Organogenesis, Advanced Tissue Sciences, Genetech, LifeCell, Reprogenesis.

DATA: BUSINESS WEEK, DRUG & MARKET DEVELOPMENT REPORTS

SALIVA GLANDS

Proteins called aquaporins that allow cells to secrete water are used to recreate saliva glands damaged by disease or radiation. Glands are also being engineered to secrete healing drugs. The technique has proven successful in mice.

COMPANIES: None yet.

URINARY TRACT

Cartilage cells are taken from the patient, packed into a tiny matrix, and injected into the weakened ureter, where they bulk up the tissue walls to prevent urinary backup and incontinence. The method is in late-phase clinical trials.

COMPANIES: Reprogenesis, Integra LifeSciences.

BLADDER

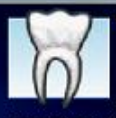
Doctors at Children's Hospital in Boston have grown bladders from skin cells and implanted them in sheep. They are about to try the same process on a patient

COMPANIES: Reprogenesis.

CARTILAGE

A product is already on the market that regrows knee cartilage. A chest has been grown for a boy and a human ear on a mouse.

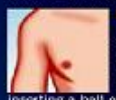
COMPANIES: Genzyme Tissue, Biomatrix, Integra LifeSciences, Advanced Tissue Sciences, ReGen Biologics, Osiris Therapeutics



TEETH

Enamel matrix proteins are used to fill cavities. It works in dogs; human trials are a few years away.

COMPANIES: Biora, Atrix Laboratories, Creative BioMolecules.



BREAST

In preclinical studies, several companies have been able to create a cosmetic nipple by inserting a ball of cartilage. Researchers are now trying to grow a whole cosmetic breast.

COMPANIES: Reprogenesis, Integra LifeSciences.

LIVER

A spongy membrane is built up and then seeded with liver cells. Organs the size of a dime have been grown, but a full-size liver could take 10 years due to its complexity.

COMPANIES: Advanced Tissue Sciences, Human Organ Sciences, Organogenesis.

SPINAL CORD NERVES

Scientists are investigating nerve-growth factors, injecting them at the site of damage to encourage regeneration or seeding them along biodegradable filaments and implanting them. Rats have been made to walk again.

COMPANIES: Acorda, Regeneron, CytoTherapeutics, Guilford Pharmaceuticals.

Cell Therapy Has Already Shown Promise Towards Unmet Therapeutic Needs

21,036 Cell Therapy Trials; 3,856 Stem Cell Therapy Trials; 1,065 Immunotherapy Trials*

Central Nervous System

Reverse neurological damage

- ALS
- Spinal cord injury
- Stroke
- Neuro-degenerative

Cardiovascular Disease

Neo-vascularization and repair of damaged tissue

- Prevent heart failure post STEMI
- Restore failing heart function
- Improve areas of vascular insufficiency

Musculoskeletal

Rebuild bone and repair cartilage

- Disc repair
- Cranial facial
- Osteoporosis
- Reconstruction post trauma

Autoimmune Diseases

Reset the immune system

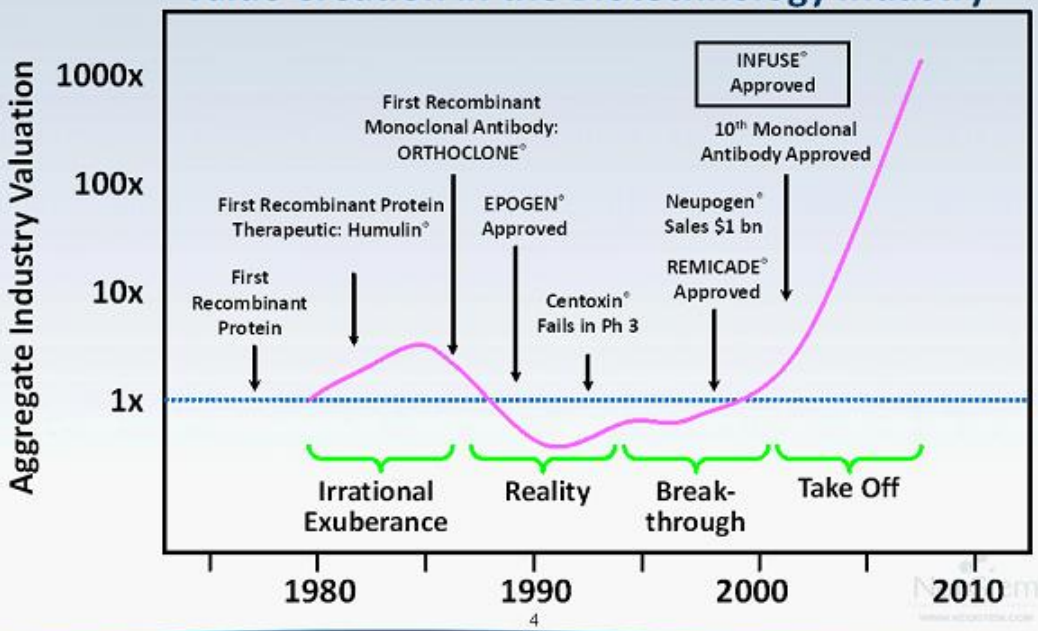
- Provide exquisite control of glucose and insulin level (diabetes)
- Immune tolerance regimens to combat autoimmunity
  - MS
  - Lupus
  - Osteoarthritis
- GvHD
- Solid organ rejection

What Does This Mean For Investors?

* Source: Clinicaltrials.gov

Evolution of a Paradigm Shift

Value Creation in the Biotechnology Industry



Must Demonstrate Ability to Reduce Cost, Time and Risk of Cell Therapy Development

- Autologous vs. Allogeneic
- Patient-specific vs Multi-patient Use
- Sources of cells: Bone marrow derived, adipose, IPS, Embryonic, etc.
- Fresh vs Cryopreserved
- Shelf-life from sourcing to therapy (logistics considerations)
- Changes control through scale-ip (SOPs and Manufacturer)
- Pharmacoeconomic studies

These Variables Directly Effect:

- Regulatory pathway
- Time of development
- Cost of clinical trials
- Affordability / Cost of Goods
- Reimbursement
- Adoption by medical community

Cell Therapy : Opportunities & Challenges in 2012

- A paradigm shift in cell therapy is coming as evidenced by the number of products in later stage trials.
- Hundreds of millions of dollars in federal funding has been allocated and distributed for regenerative medicine research (ARM, TATRC, CDMRP).
- Aastrom, Athersys, Pluristem, Tengion, Immunocellular, NeoStem, Stem Cells Inc., and Coronado (just to name a few) have raised over $150 million collectively, but valuations are now low and the financing environment is tough.
- Strategic Investments are Rising: Mesoblast & Cephalon, PluriStem and United Therapeutics, Athersys & Pfizer, Osiris & Genzyme, however pharmaceutical companies and large biotechs are becoming more risk adverse and want proof of principle from well designed clinical programs.
- The key is to weather the storm and survivors will be those who understand how to leverage themselves to the environment, utilize resources, and be cost effective.

NeoStem's Approach

NeoStem is uniquely positioned for success with a strategic combination of revenues and a pipeline of cell based therapies focused on transforming chronic disease.

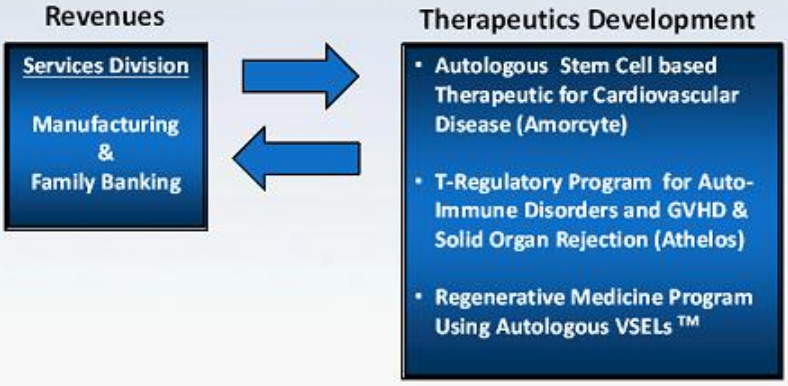


EXHIBIT 99.3

NeoStem's CEO Letter to Shareholders

NEW YORK , Jan. 3, 2012 /PRNewswire/ --

Dear NeoStem Shareholders,

We would like to take a moment to both look back at 2011 - a transformative year for NeoStem (NYSE Amex: NBS) – and to look ahead to near term catalysts that we expect to move the company forward in 2012 and beyond.

· We have closed two acquisitions - Progenitor Cell Therapy, LLC ("PCT") and Amorcyte, LLC ("Amorcyte").

· We believe our therapeutic product development team is very close to accomplishing its aggressive goal of getting a first patient enrolled in our AMR-001 Phase 2 clinical trial for the treatment of AMI with the clinical sites beginning to open. This brings us closer to achieving our goal of enrollment of the targeted 160 patients in the study over the next year or so with first data follow-up six months after the last patient is enrolled (roughly mid-2013).

· Our cell therapy manufacturing business is growing and client satisfaction confirms our belief and excitement that we have unique skills and people (expertise, quality and work ethic) to serve as a platform to be a global leader in the cell therapy space.

· We raised $16.5 million in gross proceeds in 2011 for working capital, including research and development of our cell therapeutic candidates.

· We received awards of over $1.7 million in Department of Defense funding for development of our VSELTM Technology to treat osteoporosis and $245,176 from the National Institutes of Health (NIH) with Excell Therapeutics to progress our T regulatory program in Lupus.

· We co-hosted a spectacular international conference in partnership with the Vatican's Pontifical Council for Culture on *Adult Stem Cells: Science and the Future of Man and Culture*, moving forward the public discussion of adult stem cells and adult stem cell research.

· Our cord blood banking enrollment more than doubled over the previous year.

· We have been marketing our ownership in Suzhou Erye Pharmaceutical Co. Ltd. subsidiary for possible sale.

· We have positioned our intellectual property portfolio to expand beyond the current indications and give us a strong position in the cell therapy arena.

· We continue to make great headway in integrating IT systems, legal, finance, and marketing for our multiple entities to achieve cost savings and maximize efficiencies.

· NeoStem gained a significant pharmaceutical partnership with Becton Dickinson through our co-ownership of Athelos, Inc. (80% NeoStem, 20% BD). We are actively pursuing additional strategic relationships with major pharmaceutical and biotechnology companies in 2012.

We look forward to keeping you updated and encourage your questions via the contact information below. I also encourage you to learn more by visiting our company websites, www.neostem.com, www.amorcyte.com, and www.progenitorcelltherapy.com, our social media outlets, and our company blog at thechairmansblog.com/robin-l-smith. Thank you for your continued support of NeoStem and our ongoing transformation.

Sincerely,

Dr. Robin L. Smith
Chairman and CEO

For more information, please contact:

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Email: gogawa@troutgroup.com

NeoStem, Inc.
Robin Smith, CEO
Phone: +1-212-584-4174
Email: rsmith@neostem.com

About NeoStem, Inc.

NeoStem, Inc. ("NeoStem") is a leader in the development and manufacture of cell therapies. NeoStem has a strategic combination of revenues, including that which is derived from the contract manufacturing services performed by Progenitor Cell Therapy, LLC, a NeoStem company. That manufacturing base is one of the few cGMP facilities available for contracting in the burgeoning cell therapy industry, and it is the combination of PCT's core expertise in manufacturing and NeoStem's extensive research capabilities that positions the company as a leader in cell therapy development. Amorcyte, Inc., also a NeoStem company, is developing a cell therapy for the treatment of cardiovascular disease. Amorcyte's lead compound, AMR-001, represents NeoStem's most clinically advanced therapeutic, poised to commence enrollment of patients in a Phase 2 trial for the preservation of heart function after a heart attack. Athelos Corporation, also a NeoStem company, is developing a T-cell therapy for a range of autoimmune conditions with our partner Becton-Dickinson. NeoStem's pre-clinical assets include its VSEL™ Technology platform for regenerative medicine, which NeoStem believes is an endogenous pluripotent non-embryonic cell that has the potential to change the paradigm of cell therapy as we know it today.

For more information on NeoStem, please visit www.neostem.com and thechairmansblog.com/robin-l-smith.

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 and medical strategy, including with respect to the development of AMR-001 and other cell therapies and its divestiture of its interest in Erye Pharmaceutical Co., about which no assurance can be given. 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 definitive proxy statement filed with the Securities and Exchange Commission on September 16, 2011 and in the Company's 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.