Fibrocell Science, Inc.
(OTCBB: FCSC)

Equity | United States
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VIRIATHUS®

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Company Description:

Fibrocell is an aesthetic and therapeutic development stage biotechnology company focused on developing and commercializing novel skin and tissue rejuvenation products utilizing the Company's proprietary Fibrocell Therapy technology platform. Fibrocell Therapy is a patented process to extract, purify, multiply and re-inject a patient's own natural fibroblast cells as a personalized therapy. It's most advanced indication is for the treatment of nasolabial folds (lines running along the sides of the nose to the corner of the mouth) and wrinkles, based on its patented autologous cellular therapy. Fibrocell's technology uses the patient's own fibroblast cells, which are harvested and multiplied in its Exton, PA laboratory, then processed into an injectable that provides dermal repair and rejuvenation. The Company's technology has broad potential applications in the treatment of wrinkles, acne scars, restrictive burn scars and dental soft tissue regeneration. Fibrocell anticipates being first to market with an all-natural, minimally invasive cellular therapy which carries none of the risks of ablative or other injectable treatments.

The Company's lead product candidate azficel-T (proposed brand name Laviv™), a treatment for nasolabial folds and wrinkles, demonstrated significant efficacy in Phase III clinical trials involving over 400 patients. Fibrocell received a FDA complete response letter regarding azficel-T in December 2009 and is supplying additional data requested to complete the review. The Company has also undertaken a Phase II/III trial on acne scarring and a Phase II open label study of a full face rejuvenation treatment.

Fibrocell emerged from Chapter 11 reorganization in September 2009 with a greatly strengthened balance sheet, a new board of directors and new financing. The Company's long term debt has declined from pre-bankruptcy levels of $90 million to $6 million

Overview Report Highlights:

- **$4.5 billion U.S. market for non-surgical cosmetic procedures**

Physicians performed nearly 10 million cosmetic procedures last year, including injections of fillers and toxins such as Botox and Hyaluronc Acid. More than 2.6 million Botox and/or Dysport injections were administered in 2009 and Hyaluronic Acid (Juvederm, Perlane, Restylane, etc.) was used in an estimated 1.3 million procedures. The non-surgical cosmetic market is estimated to be growing 15% annually as a result of aging baby boomers desiring a more youthful appearance, consumer demand for natural, less invasive cosmetic procedures and physician interest in promoting elective, private pay procedures.

- **Advantages of Fibrocell autologous cellular therapy**

Fibrocell expects to be first to market with an autologous cellular therapy for dermal repair. The process poses virtually no risk of immunological or allergic response, and produces more natural-looking results.

- **Initial product anticipated for U.S. commercial launch**

Fibrocell received a FDA Complete Response Letter regarding azficel-T in December 2009 and is currently working with the FDA to complete the points raised in their Complete Response Letter.

Financial Data (USD):

Share Price:	**1.04**
Market Capitalization (mln):	**15.25**
Shares Outstanding (mln):	**14.67**
Float (mln):	**13.95**
Average Volume (90 Day approx.):	**41,397**
52 Week Range:	**$0.50- 2.40**
Exchange:	**OTCBB:FCSC**

Recent Milestones:

- BLA for lead product candidate azficel-T submitted in March 2009, FDA Complete Response Letter received in December 2009.
- Emergence from bankruptcy with new board of directors, greatly reduced debt and debt maturities pushed back to 2012.
- $7.0 million in new financing secured through October 2009 sale of convertible stock and warrants and March 2010 sale of common stock and warrants.

Corporate Contact Information:

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Balance Sheet (US$)	Dec 09
Cash	1,362,448
Working capital	1,546,225
Current Ratio	0.357x
Long-Term Obligations	9,505,546
LT Debt to Equity Ratio	NA

Predecessor Isolagen 07-09

P&L Data (000)	Dec 07	Dec 08	Aug 09	Dec 09
Revenues	1.401	1.105	.538	.330
Operating Loss	(27.78)	(24.90)	(5.420)	(4.383)
Net Income/Loss	(35.57)	(33.09)	65.92	(5.034)
EPS	(1.075)	(0.84)	1.72	(0.035)

Margin: (%)	Dec 07	Dec 08	Aug 09	Dec 09
Gross Margin	53.17	45.47	33.50	44.82
Operating Margin	NM	NM	NM	NM
Net Margins	NM	NM	5990	NM

Financial Metrics

Healthcare – Biotech

Fibrocell Science, Inc.
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Company Overview

Fibrocell offers an attractive natural unique proposition for dermal remodeling. In addition Fibrocell has a platform to meet other medical applications.

Fibrocell (formerly known as Isolagen) is a regenerative medicine company with a novel technology that has broad applications in dermatology, wound healing and other medical areas. The Company's products are designed to treat skin damage caused by aging, sun exposure, acne and severe burns. Fibrocell's technology uses the patient's own fibroblast cells for dermal remodeling. The process begins with the extraction of a few cells from behind the patient's ear with a needle biopsy. These cells are then multiplied into tens of millions of new cells at the Company's laboratory and harvested. Fibrocell then creates an autologous cellular therapy which is reintroduced into the skin via injection, resulting in collagen formation and utilizing the body's own regenerative healing process. Fibrocell's therapeutics offer a minimally invasive alternative to surgical intervention and an attractive natural alternative to chemical, synthetic or toxic treatments. In addition, because its' injectable products are autologous (i.e. use the patient's own cellular material), risk of an immunological or allergic reaction is virtually non-existent.

Fibroblasts are specialized cells in the skin that produce collagen. They are the cells from which connective tissues develop and, as such, play critical roles in the development of human tissue, including the ability to synthesize extracellular matrix components that contribute to skin texture and the secretion of matrix fibers, including collagen. Collagen is a naturally occurring protein that constitutes one of the primary components of the dermis; it exists as a matrix of fibers that provides structure and support.

Researchers believe that collagen production may be decreased by as much as 75% in older skin (Varani J. et al.: Decreased Collagen Production in Chronologically Aged Skin: Roles of Age-Dependent Alteration in Fibroblast Function and Defective Mechanical Stimulation. AJP 2006, 168:1860-1868). Nearly half of this reduction may be due to age-related differences in the activity of fibroblasts. (Varani J. et al., AJP 2006). In young skin, fibroblast cells are plentiful and maintain close contact with the fibers of the collagen matrix (Varani J. et al., AJP 2006). This contact stimulates the fibroblasts to produce more collagen (Varani J. et al., AJP 2006). As fibroblasts become less active with age, new collagen production is decreased and the collagen matrix begins to break down (Varani J. et al., AJP 2006). This disintegration causes fibroblasts and collagen fibers to lose contact with one another, further limiting collagen production (Varani J. et al., AJP 2006). As collagen production decreases, the signs of aging such as deep creases and wrinkles increase (Varani J. et al., AJP 2006). These cellular changes are most evident in the papillary layer of the dermis (Varani J. et al., AJP 2006).

The patented Fibrocell process multiplies a person's autologous fibroblasts into an individualized and natural therapy. Early clinical studies of Fibrocell Therapy have shown that replenishing the papillary dermis with a patient's newly grown, more active fibroblasts, can help reduce the signs of aging over time (Watson D. et al.: Autologous Fibroblasts for Treatment of Facial Rhytids and Dermal Depressions. Archives of Facial Plastic Surgery 1999, 1:165-170). Research studies support this theory and suggest that introducing cultured autologous fibroblasts may accelerate and improve regeneration of dermal tissue (Lamme E. et al.,: Higher Numbers of Autologous Fibroblasts in an Artificial Dermal Substitute Improve Tissue Regeneration and Modulate Scar Tissue Formation. Journal of Pathology 2000, 190:595-603).

Fibrocell is developing other uses for the platform technology for both the aesthetic and therapeutic segments of the market and has several potential clinical development programs. The Company is also developing indications in the aesthetic market to repair skin damage, total face rejuvenation by reducing fine

lines and wrinkles and improving skin texture and appearance treatment of acne scars, restrictive burn scars and periodontal applications.

Aesthetic & Therapeutic applications for Fibrocell's platform technology:

Aesthetic Applications	Therapeutic Applications
• Wrinkle correction • Skin rejuvenation • Collagen regeneration • Remodeling of the skin (soften/ correct) to treat acne-induced scars	• Regenerating hypertrophic scar tissue to promote less restriction and pain • Tissue remodeling of the interdental papilla to regrow lost gum line and soft tissue

Source: Company Presentation

The Company's clinical development product candidates are designed to improve the appearance of skin injured by the effects of aging, sun exposure, acne and burn scars. Fibrocell's lead product, Laviv™ (proposed brand name; USAN name - azficel-T), has completed Phase III clinical studies for the treatment of nasolabial folds/wrinkles (lines which run from the sides of the nose to the corners of the mouth), and the Company has submitted the related Biologics License Application ("BLA") to the FDA. In December 2009, the Company received a Complete Response letter from the FDA requesting that it provide data from a histopathological safety study on biopsied tissue samples, from patients, following the injection of autologous fibroblast cells. The letter also requested finalized Chemistry, Manufacturing and Controls ("CMC") information regarding the Company's manufacturing processes. Fibrocell is in the process of developing its response to the FDA on both the safety study and the requested CMC information. The Company has also completed a Phase II/III study for the treatment of acne scars and has conducted clinical trials for total-face rejuvenation, vocal cord scarring and periodontal applications. In total, 671 patients have been treated with active product in clinical studies, with no serious adverse events.

Broad Pipeline

In addition to azficel-T, Fibrocell is evaluating product candidates for acne scarring and full face rejuvenation in advanced clinical trials. The Company has completed a Phase II/III study of its acne scarring product, disclosed study results demonstrating statistically significant efficacy, and plans to initiate a subsequent Phase III clinical trial. Fibrocell has also completed an open-label Phase II trial of its full face rejuvenation product and released study data indicating positive efficacy results.

Fibrocell already markets non-prescription skin care products through its majority-owned subsidiary, Agera Laboratories. The Company acquired its ownership interest in Agera in 2006. Agera offers a complete line of skin care systems based on proprietary formulations, trademarks and nano-peptide technology. Its skin care products are packaged to offer anti-aging, anti-pigmentary and acne treatment systems are marketed in the U.S. and Europe and generated sales of approximately $1.1 million in 2008. Manufacturing of Agera's products is done by a third party contract manufacturer under an agreement effective through July 2014. Its products are sold directly to distributors and salons.

Injections of living fibroblast cells improve the appearance of damaged skin, acne scars and wrinkles. In the case of burn scars, Fibrocell's treatment may improve flexibility and range of motion as well as appearance.

Technology Platform

Fibrocell Therapy is a proprietary autologous cellular technology platform with far-ranging potential applications in both aesthetic and therapeutic applications. The Company has developed an innovative cell processing technology to isolate, purify and culture a patient's own fibroblasts for re-injection. Because the cells are native to the recipient, they are recognized by the body's immune system. Unlike the currently marketed classes of injectable aesthetic products, Fibrocell Therapy utilizes the biological activity and expansion of the fibroblasts to provide a natural treatment of the skin. Additionally, Fibrocell Therapy represents a true cellular platform technology with applications that extend beyond the dermatology field. For example, the Company has open INDs for both periodontal disease and repair of vocal cord scarring.

Market Growth Drivers

Fibrocell's product candidates for wrinkles/nasolabial folds and total-face rejuvenation are directed primarily at the aesthetic market. According to the American Society for Aesthetic Plastic Surgery (ASAPS), the total market for non-surgical cosmetic procedures was approximately $4.5 billion in 2009. This market is driven by:

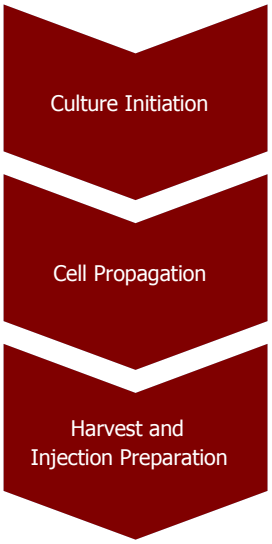
- The aging of the "baby boomer" population, which currently includes ages approximately 46 to 64;
- The desire of many individuals to improve their appearance;
- The impact of managed care and reimbursement policies on physician economics, which has motivated physicians to establish or expand their offerings of elective, private-pay aesthetic procedures; and
- The broadening base of practitioners performing cosmetic procedures, beyond dermatologists and plastic surgeons to non-traditional providers.
- The mainstreaming of non-surgical cosmetic procedures involving injectable materials.

Intellectual Property Portfolio

As of February 9, 2010, Fibrocell had 9 issued U.S. patents, 4 pending U.S. patent applications, 28 granted foreign patents and 3 pending international patent applications. The Company's issued patents and patent applications primarily cover the method of using autologous cell fibroblasts for the repair of skin and soft tissue defects and the use of autologous fibroblast cells for tissue regeneration. Fibrocell's subsidiary, Agera Laboratories, has a number of trade names, trademarks, exclusive proprietary rights to product formulations and specified peptides that are used in Agera skincare products.

Manufacturing

Fibrocell Therapy is produced via a proprietary autologous cellular technology platform. The proprietary process begins with a site sample (biopsy) — the collection of three small samples from behind a patient's ear. The biopsies are then sent to Fibrocell's Good Manufacturing Practice ("cGMP") manufacturing facility for processing according to FDA pharmaceutical standards. The manufacturing process consists of three primary stages: Culture Initiation, Cell Propagation and Harvest and Injection Preparation:



- Wash Cells in Growth Media/Antibiotic Mixture
- Enzyme Digestion to Disassociate the Cells
- Seed Cells in Culture Flask
- Feed Cells with Fresh Growth Media until Confluent
- Passage into Cell Stack(s)
- Passage into Multiple Stacks
- Harvest Cells and Preserve in Cryogenic Storage (QC Testing)
- Recover, Wash, and Prepare Cells for Final Injection (QC Testing)
- Ship to Investigator Site

While the current manufacturing facility is capable of supporting the initial product launch, the Company is also evaluating and implementing manufacturing process improvements to transition from clinical scale manufacturing to supporting the commercial launch of Laviv™.

- Alternative growth surface systems to increase fibroblast yields;
- Purchasing efficiencies for raw materials;
- Developing additional internal laboratory testing capabilities; and

Fibrocell has a lead product candidate in FDA review and has emerged from Chapter 11 reorganization with a greatly strengthened balance sheet and working capital position.

Chapter 11 Reorganization and DIP Financing

Despite a lead product submitted for FDA review, Isolagen the predecessor Company was unable to raise additional capital in 2008-2009. At year-end 2008, the Company had $2.9 million of cash but current liabilities in excess of $90 million. This was due primarily to the existence of $90 million of bonds, which had maturity dates occurring in November 2009. The predecessor business Isolagen was unable to service its debt and forced into Chapter 11 bankruptcy. The Company put together a reorganization plan that was endorsed by over 90% of its bond holders. Isolagen exited Chapter 11 in September 2009 with a new name, Fibrocell Science, and a greatly improved financial structure. Debt was reduced from pre-bankruptcy levels of $90 million to $6 million currently and bond maturities were extended to June 2012. The exit financing was oversubscribed with demand exceeding supply.

Fibrocell the successor Company entered into a securities purchase agreement with accredited investors in October 2009 that generated gross proceeds of $3.25 million. The financing consisted of 3,250 shares of Series A Convertible Preferred Stock with a stated value of $1,000 per share; Class A warrants to purchase 501,543 shares of the Company's common stock at an exercise price of $1.62 per share, and Class B warrants to purchase 416,667 shares of Fibrocell's common stock at an exercise price of $1.95 per share. Another financing was completed in March 2010 in which the Company sold 5,076,667 shares of common stock at $0.75 per share and gave each purchaser a warrant to purchase the same number of common shares acquired in the offering at a $0.98 per share exercise price. The March 2010 financing generated gross proceeds of $3.8 million.

Growth Strategy

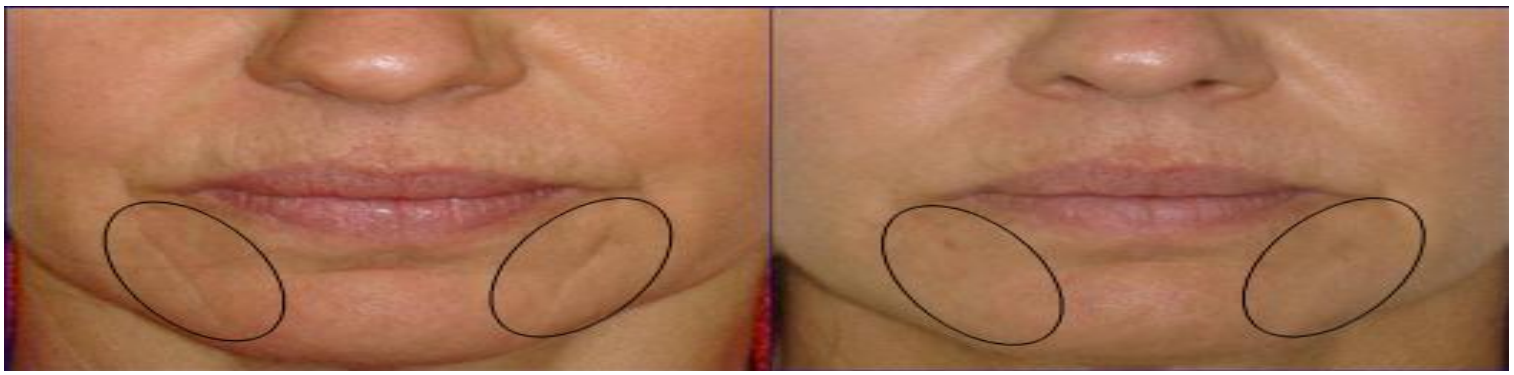
Fibrocell's immediate focus is on securing FDA approval for azficel-T. The Company also plans to advance clinical programs for other product candidates, some of which are in Phase II/Phase III studies. Fibrocell plans to lead with further trials of its acne scarring product and, depending on available funding, may also initiate studies in burn scarring and dental soft tissue regeneration. The discussion below describes Fibrocell's current clinical development programs.

Aesthetic Development Programs:

The Company received a complete response letter from the FDA in December 2009.

Wrinkles/Nasolabial Folds — Phase III Trials
In October 2006, the Company reached an agreement with the FDA on the design of a Phase III pivotal study protocol for the treatment of nasolabial folds. The pivotal Phase III trials evaluated the efficacy and safety of the product candidate, Laviv™, against a placebo, in approximately 400 subjects total, with approximately 200 subjects enrolled in each trial. The Phase III trial data results indicated statistically significant efficacy results for the treatment of nasolabial folds. The Company submitted a BLA to the FDA in March 2009. On October 9, 2009, the FDA's Cellular, Tissue and Gene Therapies Advisory Committee reviewed Laviv™; the committee voted 11 to 3 that the data presented demonstrated efficacy, and voted 6 to 8 that the data demonstrated safety. In December 2009, the Company received a Complete Response letter from the FDA requesting that the Company provide data from a histopathological study on biopsied tissue samples, from patients, following injection of Laviv™. The letter also requested finalized CMC information regarding the manufacturing of Laviv ™, as well as revised policies and procedures regarding shipping practices and proposed labeling.

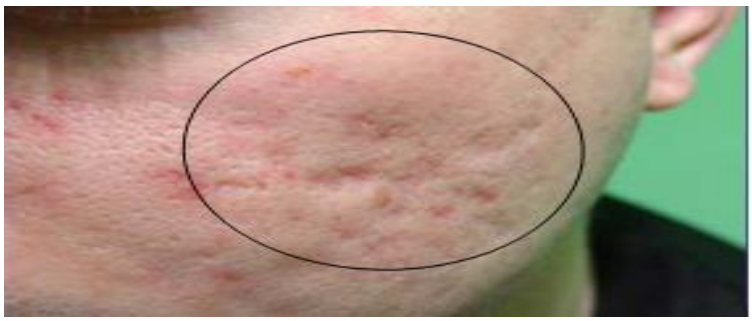
Total Face Rejuvenation — Phase II Trial
In 2007, the Company conducted an open-label, multi-center trial of approximately 50 subjects to evaluate the treatment of wrinkles and creases in multiple facial regions (the "total face"). The subjects received two series of injections approximately one month apart, and were followed for twelve months following each subject's last injection. Positive top-line efficacy results related to this open-label Phase II trial were reported in August 2008. Efficacy results showed that 83% of study patients reported improvement in the appearance of their wrinkles six months after their final treatment using a patient-assessed, five-point response scale. The study results also included assessments from an independent panel of three aesthetic dermatologists and plastic surgeons, who were not involved with the treatment of patients in the study. Results from these independent evaluations noted improvement in the appearance of wrinkles in more than 75% of study patients using an investigator-assessed, four-point scale developed for this study. The results also included an assessment of skin quality of the study patients, comparing results from baseline to the final six-month visit. Using a Skin Quality Assessment Tool developed for this study, 93% of patients said their skin quality improved. Skin quality characteristics assessed at baseline and the final six-month visit were: softness, suppleness, smoothness, firmness, thickness, moistness, evenness in appearance and refreshed appearance.

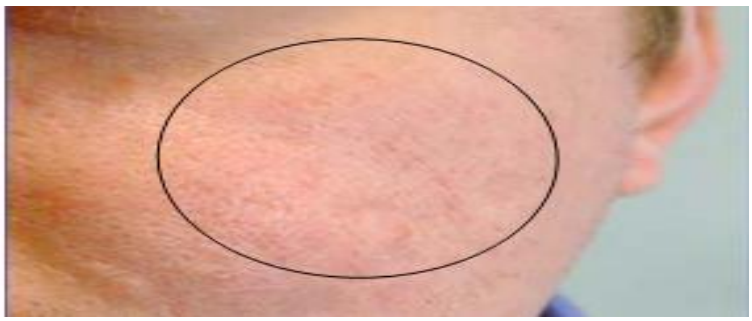


Therapeutic Development Programs:

Acne Scars — Phase II/III Trial

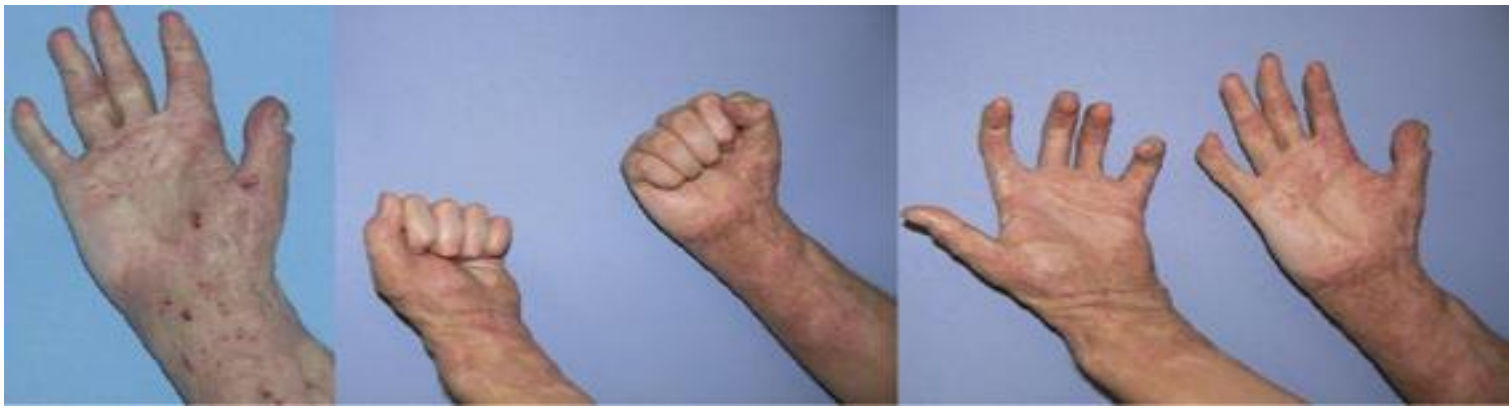
In November 2007, the Company commenced an acne scar Phase II/III study including approximately 109 people at seven clinical sites across the United States. Two randomized, double-blind, placebo-controlled trials evaluated the safety and efficacy of Fibrocell Therapy in patients with moderate to severe acne scarring on both sides of the face. All patients in the study received active treatment on one side of the face and placebo on the other, serving as their own control subjects. The patients received three injections, two weeks apart, and were followed for a four-month period after final injection. In March 2009, the Company reported statistically significant efficacy results for the treatment of moderate to severe acne scars. The Company's next step is to initiate a discussion with the FDA concerning the validation of the evaluator assessment scale, as well as a path toward FDA approval.





Restrictive Burn Scars — Phase II Trial (In Development)

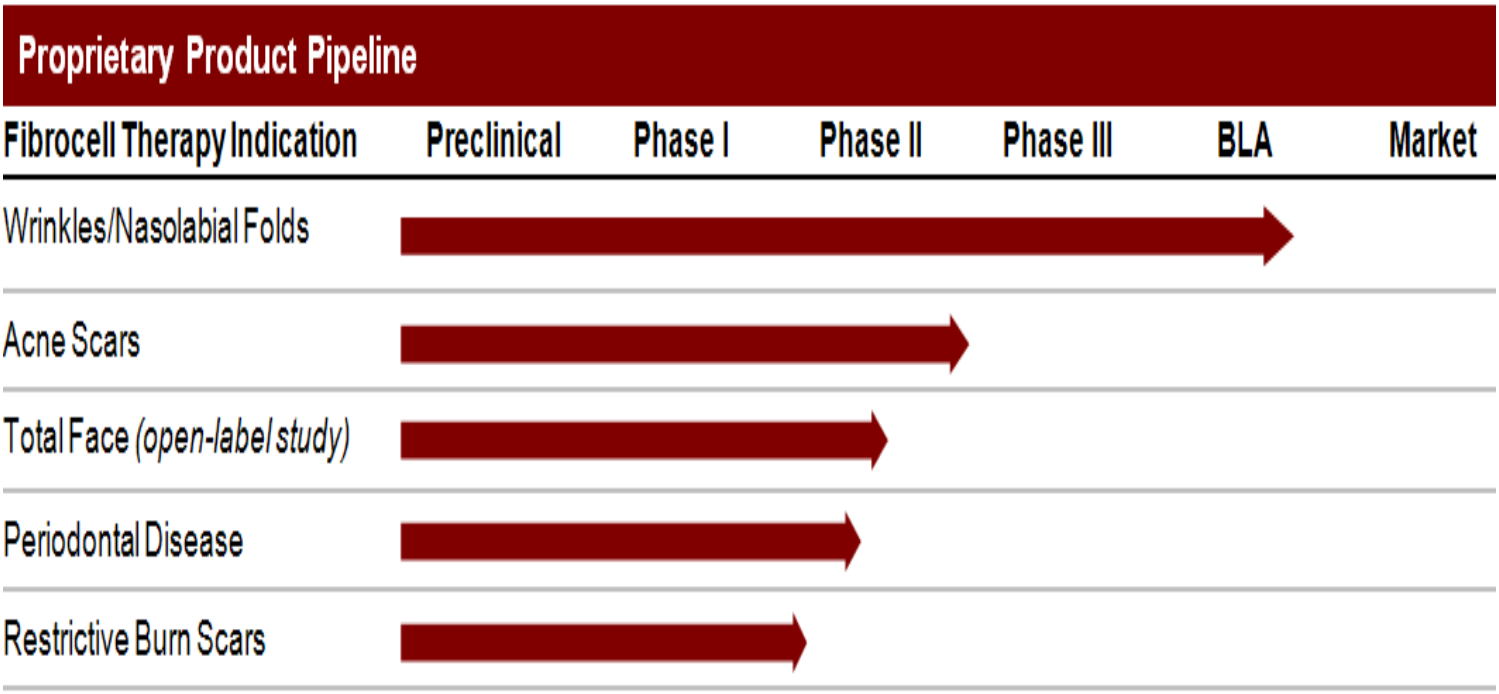
There have been several anecdotal claims with regard to the use of Fibrocell Therapy in the treatment of restrictive burn scars. Several physicians have reported case studies using Fibrocell Therapy to treat these types of scars with positive results. The Company has met with the FDA to discuss a Phase II trial, with approximately 20 patients, that would evaluate the use of Fibrocell Therapy to improve range of motion, function and flexibility in existing restrictive burn scars.



Dental Soft Tissue Regeneration - Phase II Trial (In Development)

Fibrocell completed a Phase II trial evaluating its therapy as a treatment for Interdental Papillary Insufficiency. The trial results showed that Fibrocell's therapy was statistically superior to placebo measured four months after treatment. Results from the investigator and subject visual analog scale assessments also indicated Fibrocell's therapy was statistically superior to placebo, but an analysis of objective linear measurements yielded ambiguous results.

Fibrocell Therapy Indication:



Source: Company Presentation

Management Team

A new board of directors and advisory team lead Fibrocell. In September 2009, the Company appointed David Pernock as its new Chairman and in February 2010, he was named to the additional post of Chief Executive Officer. Declan Daly, who was instrumental in the Company's reorganization and was an officer of Isolagen, had served as Fibrocell's interim CEO since September and was named to the board in November 2009. Mr. Daly continues to serve the Company as its COO and CFO. Fibrocell recently named three additional new outside board members, including Paul A. Hopper, the Managing Director of investment firm Cappello Group; Kelvin D. Moore, Sales Director for U.K. manufacturer Seaborne Group, and Robert S. Langer, Professor of Chemical & Biomedical Engineering at the Massachusetts Institute of Technology.

David Pernock
Chief Executive Officer and Chairman of the Board of Directors

David Pernock

Mr. Pernock brings extensive healthcare executive level experience to the board Chairman and CEO positions, most recently as Senior Vice President of Pharmaceuticals, Vaccines, Oncology, Acute Care and HIV at GlaxoSmithKline. During a long career at the multinational pharmaceutical company that culminated with his role as SVP, Mr. Pernock was promoted numerous times to levels of increasing responsibility including Vice President of Marketing, Pharmaceuticals; Vice President of Sales and Marketing, Oncology; Vice President of Managed Care; and, Vice President of Sales. Mr. Pernock holds a B.S. in Business Administration from Arizona State University. He is a director of Martek Biosciences Corporation and serves in many philanthropic organizations

Declan Daly
Chief Operating Officer and Chief Financial Officer

Declan Daly

Mr. Daly served as Fibrocell's interim CEO until Mr. Pernock's appointment to the CEO position in February 2010 and continues to serve the Company as COO and CFO. He served as Isolagen's CEO and President from January 2008 until September 2009, as CFO from June 2006 until March 2008, and as COO from June 2007 until January 2008 and was elected to Isolagen's Board of Directors in June 2008. Mr. Daly served as Executive Vice President and CFO of Inamed Corp. from November 2004 until March 2006, prior to which he served as Inamed's Senior Vice President since September 2002 and as the Corporate Controller and Principal Accounting Officer since March 2002. He was previously Vice President of Finance & Administration for Inamed International Corp. from 1998 to 2002. From 1996 to 1998, Mr. Daly was a Senior Manager with BDO Simpson Xavier, Chartered Accountants or BDO, in Dublin. Prior to joining BDO, he worked with PricewaterhouseCoopers in Dublin and London. Mr. Daly holds a B.A. in Management Science and Industrial Systems Studies from Trinity College, Dublin and he is also a Fellow of the Institute of Chartered Accountants in Ireland.

John Maslowski
Vice President of Operations

John Maslowski

Mr. Maslowski is Fibrocell's Vice President of Operations. He formerly served as Isolagen's Vice President of Operations and as a quality assurance executive at Wyeth.

Outside Board Members

Robert Langer
Director

Robert S. Langer

Dr. Langer has served as a director of Fibrocell since September 2009. He was named an Institute Professor at Massachusetts Institute of Technology in 2006 and has been on the faculty of Massachusetts Institute of Technology since 1978. Dr. Langer is also a Director of Alseres Pharmaceuticals, Echo Therapeutics and Momenta Pharmaceuticals. He received his Bachelor's Degree from Cornell University in 1970 and his Sc.D. from the Massachusetts Institute of Technology in 1974, both in Chemical Engineering. Dr. Langer is a well-known and frequently cited researcher in biotechnology, especially in the fields of drug delivery systems and tissue engineering.

Kelvin Moore
Director

Kelvin D. Moore

Mr. Moore has served as a director of Fibrocell since September 2009. He serves as the Sales Director for U.K. manufacturing firm Seaborne Group and brings to Fibrocell his extensive experience in project leadership, business strategy, finance, business consultancy, new ventures, management and executive development.

Paul Hopper
Director

Paul A. Hopper

Mr. Hopper has served as a director of Fibrocell since September 2009. He has served as Managing Director of Cappello Group, Inc, an investment bank based in Los Angeles, since November 2005. From September 2003 to February 2005, Mr. Hopper served as Managing Director of Australian Cancer Technology Ltd, an oncology biotechnology company. He has more than 20 years experience in international public company markets, primarily in the medical, healthcare and biotechnology sectors. Mr. Hopper is also a Director of Somnomed Ltd, Viralytics Ltd, and pSivida Corp.

Marc Mazur
Director

Marc B. Mazur

Mr. Mazur began his career in 1984 at Salomon Brothers in London as a Eurobond trader. In 1987 he joined Goldman Sachs as a Vice President in the fixed income division. He was employed by Goldman from 1987 through 1996 on a full-time basis and subsequently as a consultant from 1997 through 1999. In 1997 Mr. Mazur became an independent consultant, managing business development opportunities in the financial services sector for Goldman Sachs and leveraging his expertise in risk and disease management for public and private companies in the healthcare field. Continuing in healthcare, in 1998 Mr. Mazur was named Vice President for strategic business development at CareInsite (subsequently acquired by WebMD). In 2001 Mr. Mazur founded Ambassador Capital Group, a privately held investment and advisory entity providing capital, business development and strategic planning advice to companies in the healthcare, financial services and real estate fields. He has also been an active angel and venture investor in numerous biotechnology and healthcare device start-ups. Mr. Mazur is an active member of numerous charitable and educational organizations and has served as a board member and advisory board member of numerous public and private companies. He received his B.A. in political science from Columbia University in 1981 and a J.D. from Villanova University in 1984.

Advisors

Medical and Regulatory

CBR International Corporation, a full-service product, clinical and regulatory compliance consulting group with offices in the U.S. and the U.K.

Dr. Robert Langer, Professor of Chemical & Biomedical Engineering at the Massachusetts Institute of Technology (MIT).

Medical

Stacy Smith, MD, Associate Professor of Dermatology at the University of California, San Diego (UCSD)

Legal

Cozen O'Connor, Philadelphia

General Business Advisor

Charles Stiefel, founder, CEO and Chairman of Stiefel Laboratories, which is the world's largest independent pharmaceutical company specializing in dermatology

Business Development and Strategy

Debra Yu, Former Head of Strategy for WuxiApptec; Senior Director at Pfizer; Managing Director of Bay City Capital and Consultant for McKinsey & Co.

Financing

Viriathus Capital LLC and John Carris Investments LLC were co-arrangers for Fibrocell's debtor- in- possession financing, as well as co-placement agents for its subsequent financings.

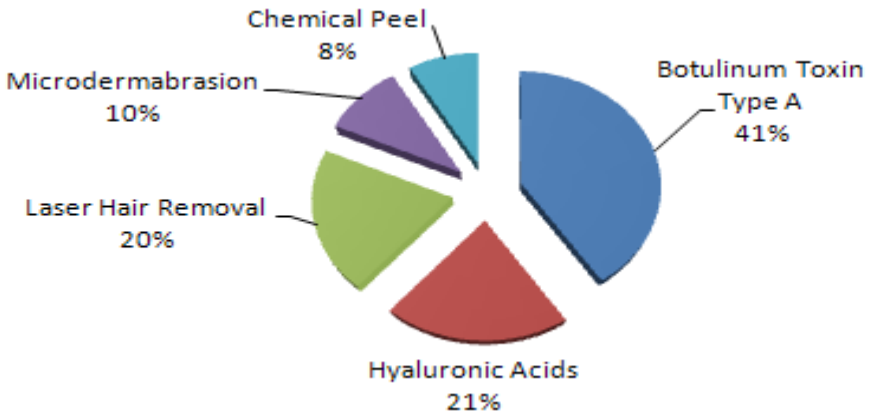
Market Overview

Some 10 million cosmetic procedures were performed in the U.S. in 2009, including some 2.6 million Botox and/or Dysport procedures and 1.3 million Hyaluronic Acid treatments.

The global skin care market generates nearly $36 billion in annual sales. The U.S. segment represents about one-third, or approximately $10 billion in annual sales. Kalorama Information estimates that 70 million Americans will receive cosmetic facial procedures between 2005 and 2010 and that these treatments will cost upwards of $60 billion. The U.S. segment of the professional skin care market is valued at approximately $742 million and includes sales to salons and spas (59% of the total), retail stores (22%) and physician offices (19%).

Professional skin care treatments include both aesthetic procedures to reduce wrinkles and improve appearance and therapeutic treatments to reduce scarring. The aesthetic procedures segment consists of both non-surgical, invasive procedures such as collagen injections and cosmetic surgeries, which have traditionally been performed by dermatologists and plastic surgeons. This aesthetic segment is estimated to be growing 15% annually as a result of: 1) an aging baby boomer population; 2) growing consumer interest in having a more youthful appearance; 3), a movement by patients towards less invasive procedures producing subtler results; 4) physician promotion of elective, private pay aesthetic procedures; and 5) an increase in the number of cosmetic procedures performed by non-traditional physician providers. The number of physicians offering these cosmetic procedures is increasing because these services are economically lucrative and demand has demonstrated resilience to the economic downturn.

2008 Top Five Nonsurgical Aesthetics Procedures and Their Overall Market Share:



Source: Company Presentation

The American Society for Aesthetic Plastic Surgery (ASAPS) estimates that nearly 10 million surgical and non-surgical cosmetic procedures were performed in 2009, down only 2% from the prior year. Non-surgical, minimally invasive procedures that entail the use of Botox or other injectable materials are becoming mainstreamed. Approximately 2.6 million Botox injection procedures are performed annually. The global Botox injection market generated sales of $1.3 billion in 2009 with the U.S. segment contributing about one-third of sales. Hyaluronic acid injections are also popular treatments, accounting for nearly 1.3 million procedures.

In the U.S., Americans between the ages of 35 and 50 constitute the largest patient population for non-surgical cosmetic procedures. This group accounts for nearly half of all procedures. Americans between the ages of 51 and 64 are also major consumers of these services, accounting for slightly more than one quarter of all non-surgical cosmetic procedures. Revenues generated from the non-surgical cosmetic procedure market were estimated at $4.5 billion in 2009.

Fibrocell estimates a potential U.S. market for its wrinkle reduction and full face rejuvenation products consisting of approximately 11 million patients. Some 55

million American women fall into its targeted 35 to 65 age bracket, but the Company believes its best prospects are among the 10.8 million American women in this group who live in upper income households (i.e. annual household incomes exceeding $100,000).

Fibrocell's target market for its treatment for acne scars consists of some three million Americans with moderate to severe scarring.

Acne Scarring Treatment Market

Acne is the most common skin disorder in the United States. According to the American Academy of Dermatology and the National Institute of Health, nearly 80% of people aged 11 to 30 have experienced acne outbreaks at some point, and approximately 95% of these patients will have some degree of scarring depending on the severity and duration of the condition. Over time, as facial tone declines and facial fat stores are depleted, the scars typically become more noticeable. Current treatments for acne scarring are dermabrasion, laser resurfacing, surgical excision, and certain temporary fillers. The Company believes this market represents a significant opportunity for its acne scar product candidate.

Restrictive Burns Treatment Market

According to a Kalorama Information study on burns, an estimated 2.5 million Americans seek medical care each year for burns and approximately 100,000 are hospitalized. Approximately 50% of patients with deep second degree, third and fourth degree burns develop restrictive scarring which are often painful, and reduce flexibility and functionality of the area affected. The Company believes this market represents a significant opportunity for its non-surgical treatment of existing restrictive burn scars. This additional market opportunity exists for the use of its product candidate, prior to the formation of a restrictive scar, to promote healing in the acute phase of burn wound healing.

Competition

If approved, Fibrocell will have the first and only autologus based product approved for aesthetic uses in the United States market.

Fibrocell competes with companies marketing a variety of substantially different dermal treatments, which include silicon injections, laser procedures, facial surgical procedures (such as face lifts and eyelid surgeries), fat injections, dermabrasion, and collagen, hyaluronic acid, and Botox injections. Indirect competition in the aesthetic segment of the market also comes from skin care products such as facial scrubs, anti-aging creams, tonics, astringents and skin restorative formulas. Principal competitors in the aesthetic segment of the skin care product market include Obagi Medical Products, Skin Medica, Murad, Dermalogica and Pevonia Botanica.

Because Fibrocell uses the patient's own fibroblasts for dermal repair and rejuvenation, its products have none of the risks of ablative or other injectable treatments.

Fibrocell believes products based on its novel cellular therapy will be attractive to dermatologists, plastic surgeons and other physician providers. Fibrocell's products should also appeal to the expanding population of cosmetic procedure patients who prefer natural products and/or autologous therapies. Fibrocell's products will also allow physicians to establish ongoing relationships with patients since the physician controls access to the patients' cryo-frozen cells. Patients should also be happier with their results since, unlike conventional dermal fillers, Fibrocell's product isn't absorbed; the appearance of new wrinkles is the result of aging and not an effect of the therapy.

Milestones

Fibrocell has secured new financing and recruited a new board of directors.

New Financing Secured

In October 2009, Fibrocell raised gross proceeds of $3.25 million through the sale of convertible preferred stock and warrants. The Company is using the proceeds for working capital purposes. Viriathus Capital and John Carris Investments were co-placement agents for the financing.

Fibrocell entered into another financing agreement in March 2010 with accredited investors pursuant to which it sold 5,076,667 shares of common stock at $0.75 per share and gave each purchaser a similar number of warrants with an exercise price of $0.98 per share. The aggregate purchase price paid was $3.8 million. Viriathus Capital and John Carris Investments were also the co-placement agents for this financing.

Chapter 11 Reorganization Completed

In September 2009, Fibrocell emerged from bankruptcy under a plan of reorganization confirmed in August. Over 90% of the Company's bond holders agreed with the plan. As part of the Chapter 11 reorganization, the Company's debt declined from approximately $90 million to $6 million and debt maturity dates were pushed back to June 2012.

New Board of Directors Named

Fibrocell has named a new board of directors led by David Pernock, who most recently served as a Senior Vice President of GlaxoSmithKline. Other new board members include: Paul Hopper, Managing Director of Cappello Group; Kelvin Moore, Sales Director of Seaborne Group, Marc Mazur, Chairman of Elsworthy Capital Management Ltd., and Professor Robert Langer, a MIT faculty member and leader in the field of biomedical engineering. In February 2010, David Pernock took on the additional role of CEO. Declan Daly, who had been Company's interim CEO, joined the board in November 2009 and continues to serve Fibrocell as its COO and CFO.

FDA Complete Response Letter Regarding Azficel-T Received

In December 2009, Fibrocell announced that it had received a Complete Response Letter from the FDA relating to its BLA for azficel-T. A Complete Response Letter is issued by the FDA when the review of a file is completed and additional data are needed prior to approval. The FDA requested that Fibrocell provide data from a histopathological study on biopsied tissue samples from azficel-T patients and finalized Chemistry, Manufacturing and Controls information.

Investment Risks

To be ultimately successful, Fibrocell must secure FDA approval for its products, build demand among physicians and their patients, and generate sufficient revenues from product sales to cover its expenses.

Regulatory risk
The process of obtaining FDA regulatory approvals is time-consuming, expensive and difficult. Clinical trials are required and the marketing and manufacturing of the Company's product candidates are subject to rigorous testing procedures. Fibrocell has finished injections related to its pivotal Phase III clinical trial for azficel-T and submitted the related license application to the FDA, but there is no guarantee marketing approval will be granted. The Company's other product candidates will require significant additional R&D investment and expensive clinical trials before applications for marketing approval can be submitted.

Funding risk
Fibrocell will likely need to raise significant additional capital to fund its future clinical development programs. The Company may secure funding by issuing additional shares, borrowing money or entering into collaborative agreements. Issuing equity would cause dilution to existing shareholders. Debt financing sometimes contains restrictive covenants and can result in the loss of some or all of the Company's assets, including its intellectual property assets.

Lack of profitability
Fibrocell's predecessor Isolagen had incurred losses since its inception, never generated significant revenue from commercial sales and had never been profitable. Isolagen recorded a consolidated net loss of $31.4 million last year and an accumulated net loss since its inception of $200.3 million. Fibrocell's focus is product development, and the Company plans to expend significant resources on clinical trials, personnel and research and development. These costs are expected to rise in the future. There is no guarantee that Fibrocell will ever generate sufficient revenues from product sales to become profitable.

Product development risk
Fibrocell's lead product candidate has yet to be approved for commercial sales. In addition, even if the product is approved, the risk exists that the Company's technology may prove difficult or cost-prohibitive to implement on a large scale. Even if its therapeutic can be produced cost-effectively, Fibrocell's future performance will depend on its ability to manage costs, secure FDA approvals, execute its growth strategies and negotiate agreements with distribution partners. There is no guarantee that the Company's products will be accepted by physicians and/or their patients.

Manufacturing risk
As part of the approval process, Fibrocell must pass a pre-approval inspection of its manufacturing facility. There is no guarantee that Fibrocell will satisfy the requirements for approval. All of Fibrocell's manufacturing methods, equipment and processes must comply with FDA current Good Manufacturing Practices (cGMP) and the Company will be required to perform extensive audits of its suppliers, vendors and contract laboratories. In addition, the Company will be required to ramp up its manufacturing capacity to meet anticipated patient demand in 2011.

Summary

Fibrocell's novel autologous cellular technology has broad applications in skin and tissue regeneration. The Company may be first to market with a natural method of dermal repair and rejuvenation.

Fibrocell Science is developing and commercializing skin and tissue regenerative products based on its unique autologous cellular therapy platform. The Company has potential applications in facial aesthetics (wrinkles and skin rejuvenation), acne scars, hypertrophic scarring and dental soft tissue regeneration. Fibrocell's technology uses the patient's own fibroblast cells to treat damaged skin and as such offers a preferred natural alternative to competitors' chemical, synthetic or toxic treatments. Risk of immunological or allergic response is virtually non-existent. Fibrocell expects to be first to market with an autogolus cellular therapy that presents a minimally invasive alternative to surgical intervention, and appeals to the growing population of patients demanding less pain and downtime and more subtle skin enhancement results. In addition, Fibrocell's natural method of dermal repair should appeal to patients, who want a youthful appearance but have never undergoing a cosmetic procedure.

Nearly 10 million cosmetic procedures were performed in the U.S. in 2009. This market is valued at approximately $4.6 billion. Demand for non-surgical cosmetic procedures is estimated to be growing 15% annually as a result of aging baby boomers seeking a more youthful appearance, patient demand for minimally invasive treatments and physician interest in promoting lucrative, private pay procedures.

Fibrocell's lead product candidate azficel-T (Laviv™) treats nasolabial folds and wrinkles. In Phase III clinical trials, this product demonstrated statistically significant efficacy. The Company filed a BLA for azficel-T in March 2009 and received feedback from the FDA Advisory Committee in October 2009 and voted 11 to 3 in its efficacy findings. Fibrocell is submitting additional data that was requested in a FDA Complete Response Letter received in December 2009. If approved, Fibrocell will be first to market with an autologous cellular therapy for dermal repair and rejuvenation. The Company is also developing products for total face rejuvenation, acne scars, restricted burn scars and dental soft tissue regeneration.

Despite a lead product with efficacious phase III results, Fibrocell was unable to raise new funding to support its clinical programs in 2008, mainly because of its high debt load and impeding debt maturities. As a result, the Company filed a voluntary petition for relief under Chapter 11 in June 2009. Fibrocell's plan was approved in July and the Company emerged from Chapter 11 reorganization in September with debt reduced by $84 million and no debt maturities before June 2012. New funding of $3.25 million was secured through the sale of convertible stock and warrants in October 2009, and a March 2010 financing consisting of common shares and warrants generated gross proceeds of $3.8 million. Fibrocell has also named a new board of directors led by David Pernock, who most recently served as Senior Vice President of Pharmaceuticals and Vaccines at GlaxoSmithKline. Mr. Pernock was named to the additional role of CEO in February 2010.

Fibrocell is well positioned due to a number of factors including; a strengthened financial position, new management, and a unique platform technology.

Income Statement

For the Fiscal Period Ending	Predecessor 12 months Dec-31-2008	Predecessor 8 months Aug-31-2009	Successor 4 months Dec-31-2009
Currency	*USD*	*USD*	*USD*
Revenue			
Product Sales	1.105	0.539	0.330
License Fees			
Total Revenue	1.105	0.539	0.330
Cost of Sales	0.603	0.424	0.182
Gross Profit	0.502	0.114	0.148
Impairment of long-lived assets	6.733		
Selling, general and administrative expenses	8.499	3.427	2.708
Research and development expenses	10.173	2.108	1.823
Operating loss	(24.903)	(5.421)	(4.384)
Other income (expense)			
Interest income	0.182	0.000	0.000
Reorganization items, net		73.539	(0.072)
Other income (expense)		(0.006)	
Warrant expense			(0.319)
Interest expense	(3.899)	(2.232)	(0.247)
Income/(loss) from continuing operations before income taxes	(28.621)	65.880	(5.022)
Income tax benefit			
Income/(loss) from continuing operations	(28.621)	65.880	(5.022)
Income/(loss) from discontinued operations, net of tax	(4.471)	0.047	(0.012)
Net (loss)/income	(33.092)	65.927	(5.035)
Deemed dividend associated with beneficial conversion			
Preferred stock dividends			
Plus/(less): net loss/(income) attributable to noncontrolling interest	1.681	(0.206)	(0.015)
Net income/(loss) attributable to Fibrocell Science, Inc. common shareholders	(31.411)	65.722	(5.050)
Per share information			
Income/(loss) from continuing operations-basic and diluted	(0.720)	1.720	(0.350)
Loss from discounted operations-basic and diluted	(0.120)		
Income attributable to noncontrolling interest			
Deemed dividend associated with beneficial conversion of preferred stock			
Preferred stock dividends			
Net income/(loss) attributable to common shareholders per common share basic and diluted	(0.840)	1.720	(0.350)
Weighted average number of basic and diluted common shares outstanding	37.639	38.231	14.380

Balance Sheet

For the Fiscal Period Ending	Predecessor Dec-31-2008	Successor Dec-31-2009
Currency	*USD*	*USD*
Assets		
Current assets:		
Cash and cash equivalents	2.854	1.362
Accounts receivable, net	0.339	0.270
Inventory, net	0.467	0.226
Prepaid expenses	0.739	0.525
Other current assets	0.624	
Current assets of discontinued operations, net	0.030	0.000
Total current assets	5.053	2.383
Other assets		0.000
Intangible assets		6.341
Total assets	5.053	8.724
Liabilities, Redeemable Preffered Stock, Shareholders' Deficit and Noncontrolling Interest		
Current liabilities:		
Current debt	90.072	0.048
Accounts payable	0.416	0.245
Accrued expenses	1.648	0.537
Deferred revenue	0.008	
Current liabilities of discontinued operations	0.209	0.007
Total current liabilities	92.353	0.837
Long-term debt		6.000
Deferred tax liabilities		2.500
Warrant liability		0.635
Other long-term liabilities	1.172	0.369
Total Liabilities	93.525	10.342
Redeemable preferred stock series A, $1,000 par value; 9,000 shares authorized; 3,250 shares issued		2.511
Equity		
Fibrocell Science, Inc. shareholders' deficit:		
Predecessor common stock, $.001 par value; 100,000,000 shares authorized	0.042	
Successor common stock, $.001 par value; 250,000,000 shares authorized		0.015
Additional paid-in capital	131.341	0.508
Predecessor treasury stock, at cost, 4,000,000 shares	(25.974)	
Accumulated deficit during development stage	(194.057)	(5.050)
Total Fibrocell Science, Inc. shareholders' deficit	(88.648)	(4.527)
Noncontrolling interest	0.177	0.398
Total deficit and noncontrolling interest	(88.471)	(4.128)
Total liabilities, redeemable preferred stock, shareholders' deficit and noncontrolling interest	5.053	8.724

Cash Flow

For the Fiscal Period Ending	Predecessor 12 months Dec-31-2008	Predecessor 8 months Aug-31-2009	Successor 4 months Dec-31-2009
Currency	*USD*	*USD*	*USD*
Cash flow from operating activities:			
Net (loss) income	(31.411)	65.722	(5.050)
Adjustments to reconcile net (loss) income to net cash used in operating activities:			
Reorganization items, net		(74.649)	0.072
Expense related to equity awards and issuance of stock	2.133	0.583	0.881
Warrant expense			0.319
Uncompensated contribution of services			
Depreciation and amortization	1.377		
Provision for doubtful accounts	0.007	0.001	(0.047)
Provision for excessive and/or obsolete inventory	0.090	0.169	0.012
Amortization of debt issue costs	0.749	0.985	
Amortization of debt discounts on investments			
Loss on disposal or impairment of property and equipment	13.059		
Foreign exchange gain on substantial liquidiation of foreign entity	(2.153)	0.030	(0.003)
Net (loss) income attributable to non-controlling interest	(1.681)	0.206	0.015
Change in operating assets and liabilities, excluding effects of acquisition:			
Decrease in restricted cash	0.451		
Decrease (increase) in accounts receivable	(0.026)	0.092	0.024
Decrease in other receivables	0.047	0.024	0.005
Decrease (increase) in inventory	0.112	0.030	0.031
Decrease (increase) in prepaid expenses	0.064	0.628	(0.245)
Decrease (increase) in other assets	0.043	(0.112)	0.004
Increase (decrease) in accounts payable	(0.006)	(0.231)	0.108
Increase (decrease) in accrued expenses, liabilities subject to compromise and other liabilities	(2.875)	1.868	(0.426)
Increase (decrease) in deferred revenue	0.008	(0.008)	
Net cash used in operating activities	(20.011)	(4.663)	(4.299)
Cash flows from investing activities:			
Acquisition of Agera, net of cash acquired	(0.007)		
Purchase of property and equipment	(0.033)		
Proceeds from the sale of property and equipment, net of selling costs	6.444		
Purchase of investments			
Proceeds from sales and maturities of investments			
Net cash provided by (used in) investing activities	6.404		
Cash flows from financing activities			
Proceeds from convertible debt			
Offering costs associated with the issuance of convertible debt			
Proceeds from notes payable to shareholders, net			
Proceeds from the issuance of redeemable preferred stock, net			2.870
Proceeds from the issuance of common stock, net			1.800
Costs associated with secured loan and debtor-in-possession loan		(0.361)	
Proceeds from secured loan		0.500	
Proceeds from debtor-in-possession loan		2.750	
Payments on insurance loan	(0.015)	(0.064)	(0.022)
Cash dividends paid on preferred stock			
Cash paid for fractional shares on preferred stock			
Merger and acquisition expenses			
Repurchase of common stock			
Net cash provided by (used in) financing activities	(0.015)	2.826	4.648
Effect of exchange rate changes on cash balances	(0.114)	(0.007)	0.003
Net increase (decrease) in cash and cash equivalents	(13.736)	(1.844)	0.352
Cash and cash equivalents, beginning of period	(16.591)	2.854	1.010
Cash and cash equivalents, end of period	2.854	1.010	1.362

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