



Bone and skin recipient Manuel Salazar tandem skydives.

PERSPECTIVES: *DOING MORE WITH LIFE*

REPORT TO THE COMMUNITY 2010

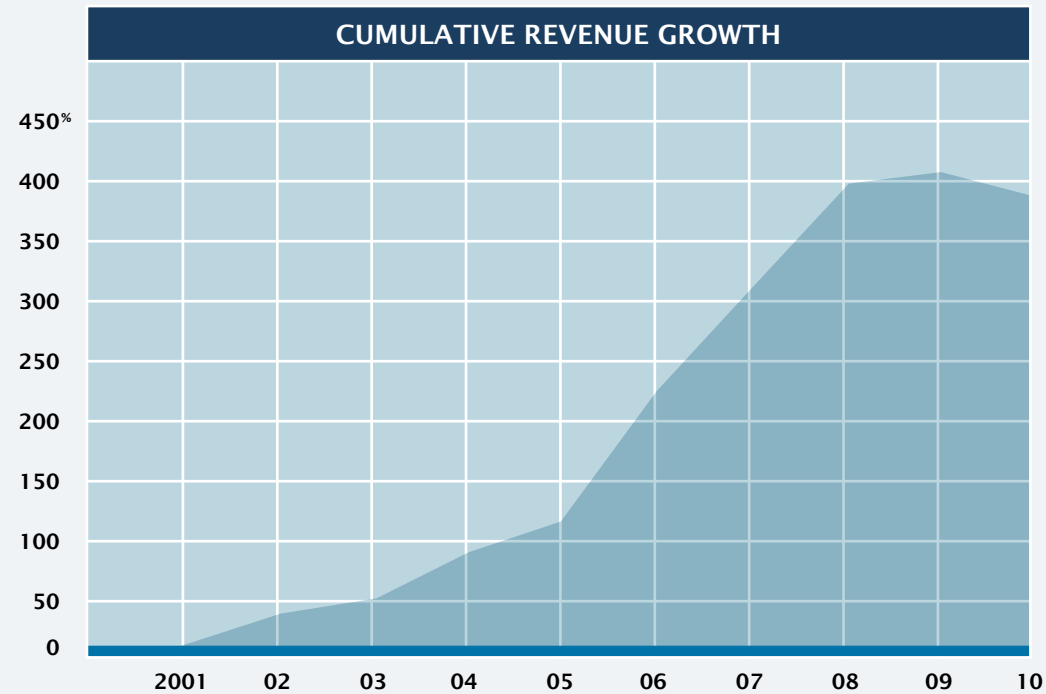


Manuel Salazar is now able to use prosthetics thanks to AlloSource allografts.



FULFILLING OUR MISSION

Doing the right thing for the donor is the cornerstone of our business. In 2010, AlloSource processed and delivered nearly 133,000 allografts—remaining true to its mission: to support local communities by saving and enhancing lives.



Revenues grew substantially over the last decade, indicating the exponential increase in recipients served.

THOMAS CYCYOTA

PERSPECTIVE FROM THE CEO

“Doing More With Life™ perfectly encapsulates what we do at AlloSource and why we are unique.”



WHY WE DO WHAT WE DO

Doing More With Life. Words that highlight the extraordinary nature of what we do at AlloSource. This is our new tagline that perfectly reflects the value we add to the gifts that we have the honor to process.

In 2010, 5% of our total revenue funded charitable contributions that support organ and tissue donation programs.

For the 12th consecutive year we provided more tissue to our communities. Honoring these donors is what motivates us to do great things every day.

AlloSource is successful because it works with medical professionals, partners and organizations that are committed to doing the right thing. This year’s Report to the Community is actually a Report from our Community. You’ll read perspectives from our donor families, partners, employees and recipients about working with AlloSource and where our business and the field of tissue transplant is headed. All of us, together, are Doing More With Life every day.

A handwritten signature of Thomas Cicyota in black ink.

Thomas A. Cicyota
AlloSource President and
Chief Executive Officer

International martial arts competitor, May Chen, was unable to practice due to a knee injury. Thanks to tissue donation, she is now teaching and competing professionally.



COMMITMENTS WE MADE TO OUR COMMUNITIES

SKIN PROGRAM

SKIN ALLOGRAFTS PRODUCED

2010 Up 69%

2009 Up 69%

Allograft skin is the gold standard to cover burns and help the healing process.

The stories of people's lives saved with this product and the comfort it brings donor families are invigorating.

EDUCATIONAL BLOG: ALLOGRAFTPOSSIBILITIES.ORG

AlloSource operates the premier online source for tissue donation and transplant information. The educational blog provides the latest updates for our OPO partners, donor families and recipients.



DARLENE AYMERICH

DONOR MOTHER

“The process of donation is one bright light in a tragedy.”



TISSUE DONATION: A LIFESAVING EVENT

I became a donor mother on October 27, 1996 when my 27-year-old daughter, Shannon Miller, was killed in a car accident. Choosing to donate her organs and tissues was the one thing that got me through some of the grief.



Darlene's daughter Shannon Miller

Four years later I decided to attend the Transplant Games in Orlando, Florida. I met an amazing donor mother there who recruited me to join a group called the MOD (Mothers of Donors) squad. By 2001, I had begun working full time in family support for Upstate New York Transplant Services (UNYTS), the Western New York Organ Procurement Organization.

Today, I manage the family support program at UNYTS. Every time I get called to go to the hospital I say a prayer to Shannon, my guardian angel, to help me say the right thing to a grieving family. Most families I have met over the years look at the process of donation as their one bright light in a tragedy.

I visited AlloSource in 2010 and was awed at how efficient, precise and advanced the technology was. It makes me feel great that I can go to families and tell them that I know first-hand that their loved one's tissue will be respected and honored. Many people say that organ donation is life-saving, but tissue is life-enhancing. I don't believe that. For people who can walk again, end their back pain or see again, it *is* life-saving and AlloSource should be proud of their role in making that happen.



Six weeks after this photo was taken, Julie Prangl lost her son Nick in a car accident. He then became a donor. Remarkably, daughter Lindsey (on the left) later received an ankle transplant from a different donor.

SUZANNE CONRAD

**EXECUTIVE DIRECTOR, IOWA DONOR NETWORK
VICE CHAIR, ALLOSOURCE BOARD OF DIRECTORS**

“Families whose loved ones are tissue donors get good news for up to five years after a tragedy.”



ADVANCEMENTS IN DONOR SERVICES

ALLOSOURCE: A UNIQUE PLACE

PARTNER MEETINGS

Three impactful meetings we held in 2010:

THE SKIN RECOVERY COLLABORATIVE
Cincinnati, OH

DONOR AUTHORIZATION MEETING AT GIFT OF HOPE OFFICES
Chicago, IL

PARTNERS' DAY AT ALLOSOURCE
Centennial, CO

QUALITY CONTROL

Graft contamination decreased by almost 5% in 2010 over 2009 and skin yields have improved.

NEW RELATIONSHIP

We welcomed a new Recovery Partner: University of Texas Health Science Center, San Antonio/Allograft Resources.



At the Donor Dash, families release balloons to honor donors, celebrate recipients and recognize those still waiting for transplants. The annual event is hosted by Donor Alliance in Denver, CO.

I began my career as a heart transplant nurse. Meeting heart transplant patients for the first time changed my perspective completely. I had never given a single thought to where the heart came from. I became curious about the donor side of the equation and eventually started working for a recovery agency.

My job is to listen to donor families and often they say the same things—organ and tissue donation brings a sense of hope that tomorrow will be better. Families whose loved ones are tissue donors get good news for up to five years after a tragedy.

AlloSource is a unique place. The company is incredibly responsive to its donor partners and in turn its donor hospitals and families. But what matters to me most is that AlloSource is finding more ways to utilize human tissue while, at same time, making sure that they meet the needs of people every day with burn skin and traditional grafts. Doing more with the tissue provided will bring comfort to donor families. And, as we know, doing right by the donor is critical to our mission.

AlloSource technicians
take meticulous care with
each allograft.



FORMING DEEP CONNECTIONS
WITH PARTNERS



RE-ENERGIZED BRAND

AlloSource embarked on a journey to re-energize its brand.

We wanted to emphasize our employees' deep commitment and extraordinary dedication.

We also wanted to capture the joy we all share in knowing that each donor gift enhances the lives of our recipients.

From this exercise, we developed a stronger logo and a new descriptor to tell our story:

Doing More With Life.

NEW PARTNERSHIPS

AlloSource signed many agreements with new companies to manufacture and distribute allografts.

AlloSource products were introduced in eight additional countries in 2010.

TYLER LIPSCHULZ

EXECUTIVE VICE PRESIDENT, BIOLOGICS, NUVASIVE®

“Patient stories inspire us to pursue the paradigm shifts available in the Biologics field.”



A LONGSTANDING PARTNERSHIP

NuVasive's partnership with AlloSource is about improving patient outcomes and we have the opportunity to improve thousands of lives each year through the use of the products we create together. NuVasive's the BETTER WAY BACK® (BWB) program reminds me why individuals at our companies work so hard. I hear about people who are rendered virtually immobile by chronic back or leg pain and following surgery using one of our products, they are finally given relief.

Bill Walton, a patient Ambassador in the BWB program has said, “I had lost everything. But now I'm back in the game.” These types of patient stories inspire us to pursue the paradigm shifts available in the Biologics field.

We continue to work with AlloSource because of the strength of our longstanding partnership, their leadership in the allograft industry, and their commitment to maximize the gift of tissue donation by pursuing new and innovative applications.

We are aligned in our belief that Biologics is an area where there is the opportunity to create new therapies for patients. This drives the research being conducted through our partnership, research that will result in better products to treat patients for years to come and will advance the products that we provide.

The efficacy of AlloStem® tissue is thoroughly evaluated through clinical research conducted by our partner physicians such as orthopedic surgeon Mark Myerson, MD (on the right).



**EXPANDING
OUR OFFERINGS**

MEDICAL SUPPORT

In 2010, we created a marketing department to better serve our partners and medical professionals.

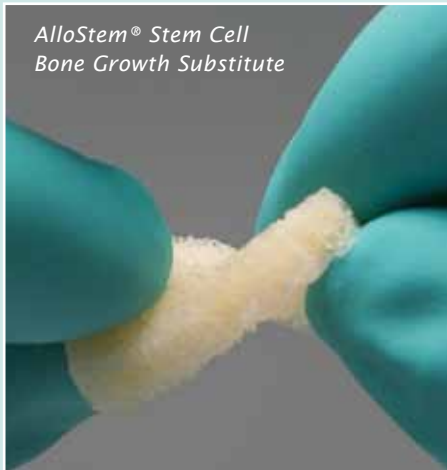
The first AlloSource Scientific Advisory Board was created with eight members.

Over 40 orthopedic surgeons, nurses, physician's assistants and surgical technicians visited AlloSource through the Customer Visit Program.

2010 CRITICAL PRODUCT LAUNCHES

Two critical product launches occurred in 2010.

AlloStem® Stem Cell Bone Growth Substitute utilizes mesenchymal stem cells, derived from donor adipose tissue combined with partially demineralized cancellous bone.



AlloStem contains the biological components necessary for bone formation and eliminates the need for recovery of a patient's own bone for surgery, which often results in donor site pain and infections.

We entered the wound care market with AlloSkin™, an effective and economical alternative to traditional wound care therapies.

WILLIAM BUGBEE, MD

SCRIPPS HEALTH, LA JOLLA, CA

“Understanding the donor side of things makes our work more meaningful.”



SERVING OTHERS—NOT JUST THE BOTTOM LINE

I have been on the AlloSource Medical Advisory Board for about 15 years. We started working with AlloSource because they were non-profit, returned tissue to local areas and were committed to serving others, not shareholders. While the company has grown and changed dramatically, AlloSource has stayed true to this original mission. At the core, we trust AlloSource's judgment, that they will do the right things for donor, doctor, patient and everyone involved.

People from all over the world come to our practice for a fresh graft transplant. When we started this program it forced surgeons to learn much more about the process on the donor side. Data had to be perfect, in place quickly and the tissue needed to arrive in a few days. Surgeons learned about donors, sources of donors and reviewed charts in ways we had not before. Understanding the donor side of things makes our work more meaningful.

I had a case a few years back where we performed a transplant for a young man in Los Angeles. The donor tissue came from a teenage girl who was killed in a drunk driving accident. The young man who received the transplant walked across the stage at the donor's high school graduation to receive her diploma. That is not the kind of human connection that most surgeons get to be involved in. It makes you look at life in a whole new way.

AlloSource research and development ensures we remain on the leading edge of product innovation.



NEW RESEARCH AND DEVELOPMENT MILESTONES



Research and development remains a cornerstone of how AlloSource does more with life.

AlloSource was issued US patent #7,794,653 (Methods for treating allograft products).

Three white papers were completed on AlloStem for evidence based research.

We developed a microbiology improvement strategy that fits into the overall regulatory strategy.

We signed a Research and Option Agreement with Colorado State University regarding use of their Tissue Electrophoresis technology.

The first two stages of this research are complete.

KEVIN CMUNT

EXECUTIVE VICE PRESIDENT, ALLOSOURCE

“Regenerative medicine is going to change our business and multiply the ways that donated human tissue can help others.”



LEADING THE CHARGE

I have been at AlloSource for ten years and I have been asked on several occasions why I am committed to the company. For me it's a combination of things. Working in the medical device field allows you to see amazing new technologies and therapies that change lives. At AlloSource, the donation side of the business makes the job completely unique. It makes this job more rewarding and fulfilling than I could have imagined.

Regenerative medicine is going to change our business and multiply the ways that donated human tissue can help others. We are on the cusp of a whole generation of products based on live-cell advances. It's akin to our industry going from the horse and buggy to the automobile, and AlloSource is leading the charge in many ways.

AlloSource has probably facilitated more live-cell transplantation than any other company in the world, with about 100,000 people benefitting from an AlloSource live-cell product. This is an amazing fact in itself. We know that thousands of donor families will also take comfort in that work and be pleased that we keep finding new ways to make the most out of their loved ones' gifts.

This is what makes AlloSource special and it's why we are privileged to work here.

Rachel Frank, an allograft meniscus recipient, completed the Hawaii Ironman 70.3 Triathlon following her transplant.



DEVELOPMENTS WITH OUR PEOPLE

People are the power behind any successful organization and AlloSource is fortunate to draw its energy from a diverse and talented team.

In 2010, we implemented a performance management system to enable evaluations for an annual performance accountability incentive.

We also developed a manager training program for the operations staff.

NEW TEAMS

Two new teams were formed with the goal of improving the way AlloSource processes tissue and develops products.



The PAR 3 team is completely streamlining the system of tissue movement.

The New Product Committee meets monthly and to date has reviewed over 20 ideas.

NEW BUILDING

AlloSource is creating a new campus to better house the organization into the future. The Troy facility will be dedicated to operations and related activities and the new building will be used for research and development, support functions and distribution activities.

We expect to occupy this new space in 2012.



KAT MASON

OPERATIONS PROCESSING LEAD, ALLOSOURCE

“I have seen first-hand that I am making a huge impact on someone’s life.”



MAKING AN IMPACT

I work the night shift as operation processing lead and have been at Allosource for more than seven years. It’s easy to come to work because we are like a family. Despite all the departments and buildings, you feel comfortable communicating with everyone.

I really enjoy when recipients come to speak to us. It allows us to get out of the day-to-day demands of the job and reflect on why we take so much care in handling and processing the tissue that will one day be transplanted into someone who needs it.

My grandmother received one of our spinal grafts. I felt great about it because our employees are incredibly dedicated to the quality of tissue. They care about the work they are doing, so I knew she was in good hands.

I have seen first-hand that I am making a huge impact on others’ lives. They may never know me and I may never meet them, but I like the behind the scenes work that affects people’s lives for the better.

*Tissue recipient
Parker Simpson rides on the
Donate Life float at
the 2011 Rose Parade in
Pasadena, CA.*



SUPPORTING RECIPIENT
OUTREACH



Every year, AlloSource sponsors a float rider on the Donate Life Float in the Tournament of Roses Parade.

The float features organ and tissue transplant recipients, living donors, and family members of deceased donors from around the country.

The rider is always a recipient of AlloSource tissue.

By connecting recipients to the donor families that make their transplants possible, the Rose Parade program is another avenue for forging connections and doing more with life.

PATHWAYS PROGRAM

AlloSource funds a program called Pathways that allows recipients to write letters to donor families involved in their transplant. Hundreds of donor families and donor recipients have connected over the years. Their stories are featured on our blog: allograftpossibilities.org.

PARKER SIMPSON

CANCER SURVIVOR AND TISSUE RECIPIENT

“I am glad to be part of the message.”



ROSE BOWL REPRESENTATIVE

Participating aboard the Donate Life float in the Rose Parade was unforgettable. It was moving to hear other remarkable medical stories like mine—all born from the amazing gift of life given by organ and tissue donors. I am glad to be part of the message. Before I went to Pasadena I didn't really think about the fact that somebody had to donate in order for me to receive this bone. It was heartwarming and humbling.



Parker with his mother Alice and sister Paige.

“My position with Allosource provides me with the opportunity to significantly benefit someone else’s life and make it better. This accomplishment continually motivates me and provides me with a great deal of satisfaction.”

– Brad Klanecky, Regional Allograft Manager, Colorado

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RECOVERY ORGANIZATIONS

Donor Alliance
Denver, CO

Gift of Hope Organ &
Tissue Donor Network
Chicago, IL

Iowa Donor Network
North Liberty, IA

Mid-America Transplant Services
St. Louis, MO

Upstate New York Transplant Services
Buffalo, NY

Donor Network of Arizona
Phoenix, AZ

LifeCenter Organ Donor Network
Cincinnati, OH

LifeLink
Atlanta, GA and Tampa, FL

Lifesharing Community
Organ & Tissue Donation
San Diego, CA

University of Texas Health Science Center,
San Antonio/Allograft Resources
San Antonio, TX

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