

## **International Stem Cell Corporation progresses towards establishment of the industry's first universal stem cell bank, UniStemCell™**

OCEANSIDE, CA – January 25, 2010 – International Stem Cell Corporation ([ISCO.OB](http://ISCO.OB)), [www.internationalstemcell.com](http://www.internationalstemcell.com), announced today that it has signed up the first two in vitro fertilization (IVF) clinics and engaged an experienced pharmaceutical industry executive to lead the establishment of the company's universal stem cell bank, UniStemCell™. International Stem Cell Corporation has made breakthrough stem cell discoveries that result in unique advantages over the only two other proven methods of making human pluripotent stem cells. In particular, for the first time in industry history, this will enable the establishment of a bank containing a manageable number of stem cell lines that will be immunological matches for large patient populations of different ethnic origin.

The company uses unfertilized eggs (oocytes) to create human “parthenogenic” stem cells (hpSCs). Like embryonic stem cells (ESCs), hpSCs are pluripotent (i.e. have the capacity to become almost any cell type in the body), yet avoid ethical issues associated with use or destruction of viable human embryos. Unlike induced pluripotent stem cells (iPSs), hpSCs do not involve extensive gene manipulation, which may have unknown biological impact. Unlike both ESCs and iPSs, hpSCs can be created in a homozygous form such that each line will be an immunological match for millions of patients.

International Stem Cell Corporation has partnered with two IVF clinics in Southern California, California Center for Reproductive Medicine under the leadership of Dr. Lori Arnold and Acacio Fertility Center under the leadership of Dr. Brian Acacio. Both clinics provide exceptional clinical care for egg donors and IVF patients, not only regionally but across the US and abroad. California Center for Reproductive Medicine and Acacio Fertility Center provide a US source of oocytes under full regulatory and medical oversight that allow for the creation of the first clinical grade hpSC lines anywhere in the world. Dr. Acacio says: “We look forward to participating in this important research with the ultimate goal of each egg donation not only helping a single couple but millions of people with degenerative diseases.” Dr. Arnold says: “While we provide world-class care for our IVF patients, we are excited to add our clinical expertise and join International Stem Cell Corporation in this medical frontier of regenerative medicine.”

International Stem Cell Corporation has also engaged Dr. Simon Craw to implement the integrated process of oocyte donation and processing in coordination with the IVF clinics and under proper regulatory and medical oversight. The creation of hpSC lines will take place in the company's central cGMP facility. In addition, Dr. Craw will oversee the expansion, tracking and storage of hpSCs for research and clinical development globally. Dr. Craw is an experienced pharmaceutical executive who has served in firms such as Novartis and AstraZeneca, and recently as head of Merck's California operations and ACADIA's information technology and regulatory operations (including FDA filings).

Brian Lundstrom, ISCO's President, says: “International Stem Cell Corporation has already differentiated its hpSCs into functional cells of the eye (retinal pigment epithelium and corneal tissues), the liver (hepatocyte precursor cells) and other organs. While we and our external collaborators continue to advance these therapeutic applications, we are now

formally launching the creation of a universal stem cell bank, UniStemCell. This collection of hpSC lines will enable researchers around the world to develop novel stem cell therapies knowing that, whatever non-embryonic, pluripotent hpSC line they use, there will be sister lines available that immunologically match almost any potential patient and will require only temporary immune suppression, if any.“ He continues: “By combining the proven oocyte retrieval experience and clinical excellence of California Center for Reproductive Medicine and Acacio Fertility Center with the pharmaceutical and operational experience of Dr. Craw, International Stem Cell Corporation is well positioned to generate the world’s first cGMP quality hpSC lines in 2010.”

International Stem Cell Corporation will initially focus on oocyte-derived hpSCs from US population groups. However, the company offers its intellectual property, process and business experience to other companies for development and commercialization of universal stem cell banks targeting ethnic groups that are less represented in the US, e.g. Asians and Hispanics. Cell lines from each of these banks will be made available to government, academic and corporate researchers worldwide, thus enabling the global research community to develop therapeutic applications of their interest with the unique ethical, biological and immune-matching benefits of homozygous hpSCs.

#### ***ABOUT INTERNATIONAL STEM CELL CORPORATION (ISCO.OB)***

International Stem Cell Corporation is a California-based biotechnology company focused on therapeutic and research products. ISCO’s core technology, *parthenogenesis*, results in creation of pluripotent human stem cells from unfertilized eggs (oocytes). ISCO scientists have created the first *parthenogenic, homozygous stem cell line* that can be a source of therapeutic cells with minimal immune rejection after transplantation into hundreds of millions of individuals of differing sexes, ages and racial groups. This offers the potential to create the first true stem cell bank, UniStemCell™, while avoiding the ethical issue of using fertilized eggs. ISCO also produces and markets specialized cells and growth media for therapeutic research worldwide through its subsidiary Lifeline Cell Technology. More information is available at ISCO’s website, [www.internationalstemcell.com](http://www.internationalstemcell.com).

To subscribe to receive ongoing corporate communications please click on the following link: <http://www.b2i.us/irpass.asp?BzID=1468&to=ea&s=0>.

#### ***FORWARD-LOOKING STATEMENTS***

*Statements pertaining to anticipated future financial and/or operating results, future growth in research, technology, clinical development and potential joint venture and other opportunities for the company and its subsidiary, along with other statements about the future expectations, beliefs, goals, plans, or prospects expressed by management constitute forward-looking statements. Any statements that are not historical fact (including, but not limited to statements that contain words such as “will,” “believes,” “plans,” “anticipates,” “expects,” “estimates,”) should also be considered to be forward-looking statements. Forward-looking statements involve risks and uncertainties, including, without limitation, risks inherent in the development and/or commercialization of potential products, uncertainty in the results of clinical trials or regulatory approvals,*

*need and ability to obtain future capital, application of capital resources among competing uses, and maintenance of intellectual property rights. Actual results may differ materially from the results anticipated in these forward-looking statements and as such should be evaluated together with the many uncertainties that affect the company's business, particularly those mentioned in the cautionary statements found in the company's Securities and Exchange Commission filings. The company disclaims any intent or obligation to update these forward-looking statements.*

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