

## **International Stem Cell Corporation and Insight Bioventures seek to establish Indian operations**

OCEANSIDE, CA and HYDERABAD, India – July 20, 2010 – International Stem Cell Corporation (OTCBB: ISCO), [www.internationalstemcell.com](http://www.internationalstemcell.com), and Insight Bioventures India Private Limited (IBVI), ([www.insightbioventures.in](http://www.insightbioventures.in)) announced today that they have signed a letter of intent concerning funding and establishment of an Indian affiliate of ISCO (ISCO India). The goal is to establish world-class development and manufacturing operations for ISCO's research and pharmaceutical products in India, including its Lifeline Cell Technology® research products and human corneal tissue, CytoCor™, for treatment of corneal vision impairment and testing of chemicals.

IBVI is an experienced biomedical business facilitator with a solid network among Indian corporations, academia and government. In collaboration with Sristi Biosciences ([www.sristibio.com](http://www.sristibio.com)), a full-fledged developer, manufacturer and commercial operation and the therapeutic arm of Indian bio industry leader Sri Bio ([www.sribio.com](http://www.sribio.com)), IBVI facilitated the earliest submissions and approvals of the stem cell therapy guidelines of India. Some of IBVI's major collaborators include ophthalmology research center and hospital, Sankara Nethralaya ([www.sankaranethralaya.org](http://www.sankaranethralaya.org)), The Centre for Cellular and Molecular Biology (a federally funded institute run by the Indian government, [www.ccmb.res.in](http://www.ccmb.res.in)), the All-India Institute for Medical Sciences ([www.aiims.edu](http://www.aiims.edu)), and the Indian Council for Medical Research ([www.icmr.nic.in](http://www.icmr.nic.in)). IBVI has established a dedicated Biofund to finance novel businesses in India.

According to Dr. Jayaraman Packirisamy, Executive Director of IBVI, "ISCO offers our investors as well as corporate and academic partners a unique combination of Lifeline marketed research products with near-term revenue potential in India, CytoCor with potential to change standard of care for the widespread corneal blindness and vision impairment in India and the rest of Asia, and an opportunity to apply our well-educated work force and industrial grade facilities to develop and manufacture these and other biomedical products cost-efficiently in India. We therefore look much forward to lead the funding and implementation of ISCO India."

Dr. Gopal Pande, managing scientist at The Centre for Cellular and Molecular Biology adds, "Our institution is a leader in cell biology in India and, while we have been involved with a wide range of opportunities in this field, we believe CytoCor represents a rare opportunity to produce functional, live human tissue from individual cells. We are keen to explore the possibilities with ISCO and IBVI and hope to not only apply our scientific expertise but also to host ISCO in India's first, state-of-the art, \$60M, integrated research and clinical development facility for stem cells and regenerative medicine, CRF, established in collaboration between the CCMB and the Nizam's Institute of Medical Sciences."

Under the letter of intent, IBVI will lead the funding and establishment of ISCO India with facilities and staff. ISCO will train Indian scientists and commercial staff and provide rights to the company's technologies, products and intellectual property as needed. ISCO India will be managed by a combined team of experienced development and business executives from IBVI and Sristi Biosciences in India and senior executives of ISCO in the US. ISCO India will be based in Hyderabad and continue to work closely with the leading team of ophthalmology scientists and clinicians at Sankara Nethralaya in Chennai as well as researchers and government bodies across India. Formal details of this arrangement are expected to become the subject of a definitive agreement in the near future.

"IBVI and their corporate, academic and government network provide ISCO with an unparalleled opportunity to tap into the rapidly growing research product market in India and develop CytoCor with a

team of experienced scientists and clinicians in the country with most corneal blindness and vision impairment in the world. Furthermore, IBVI's Biofund investors enable us to do so without ISCO capital investment or issuance of equity shares. Finally, by establishing our own affiliate in India, ISCO will be able to participate in the economic benefits of our technologies and products while retaining the intellectual property control that is so important across Asia," says Brian Lundstrom, ISCO's President.

#### 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 oocytes (eggs). These proprietary cells avoid ethical issues associated with use or destruction of viable human embryos and, unlike most other major stem cell types, can be immune matched and be a source of therapeutic cells with minimal rejection after transplantation into hundreds of millions of individuals of differing racial groups. ISCO also produces and markets specialized cells and growth media for therapeutic research worldwide through its subsidiary, Lifeline Cell Technology, and is developing a line of cosmeceutical products via its subsidiary, Lifeline Skin Care. ISCO is advancing novel human stem cell-based therapies where cells have been proven to be efficacious but traditional small molecule and protein therapeutics have not. More information is available on ISCO's website.

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>.

#### ABOUT INSIGHT BIOVENTURES INDIA

Insight Bioventures India Private Limited India (IBVI) is the Asian member of Insight Bioventures founded in 1997 to apply a multidimensional approach to value creation in the international life sciences community while placing client's interests first. IBVI operates through a team of experienced associates and partners from the pharmaceutical industry, academic research and the financial sector. The company maintains long-standing relationships with opinion leaders in different therapeutic areas that assist in evaluation and advancement of innovative product concepts and medical businesses. IBVI has made tissue engineering and cell therapy a major technology focus and works with recognized leaders in these areas, e.g. Sristi Biosciences and International Stem Cell Corporation. IBVI has partnered with strong Indian corporations and high net worth individuals to establish a dedicated "Biofund" to finance the best novel technologies for Indian development and with potential to address large unmet medical needs in the Asian market. More information is available on IBVI's website: [www.insightbioventures.in](http://www.insightbioventures.in).

#### FORWARD-LOOKING STATEMENTS

Statements pertaining to anticipated developments and therapeutic applications, the potential benefits of collaborations, affiliations, and other opportunities for the company and its subsidiaries, 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 and the management of collaborations, 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 forward-looking statements.

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