

International Stem Cell Corporation (ISCO.OB) and Sankara Nethralaya launch collaboration to develop stem cell-based treatment for corneal vision impairment

OCEANSIDE, California and Chennai, India – July 7, 2010 – International Stem Cell Corporation (OTCBB: ISCO), www.internationalstemcell.com, and Sankara Nethralaya, www.sankaranethralaya.org, announced today commencement of a collaboration to develop ISCO's "CytoCor™" stem cell-derived corneal tissue. The goal is to use CytoCor to treat corneal blindness and vision impairment. "This is one more step in ISCO's stated plan of building its portfolio of therapeutic agents through strategic alliances throughout the world," said Chairman, Ken Aldrich.

CytoCor consists of transparent human tissue derived from pluripotent human stem cells. These structures are produced in the laboratory and recent testing at Sankara Nethralaya and laboratories in the US has demonstrated a range of structural, biochemical and refractory properties characteristic of human cornea.

CytoCor may offer a first-in-class opportunity for high-quality, cost-efficient transplantation tissue for the 10 million people world-wide suffering from corneal vision impairment, particularly in India and the rest of Asia, as well as in Europe. Standardized tissues derived from pluripotent stem cells, such as the CytoCor tissue, could eliminate the current problem that corneal tissue derived from donors may harbor diseases that could be transferred from the donor to the recipient. It may also provide a much needed alternative to the use of live and extracted animal eyes in the \$500+million market for safety testing of drugs, chemicals and consumer products.

According to Professor Dr. S. Krishnakumar, "Sankara Nethralaya is dedicated to the development and application of new state-of-the-art ophthalmic technologies. The need for high-volume, high-quality human corneal tissue is substantial, not only in India but across Asia and much of Europe. We appreciate the opportunity to join ISCO in their pursuit to create a new standard of care for the treatment of human corneal disease." Initially, Dr. Krishnakumar and his team will be using the CytoCor tissue in preclinical studies to explore the ability of the tissue to withstand sutures and bio-compatible glues in order to validate the potential of the tissue for use in animal or human clinical trials.

According to Dr. Geetha Krishnan Iyer, who is involved in the management of ocular surface disease at Sankara Nethralaya, "The team at Sankara Nethralaya is pleased to collaborate with ISCO on stem cell-derived corneal tissue. *In vitro* studies to evaluate safety and efficacy of the tissue, as well as surgical feasibility tests will be carried out, following which there could be clinical application in lamellar keratoplasty using the above mentioned tissue. With improvements in surgical techniques over the past few years, the indications for anterior lamellar keratoplasty have expanded significantly. With high demand for donor corneal tissue for the same but limited availability, there is definitely scope for utilizing ISCO's corneal tissue following relevant tests."

Jeffrey Janus, Senior VP of Operations at ISCO, states: "This collaboration with the excellent team of scientists and clinicians at Sankara Nethralaya has already proven to be productive. Sankara's ophthalmology expertise and ISCO's cell culture capabilities constitute a perfect match to perfect and advance CytoCor tissue towards future use in treating corneal disease and injuries."

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 all 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 across 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 at ISCO's website, 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 technological developments and therapeutic applications, the potential benefits of collaborations, 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 these forward-looking statements.

Key Words: Stem Cells, Biotechnology, Parthenogenesis

CONTACTS:

International Stem Cell Corporation

Kenneth C. Aldrich, Chairman

760-940-6383

kaldrich@intlstemcell.com

Or

Brian Lundstrom, President

760-640-6383

bl@intlstemcell.com