

## **International Stem Cell Corporation formalizes stem cell-based eye care programs into Cytovis™**

OCEANSIDE, CA – August 19, 2010 – International Stem Cell Corporation (OTCBB:ISCO), [www.internationalstemcell.com](http://www.internationalstemcell.com), today announced that its stem cell therapeutic programs focused on protective, transparent corneas (CytoCor™) in the front of the eye and the light-sensitive retinal tissue (CytoRet™) in the back of the eye will be formalized into a new business unit, Cytovis™. Together these programs will leverage external and internal development, regulatory and commercial expertise in cellular ophthalmology to form a focused portfolio of complementary product candidates designed to address high unmet medical needs with apparent pharmacoeconomic and quality of life benefits.

CytoCor is the brand name for ISCO's corneal tissue that can be derived from the company's proprietary parthenogenetic stem cells or commonly used embryonic stem cells. Research and development with partners Absorption Systems in the US, Sankara Nethralaya in India and Automation Partnership in the UK continues for the purpose of optimizing the tissue for transplantation in the 10 million people worldwide suffering from corneal vision impairment and as an alternative to the use of live animals and animal eyes in the \$500+M market for safety testing of drugs, chemicals and consumer products. ISCO's goal in the coming months is to establish funding and infrastructure in India for accelerated development of CytoCor for the therapeutic application and to advance and implement the chemical testing application with partners in the US and Europe.

CytoRet is the brand name for ISCO's stem cell-derived retinal tissue. ISCO is using its parthenogenetic stem cells to develop individual retinal pigmented epithelial ("RPE") cells and layered retinal structures internally and in collaboration with the laboratory of Dr. Hans Keirstead, Professor of Anatomy and Neurobiology at the University of California, Irvine. ISCO recently commenced a new research collaboration with UC Irvine to launch the next phase of its retinal studies with that institution, including preclinical trials. Potential therapeutic applications include retinitis pigmentosa, an untreatable inherited disease affecting about 100,000 Americans, and the dry form of age-related macular degeneration, a major cause of blindness in the elderly of the Western world. ISCO's goal is to establish functional proof of concept for RPE cellular therapy in models of human disease in the next twelve-eighteen months.

Jointly referred to as Cytovis ("cyto" for cellular, "vis" for vision), these two cellular ophthalmology programs share a number of features and benefits. First, with the aging of the population worldwide and the growing number of work-related eye injuries in India, China and other major countries, the market opportunity is growing steadily. Second, there are strong pharmacoeconomic and quality-of-life rationales for full or partial vision restoration or delay of vision impairment diseases. Third, delivery of cells and tissues to the confined anatomy of the eye inherently provides for better safety and efficacy than, for example, the systemic circulation or the central nervous system. This will likely result in lower regulatory barriers and shorter and less costly development paths compared to that of anatomically deeper and more widespread diseases. Fourth, a number of eye diseases cannot be treated with surgery or traditional small molecule or protein therapeutics, yet cell and tissue therapy is proven to work but currently limited by availability of safe and sufficient cells and tissue from human donors. Finally, eye care development

programs like CytoCor and CytoRet share a number of regulatory, development and commercial aspects that make it feasible for a relatively small team to produce substantial clinical outcomes and achieve competitive presence in the market place alone or in collaboration with dedicated partners.

Brian Lundstrom, ISCO's President, says: "ISCO's proprietary parthenogenetic stem cell technology continues to form the foundation for the company's long term regenerative medicine therapy programs. In the nearer term, CytoCor and CytoRet's unique benefits in the field of cellular ophthalmology offer the potential for partnering and funding at a relatively early stage. Combined with the current and future revenue of Lifeline Cell Technology and the revenue potential of Lifeline Skin Care, scheduled for launch in the 4<sup>th</sup> quarter, Cytovis adds significantly to ISCO's diversity and value creation potential for its investor base in a cost-efficient fashion."

#### 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, develops a line of cosmeceutical products via its subsidiary Lifeline Skin Care and advances novel human stem cell-based therapies where cells have been proven to be efficacious but traditional small molecule and protein therapeutics do not. 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 technological 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," "should," "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.

Key Words: Stem Cells, Biotechnology, Parthenogenesis

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