FOR IMMEDIATE RELEASE

Cellular Dynamics International and Roche Expand Existing Cardiotoxicity Screening Agreement

MADISON, Wis., July 1, 2009 – Cellular Dynamics International (CDI) and Roche announced today a significant expansion of their existing agreement to test drug development candidates for their potential to cause cardiotoxicity, or damage to heart tissue. The two-year collaboration aims to enhance drug safety testing in order to bring promising therapies to patients faster.

Under this agreement, CDI will supply purified cardiomyocytes, created from induced pluripotent stem cells (iPSCs), to Roche, and the two companies will collaborate to perform various cell characterization, toxicological, and electrophysiological response experiments. The agreement also includes an ongoing cardiomyocyte supply contract post collaboration.

Embarked upon originally in March 2008 as a validation of CDI's human pluripotent stem cell technology, the expanded agreement is a testament to the success of the first phase. This next phase moves the companies toward assessing iPSC-derived cardiomyocytes as a cardiovascular safety pharmacology as well as toxicology tool.

iPSCs are adult tissue cells that have been reprogrammed to a pluripotent, embryonic-like state. Like embryonic stem cells, iPSCs have the ability to differentiate into any cell type in the body. However, because they are created from adult skin cells, not embryos, they enable patient-specific stem cells, an important factor in moving the technology toward personalized medicine.

The goal of the agreement's next phase is to detect drug-induced changes in cardiomyocyte activity across a spectrum of compounds. While it is already standard practice to perform *in vitro* testing of drug candidates on cardiomyocytes, the cell models currently used have a limited utility to reliably predict conduction-related effects and/or overt cardiotoxicity. CDI's iPSC-derived cardiomyocytes could overcome these limitations by providing a human-based, genetically diverse, virtually unlimited cell supply. Together these attributes provide a platform expected to streamline drug development and more accurately predict human physiological responses.

"We are thrilled with the expansion of our Roche human cardiomyocyte program," said Robert Palay, CDI Chief Executive Officer. "We view this as the next logical step in providing Roche with high quality iPSC-derived human cardiomyocytes in sufficient volumes for their drug toxicity and development needs, thereby helping to bring safe and effective medicines to patients faster."

Commenting on the expanded agreement, Chris Kendrick-Parker, CDI Chief Commercial Officer, said, “CDI well understands the limitations associated with current *in vitro* testing models that do not appropriately reflect the target cell population and physiology. Our iPSC technology overcomes these obstacles and offers the promise of generating differentiated cell types, even personalized cell types, from virtually any genetic background. We believe iPSC technology will play a pivotal role as drug discovery and development practices continue to evolve toward personalized therapeutics, and we are excited to be working with a world-class organization such as Roche in this endeavour.”

About Cellular Dynamics International, Inc.

Cellular Dynamics International, Inc. (CDI) is a leading developer of next-generation stem cell technologies for drug development and personalized medicine applications. CDI harnesses the power of pluripotent stem cells and their ability to differentiate into any cell type for world-class drug development tools. In addition, it is the leader in iPS technology, the production of pluripotent stem cell lines from adult tissue. CDI was founded in 2004 by Dr. James Thomson, a pioneer in human embryonic stem cell research at the University of Wisconsin-Madison, and Tactics II Ventures, a Wisconsin-based venture capital fund. CDI’s facilities are located in Madison, Wisconsin.
See www.cellulardynamics.com.

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