Living Cell Technologies Limited

COMPANY ANNOUNCEMENT

Living Cell Technologies Reports Insulin Independence in Two Patients Following Recent Implants of DIABECELL® in Diabetes Clinical Trial

5 May 2009 – Sydney, Australia, Auckland, New Zealand– Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY) today reported that following the latest implants of DIABECELL®, two recipients with long standing insulin dependent diabetes currently do not require insulin injections.

DIABECELL® is LCT's encapsulated insulin-producing porcine pancreatic islet cells.

To date, seven patients with insulin dependent diabetes have received between one and three implants of DIABECELL® without remarkable adverse events in LCT's on-going Phase I/IIa clinical trial.

LCT Medical Director, Professor Bob Elliott, who is in San Diego, USA, delivering a plenary lecture on DIABECELL® at the Annual Meeting of the International Society for Cell Therapy, said, "Having two patients going off their insulin injections gives me tremendous confidence that we have a treatment which can return people with diabetes to a normal life.

All patients followed-up show improvement of diabetes control with better glycated haemoglobin (%HbA1c) levels. I am extremely pleased to see all blood glucose levels in their seven-point recordings to be in the normal range, even with a lower daily dose of insulin."

LCT CEO, Dr Paul Tan added, "The dose escalation and the tightening of the quality specifications of DIABECELL® for the last two implants have led to a very satisfying outcome with the recipients becoming insulin independent and we look forward to an equally positive outcome for future patients. LCT expects DIABECELL® to be established as a product of exceptional commercial value".

Progress Report of DIABECELL® Phase I/IIa Clinical Trial

- The trial is an open labelled Phase I/IIa investigation to obtain data on the safety and preliminary efficacy of DIABECELL®, encapsulated neonatal porcine pancreatic islets, without the use of immunosuppressive drugs.
- The trial started in Moscow in 2007 and is intended to enrol a total of 10 patients with type 1 diabetes who have given informed consent for their participation. The trial is being monitored by Geny Research Group Inc, a U.S.-based contract research organization.
- To date, seven insulin dependent diabetes patients have been implanted:
  - The trial was designed for Patients #1 - #5 to receive two implants of DIABECELL® at the dose of 5,000 Islet Equivalents per kg body weight (IEQ/kg) at least 6 months apart and for Patients #6 - #10 to receive one implant of 10,000 IEQ/kg.
  - Based on clinical assessment, amendments to the protocol were requested by the investigators to optimise the treatment in this dose-finding study. Patients #3, #4 and #5 received implants of 5,000 and 10,000 IEQ/kg. Patient #2 received a third implant of 10,000 IEQ/kg.

- As summarised in the following Table, patients have been followed up from a minimum of 18 weeks to 96 weeks. Patient #6 failed to attend follow up after 20 weeks and attempts to resume follow-up continue.
- There were no remarkable adverse events following implants of either dose. Repeat implants have been safe to date.
- All patients show improved blood glucose control as reflected by a decrease in their glycated haemoglobin (%HbA1c) level after the implant, apart from Patient #6.
- All blood glucose levels in the seven-point recordings at last follow-up were in the normal range for patients #1, #2, #3, #4, #7. The mean glucose level in all patients is within the range of 5.8 to 8.2 mMol/L. At last follow up, Patient #6 recorded a mean blood glucose of 9.4 mMol/L.
- Two patients, #2 and #7, have both shown an excellent response and do not require exogenously administered insulin.
  - Patient #2 is a 37 year old female with a 15-year history of insulin dependent diabetes. This patient has received two implants of 5,000 IEQ/kg and in February 2009 a third implant of 10,000 IEQ/kg. Prior to the first implant this patient required an average daily insulin dose of 22 units/day. This patient's HbA1c level prior to implant was 8.2% and is currently 7.1%, her current mean blood glucose level is normal at 6.8 mMol/L.
  - Patient #7 is a 63 year old male with a 5-year history of insulin dependent diabetes. He received one implant at the dose of 10,000 IEQ/kg in January 2009. Prior to implant this patient required an average daily insulin dose of 37 units/day. This patient's HbA1c level prior to implant was 8.3% and is currently 4.8%, his current mean blood glucose level is normal at 6.6 mMol/L
- As previously reported, capsules containing viable cells have been retrieved from second implants and porcine insulin has been detected in blood of patients following glucose tolerance test
- The body weight of all patients during the study varied by less than 5% of their pre-implant weight.

Table: Preliminary Efficacy Response Data

Patient No.	No. of Implants	Follow-up (Weeks)	Insulin Dose (Units/day)		% Dose Reduction	HbA1c (%)		Current Mean Glucose (mMol/L)
			Pre-Implant	Current		Pre-Implant	Current	
1	2	96	113	76	33	7.1	6.1	6.9
2	3	84	22	**0**	**100**	8.2	7.1	6.8
3	2	72	60	53	12	10.0	7.4	7.3
4	2	60	30	27	10	7.6	6.5	5.8
5	2	30	68	48	29	9.8	7.2	8.2
6*	1	20*	41	57*	-	8.5	8.5*	9.4*
7	1	18	37	**0**	**100**	8.3	4.8	6.6

* Patient lost to follow-up (data* at 20 weeks follow-up)

Summary: The Phase I/II dose escalation trial to date has implanted seven insulin dependent diabetes patients with one to three implants of DIABECELL® without remarkable adverse events. Preliminary efficacy data show normalised blood glucose levels and improved HbA1c with reduction of daily insulin dose. Two recipients have discontinued insulin injections.

Presentation by Professor Bob Elliott
Title: Practical, Methodological, Regulatory Aspects of Islet Cell Implants – DIABECELL®.
International Society for Cell Therapy 15th Annual Meeting
5th May 2009 at 1:30 -3:00 pm US Pacific Time
Sheraton, San Diego, CA, USA

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About Living Cell Technologies: www.lctglobal.com
Living Cell Technologies (LCT) is developing cell-based products to treat life threatening human diseases. The Company owns a biocertified pig herd that it uses as a source of cells for treating diabetes and neurological disorders. For patients with type 1 diabetes, the Company transplants microencapsulated islet cells so that near-normal blood glucose levels may be achieved without the need for administration of insulin or at significantly reduced levels. The company entered clinical trials for its diabetes product in 2007. For Parkinson's disease, Huntington's disease and other neurological disorders, the company is developing microencapsulated choroid plexus cells that deliver beneficial proteins and neurotrophic factors to the brain. LCT's technology enables healthy living cells to be injected into patients to replace or repair damaged tissue without requiring the use of immunosuppressive drugs to prevent rejection. LCT also offers medical-grade porcine-derived products for the repair and replacement of damaged tissues, as well as for research and other purposes.