Living Cell Technologies Limited

Company Announcement

LCT reports consistent benefit in DIABECELL® NZ Trial

- 8 patients in New Zealand have received DIABECELL® implants according to schedule
- All 4 patients given 10,000 islet equivalents/kg showed reduction in episodes of clinically significant hypoglycaemia (low blood glucose)
- Improved blood glucose control shown with reduction in insulin requirements
- Second group of 4 patients have received 15,000 IEQ/kg

13 July 2010: Sydney, Australia & Auckland, New Zealand. Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY), a global company pioneering the development of cell implants to treat diabetes, today reported further positive results from the New Zealand Phase II clinical trial of DIABECELL® , with all eight insulin dependent diabetes patients having now received the implants of encapsulated porcine islets. In the first cohort of patients with unstable diabetes, all have shown the benefit of reduction or elimination of episodes of low blood glucose levels that are often life-threatening. The dramatic results to date showing DIABECELL®'s ability to ameliorate this serious complication of diabetes, known as hypoglycaemic unawareness, are a key indicator of benefit to patients.

The first four New Zealand patients received one implant of DIABECELL® at the dose of 10,000 islet equivalents per kilogram body weight (IEQ/kg) without remarkable adverse events attributable to the treatment. This continues to confirm DIABECELL®'s safety profile.

Two patients have been followed up for 24 weeks and two patients for a minimum of 12 weeks. All patients have reduced the number or severity of hypoglycaemic events, which are episodes when blood glucose levels are low and may lead to loss of consciousness and convulsions without warning symptoms.

By 12 weeks, the severity score of hypoglycaemic episodes in these 4 patients was reduced by a mean of 67% (score of 83 reduced to 28) and the number of hypoglycaemic episodes was reduced by 44% (30 episodes reduced to 17). In three patients with hypoglycaemic unawareness, the number of such episodes was reduced by 90% from 19 events down to just 2. A highlight has been the patients that were followed up for 24 weeks: one patient experienced only one further episode of hypoglycaemic unawareness while the other patient had no further attacks.

In the first 4 patients receiving the 10,000 IEQ/kg DIABECELL® treatment, the insulin dose reduction ranged from 6% to 25% at 12 - 24 weeks. Daily insulin dose is adjusted according to daily blood glucose measurements by the patient.

Blood glucose control as reflected by HbA1c and 72-hour continuous glucose monitoring showed improvement. Details of HbA1c and continuous blood glucose monitoring are blinded to the clinical team who serve as independent trial officiators. This information relating to response of blood glucose control to treatment will be unblinded after one year follow-up.

These results meet LCT's expectations for this lower dose and are consistent with previous data generated at this dose.

A second group of 4 patients has received a higher dose of 15,000 IEQ/kg with no significant adverse events attributed to the treatment. At this time, the follow up period is too short to assess response to treatment.

Prof Bob Elliott, LCT Medical Director said: "It is satisfying to see that DIABECELL® has changed the lives of implant recipients and their families, even at this stage of our clinical trial. Hypoglycaemic unawareness occurs in about 20% of long standing insulin dependent diabetic people and is responsible for up to 8% of deaths in this group."

"Human islet transplants have attained similar relief from this life threatening complication, but of course this treatment is available to only a handful of people because of lack of donor tissue and, unlike our technology, involves lifelong dangerous immune suppressing drugs."

Dr Paul Tan, Chief Executive Officer LCT added: "We expect the dose ranging studies to continue delivering positive results. With consistent benefit in the reduction or elimination of hypoglycaemic events, LCT is planning to expand clinical trials of DIABECELL® to obtain the necessary pivotal data for the treatment to be approved."

New Zealand trial interim results are due in October 2010 and final unblinded results after one year follow up.

DIABECELL® is LCT's treatment designed to normalise the lives of people with insulin dependent diabetes. DIABECELL® comprises encapsulated porcine insulin-producing cells (islets) that are implanted into the abdomen of patients using a simple laparoscopic procedure, and work by self-regulating and efficiently secreting insulin in the patient's body. LCT's breakthrough proprietary encapsulation technology means that patients receiving DIABECELL® treatment do not require immunosuppression after implantation.

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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 the treatment of Parkinson's disease and other neurological disorders, the company transplants 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.

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