Living Cell Technologies Limited

Company Announcement

LCT reports sustained improvement from DIABECELL NZ Trial

- Ten patients enrolled in the Phase II in New Zealand have received DIABECELL® implants according to schedule
- Patients given 10,000 islet equivalents/kg showed an average reduction of 76% in episodes of clinically significant unaware hypoglycaemia (low blood glucose)
- Improved blood glucose control shown with reduction in insulin requirements
- Two patients from the third group of four patients have received 20,000 IEQ/kg with two more to follow during the remainder of 2010

27 October 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 continuing positive results from the New Zealand Phase II clinical trial of DIABECELL, with 10 of the 12 insulin-dependent diabetes patients having now received the implants of encapsulated porcine islets.

The first group of four New Zealand patients received one implant of DIABECELL at the dose of 10,000 islet equivalents per kilogram body weight (IEQ/kg).

One patient from this group has been followed up for 52 weeks and the other three patients for a minimum of 30 weeks. In all patients in this group there has been a reduction in the number and severity of hypoglycaemic events, which are episodes when blood glucose levels are very low and may lead to loss of consciousness and convulsions without warning symptoms. The average decrease in the severity of low blood glucose events at 24 weeks in this group is a remarkable 64%.

Even more compelling is the reduction in life-threatening unaware low blood glucose events, which have dropped by an average of 76%. One patient, who has now been followed up for 52 weeks, has not had a single unaware event since week five. This has significantly improved his quality of life and relieved family stress.

By week 24, patients in the first group had reduced their insulin dose by an average of 32%. The daily insulin dose is adjusted according to daily blood glucose measurements by the patient.

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 to date demonstrate the sustained ability of DIABECELL to ameliorate hypoglycaemic unawareness and provide a key indicator of benefit to patients with diabetes. Importantly, there have been no reported product related adverse events. This continues to confirm the safety profile of DIABECELL and supports the long-term patient benefit of the implant.

Prof Bob Elliott, LCT Medical Director said: “I am pleased to see that the initial beneficial results of DIABECELL are being sustained and are having a dramatic positive impact on the lives of implant recipients and their families.”

“Hypoglycaemic unawareness is a dangerous complication which occurs in about 20% of insulin dependent diabetic people and is responsible for up to 8% of deaths in this group. The ability to reduce the likelihood of these dangerous events is a significant step toward normalising the lives of our patients.”

The second group of four New Zealand patients has received a dose of 15,000 IEQ/kg with no significant adverse events attributed to the treatment. These patients have now been followed up for at least 12 weeks. On average to date they show a reduction in the severity of low blood glucose events of 8% and a significant reduction in unaware low blood glucose events of 30%.

The fact that the hypoglycaemic episodes have not reduced at a greater rate compared with patients treated at the lower level dose of 10,000 islet equivalents per kilogram body weight (IEQ/kg) provides important information to determine the ideal dose range for patients and is a key component of this trial as the company moves closer to identifying its target product profile.

In the third group of four patients, two have received a higher dose of 20,000 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.

Dr Ross Macdonald, Chief Executive Officer LCT added: “We expect the dose seeking studies to continue delivering positive results and important information. With consistent benefit in the form of 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.”

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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For further information: www.lctglobal.com

At the company:
Dr Ross Macdonald
Chief Executive Officer
Tel:+64 9 276 2690
rmacdonald@lctglobal.com

Prof Bob Elliott
Medical Director
Tel:+64 9 276 2690
belliott@lctglobal.com

Ms Susanne Clay
Chief Business Officer
Tel:_+64 9 270 7954
sclay@lctglobal.com

Investor enquiries:
NZ and Australia:
Buchan Consulting
Rebecca Wilson
Tel: +61 3 9866 4722
Mob: +61 417 382 391
rwilson@bcg.com.au

Media enquiries:
Erik Denison
Buchan Consulting
Tel: +61 432 712 278
edenison@bcg.com.au

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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