

Successful First Implant of DIABECCELL® in New Zealand

In October, LCT successfully implanted DIABECCELL® in the first patient with Type 1 diabetes in the New Zealand trial.

The 47-year-old man, who has had type 1 diabetes for 20 years, was the first of eight patients to be included in the New Zealand trial.

The first four patients are to receive 10,000 islet equivalents per kilogram body weight (IEQ) of DIABECCELL® and the next four patients the higher dose of 15,000 IEQ.

The trial is being conducted by Dr John Baker, principal investigator and Endocrinologist based at Middlemore Hospital in Auckland.



DIABECCELL®

LCT makes an Impact at International Xenotransplantation Conference

As an indication of LCT's progress, Prof Bob Elliott was invited to speak at the recent meeting of the International Pancreas and Islet Transplantation Association and International Xenotransplantation Congress (IPITA-IXA) in Venice, Italy. This is the largest meeting for experts in the field of islet cell transplants.

Bob spoke on LCT's experience with issues related to the regulatory process to gain approval to conduct a clinical trial using porcine cells for the treatment of diabetes.

His presentation was well received and stimulated numerous questions.



Prof Bob Elliott presents at NIH/NDDK-JDRF-

Message from the CEO

It is my great pleasure to report another major milestone for LCT over the quarter - the first implant of a patient in the New Zealand trial of DIABECCELL®.

We have been working towards this goal for some time and to be in a position to progress our groundbreaking work in New Zealand is testament to a lot of hard work by LCT staff and continued support by our shareholders.

Progressing the trial marks a very exciting step for LCT and we look forward to reporting to you regular updates on the progress of this first patient and others who will be included on the trial.

The start of the trial has also attracted significant attention from the international medical community and the media. The groundbreaking nature of our technologies means that LCT is being recognised as a global leader in the development of new cell therapies. As a matter of fact, LCT is currently the only group in the world conducting human clinical trials with porcine cells.

This international interest in what we are doing has resulted in LCT being invited to participate and present at a number of prestigious global conferences.

In October, Bob Elliott was invited to speak at the International Pancreas and Islet Transplantation Association and International Xenotransplantation Congress (IPITA-IXA) in Venice. Given LCT's unique position globally, Bob's presentation on LCT experience in gaining regulatory approval was very well received.

I have also been busy taking the LCT story to a number of audiences. In September I was invited to present our technologies at a prestigious international meeting on Stem Cells and Cellular Programming in Queenstown, New Zealand. I have also been on the road talking to investors and the investment community.

A lot of interest was shown in our work at this year's AusBiotech conference in Melbourne in October. I had the opportunity to present our recent developments to the international audience and met with a number of delegates in very productive meetings. Media interest was also significant around the event - some of you may have seen some of this coverage in Australian, New Zealand and international media.

All of these significant developments are detailed on our website, and I encourage you all to visit the site to see our Annual Report, press releases, updated investor presentation and presentations that we have delivered at conferences over the past few months.



Dr Paul LJ Tan
CEO

FDA Workshop in the USA



Prof Bob Elliott, Medical Director, talked on the "Efficacy of Encapsulated and Transplanted Porcine Islets"

Professor Elliott was also invited to present at the NIH/NDDK-JDRF-FDA Workshop titled "Next Generation Beta-Cell Transplantation - How good does a beta-cell have to be?" on 9 November 2009.

The conference conveners were: National Institutes of Health; National Institute of Diabetes and Digestive and Kidney Diseases; Juvenile Diabetes Research Foundation, and the US Food and Drug Administration.

The venue was the NIH Campus in Bethesda, MD, USA.

<http://www3.niddk.nih.gov/fund/other/nextgenbeta/index.htm>

New Chairman and two new Directors

In September, LCT appointed two new Directors and a new Chairman. Mr Bob Finder and Mr David McAuliffe were appointed as Independent Directors and existing Director Dr David Brookes was appointed Chairman.

While Simon O'Loughlin decided to stand down as Chairman due to other commitments, he will remain on LCT's Board.

David Brookes has a Bachelor of Medicine and Bachelor of Surgery from Adelaide University and is a Fellow of the Australian College of Rural and Remote Medicine.

He currently works as a general medical practitioner and has extensive experience in rural Australia, especially in paediatric and procedural practice. His involvement in the biotechnology sector started in the mid 1990's, as an analyst for broking firm Taylor Collison Ltd. He is also currently Chairman of Innovance Ltd (listed on the Newcastle stock exchange) and a director of Atcor Medical Holdings Ltd, listed on the ASX. He was elected Chairman on 23 September 2009.



Dr David Brookes, Chairman

Bob Finder has over 35 years experience in the international biotech/pharmaceutical and chemical industries. He is Chairman of the Board of the ASX listed LabTech System (LBT) and a Director on the Board of National Pharmacies. Bob was Managing Director and Chief Executive Officer of GroPep, and subsequently CEO of Novozymes GroPep Limited, the Australian subsidiary of Novozymes, a global biotechnology company.

Prior to joining GroPep in 2002, he was President and Chief Operating Officer of Mayne Pharma responsible for the commercial activities for the Americas and Asia Pacific region as well as for global research and Faulding Pharmaceuticals - Asia Pacific.

He is a Member of the Australian Institute of Company Directors and of the American Institute of Chemical Engineers and has a Bachelor of Science in Chemical Engineering from the University of Detroit.

David McAuliffe has over 14 years experience in the international Life Science sector. During this time he has been involved in numerous capital raisings and technology in-licensing exercises.

He is the founder of ASX listed NeuroDiscovery Limited and has been a Director since establishment. He founded several biotechnology companies in Australia, France and the United Kingdom, many of which have become public companies.

David has an Honours Degree in Law and a Bachelor of Pharmacy degree and is President of the Dyslexia-Speld Foundation WA (Inc).



Mr Robert Finder, Director

Latest News

Appointment of Peter Hosking

Peter Hosking has been appointed to the new position of Operations Manager with responsibility for Diabetes Research & Development, Quality Assurance, Production and Encapsulation. This new position enables these inter-related functions to be coordinated by one person. The position reports to the CEO Paul Tan and reduces the number of his



AusBiotech 2009

Paul Tan presented at AusBiotech 2009, the premier Biotechnology Conference for the Asia Pacific region.

Paul was invited to be one of the key speakers at this year's event and presented LCT's experience in "Meeting international guidelines for first-in-human cell therapy".

As part of the presentation, Paul described LCT's work that was assessed by international experts and subsequently approved by New Zealand regulatory authorities. This confirms that LCT's product, DIABECCELL®, is manufactured according to international guidelines.

[Link](#) to Paul's presentation.

LCT highlights its Internationally Leading Technology

Paul Tan was invited to present LCT's highlights of its neonatal pig cell technologies at an international meeting on Stem Cells and Cellular Programming in Queenstown, New Zealand.

As well as DIABECCELL®, Paul's presentation also highlighted LCT's NeurotrophinCell (NTCELL) which can be used to encourage progenitor cells naturally present in the brain, to repair brain tissue damaged by a variety of noxious influences.

What Others Say about LCT

As a result of international interest in LCT's clinical trials and company management's participation at a number of high profile international events, LCT has received significant media exposure recently. The following is a sample of some of the media interest shown in LCT over the past month:

- 30 Oct** Courier Mail, p 17. "Transplant ban review"
- 29 Oct** Sydney Morning Herald, Page 1 "Australian set to end ban on animal transplants"
- 29 Oct** ABC Radio Paul Tan discusses LCT trials
- 29 Oct** ABC News Online "Push to end pig-human transplant ban"
- 28 Oct** Business Spectator "LCT progresses DIABECCELL trial"
- 27 Oct** Sky TV - Paul Tan interview
- 8 Oct** New Zealand Herald, p.4 "Diabetic receives pig-cell implant"
- 8 Oct** Dominion Post, p.2 "Kiwi diabetes sufferer treated with pig cells"
- 7 Oct** Prime TV "New Zealand Trial starts"
- 7 Oct** TV One "New Zealand man implanted with pig cells"

Upcoming Events

LCT Annual General Meeting
Offices of Kemp Strang, Level 14,
55 Hunter Street, Sydney
12 noon on 19 November 2009

BIT Life Sciences' 2nd Annual Congress & Expo of Molecular Diagnostics 2009
Beijing, China
19-21 November 2009
Dr Olga Garkavenko:
"Xenovirology laboratory organization: tasks and issues"

Peter joins LCT with a wealth of relevant skills and experience in the biotech sector. He has held senior operations management positions in ICPbio (NZ), Nufarm Health & Sciences (NZ), Pfizer (USA & UK) and Glaxo UK. Peter holds a B.Tech degree from Massey University and a MBA from University of North Carolina.

LCT Publications

LCT Editorial Opinion Featured in November edition of International Clinical Trials Journal

A paper titled "Endogenous Insulin delivery on Demand" by Paul Tan, Kathleen Durbin and Bob Elliott has been published in the November edition of the International Clinical Trials Journal. The paper discusses LCT's progress in enabling the implantation of pig cells into humans without the need for immunosuppressant drugs. A copy of this article can be obtained by clicking [here](#).

Encapsulated Living Choroid Plexus Cells appears in Journal of Neural Engineering

Published in Journal of Neural Engineering, LCT's Neuroscientist, Dr Stephen Skinner, details some of the potential treatments that LCT's technology could deliver. The paper is titled Encapsulated Living Choroid Plexus Cells: Potential Long-Term Treatments for Central Nervous System Disease and Trauma.

Treatment by direct injection of neurotrophins and growth factors close to site of brain injury or damage has repeatedly been demonstrated to improve recovery. It has therefore been proposed that transplanting viable neurotrophin-producing cells close to the trauma lesion, or site of degenerative disease, may provide a novel means for continuous delivery of these molecules directly to the site of injury or to a degenerative region.

The complete paper can be seen by clicking [here](#).

LCT 2009 Annual Report

On 19 October LCT published its 2009 Annual report. All shareholders who requested a physical copy of the report should now have received it in the mail.

To view an interactive electronic copy of the report, please click [here](#).

Cash Position at 30 September 2009

The cash balance at 30 September 2009 was \$5.0m. The full announcement may be viewed [here](#).

Investor Presentation

It has been a busy few months for the LCT team. As well as the conferences and presentations outlined already in this newsletter, Chairman David Brookes, CEO Paul Tan and Medical Director Prof Elliott were busy presenting to financial institutions in Sydney and Melbourne.

The latest LCT corporate presentation can be viewed by clicking [on this link](#).

3rd International Conference on
Advanced Technologies & Treatments for
Diabetes
Basel, Switzerland
10-13 February 2010
Dr Paul Tan
"Endogenous Insulin Delivery from a
Novel Porcine Pancreatic Islet Implant
without Immunosuppression"

Recent 2009 Events

Paul Tan at NZBIO conference



Paul Tan with Mr SF Boon, Executive
Chairman, A*STAR, Singapore



Paul Tan with Dr Benjamin Chen,
Managing Director & Chief Scientific
Officer, Merchant Banking, Burrill & Co,
USA

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