

## First Patient Drops Insulin Dose In New Zealand DIABECCELL® Trial

LCT is pleased to refer you to the report from Dr John Baker, diabetes specialist conducting the DIABECCELL® clinical trial in New Zealand. The report was released today in response to numerous queries from the public on the progress of the trial. Dr Baker reported that there were no ill effects and the patient has dropped his dose of insulin by 30% while maintaining his usual blood glucose level. Prof Bob Elliott, LCT Medical Director says that the trial is still at a very early stage and he is pleased to see the patient respond to the implant as expected.

The next person is another man who is now scheduled for the implant in December. Four more candidates have been identified. Although only 8 candidates are required for the trial, the selection procedure is intensive.

All candidates must meet the selection criteria approved by the Regional Ethics Committee and Medsafe, the regulatory authority of the Ministry of Health. All are adults who have had diabetes for at least 5 years that is difficult to control or 'brittle' despite careful monitoring of blood glucose, insulin doses and lifestyle. They all have swings in blood glucose levels and frequent episodes of unacceptably low blood glucose.

We look forward to providing you with an update as the trial has progresses further.

Click [here](#) to link to our latest news.

## Message from CEO

We are very excited by recent developments at LCT. The New Zealand trial is well underway and at an early stage the first patient has already dropped his insulin dose.

The international community has shown increasing interest in LCT and LCT's Medical Director, Professor Bob Elliott and I have been invited to international events to deliver talks about our science and business. There is growing realization that our technology, and particularly the development of DIABECCELL® will have a significant impact on treatment options for people with diabetes.

## Discounted Shares Available From Share Purchase Plan

After the private placement in August, a number of existing shareholders expressed an interest in participating in a Share Purchase Plan (SPP). This allows shareholders to buy additional shares in LCT at a discount to the market price and without having to pay brokerage. Your directors listened to these comments and resolved to make this opportunity available to enable existing shareholders to participate in the growth of LCT on favourable terms.

On 16 November the company announced an SPP. The plan enables shareholders in Australia and New Zealand, who were on the register on 18 November, to purchase up to A\$15,000 of new shares at 25 cents each. This price is a discount of 16% on the weighted average share price traded over the 5 trading days during the period 9 November to 13 November.

Documents relating to the plan were mailed to these shareholders on 23 November. The offer closes at 5:00pm, Sydney Australia time, on 11 December.

The funds will be used for LCT's operations which will assist with the progress of the clinical trials of DIABECCELL® in New Zealand and Russia and continuing to enhance the underlying technologies and pipeline products.

**If you have not received this documentation, or if you have any questions about the offer, please contact:**

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It is our pleasure to be able to share with you the opportunity to further participate in this recent success – through the SPP. This allows you to purchase shares at a discount to the market price. LCT received a number of letters from shareholders following the last private placement in August this year requesting that this SPP be offered. I trust many of you would take advantage of this opportunity.

As the New Zealand clinical team is busy screening candidates for the trial, I would like to express my gratitude to the diabetes volunteers. The trial does make demands on their time and requires them to be extra diligent with the diary cards, blood tests and visits. Without their support we would not be able to make our product available to the wider community.

I would also like to thank all shareholders for their support. Best wishes for the holiday season and we look forward to even better results from the trial with DIABECCELL® in 2010.

## Frequently Asked Questions on

# Availability of DIABECCELL®

## When is DIABECCELL® likely to become available as a treatment?

LCT is targeting to get DIABECCELL® registered as a human therapeutic by the end of 2012 so that it will be available as a treatment for insulin dependent type 1 diabetes.

## Why does it take till 2012?

DIABECCELL® has to be shown to be safe and effective in clinical trials approved by regulatory authorities. These trials are expected to continue to 2012. The treatment involves a surgical procedure and a clinical trial of 50 patients implanted with DIABECCELL® is expected to be sufficient to obtain 'pivotal data' required by regulatory authorities before allowing the treatment to become available.

## Where will DIABECCELL® be available?

A new treatment is usually first available in a country that has done clinical trials, and to date the trials have been conducted in Russia and New Zealand.

## How would a person with diabetes get this treatment from LCT?

DIABECCELL® will be available from a few medical centres authorized or licensed by LCT. Staff at these centres will be trained to provide treatment with DIABECCELL®. Patients will have to be referred to the medical centre by their doctor.

LCT or its commercial partner is to manufacture DIABECCELL® and provide the encapsulated pig cells to the medical centre and not directly to the patient.



Dr Paul LJ Tan  
CEO



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## United Kingdom Trade & Investment Sponsors LCT in London

The UKTI is sponsoring LCT at a conference in London from 9 -11 December 2009. Dr Paul Tan, LCT CEO, will be presenting at a session on Horizons in Healthcare at the Genesis Biotechnology Network Conference on 10 December at the Queen Elizabeth II Conference Centre at Westminster.

Paul Tuckley of UKTI said, "I have heard the work of LCT many times and I am constantly amazed at the technology and how successful the trials have been. I am certain the LCT presentation will be a great

**Happy holidays from all at  
Living Cell Technologies**



### **LCT Disclaimer**

*This document contains certain forward-looking statements, relating to LCT's business, which can be identified by the use of forward-looking terminology such as "promising," "plans," "anticipated," "will", "project", "believe", "forecast", "expected", "estimated", "targeting", "aiming", "set to," "potential," "seeking to," "goal," "could provide," "intends," "is being developed," "could be," "on track," or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other health authorities' requirements regarding any one or more product candidates nor can there be any assurance that such product candidates will be approved by any health authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialisation of the product candidates could be affected by, among other things, unexpected clinical trial results, including additional analysis of existing clinical data, and new clinical data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, product candidates, financial results and business prospects. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. LCT is*

asset to the Conference and will attract a lot of interest".

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## **LCT's Success in FoRST Post-Graduate Student Granting Round**

LCT participated in the recent New Zealand government Foundation for Research Science & Technology post-graduate programme. LCT was successful in securing funding support for two highly qualified scientists. Kalyani Kathirgamanathan and Tzu-wen Joy Chou will participate in the advancement of our alginate and encapsulation technology.

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### **About Living Cell Technologies:**

[www.lctglobal.com](http://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

*providing this information as of May 2009 and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.*

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.

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