

## Registration of encapsulated device in Russia progresses commercialisation

10 March 2010

LCT has been granted registration of its encapsulation device - as a delivery system in Russia. Registration allows for the production, sale and use of our capsules in all delivery applications - including cell, drug and biologics.

The registration of LCT's encapsulation technology is an important step in the commercial development of the company's living cell products, particularly as the Russian standard is acceptable in Europe.

In addition to our two cell products - DIABECELL® for treatment of Type 1 diabetes and NTCELL for the treatment of Parkinson's disease - there is already interest in Russia for the use of the capsules as a drug and biologic delivery system.

## LCT awarded NZ\$4.04 million New Zealand government grant to advance DIABECELL®

12 February 2010

LCT is very grateful for the continued support of the New Zealand Government. In February, we were awarded a grant of NZ\$4.04 million from the government's Foundation for Research Science and Technology. The funds from the grant will be made available over two years to support the ongoing development of DIABECELL®.

The grant will contribute to the investment required to increase production of DIABECELL® to commercial scale and the cost of the New Zealand clinical trial currently underway.

We are particularly pleased that the commercial and scientific peers who reviewed our grant application endorsed LCT's business and development strategy to commercialize DIABECELL®.

The New Zealand government awards grants to assist companies to bridge technology gaps to bring products to market more rapidly.

## LCT appoints Susanne Clay, Chief Business Officer



We are pleased to announce that Ms Susanne Clay has joined our team as Chief Business Officer. Susanne has spent the last 20 years gaining experience as an international technology-based business development and finance professional. She was founder and CEO of Algos Therapeutics, a U.S.-based biotech focused on the research, discovery, and development of new drugs to treat chronic pain with the world's leading pharmaceutical and biotech research organizations. Prior to that, she spent two years serving as the senior business leader at another neuroscience-based biotech start-up, and 8 years at Cargill, Inc., where she managed cross-functional teams that researched, developed and launched bioscience- and technology-based new products, businesses, joint ventures and strategic alliances.

## Message from the CEO



I have just returned from visiting the LCT Biomedical Limited team in Russia. Their capability and resourcefulness have led to a concrete result with the registration of our encapsulation device. While in Moscow and St Petersburg, we outlined how to capitalise on this exciting milestone.

The first quarter of 2010 also brought a positive outcome to many months work with the New Zealand Government. The LCT team sees the award of the NZD4m government grant as a significant vote of confidence in our DIABECELL® program. Work is already underway on the projects to scale up for the commercial manufacture of DIABECELL®.

As our business development activities continue to mature, our executive welcomes Susanne Clay. Her vast business and financial background is just what we need now.

The board is meeting in Auckland on 8 and 9 April and is looking forward to meeting investors and updating them on company progress at a function on 8 April.



Dr Paul LJ Tan  
CEO

## Recent and Future Presentations by LCT

Genesis Biotechnology Network Conference, London, UK  
Paul Tan presented at a session on Horizons in Healthcare at the Queen Elizabeth II Conference Centre.  
9 -11 December 2009

Prior to this, she held various treasury and banking positions. Susanne obtained her BS degree with honours in Business Administration from the University of Wisconsin – Milwaukee WI, U.S.

We look forward to having Susanne on our team and are sure that her excitement for our group and technology will help advance our goals.

## Upcoming Investor Meeting in Auckland

LCT is pleased to invite all our shareholders to an investor meeting in Auckland on Thursday, 8 April. We look forward to updating you on how our New Zealand clinical trial is progressing and the significant commercial developments the Company has made over the past few months.

If any shareholders would like to attend, please RSVP to [info@lctglobal.com](mailto:info@lctglobal.com) or call (09) 270 7943 by Wednesday, 31 March 2010.

## Regenerative Medicine publishes Focus on LCT

Living Cell Technologies featured in last month's Regenerative Medicine Journal. The article outlines LCT's strategies in regenerating tissues and function. The Journal is a forum that highlights significant advances in stem cell research and regenerative medicine.

Click [here](#) for a summary of the article.

## Science-Business Students at LCT

The Master of Bioscience Enterprise represents an interdisciplinary program which gives science graduates the skills to move with confidence in both science and business. Students gain skills in the financial, marketing and legal aspects of science which prepares them for a wide range of job opportunities in science and business enterprises. The program also offers networking opportunities for students to meet practitioners and leaders from industry and business.

LCT is delighted to take part in this program; students were given a presentation giving an overview of the company's history, technology and business strategy. Following the presentation the students were taken on a guided tour of the research and development, quality control laboratories and manufacturing facilities including interactive stations set up for observing live cultures. Students showed great interest and question time was lively.



Paul Tan, Marilyn Geaney, Margot Bethell (Masters of Bioscience Enterprise), Peter Hosking and Kristin Lauppe

## LCT Announcements

**LCT signs new research collaboration with Centocor  
21 December 2009**

At the end of last year LCT extended its research collaboration with Centocor Research & Development Inc. and granted an exclusive two year option to take up a world-wide licence for LCT's encapsulation technology - made available only for human cell lines for a specific, but undisclosed, field of use.

The agreement includes a Centocor funded research program for two years.

The significant progress made in our research collaboration to date has shown that our proprietary encapsulation technology for our lead product DIABECCELL® is applicable to other cells.

**LCT receives 10% of US-based wound healing company  
9 February 2010**

3rd International Conference on Advanced Technologies & Treatments for Diabetes (ATTD), Basel, Switzerland  
Paul Tan presented "Endogenous insulin delivery from a novel porcine pancreatic islet implant without immunosuppression"  
10-13 February 2010

Medical Technology Association of New Zealand (MTANZ), Auckland, New Zealand  
Paul Tan presented "Sector Success Stories".  
23-24 February 2010

Pharma R&D Partnering World Asia 2010, Singapore  
Paul Tan presented "Cell based insulin delivery for diabetes and neurotrophins for neurodegenerative disease"  
16-19 March 2010

NZ BIO 2010, Auckland, New Zealand  
Advancing a Bio-Based Economy: Commercialisation Success Stories  
22-24 March 2010  
Paul Tan presented at two sessions:  
22 March 2010 – "Manufacturing a World First Cell Therapeutic in New Zealand"  
23 March 2010 – "Insulin Delivery on Demand"

### Upcoming Events

2010 BIO International Convention, Chicago, USA  
LCT will be exhibiting in the New Zealand Pavilion  
3-6 May 2010

## In the News

LCT received extensive coverage in media globally over the quarter, with a number of our developments catching the attention of international publications. Below is a sample of the coverage we received.

- 10 Mar** Australian Life Scientist, "Living Cell Technologies given regulatory tick in Russia"
- 15 Feb** NZ Herald, "\$4m boost for pig-cell treatment"
- 15 Feb** Australian Financial Review, p.17, "Grant for diabetes drug"
- 13 Feb** Weekend Herald, p.3, "\$4m for diabetes research"
- 9 Feb** Otago Daily Times, "Brain cells for NZ pigs traded got company stake"
- 21 Jan** Australian Financial Review, p. 35, "New Living Cell patent"
- 20 Jan** Lifescience Online, "Living Cell Technologies granted European patent for neurological disease product NTCELL"
- 2 Jan** Dominion Post Weekend, p.6. "US giant signs with NZ firm"

**Cure Kids News:  
In Search for the  
Ultimate Cure for**

## Diabetes

The current success of LCT's work with DIABECCELL® was featured in the summer edition of Cure Kids News.

An interview with Prof Bob Elliott detailed the journey involved in taking LCT's diabetes research from its early stages 20 years ago to its advanced clinical trials today.

Prof Elliot outlined the importance of initial funding, and the specific support received from Cure Kids, and the encouraging results that this has led to LCT's clinical trials.



LCT has received 10% ownership of US company CytoSolv Inc. in exchange for restricted supply of choroid plexus cell clusters from its designated pathogen free pig heard. CytoSolv has a non-exclusive, non-transferable license to use its broad choroid plexus patents solely for the purpose of wound healing.

CytoSolv is a newly formed Rhode Island biomedical company developing proprietary technology to address wound healing, initially targeting diabetic ulcers. CytoSolv's technology involves the delivery of a mixture of wound-healing factors derived from porcine choroid plexus cells cultured using proprietary techniques.

While this collaboration is outside LCT's core business of live cell implants, LCT management believe the topical use of secreted products from porcine CP cells offers a potential revenue stream from supply of cells and investment return.

### LCT granted European patent for neurological disease product NTCELL – 20 January 2010

At the beginning of this year LCT was granted a European patent for the use of its product NTCELL in the treatment of degenerative neurological conditions such as Parkinson's disease, Alzheimer's disease, Multiple Sclerosis (MS), Huntington's disease and Stroke.

The patent is based on the technology of preparing NTCELL, which are encapsulated porcine cells of the choroid plexus of the brain. The cells release growth factors and neurotrophins, which are a range of agents that protect and maintain the health of brain cells. NTCELL was designed to protect brain cells from disease and injury and to enhance the natural repair mechanisms in the brain. NTCELL has the potential to restore neural cells and tissue.

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