

SPECIAL CEO UPDATE

NOVEMBER 2015

This year has been an extremely busy and productive one for the company. We have made great progress in the development of NTCELL® for Parkinson's disease which I outline in this update.

NTCELL video

To summarise our NTCELL progress to date we have produced a short video. The star is Carol, a participant in the Phase I/IIa study. In the video she talks about the impact of Parkinson's disease on her quality of life and the improvement she has experienced since her treatment with NTCELL.

► [Click here to watch the video here](#)

or on the LCT website: www.lctglobal.com

We'd love you to share the link with others who may be interested.



NTCELL for Parkinson's

I am very excited about the future of NTCELL. LCT really is at the forefront of cell therapy research and development in the field of Parkinson's disease. Worldwide there are more than 7 million people with Parkinson's. While current therapies can treat the symptoms there is a severe unmet medical need for a treatment that can halt disease progression. Trial results indicate that NTCELL may be that treatment.

After implantation, NTCELL functions as a biological factory producing nerve growth factors to promote new central nervous system growth and repair disease-induced nerve degeneration.

NTCELL has a number of advantages over stem cells, which are being explored by other companies as a potential treatment. There is no current stem cell technology to generate choroid plexus cells. Stem cells also have the potential to cause tumours and are a mixture of cell types, so their action once implanted is unknown. In contrast NTCELL is a defined cell population of choroid plexus cells. The brain is an immune privileged site so the NTCELL implants are not rejected and immune-suppression drugs are not required.

Meeting milestones

The AGM was held on Thursday 12 November at the Pullman Hotel in central Auckland with a good number of private and institutional shareholders in attendance. In my presentation to the meeting I outlined the significant milestones achieved by LCT over the preceding 12 months. These included:

- ***In June we completed the Phase I/IIa clinical trial of NTCELL and presented the results at the International Congress of Parkinson's Disease and Movement Disorders, San Diego***
- ***Last month we announced that data from the patients in the Phase I/IIa study showed that NTCELL has stopped the progression of Parkinson's disease 42 weeks post treatment (more on this later in the newsletter)***
- ***We have met with our Scientific Advisors to design the Phase IIb clinical study and have obtained NZ regulatory input to the study to qualify for provisional (fast track) consent to market***
- ***We have secured supply of NTCELL, manufacturing GMP licences***
- ***LCT filed a new patent in USA***
- ***We have applied for non-dilutive financing to further the clinical study and development of NTCELL***
- ***We were awarded a Callaghan Innovation grant to reimburse us for 20 percent of eligible research and development expenditure over the next three years.***
- ***I presented LCT's progress to brokers in Australia and New Zealand who were genuinely interested in the company's development.***

Several shareholders have asked why the share price has remained low despite the number of positive announcements we've made about our progress this year. If you follow the detail of the transactions you'll see that, on the back of each announcement, a longstanding substantial shareholder sold off very large numbers of shares, pushing down any increase gained from the good news. This organisation has now sold its entire shareholding. I look forward to future positive announcements being reflected in the company's share price.

► [Click here to see my full presentation](#)

NTCELL stops progression of Parkinson's disease

The four patients who took part in our Phase I/IIa clinical study of NTCELL® for Parkinson's disease have all reached the milestone of 42 weeks post-implant.

In all four patients the 42 week post-implant data show a clinically and statistically significant improvement in the patients' neurological score from their pre-implant baseline (Figure 1).

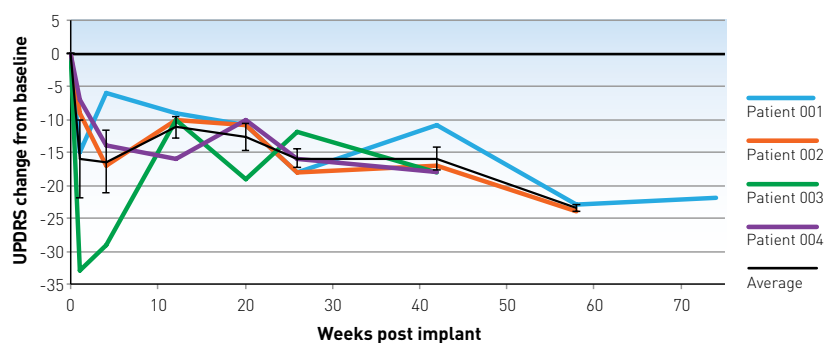
UPDRS score increases by 4-5 points

each year as Parkinson's disease progresses. NTCELL's ability to decrease UPDRS represents approximately 5 years of Parkinson's disease remission and is maintained 74 weeks after NTCELL implant in the first patient.

NTCELL treatment has stopped the progression of Parkinson's disease as measured by globally accepted and validated neurological rating scales in all four patients. All remain well, and there are no safety concerns.

Last week New Zealand's Minister of Health, Hon Dr Johnathan Coleman, authorised an amendment to the protocol to enable ongoing monitoring of the four patients in the study.

FIGURE 1: Total Unified Parkinson's Disease Rating Scale (UPDRS) with patients off medication



Minister authorises Phase IIb study of NTCELL in Parkinson's disease

I am delighted that New Zealand's Minister of Health has authorised our application to conduct a Phase IIb study of NTCELL in Parkinson's disease, subject to the usual conditions. This enables us to progress the development of NTCELL towards gaining provisional consent and a revenue stream for the company.

The next step is to submit the study protocol to the ethics committee for approval. Once the committee has approved the study design, patient recruitment can commence.

The study will involve up to 18 patients under the age of 65 who have had Parkinson's disease for at least 5 years. Patients will be treated in three groups. Each group will receive bilateral implants of NTCELL at a range of doses. In each group, two patients will receive a placebo dose. At the end of the 26-week follow up period the study will be unblinded, at which point the patients who received the placebo will receive an implant of NTCELL at the dose determined to be most effective.

We plan to begin patient recruitment in December 2015 and expect the first patient to be implanted in February 2016. The study will be completed in 2017.

Looking ahead

Our goal is to launch NTCELL as the first disease modifying treatment for Parkinson's disease in 2017, initially in New Zealand. In this way we can efficiently increase the number of NTCELL-treated patients, expanding the NTCELL quality, safety and efficacy data which is necessary to fully globalise the product. Once we have sufficient data we intend to make submissions to FDA, EMA and Asian authorities.

At this point we may seek a partner organisation to assist us to fully realise the global market potential of NTCELL.

Finally

Thank you all for your patience and support over the past 12 months. I wish you all the best for a safe and happy holiday season. I look forward to sharing another year of meeting milestones for Living Cell Technologies with you in 2016.

Merry Christmas and Happy New Year.

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