



Newsletter April  
2011

### LCT Founder Wins Prestigious Award



Founder Professor Robert Elliott wins the "World Class New Zealand Award" - an honour for his important international contribution to life sciences. "It is a great honour to receive this in recognition for my life's work to find an effective treatment for diabetes," says Professor Elliott. The awards are described as one of the country's most important accolades for outstanding individuals who have made major contributions to New Zealand's success on the world stage.

### LCT strengthens Board of Directors with the appointment of Robert Willcocks

## Otsuka Pharmaceutical Factory Invests AUD \$3 Million

12 April 2011

LCT announced that it has entered into an agreement to raise AUD \$3 million through a placement of shares to Otsuka Pharmaceutical Factory, Inc. ("Otsuka"), the research and manufacturing arm of the Otsuka group of companies. For the placement, Otsuka will be issued 25 million shares in two tranches at AUD \$0.12 per share, for a total investment of AUD \$3 million. LCT will use the proceeds from the investment to fund its ongoing development and clinical trials of its breakthrough lead product, DIABECCELL<sup>®</sup>, for the treatment of diabetes.

In addition to the share investment, the parties have commenced negotiations for a Collaborative Research and License agreement for the research, development and commercialisation of DIABECCELL in Japan and certain other Asian countries excluding China.

LCT Chairman and Medical Director Professor Robert Elliott said: "We are very pleased to welcome Otsuka as a significant shareholder of the Company and as our partner to expand our presence in Asia. We are very excited about the opportunities to work together with Otsuka to develop our product for the treatment of diabetes in Japan and Asia, potentially one of the most significant markets for us globally. This is consistent with our global development and commercialisation strategy for DIABECCELL."

Otsuka Managing Director Hiromi Yoshikawa said: "The work that LCT has been conducting into new treatments for diabetes is very significant and we are excited by the opportunities DIABECCELL offers for the Asian market. We share a common vision for the treatment of diabetes and related complications. We see DIABECCELL as a very significant opportunity to improve treatment options available in Japan and elsewhere in the world."

## LCT Receives Funds from Pharmaceutical Investor

9 March 2011

LCT confirms the receipt of AUD \$1.7 million from Jiangsu Aosaikang Pharmaceutical Co., Ltd (ASK). ASK is a private research-based pharmaceutical company, based in Nanjing, China.

Established in 2005, ASK develops, produces and markets pharmaceuticals and healthcare products and has over sixty pharmaceutical products in the market place. The placement was announced on 31 January 2011.

In addition to ASK's investment, the companies have also agreed to negotiate a collaborative research and license agreement to develop and commercialise DIABECCELL in China.

LCT CEO Dr Ross Macdonald said: "We are very pleased to welcome Jiangsu Aosaikang Pharmaceutical as a strategic investor in LCT. The funding will allow us to progress development and clinical trials of our breakthrough lead product DIABECCELL, for the treatment of Type 1 diabetes."



Robert Willcocks is a senior executive with an extensive legal and business background working in particular with Australian listed public companies. Mr Willcocks is chairman of Orion Petroleum Ltd and is currently a director of ASX listed ARC Exploration director of Trilogly Funds Management Ltd. Professor Elliott, LCT's Founder and Chairman said: "We are delighted to welcome Bob Willcocks to the board of LCT. His broad commercial background, particularly working with Australian companies, will bring additional commercial depth and great value to our board."

### **Phil O'Reilly CEO of Business NZ visits LCT**



Phil O'Reilly is Chief Executive of Business NZ, New Zealand's largest business advocacy group, representing thousands of businesses of all sizes. Mr O'Reilly visited LCT on 1 February 2011 to see the innovative and ground breaking work being conducted.

### **Rotary National Science & Technology Forum**

## **International Foundations Team up to Fund Revolutionary Treatment for Type 1 Diabetes**

**16 February 2011**

Two international charitable foundations, New Zealand-based Cure Kids and U.S.-based Childred with Diabetes Foundation, have each pledged to provide US \$140,000 to fund the final two patients in a Phase II clinical trial in New Zealand that has the potential to transform the treatment of Type 1 diabetes.

## **LCT Executes \$5.75m Funding Agreement**

**31 December 2010**

LCT secures a \$5.75m funding agreement with SpringTree Special Opportunities Fund. This will provide funds toward the further development and commercialisation of LCT's lead product DIABECCELL and for general operations. SpringTree is a New York-based investment fund that makes equity and equity-linked investments in small-cap public companies around the world.

LCT CEO and Managing Director Dr Ross Macdonald said: "We are delighted to secure this funding to help us move the company forward."

## **LCT Approved to Further Expand DIABECCELL NZ Trial**

**20 December 2011**

The New Zealand Minister of Health has approved the addition of two patients to the New Zealand Phase II clinical trial of DIABECCELL. These patients will be in addition to the 12 patients already approved to receive DIABECCELL implants, LCT's encapsulated porcine islets for the treatment of Type 1 diabetes.

The expansion of the trial will allow LCT to build its dose-ranging data set of DIABECCELL, which is key to determining the dose regimen which provides optimal patient benefit. The expansion of the New Zealand study has also been approved by the Northern X Regional Ethics Committee and the Data Safety and Monitoring Board.

## **LCT's DIABECCELL Registered for Sale and Use in Russia**

**10 December 2011**

LCT's Russian subsidiary, LCT Biomedical Limited, has received registration of the Company's groundbreaking diabetes treatment, DIABECCELL, as a marketable medical technology in Russia. Registration allows for the sale and use of the DIABECCELL technology for the treatment of Type 1 diabetes in Russia. LCT Biomedical Limited was established by LCT in 2009 to facilitate the commercial development of DIABECCELL in Russia.

This is LCT's first commercialisation milestone in its global strategy for DIABECCELL. Dr Ross Macdonald, Chief Executive Officer of LCT said: "This is a major step toward global commercialisation of this important advancement in the treatment of diabetes, providing us with the necessary authority to commercialise DIABECCELL in Russia."

LCT took part in the Rotary National Science and Technology Forum; this forum offers an advanced academic programme with experiences in a wide range of scientific disciplines to outstanding year 12 students.



Presentations were given showing an overview of the company's history and technology. Following the presentation the students were taken on a guided tour of the research and development, quality control laboratory and molecular diagnostic manufacturing facilities including stations set up for observing cell cultures.

## Promising Preclinical Results with NTCELL in Parkinson's

**10 November 2011**

LCT is pioneering the development of cell implants to treat diabetes and neurological diseases that are not effectively managed with conventional therapies. The report highlights outstanding functional and structural benefits from implants of NTCELL, LCT's cell implant product for neurodegenerative conditions. These encouraging results are from two internationally accepted preclinical models of Parkinson's disease. Final functional and histological results expected later this year.

## LCT Presentations - Past and Future

### **AUCKLAND UNIVERSITY SCHOOL OF BIOLOGICAL SCIENCES 11 MARCH 2011**

Auckland, New Zealand

A personal perspective and a glimpse of the future

LCT presentation by Professor Bob Elliott

### **NZ BIO CONFERENCE 21-23 MARCH 2011**

Auckland, New Zealand

Enabling Successful Bio Enterprise

LCT presentation by Professor Bob Elliot and Ms Susanne Clay

### **21ST ANNUAL ASBTE CONFERENCE 27 - 29 APRIL 2011**

Queenstown, New Zealand

Australian Society for Biomaterials and Tissue Engineering Conference

Keynote speaker Dr Ross Macdonald

### **INTERNATIONAL PANCREAS & ISLET**

#### **TRANSPLANTATION 1-4 JUNE 2011**

Prague, Czech Republic

LCT presentations by Professor Bob Elliott and Dr Olga Garkavenko

## LCT Publications

Paul LJ Tan and R Elliott. Current status of encapsulated neonatal porcine islets: A novel treatment of type 1 diabetes. Proceedings of a colloquium workshop, Trinity Hall, Cambridge University. Editors R Calne and KO Lee. 2010; 43 - 46.

Paul LJ Tan and R Elliott. Regulatory requirements for encapsulated porcine islet implants in humans. Proceedings of a colloquium workshop, Trinity Hall, Cambridge University. Editors R Calne and KO Lee. 2010; 47- 49.

Robert B Elliott. Towards xenotransplantation of pig islets in the clinic. Current opinion in Organ Transplantation; 2011; 16:195 - 200.

**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 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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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 materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. LCT is providing this information 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.