

SPECIAL REPORT

Little-known Australian biotech develops a revolutionary treatment for diabetes

Living Cell Technologies has patented new treatment that allows a diabetic patient's body to produce its own natural insulin. It reduces the need for painful insulin injections and doesn't require drugs with potentially harmful side-effects.

With nearly 21 million Americans suffering from diabetes, it's a huge market worth a potential \$175 billion in revenues for this company. Plus, there are 173 million more diabetics worldwide -- half of whom are Asian.

At just 11¢ a share, Living Cell Technologies is a ground-floor investment opportunity if I ever saw one. Read on to find out how just much money I think you could make buying shares today.

Dear FGA Subscriber:

There are currently 20.8 million people in the US suffering from diabetes, one of the leading chronic diseases in the world. And every day, another 1,000 Americans are diagnosed with the disease.

Patients who are diagnosed with diabetes either can't produce their own natural insulin -- which is the hormone that's needed by the body to convert sugar into energy -- or don't produce enough of it.

If left untreated, diabetes can lead to cardiovascular disease, cause a breakdown of the kidneys, lead to blindness, and eventually send the patient into a coma.

Until today, the treatment for managing diabetes is to administer oneself with a daily (sometimes hourly) regimen of painful insulin injections. Diabetics need to constantly monitor their blood sugar levels -- often done by pricking their fingers to draw blood.

The companies that are making these insulin shots are obviously making a ton of money. Last year, sales of insulin in the US hit \$3 billion. But that pales in comparison to the total cost of diabetes on patients and the economy.

Just take a look at these figures ...

- \$23.2 billion spent on direct medical expenditures for diabetes patients
- \$24.6 billion spent for chronic diabetes-related complications like cardiovascular disease, strokes and kidney failure
- Another \$44.1 billion paid general medication of diabetes and related illnesses
- Plus, \$40.8 billion in lost productivity as a result of absence from work, disability payments, and death

The total cost of diabetes: a whopping \$132.7 billion a year. And that's based on figures dating four years back, because there's no updated information yet available. But given that diabetes cases have been on the rise, it's safe to assume that the costs are much bigger today.

And this is in the US alone. Worldwide, there are 173 million more people suffering from diabetes. Half of them are in Asia, where diabetes cases are rising the fastest. And it's a result of millions of people throwing out their diets rich in grains in favor of western tastes.

With such devastating health -- and economic -- impacts of diabetes, companies that are able to develop better ways of controlling the disease are going to make a fortune. And my next recommendation ...

Living Cell Technologies developed a revolutionary treatment that allows a diabetic patient's body to produce its own natural insulin

Their treatment involves the transplant of fresh, healthy insulin-producing cells into a diabetic patient's body. By doing this, a diabetic is able to significantly increase their ability to produce insulin whenever they need to.

Transplants are nothing new. In fact, some people undergo

entire pancreas transplants for this purpose. But this is an expensive and unrealistic treatment for the millions of diabetes sufferers out there. There simply aren't enough organ donors available.

And until this company's technology came to fore, anyone who was lucky enough to get on the list for a pancreas or cell transplant had to subject themselves to a daily regimen of immunosuppressant drugs -- with harmful, toxic side-effects -- to prevent their body from rejecting the transplant.

Living Cell Technologies spent the last 19 years developing an abundant source of healthy insulin-producing cells, and a way to transplant these cells into a human body without fear of rejection. Essentially, it's a diabetes treatment that holds out the promise of giving patients a real shot at a normal life.

The company's source of insulin-producing cells: specially bred pigs in its New Zealand laboratory. These porcine cells are very similar to human cells, and have already been proven by the company to work safely on human patients.

**In one of Living Cell Technologies' trial patients
in New Zealand, the transplanted cells continued to produce
insulin and survive in the body for up to 9 years**

The cells they transplanted into this one patient's body reduced his need for artificial injected insulin by 30%. The cells continued to produce natural insulin for his body for up to 9 years.

Another trial patient was completely off artificial insulin for about 6 weeks. He was able to do everything that a normal, healthy person could do. And he no longer had to worry about his blood sugar going too high (something many of us take for granted) and cause his body to shut down.

What makes this company's treatment so successful in humans without the need for taking harmful anti-rejection drugs is its patented encapsulation technology. Insulin-producing cells are placed inside a non-toxic microscopic capsule (the size of a pinhead) that protects them from the human immune system.

So these transplanted cells are able to release insulin from within these capsules into the patient's body. And because nutrients are able to pass through these specially-engineered capsules, the cells are able to survive for long periods.

With thousands of insulin-producing cells able to be stored

in each of these capsules, and an abundant supply of cells from specially-bred pigs, Living Cell Technologies could treat a huge number of diabetes patients that would otherwise be impossible with traditional transplant methods.

A \$175 billion potential market for Living Cell Technology's patented cell transplant treatment for diabetes

Living Cell Technology has already placed the average cost of a cell transplant at \$25,000. That's a fraction of what it would cost to have a pancreas transplant -- around \$125,000, and it doesn't include the cost of anti-rejection medication for the rest of a patient's life.

This company's treatment is also a lot safer. It only takes 10 minutes to do. They inject the cells into the patient's abdomen, where they live and secrete natural insulin whenever the body needs it. It's that simple.

With about 2 million Americans suffering from Type 1 diabetes, and another 5 million with Type 2 that are taking artificial insulin, it's a huge market for Living Cell Technologies worth a potential \$175 billion in treatments.

Even if the company treats just 0.1% of that market each year, that's 7,000 treatments worth \$175 million. In contrast, Living Cell Technologies has a current market capitalization of just \$16 million. It's a small, unknown biotech company today. But it won't be for too long because ...

After being awarded key patents in the US to protect its technology, the company is now filing for clinical trials of its diabetes treatment

Last month, Living Cell Technologies was awarded another patent in the US for its proprietary cell transplant method to treat diabetes. This is the company's third major patent award for diabetes treatment in the US, and it will last until 2022.

With its technology now adequately protected from copy-cats, the company is planning to file with the FDA for regulatory approval to conduct clinical trials in the US.

I think they have a real shot at getting through to clinical trials. In New Zealand, where regulations are less stringent, the company has already proven that its treatment works not only on animals, but actual human patients. So they have an advantage.

An FDA approval to conduct clinical trials will finally put Living Cell Technologies on the map, and wouldn't be surprised to see its market cap double in size almost instantly.

Living Cell Technologies is also pioneering innovative cures for other diseases like Huntington's Disease, stroke, and hemophilia

Living Cell Technologies isn't just a one-product company. In fact, another product that the company is in the process of filing for clinical trials is an innovative treatment for Huntington's Disease -- a degenerative and fatal brain disease that affects 30,000 Americans today.

This treatment, which involves implanting hormone-secreting cells into the patient's brain. The hormones protect the brain from further damage caused by the illness.

As with the diabetes treatment, these hormone-secreting cells are placed inside the company's patented encapsulation technology. So they're able to do their job without risk of being rejected by the body's immune system.

With the annual healthcare cost of Huntington's disease at \$2.5 billion in the US alone, this is another major market for Living Cell Technologies.

By protecting the brain from damage, this treatment also helps reduce the chances of a person having a stroke -- one of the leading causes of death in the US.

Meanwhile, the company is in the preclinical stages of developing a new treatment for hemophilia, which is a blood-clotting disorder that affects about 17,000 Americans today. People with this disease are always at risk of excess bleeding when they are injured or cut in any part of the body.

It's a small, niche market that's overlooked by the major pharmaceutical companies. Patients suffering from hemophilia end up spending \$50,000 or more each year just for treatment -- \$850 million in the US. And Living Cell Technologies is quietly tapping into it.

How much money you could make

Living Cell Technologies has a promising treatment for one of the most unforgiving and deadliest diseases known to man. Plus, it's got several other new products already waiting in the wings.

And the potential market that the company is sitting on is enormous. Its diabetes treatment alone could revolutionize the industry, and give the people who are suffering from the disease back their lives.

It's like investing in today's pharmaceutical giants -- like Pfizer and Novo Nordisk -- when they were still in their infancy. Early investors Pfizer, for example, who bought 100 shares in the company when it listed in 1942 would now be sitting on 388,800 shares (worth \$10.1 million today).

There are risks, of course. Living Cell Technologies has a long way to go before it can bring its product to market. But that's exactly why you can still buy shares today for only 11 cents each.

Put a modest \$2,000 into this stock, and it buys you about 18,000 shares. Then lock the shares away for a couple of years.

Even if the company just gets pass FDA approval for clinical trials, it's going to be dynamite for the shares. As I mentioned earlier, this will put Living Cell Technologies on the map, and it could double the share price almost instantly.

As the company moves up the clinical trial phases and comes closer to bringing its revolutionary diabetes and other innovative cures to market, its shares are going to explode in value.

Call your broker.

Living Cell Technologies trades in Australia under the ticker symbol "LCT" and shares last traded for A\$0.15 each. You can also buy shares over-the-counter in New York under the symbol "LVCLF"; last price: \$0.10 each.

Best wishes,

Brian & Bob, Editor
Financial Gateway to Asia

How to buy shares of Living Cell Technologies listed in Australia

Chances are, your regular North American stockbroker can trade shares listed in Australia for you. Many brokers have reciprocal agreements with Australian brokers for this purpose.

Of course, your transaction charges may be a bit higher, but the speed and convenience of using your own broker may be worth it to you.

If your regular broker can't or won't trade Australian-listed shares for you, here are five that can. They are, by no means, the only brokers capable of handling this trade for you. They are simply 5 brokers that we know can do it. We've been recommending them for years without any significant complaints from subscribers.

1. Man Financial, Inc., 141 West Jackson Blvd., Suite 1800-A, Chicago, IL 60605, USA. Contact Name: Scott Kashian; Tel: (+1)-800-560-5850; Fax: (+1)-312-902-6000;
E-mail: skashian@manfinancial.com

2. Newbridge Securities Corp. 1451 West Cypress Creek Road, Suite 204. Ft. Lauderdale, FL 33351 USA. Contact: Irvin Rosenfeld. Tel: +1-(877)-447-9625 loc.120; or +1-(954)-689-6875. Fax: +1-(954)-229-9937.
E-mail: irosenfeld@newbridgesecurities.com

3. Wachovia Securities LLC, 8777 N. Gainey Center Dr., Suite 100, Scottsdale, AZ 85258 USA. Contact Name: Karen Charvonia, First Vice President - Investments. Tel: +1-(800)-235-5152 Loc.714.
E-mail: Karen.charvonia@wachoviasec.com

4. Mansion House Securities, 37A Bank of China Tower, 1 Garden Road, Central, Hong Kong SAR, People's Republic of China. Tel: (+852)-2843-1456; Fax: (+852)-2845-9036. (Initial Deposit HK\$10,000).
E-mail: customerservice@mansionhse.com

5. Tricom Equities, Level 9, Exchange House, 10 Bridge Street, Sydney, NSW 2000, Australia. Contact Name: Greg Chalom; Tel: (+61)-2-9210-7865; Fax: (+61)-2-9251-6331;
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