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Living Cell
Technologies Ltd

COMPANY STATEMENT:

LCT completes treatment phase of their pre-clinical study to treat diabetes

October 27, 2004, Australia:

Living Cell Technologies (ASX: LCT) announced that the Company has completed the transplantation of its DiaBCell diabetes product in what it believes is the world's largest controlled diabetic primate pre-clinical study of its kind. LCT is currently developing DiaBCell, which is designed to provide long-term diabetes therapy by transplanting insulin-producing cells called islets.

The DiaBCell study enrolled 16 cynomologous monkeys with diabetes, eight of which randomly received an implant of LCT's proprietary encapsulated islets while the remaining eight received empty capsules devoid of cells. The monkeys receive care and monitoring as would human diabetes patients with blood sugar levels tested regularly and insulin injections given if required to keep blood sugar at safe, healthy levels.

"We are eagerly awaiting the completion of this study to see whether the early indicators of the monkeys' health are supported in the longer term," said Professor Bob Elliott, Medical Director of LCT. "We expect to be in a position to announce the final results of the study early in 2005."

Controlled primate studies demonstrating safety and efficacy are an important part of the information required by regulatory bodies such as the US Food and Drug Administration (FDA) before allowing trials in humans with type 1 diabetes.

A preliminary study presented earlier this year by Professor Elliot at the International Transplantation Association meeting in Vienna demonstrated that DiaBCell is well-tolerated by healthy non-diabetic monkeys and that eight weeks after transplantation, insulin-producing islet cells protected by the gel capsules were both healthy and functional.

DiaBCell uses its micro-gel coating to protect the transplanted living islets from damage by the recipient's immune system. Islets are the specialised cell groups in the pancreas, which produce and secrete insulin into the blood in response to increased glucose levels such as occurs after a meal. In a tightly regulated process, the increased glucose stimulates the islets to produce insulin, the insulin signals the body's tissues, to take up glucose as a source of energy, causing the blood glucose levels to decrease. When blood glucose returns to normal levels, the stimulated secretion of insulin by the islet automatically stops.

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About LCT - www.lct.com.au

LCT is an ASX listed biotechnology company (ASX:LCT). Living Cell Technologies Ltd (LCT) began its business to develop and commercialise cell therapies for the treatment of a wide variety of diseases in 1987. The company's headquarters are in Adelaide, South Australia with a research and technology unit in New Zealand and a product development unit in Rhode Island, US. LCT's technology has potential application for the treatment of any condition caused by a deficiency of specific cell function. The company has three products under development – NeurotrophinCell for Huntington's and stroke, Fac8Cell for haemophilia and DiaBCell for diabetes.

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