



Company Announcement

6 April 2005, Australia:

Living Cell Technologies Ltd (ASX:LCT) today announced the successful completion of its preclinical diabetes trial for safety and efficacy using DiaBCell.

LCT's product, DiaBCell (encapsulated living islet cells), is designed for type 1 diabetics with impaired ability to produce their own insulin. DiaBCell is intended to supply insulin and control blood sugar when transplanted into diabetics.

Over the six month trial period, 16 diabetic monkeys were treated with either DiaBCell or placebo capsules. DiaBCell was well tolerated and there was no adverse reaction to DiaBCell in the treated monkeys. There was also no evidence of excessive insulin release causing hypoglycaemic reactions in the monkeys.

The monkeys received two small doses of DiaBCell, one at the start of the study and a second three months later. The sequential treatment plan mimics the way DiaBCell might be used to treat human patients. Monkeys treated with DiaBCell reduced their insulin requirements on average while those given blank capsules needed more insulin than before the transplants. No adverse reactions were shown with repeated transplants.

"This is the largest controlled diabetic study of its kind in the world and we are very happy with these results. This study confirms the safety of DiaBCell and the efficacy demonstrated would be a major step forward in treatment if transplanted into human results," said Professor Robert Elliott, Medical Director of LCT.

David Collinson, LCT's Chief Executive Officer said, "We are very encouraged by the data and the company will now increase efforts to complete the rest of the necessary pre-clinical work and documentation to support our FDA application later this year. Ongoing preclinical studies will provide additional information on the long term viability and function of islets recovered from diabetic monkeys. We will also direct resources to our pig and cell processing facilities to ensure sufficient supply of DiaBCell for human clinical trials".

Controlled safety and efficacy studies 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.

The details of the study will be presented by Professor Elliott at International Pancreas and Islet Transplantation Association (IPITA) meeting in May and the American Diabetes Association (ADA) meeting in June. The IPITA and the



ADA meetings are the premier international and American scientific meetings focused on pancreas and islet transplantation to treat diabetes.

Type 1 diabetes affects 17 million people and is growing at an epidemic rate of five per cent each year. Despite the best efforts by doctors, insulin injections only treat the symptoms while secondary effects of the disease such as blindness, organ failure and amputation continue to ravage those not able to control their blood glucose.

See Appendix below for further details.

About DiaBCell:

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. 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.

About LCT: www.lct.com.au

Living Cell Technologies Ltd is an ASX listed biotechnology company (ASX: LCT). LCT began its business to develop and commercialise cell therapies for the treatment of a wide variety of diseases in 1987. The company has operating companies in New Zealand and Rhode Island, US.

LCT's technology has potential application for the treatment of conditions caused by a deficiency of specific cell function. The company has three products under development – NeurotrophinCell for Huntington's disease and DiaBCell for diabetes being developed in accordance with US Food and Drug Administration guidelines, and Fac8Cell for haemophilia.

Appendix

DiaBCell preclinical trial:

The controlled preclinical trial of the safety and clinical activity of DiaBCell was undertaken in 16 Streptozotocin induced diabetic adult cynomolgus monkeys over six months.

Intervention:

Group 1 (control): Eight monkeys were given blank capsules at start of study and a second blank transplant three months later.

Group 2 (treated): Eight monkeys were transplanted with DiaBCell at the start of the study and a second transplant of DiaBCell after three months.

Results:

Safety

DiaBCell is well tolerated. Repeat transplants with DiaBCell is safe.

Clinical Activity:



The treated group showed a reduction in insulin dose and the control group showed an increase in insulin needs.

The difference (mean 32%, range or confidence limits of 15% to 49%) between the treatment and control group (p-value 0.0002) is statistically and clinically significant.

Individual variation:

There were two deaths from complications of diabetes and unrelated to DiaBCell. One in the control group from a stroke, three months after the first transplant and one in the treated group from an infection three months after the first transplant

After six months the insulin needs compared to start of study before transplant are as follows:

Control Group: n=7

- 6 monkeys 15%, 21%, 36%, 43%, 43% and 50% increase
- 1 monkey 14% reduction

Treated Group: n=7

- 5 monkeys 17%, 25%, 27%, 29%, 60% reduction; the last monkey was weaned off insulin altogether at 9 months
- 2 monkeys 16% and 22% increase

Media information	Company information		
	AUS	US	NZ
Rebecca Piercy Buchan Tel: +61 3 9866 4722 Mobile: + 61 422 916 422 rpiercy@bcg.com.au	Paris Brooke General Manager – LCT Tel: +61 3 9813 5501 Mobile: + 61 407 715 574	Dr. Alfred Vasconcellos CEO - LCT BioPharma Inc Tel +1 401-821-3500 Fax +1 401-823-0466 a.vasconcellos@lct.com.au	Prof Bob Elliott Medical Director - LCT Tel + 64 9276 2690 Fax + 64 9276 2691 r.elliott@lct.com.au