



## Living Cell Technologies Limited

### Company Announcement

#### **Living Cell Technologies Awarded NZ\$4.04 Million New Zealand Government Grant to advance DIABECCELL<sup>®</sup> for type 1 diabetes**

- LCT to receive NZ\$4.04 million over two years
- The grant supports development costs to upscale production of DIABECCELL<sup>®</sup> and conduct the NZ clinical trial

**12 February 2010: Sydney, Australia, Auckland, New Zealand** – Cell implant company **Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY)** today announced that it has been awarded a grant of NZ\$4.04 million from the New Zealand government's Foundation for Research Science & Technology.

The funds from the grant are to be made available over two years to support the ongoing development of DIABECCELL<sup>®</sup>, LCT's lead product for insulin dependent type 1 diabetes.

Dr Paul Tan, Chief Executive Officer LCT said: "Positive clinical data from our early Phase I/IIa trials compels us to address future market demand and further develop our manufacturing capability as part of the commercialization programme for DIABECCELL<sup>®</sup>."

"This grant contributes to the investment required to increase production of DIABECCELL<sup>®</sup> to commercial scale and the cost of the New Zealand clinical trial currently underway with DIABECCELL<sup>®</sup>."

We are pleased that the commercial and scientific peers who reviewed our grant application for the New Zealand government endorsed LCT's business and development strategy to commercialize DIABECCELL<sup>®</sup>."

Dr David Brookes, Chairman LCT Board, said, "This is a very exciting time in the company's development with the fourth patient in the New Zealand trial implanted this week. We look forward to progressing our milestones with the funds raised from our shareholders in 2009 and from this New Zealand government grant."

The New Zealand government awards grants to assist companies to bridge technology gaps to bring products to market more rapidly. Specific projects supported by this grant relate to upscaling the bioprocessing of cells, the commercial manufacture of alginate gel and commercial encapsulation methods. These technologies are essential in the manufacture of DIABECCELL<sup>®</sup> and are also applicable for encapsulating other cell products in the LCT pipeline. These projects enhance LCT's ability to license its cell encapsulation technology to other parties.

DIABECCELL<sup>®</sup> is LCT's treatment designed to normalise the lives of people with insulin dependent diabetes. DIABECCELL<sup>®</sup> is implanted into patients and works by self-regulating and efficiently secreting insulin in the patient's body. LCT's encapsulation technology means that this procedure does not require the use of immunosuppressant drugs.

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For further information: [www.lctglobal.com](http://www.lctglobal.com)

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**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.*

#### **LCT Disclaimer**

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