



Living Cell Technologies Limited

COMPANY ANNOUNCEMENT:

Living Cell Technologies Commences DIABECCELL® Commercialization Program In Russia With New Subsidiary

6 July 2009: Sydney, Australia, Auckland, New Zealand– Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY) today announced the formation of a subsidiary, LCT Biomedical Limited (Russia), to facilitate the commercial development of DIABECCELL®, its lead product for the treatment of type 1 diabetes.

Natalia Dolgova, who is based in Moscow, has been appointed the first director of LCT Biomedical.

Mrs. Dolgova has 17 years experience in the medical products market in Russia. Her objectives are to obtain regulatory approval for a pivotal clinical study of DIABECCELL® in at least two centres in Russia and register the product so that the treatment is available for people with diabetes in Russia.

Dr Olga Garkavenko, LCT's New Zealand based Regional Director for Russia said, "The regulatory process has already been initiated and it is envisaged that the pivotal study and product would be registrable by October 2011."

Prof Bob Elliott, Medical Director of LCT, said, "This subsidiary is a timely development to advance positive preliminary results from the first trial in Moscow. We have now implanted 8 patients with DIABECCELL®, the most recent on 22 June 2009 in a 33 year old man with type 1 diabetes. To date, there have been no untoward adverse events. Two patients remain off insulin injections at their last clinical review. All patients followed up have said they are pleased with how the implants have improved control of their blood sugar levels and this is supported by their normalized %HbA1c (glycated hemoglobin measurements) and reduced daily insulin doses."

Dr Paul Tan CEO LCT said, "The establishment of this company with local business and regulatory expertise aims to accelerate commercial development. DIABECCELL® will be supplied from New Zealand for the foreseeable future. This is the quickest development pathway to get this innovative treatment available to the wider diabetic community."

DIABECCELL® is designed to normalize blood glucose levels in type 1 diabetes sufferers. DIABECCELL® comprises encapsulated porcine insulin-producing cells which can be administered without the need to use immunosuppressive drugs.

Type 1 diabetes occurs when the body's own immune system destroys the insulin-producing cells of the pancreas (called beta cells). Five to 10 percent of the more than 200 million diabetics worldwide have insulin dependent type 1 diabetes. Type 1 diabetes is associated with kidney failure, blindness, nerve damage, life-threatening cardiovascular disease and limb amputations. Current treatment options include multiple daily injections of insulin.



Natalia Dolgova
Director LCT Biomedical



Olga Garkavenko
LCT Regional Director, Russia



LCT in St Petersburg, Russia, June 2009



Potential new clinical trial site, St Petersburg, Russia

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For further information: www.lctglobal.com

Dr. Paul Tan
Chief Executive Officer
Mob: 021 608 784 (NZ)
Tel: +64 9 276 2690
ptan@lctglobal.com

Prof. Bob Elliott
Medical Director
Mob: +64 27 292 4177
Tel: +64 9 276 2690
belliott@lctglobal.com

Mr John Cowan
Finance & Administration Manager
Tel: +64 9 276 2690
jcowan@lctglobal.com

Paul Dekkers
Investor and Media Relations
Tel: +612 9237 2800
pdekkers@bcq.com.au

About Living Cell Technologies: 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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