

Investor Brief

February 2004



Living Cell Technologies Ltd (LCT) is proposing to list on the Australian Stock Exchange (ASX) in March/April 2004 in conjunction with a capital raising, in the form of a rights issue. More information regarding the capital raising will be provided by LCT during March.

LCT is an Adelaide-based biotech company which has been undertaking research and development in New Zealand for the past 16 years. LCT is currently listed on the Newcastle Stock Exchange (NSX).

LCT's broad technology platform allows for healthy living cells to be implanted into a patient to replace, repair or regenerate the function of diseased or damaged organs. The company is moving toward the commercialisation phase of its unique proprietary platform of therapeutic cell delivery technologies, and has embarked on pre-clinical trials for two of its major product applications.

LCT is using an alginate encapsulation cell delivery system that isolates the newly transplanted cells from the patient's immune system, which would normally destroy the cells immediately, minimising or eliminating the need for toxic immuno-suppressant drugs.

The company's primary focus is on treatments for diseases of the pancreas, liver and central nervous system – insulin dependant Diabetes, Haemophilia, Huntington's disease – and for treatment of stroke victims through the use of implanted choroid plexus cells. The effects of these diseases are devastating and there are no known cures.

- > Insulin dependant Diabetes sufferers make up over one third of all diabetic patients. Diabetes currently affects over 170 million people worldwide and costs US\$132 billion per year to treat in the US alone. The disease is increasing at an epidemic rate and current insulin use does not stop the secondary effects such as kidney failure and vascular damage which claim hundreds of thousands of lives every year.

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- > Haemophilia can cost as much as A\$110,000 per patient annually and affects more than 20,000 globally. Despite constant transfusions of blood clotting factors, many of these patients have frequent and life threatening internal hemorrhages. Having conducted successful invitro studies LCT is now due to commence trials in the US.
- > Huntington's disease strikes people from 35 to 45 initially with loss of coordination leading to involuntary jerking movements of the limbs, face and trunk with rapidly increasing neural degeneration leading to total incapacitation and death.

LCT is in the process of establishing a wholly-owned subsidiary in the United States which will be called LCT BioPharma LLC. Establishing a US-based subsidiary will facilitate dealing with regulatory bodies (such as the FDA). It also provides LCT with the capabilities to expedite clinical trials of its products in the US and Europe.

Company disclosures are currently posted on the Newcastle Stock Exchange website, www.newsx.com.au, using the ticker "LCT". LCT expects to have its website established by early March. Investors will then be able to view the latest company and medical developments at www.lct.com.au.