

UPDATE:

DiabeCell[®] and Product Pipeline

November 2007

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LCT 2006 -2007 Milestones Achieved

Commercialization Milestones: Regulatory & Clinical

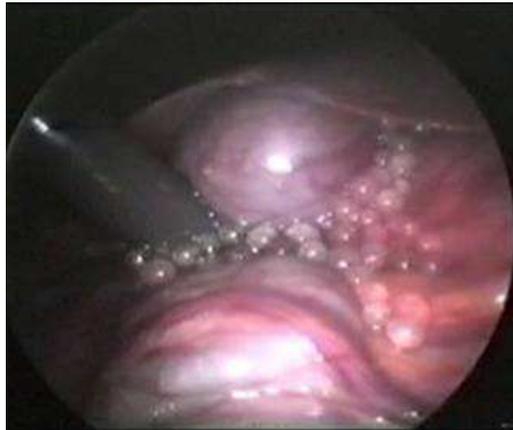
- Manufacturing plant GMP certified for producing encapsulated porcine cells for human medical treatment
- NZ government conducts international scientific review and approved biocertified pigs and DiabeCell® program through GTAC
- World's only internationally accredited laboratory for testing pig herds and monitoring recipients of porcine cell implants
- Ethics Approval in NZ; Scientific and Ethics Approval in Russia,
- **DiabeCell® in phase I/IIa clinical trials** in Russia
- **DiabeCell® patient insulin independent on half intended dose**

LCT is the only company with integrated capabilities to commercialize porcine cell therapy in the clinic

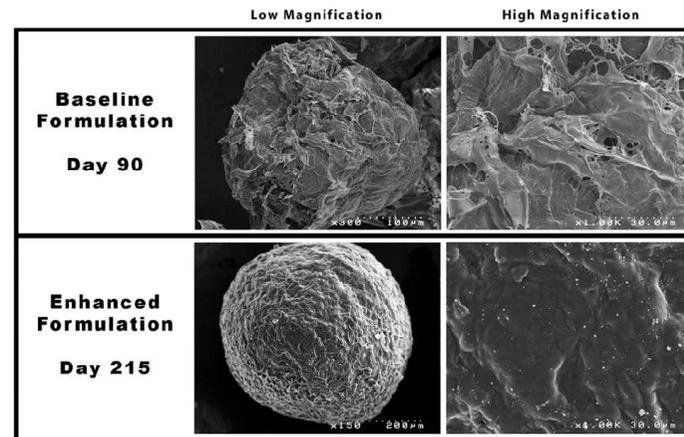
LCT 2006 -2007 Milestones Achieved

Milestones for Critical Technology

- Longest recorded (10 years) functioning implanted pig cells in human – Mar 07
- Longest recorded intact alginate capsules implanted in animals – Sep 07
- Granting of US and European patents



Cells producing insulin
10 years after implant



Capsule integrity and surface
remain intact after implant

DiabeCell® Lead Product

Product performance

- Overcome shortage of human islets with unique high health status pig islets
- No immunosuppressive drugs are used or needed
- Simple delivery by laparoscopic surgery: No expensive transplant team:
- Safe, active, long lasting therapeutic to better control diabetes with fewer hypoglycaemic unawareness
 - significant reduction of insulin requirement
 - Insulin independence

DiabeCell® Lead Product

Position in market

- Market size: Worldwide Incidence of 30 per 100,000 yearly by 2010
Australia: 91,900 individuals; 1,859 new cases in 2004
USA: >1M individuals; 30,000 new cases per year
- DiabeCell® to be significantly less expensive than human islet transplant
- Ahead of Competitors
- Revenue estimates: examples
 - 10% of US market alone in excess of US\$5 billion
 - 10% of Australian market alone in excess of A\$0.5 billion

How Will LCT Meet Market Demand?

All LCT Cell Products Use Porcine Cells



- Scale-up is feasible (e.g., meat production)
- Modular facilities for stepped expansion
- Breeding program enables commercial entry within 3 yrs
- 6-8 piglets are needed for each islet cell injection
- 3,000 to 6,000 patients could be treated within 3 yrs of commercial entry

Example

Year	Sows	Piglets	Females (for breeding)	Males (used for cells)
1	100	1,000	500	500
2	600	6,000	3,000	3,000
3	3,600	36,000	18,000	18,000

LCT Scale-Up

A Fully Integrated Approach

CLINICAL TRIALS

Phase I/IIa Trials
14 Patients



Pivotal Trial
25 Patients



Approval of Non-Human
Islet Cell Injection

PIG BREEDING

20 Sows for
Phase I/IIa Trials



50 Sows for
Pivotal Trial



100 Sows & Set-Up
New Site for 500 Sows

GMP MANUFACTURING

Pilot
GMP Facility



Scale-Up for
Pivotal trial



Scale-Up & Set-Up New Site for
Product Manufacturing

REVENUE

Corporate Partnerships



Revenue from Sales

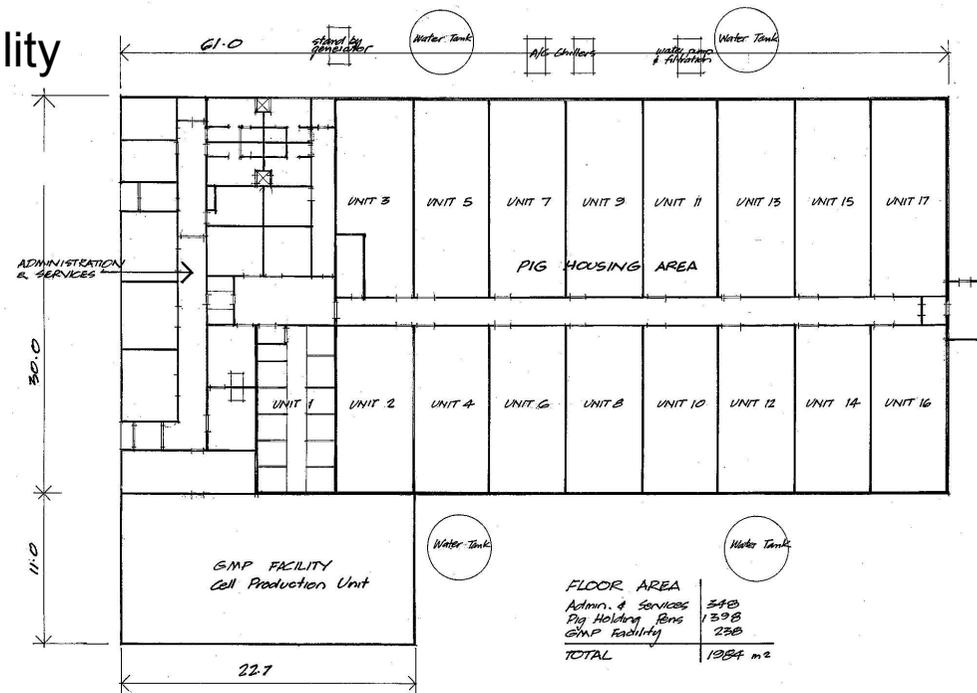
Building for Commercial Supply

Successful clinical trials lead to

- Expansion of manufacturing capability
- Expansion of pig breeding facilities



PILOT MANUFACTURING PLANT



PROPOSED SOUTHLAND PIG BREEDING FACILITY FOR LCT

LCT's Product Pipeline

	CLINICAL			
	RESEARCH / DISCOVERY	PRECLINICAL	PHASE I / II TRIALS	PIVOTAL TRIALS
DiabeCell <i>Type I Diabetes</i>				
NeurotrophinCell <i>Huntington's Disease</i>				
NeurotrophinCell <i>Stroke</i>				
NeurotrophinCell <i>Hearing Loss</i>				
Fac8Cell <i>Haemophilia</i>				

- **NeurotrophinCell** – porcine choroid plexus cells encapsulated in alginate and implanted to act as neuroprotectants for a range of neurological disorders
- **Fac8Cell** – porcine hepatocytes encapsulated in alginate and implanted for treatment of liver disorders

LCT's Commercial Model

DiabeCell®

- Commercialize DiabeCell® on a country-by-country basis
- Initial commercialization and market in Russia and New Zealand

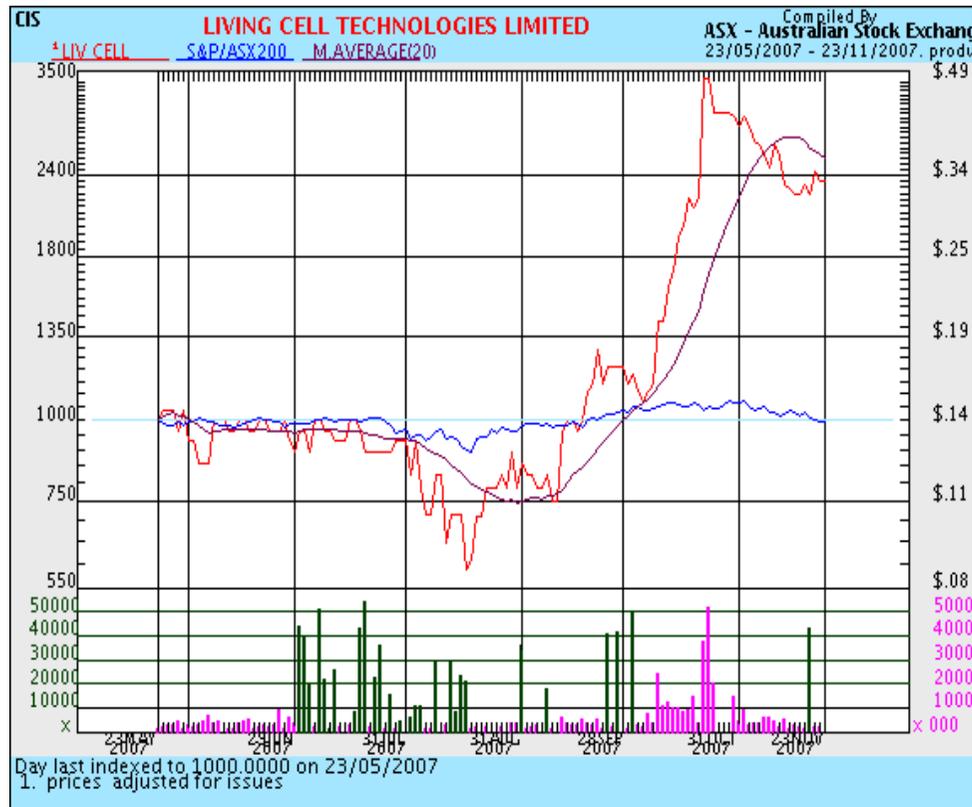
Other Porcine Medical Products

- Develop and commercialize other cell-based therapies NtCell, Fac8Cell
- Commercialize heart valves, collagen, tendons, etc., from LCT pig herds



DiabeCell® implantation
Patient 001, June 2007

Financial Milestones



- Increase Value for Shareholders
- Adequate funds for Operations to meet commercial targets
 - private placements
 - share purchase plan
 - budget restructure and restraint
- Expand shareholding base
 - US ADR program

Data 23 November 2007

Market Capitalization	A\$58 million
Total Ordinary Shares	173 million
Share Price	A\$0.33
# Shareholders	1,381

Total equity investment	A\$31.9 M
Government grants	A\$2.7 M

Future Targets

Clinical Trial

- 2008 Q1 Interim Results from first 3 patients in Russia
- 2008 Q1 Enrolment, Q2 first implant in NZ Trial

Pig Breeding Program

- 2007-8 Upgrade facility, Invercargill
- 2008 Q2-3 New back up breeding facilities

Manufacturing Capability

- 2008 Q1 Upgrade pilot facility for pivotal study
- 2008 Q4 New facility for commercial supply

Corporate

- expand share holder base
- new funds for operations and expansion of pig herd and manufacturing



Cell-Based Therapy for Type I Diabetes

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