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Cover Story



Living Cell Technologies Has the Funds to Capatilise on the Opportunities of 2008

2007 was an exciting year for Living Cell Technologies, with the commencement of its clinical trials for its diabetes product in Russia. The preliminary results of this trial have been very encouraging and should provide a solid foundation for the Company moving forward in 2008.

Dr. Paul Tan, Living Cell Technologies' CEO, explained the key driving fundamentals of the Company that would enable it to make the most of the opportunities in the New Year, with the aim of maximizing the value for its shareholders.

"Living Cell is a cell-based therapeutic company that uses cells rather than chemicals to treat life threatening human diseases," Dr. Tan explained the Australian Investor, "Our lead product at the moment is for Type 1 diabetes. We have the ability to implant cells from biocertified piglets into people with diabetes, without the use of drugs."

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.

Living Cell'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.

"Currently we have implanted three patients via this method for our clinical trials in Russia," Dr. Tan informed the Australian Investor, "The preliminary results have shown very encouraging results, which we believe have strengthened our share price for 2007."

According to the results, one of the patients has gone off insulin altogether. Another one of the patients reduced their intake of insulin by 40% after the first (lowest) dose from the Living Cells product.

"We believe that our share price will continue to strengthen as more of the results are released," Dr. Tan commented, "We plan to build on these results to start a clinical trial in New Zealand."

The Company has developed a pipeline of other projects that utilise its medical-grade porcine-derived products for the repair and replacement of damaged tissues, as well as for research and other purposes.

"By transplanting microencapsulated choroid plexus cells that deliver beneficial proteins and neurotrophic factors to the brain we have the ability to treat Huntington's disease and other neurological disorders," Dr. Tan noted.

Living Cells has sufficient funds for 2008 to aggressively pursue the opportunities of this New Year.

"From a number of private placements in November/December we were able to raise US\$8 million and additionally approximately AUS\$6 million, which means we have sufficient funds for the year," Dr. Tan informed the Australian Investor, "Furthermore, we have just

announced that one of our convertible notes has matured and the holders have decided to convert it to shares rather than take the payment. We believe this reflects the support of the holders.”

According to Dr. Tan, another unique factor about the company is that it maintains two pig herds in a pathogen free facility and a quarantine facility. These pigs have come from a breeding stock that lived in isolation for 200 years on the Auckland Islands. The Company has the concession rights to more stock remaining on these islands.

“Another unique feature that gives us a competitive advantage is our cGMP cell manufacturing facilities for clinical trials,” Dr. Tan told the Australian Investor, “With this we have also the world’s first and only diagnostic lab capable of completing the tests at the required standards.”

Dr. Tan concluded, “We plan to make the most of our strong financial position for the year to achieve our immediate goals of supporting and progressing our clinical trials in Russia and expanding those into New Zealand. Additionally, we are aiming to expand our commercial and infrastructure capabilities to meet the clinical trial requirements.”

January 2008

Article by The Australian Investor <http://www.australianinvestor.com.au/>