



LCT Investor Update – January 2006

The information below is to help explain the current business and research activities undertaken by Living Cell Technologies and the implications for the progression of its lead products to market.

This monthly update will be made available on the company's website.

Business Development

- NZ\$480,000 grant awarded by New Zealand Trade and Enterprise to help progress the development of cell based therapeutic products
- NZ\$100,000 grant awarded by Cure Kids New Zealand to pursue the development program of its liver cell transplantation treatment of haemophilia
- Final recommendation by Toi te Taiao: the Bioethics Council, that xenotransplantation should be allowed to develop in New Zealand

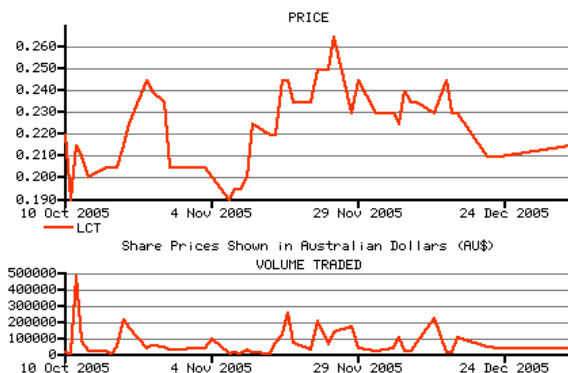
Cash Flow Report

- Cash flows in line with management expectations
- Cash balance at end of September quarter was \$3,261,703 compared to \$2,648,491 (30 June 2005)
- Net increase of \$613,212 during 3 month period.

Capital Structure

Market Capitalisation	\$22.2m (4 Jan 2005)
Fully Paid Ordinary Shares	103,218,317
Cash Position	\$3.2m (30 Sept 2005)
Holders	1,208

Share Price



Upcoming key milestones (12 months)

- IND application to FDA for phase 1 clinical trials for NtCell product
- Submit IND application for DiabeCell
- Continue expansion of pig production facilities
- Aggressively pursue M&A opportunities

Product Development

- Expected product revenues by 2008
- LCT's specialised biocapsules used in targeted cell delivery are fully characterised & scaled (with GMP accreditation)
- Demonstrated long-term survival of cell products in vivo
- New additional disease-free pig barrier facility completed

NeurotrophinCell (NtCell)

- Positive pre-IND meeting in December with members of the National Institutes of Health (NIH) and reviewers from the Centre for Biologics Evaluation and Research (CBER).
- First targeted application of NtCell is Huntington's disease
- NtCell now entering research trials for other neurodegenerative diseases and hearing loss

DiabeCell

- Authorised pilot human trials have been conducted in New Zealand.
- Long-term safety of islet cells [patient with implanted cells producing insulin at 9 years].
- Successful safety / efficacy of DiabeCell in preclinical primate diabetes trial.
- Expanded dosing primate studies

About the company:

The company is called 'Living Cell Technologies' and is based in Australia, New Zealand and the United States. The company uses healthy living cells to treat Huntington's disease, stroke, diabetes and haemophilia.

Further information is available at www.lctglobal.com or email lct@lctglobal.com.