

Living Cell Technologies Limited Company Announcement Preliminary Final Report for the year ended 30 June 2011

- All 14 patients in the NZ DIABECCELL® clinical trial successfully implanted
- New clinical trial commenced in Argentina
- New investment and collaborations with ASK and Otsuka to commercialise DIABECCELL

25 August 2011 – Sydney, Australia, Auckland, New Zealand– Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY), a global company pioneering the development of cell implants to treat diabetes, announced today the Preliminary Final report (Appendix 4E) on the results for the year ended 30 June 2011. In accordance with Listing Rule 4.3A, the report is attached.

This financial year has been another of significant progress for LCT. Following good results from initial patients, approval was received to extend the New Zealand clinical trial of DIABECCELL to 12 and then 14 patients. These extensions enabled four different doses to be trialled to assist in finding the optimal dose needed to define the target product profile for Phase III trials. The trial in Argentina is designed to show the effect of two implants three months apart. DIABECCELL received registration as a marketable medical technology in Russia, allowing the sale and use of the DIABECCELL technology in the treatment of Type 1 diabetes in Russia. Premarketing activity is awaiting legislative changes.

The two animal studies of Parkinson's disease with NTCELL showed very promising results with significant improvement in motor activity and dramatic restoration of brain cell numbers.

Both Jiangsu Aosaikang Pharmaceutical Co. Limited (ASK) and Otsuka Pharmaceutical Factory Inc. invested in the company and are committed to negotiating research and development collaborations and arrangements to commercialise DIABECCELL in agreed territories. Grants were received from Cure Kids and The Children with Diabetes Foundation to sponsor the last two patients in the Phase II clinical trial of DIABECCELL in New Zealand. The New Zealand Government grant continues to subsidise the scaling up of production and product and process improvement.

Financial Results

The net loss for the financial year to 30 June 2011 was \$6,795,708 compared to \$5,674,059 in the prior year, a 19.8% increase in the annual loss. The net cash used in operating activities of the company during the year to 30 June 2011 totalled \$5,723,151, a 2.4% decrease on the \$5,863,818 last financial year.

The end of year cash balance was \$4,504,677.

Revenue for the year was \$2,063,156, an increase of \$389,687 or 23.3%. Most of this was from an increase in Government Grants and Cure Kids and The Children with Diabetes Foundation grants.

Key Announcements & Milestones Achieved

July 2010

\$2m received from underwriting expiring options

9,523,810 shares were issued to underwriters of expiring options to raise \$2m.

Consistent benefit shown in DIABECCELL NZ trial

8 patients with unstable diabetes have received DIABECCELL implants. All 4 patients in the first group of 4 showed a significant reduction in episodes of clinically significant low blood glucose while improving blood glucose control and reducing insulin injections.

August 2010

Approval to expand DIABECCELL NZ trial

The New Zealand Minister of Health approved the addition of 4 more patients to the NZ Phase II trial. The new patients will add further rigour to the study and may provide valuable additional information.

October 2010

Sustained improvement from DIABECCELL NZ trial

10 patients enrolled in the Phase II trial in NZ have received DIABECCELL implants according to schedule. Patients in the first group of 4 showed an average reduction of 76% in episodes of life-threatening unaware low blood glucose. Improved blood glucose control is shown with reduced insulin requirements.

November 2010

Promising preclinical results with NTCELL in Parkinson's disease

2 animal models for the neurodegenerative condition Parkinson's disease showed significant improvement in motor activity when implanted with NTCELL. The affected brain area showed dramatic restoration of brain cell numbers.

December 2010

DIABECCELL registered for sale and use in Russia

Russian subsidiary LCT Biomedical Limited received registration of DIABECCELL as a marketable medical technology in Russia, allowing the sale and use of the DIABECCELL technology in the treatment of Type 1 diabetes in Russia.

Approval to further expand DIABECCELL NZ trial

The New Zealand Minister of Health approved the addition of 2 patients to the NZ Phase II trial. The new patients will receive 5,000 islet equivalents per kilogram of body weight. This brings the total to 14 patients across 4 dose groups. The fourth group receiving this low dose will help build the dose range data needed to define the target product profile for Phase III trials.

ASK subscribes for 5% of LCT shares.

Jiangsu Aosaikang Pharmaceutical Co. Limited (ASK) agreed to subscribe for 14,334,030 shares at \$0.12 raising \$1.72 million. LCT and ASK intend to negotiate a collaborative research agreement with a right of first refusal for ASK to negotiate a licence to commercialise the use of DIABECCELL in China.

February 2011

Foundations Grant USD280,000 for NZ Clinical Trial

Cure Kids and The Children with Diabetes Foundation have agreed to provide a grant of USD 280,000 to sponsor the two patients recently added to the Phase II clinical trial of DIABECCELL in New Zealand.

Encapsulation technology granted vital Australian patent

The Australian Patent Office granted a patent for IMMUPEL™, LCT's novel proprietary selectively permeable encapsulation technology which protects living cells from immune rejection.

Investment banker appointed to the board

Roy Austin, a principal at investment bank Northington Partners, was appointed a director. Roy brings deep commercial experience across multiple sectors including healthcare and biotechnology.

March 2011

Experienced businessman and lawyer appointed to the board

Robert Willcocks, a seasoned senior executive with expertise in law and business and commercial experience in resources and public and private equity, was appointed a director.

April 2011

Otsuka shares common DIABECCELL vision

Otsuka Pharmaceutical Factory Inc. invests \$3 million in LCT and commences negotiations for a collaborative research and licence agreement for the research, development and commercialisation of DIABECCELL in Japan and other Asian countries except China.

May 2011

Approval to conduct a clinical trial of DIABECCELL in Argentina

Approval was received to commence a Phase II clinical trial in Buenos Aires. This is the third jurisdiction which has approved human trials of DIABECCELL. Up to eight patients with unstable diabetes will receive two implants three months apart, with a dose seeking component. The first two patients were enrolled in June with implants scheduled for August.

June 2011

Presentations at World Congress of IPTA

Medical Director Professor Bob Elliott and Director of Research and Development Dr Olga Garkavenko presented papers at the World Congress of the International Pancreas and Islet Transplant Association. Professor Elliott's presentation entitled "Microencapsulated neonatal porcine islet implants alleviate unaware hypoglycaemia without immune suppression" showed evidence of a dramatic reduction in severe and unaware episodes of low blood glucose. Dr Garkavenko's presentation was entitled "Managing potential zoonotic infections in swine to human islet xenotransplants".

- Ends -

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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

This document contains certain forward-looking statements, relating to LCT's business, which can be identified by the use of forward-looking terminology such as "promising," "plans," "anticipated," "will," "project," "believe," "forecast," "expected," "estimated," "targeting," "aiming," "set to," "potential," "seeking to," "goal," "could provide," "intends," "is being developed," "could be," "on track," or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other health authorities' requirements regarding any one or more product candidates nor can there be any assurance that such product candidates will be approved by any health authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialization of the product candidates could be affected by, among other things, unexpected clinical trial results, including additional analysis of existing clinical data, and new clinical data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, product candidates, financial results and business prospects. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. LCT is providing this information and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.