

Living Cell Technologies Limited Company Announcement

Preliminary Final Report for the year ended 30 June 2012

- All 8 patients in the Argentine DIABECCELL[®] clinical trial successfully implanted
- Joint venture formed to accelerate the commercialisation of DIABECCELL
- Pre-clinical study of NTCELL[®] in Parkinson's completed, clinical trial planned to start in first quarter of 2013

29 August 2012 – Sydney, Australia, Auckland, New Zealand– Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY), a pioneer and world leader in cell transplant therapeutics focused on debilitating chronic diseases facing high unmet clinical need such as type 1 diabetes and Parkinson's, announced today the Preliminary Final report (Appendix 4E) on the results for the year ended 30 June 2012. In accordance with Listing Rule 4.3A, the report is attached.

This financial year has been another of exciting progress for LCT. Implants in the Phase II dose finding clinical trial of DIABECCELL in Buenos Aires, Argentina have now been completed. Each patient received two implants three months apart. In November a 50/50 joint venture company Diatranz Otsuka Limited (DOL) was formed with Otsuka Pharmaceutical Factory, Inc. (OPF) to commercialise DIABECCELL. LCT's DIABECCELL assets valued at \$A25m were sold to DOL and OPF deposited \$A25m into DOL's bank account. The study of implanting non-human primates with NTCELL for Parkinson's disease was completed and showed very promising improvements in both motor and neurological function. The company is delighted that Dr Barry Snow has agreed to be the Principal Investigator for the Phase 1 clinical trial of NTCELL for Parkinson's disease planned to start in the first quarter of 2013.

Financial Results

The net profit for the financial year to 30 June 2012 was \$5,676,000 compared to a loss of \$6,795,000 in the prior year. This turnaround was mainly due to the gain on sale of intellectual property to DOL of \$11,183,000, partially offset by the 50% share of DOL's loss for the eight months. Revenue for the year was \$3,837,000 compared to just \$307,000 last year. This revenue came from R&D and administrative services provided to DOL from 1 November 2011. R&D, Administrative and Occupancy expenses mainly relate to the first four months, when all of these costs were borne by the company, so they are less than the last full year.

The net cash used in operating activities of the company during the year to 30 June 2012 totalled \$2,487,000 compared to \$5,724,000 last financial year. Capital expenditure is below last year because it was incurred by DOL after 30 November 2011. The Share Purchase Plan raised \$1,082,000.

The end of year cash balance was \$3,170,000 compared to \$4,505,000 last year. The investment in DOL of \$12,100,000 is accounted for using the equity method.. Deferred income arises from service fees prepaid by DOL.

Key Announcements & Milestones Achieved

July 2011

Prestigious medical researcher appointed to the board of directors

Dr Tuch, BSc, MBBS (Hons), FRACP, PhD, has vast research and clinical experience in islet transplantation, is a practicing endocrinologist, and is recognised internationally as a leader in cell transplantation.

August 2011

Two patients implanted with DIABECCELL in Argentina

The first two patients participating in the Phase II clinical trial of DIABECCELL in Buenos Aires, Argentina received the first of two implants. This is the third jurisdiction where LCT has carried out clinical trials. Up to 8 patients will receive up to two implants of DIABECCELL three months apart.

October 2011

Otsuka commits \$A25 million to Joint Venture with LCT

Living Cell Technologies agreed to establish a 50/50 joint venture company Diatranz Otsuka Limited (DOL) with Otsuka Pharmaceutical Factory, Inc. to accelerate the commercialisation of DIABECCELL. DOL will contract with LCT to further refine the product, complete the clinical trials in New Zealand, Russia and Argentina, obtain product registration and bring DIABECCELL to market.

November 2011

\$A50 million JV to commercialise DIABECCELL settled

Settlement of the transactions relating to 50/50 joint venture company Diatranz Otsuka Limited (DOL) has been successfully completed. Otsuka Pharmaceutical Factory, Inc. has deposited \$A25m into DOL's bank account and LCT's DIABECCELL assets valued at \$A25m have been transferred to DOL. These assets include patents, trademarks, manufacturing and R&D facilities and the designated pathogen free pig herd. LCT has agreed to supply testing, R&D, pig breeding, clinical trial and administrative services to DOL and DOL has agreed to provide facilities and pig products to LCT at commercial rates.

December 2011

Dr Grant appointed Chief Executive

Andrea Grant PhD BA (Hons) was appointed Chief Executive commencing on 16 January 2012. Dr Grant has over 15 years' of executive experience in the medical research and pharmaceutical fields in Europe, USA and New Zealand. She has a PhD in molecular neurobiology and BA (Hons) in biochemistry from Cambridge University, UK

28 February 2012

Pre-clinical studies of NTCELL in Parkinson's completed

In the trial non-human primates implanted with NTCELL showed improvements in both motor and neurological function compared to the controls. These improvements persisted

for at least 6 months. Microscopic analysis clearly showed an increase in the number of dopamine producing neurons in the NTCELL subjects compared to the controls. There was no cellular or pathological evidence of inflammation or other adverse event.

March 2012

Share purchase plan announced

The plan offered shareholders on the register at 19 March the opportunity to purchase up to \$15,000 of shares at a 15% discount. It opened in 2 April and closed on 23 April.

April 2012

Dr Barry Snow to lead Parkinson's trial for LCT

Dr Barry Snow has agreed to be the Principal Investigator for the Phase 1 clinical trial of NTCELL for Parkinson's disease. LCT is planning to start the trial in the first quarter of 2013.

May 2012

Share Purchase Plan successful

The Share Purchase Plan raised over \$1m which will be used to conduct the clinical trial of NTCELL in Parkinson's disease, R&D on using NTCELL for other neurodegenerative diseases and operating expenses.

DIABECELL trial extension approved

The New Zealand Minister of Health approved trialling a higher dose of DIABECELL to complete the picture of the best procedure.

- Ends -

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About Living Cell Technologies

Living Cell Technologies (LCT) leads the world in developing cell-based therapeutics to treat diseases with high unmet clinical need. Its proprietary cell encapsulation technology IMMUPEL™ allows for cell transplantation without the need for immunosuppressant drugs.

LCT's lead therapeutic candidate DIABECELL® is indicated for the treatment of patients with type 1 diabetes, especially those suffering from life threatening episodes of unaware hypoglycaemia (low blood sugar), a dangerous and potentially fatal diabetes complication. DIABECELL is currently in Phase II clinical trials in both New Zealand and Argentina.

In 2011, LCT formed a partnership with Otsuka Pharmaceutical Factory Inc (OPF) in which the joint venture Diatranz Otsuka Limited (NZ) was established. Valued at A\$50m on formation, LCT vested the DIABECCELL product and associated IP into the JV, while OPF vested A\$25m to fund the final phase of development of DIABECCELL through to market approval. Both LCT and OPF are 50:50 shareholders in the current and future value generated by DIABECCELL and the associated IP.

LCT has also developed NTCELL, a choroid plexus cell product, to treat neurodegenerative diseases such as Parkinson's disease and stroke. NTCELL's trial results indicate potential for protecting, repairing and possibly regenerating brain tissue which would otherwise die.

LCT is incorporated in Australia. Research and development, operations and manufacturing facilities are based in New Zealand.

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.