Living Cell Technologies Limited
Company Announcement

Preliminary Final Report for the year ended 30 June 2012

- All 8 patients in the Argentine DIABECELL® clinical trial successfully implanted
- Joint venture formed to accelerate the commercialisation of DIABECELL
- 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 DIABECELL 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 DIABECELL. LCT's DIABECELL 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 DIABECELL in Argentina

The first two patients participating in the Phase II clinical trial of DIABECELL 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 DIABECELL 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 DIABECELL. 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 DIABECELL to market.

November 2011

$A50 million JV to commercialise DIABECELL 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 DIABECELL 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 DIABECELL product and associated IP into the JV, while OPF vested A$25m to fund the final phase of development of DIABECELL through to market approval. Both LCT and OPF are 50:50 shareholders in the current and future value generated by DIABECELL 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.

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