



## Living Cell Technologies Limited Company Announcement

### Appendix 4C Quarterly Cash Flow Report 31 March 2011

**20 April 2011: Sydney, Australia & Auckland, New Zealand– Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY)** , a global company pioneering the development of a cell implant to treat diabetes, announced today the quarterly cash flow report for the quarter ended 31 March 2011. The Appendix 4C is attached. The cash balance at the end of the quarter was \$3,468,825 compared to \$1,822,654 at 31 December 2010. This increase reflects the receipt of the Jiangsu Aosaikang Pharmaceutical Co., Limited subscription of \$1.7m and the USD280,000 grant from Cure Kids and Children with Diabetes Foundation offset by the continuing development cost of the promising lead product DIABECELL®. On 12 April 2011 the company signed a subscription agreement with Otsuka Pharmaceutical Factory, Inc. to receive \$3,000,000 from the issue of 19,000,000 shares at \$0.12 and \$720,000 of mandatorily converting notes which convert at \$0.12. The proceeds were received on 18 April 2011.

Net operating cash outflows in the quarter were \$861,027 compared to \$1,576,763 last quarter. Expenditure included \$1,073,385 on research and development (\$1,857,678 last quarter) for the supply of DIABECELL for the clinical trial in New Zealand and preclinical studies of NTCELL. Cash received from grants was \$828,194 (\$458,898 last quarter). Receipts from customers were \$6,205 (\$163,514 last quarter).

Capital expenditure was \$48,373 in the quarter, compared to \$30,677 last quarter, reflecting purchase of equipment to scale up production.

During the quarter two further patients in the New Zealand clinical trial received implants of DIABECELL, the company's encapsulated insulin producing cells for Type 1 diabetes. Patients have shown a significant reduction in life-threatening unaware low blood glucose events. One patient remains to be implanted in this dose finding trial.

- Ends -

For further information: [www.lctglobal.com](http://www.lctglobal.com)

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## About Living Cell Technologies - [www.lctglobal.com](http://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. The Company's lead product, DIABECCELL<sup>®</sup>, consists of microencapsulated porcine islets which are implanted into a patient's abdomen using a simple laparoscopic procedure. DIABECCELL is designed to help normalise the lives of people with unstable Type 1 diabetes, especially those suffering from life-threatening episodes of unaware hypoglycaemia (low blood sugar), a dangerous and potentially fatal diabetes complication. The Company entered clinical trials for its diabetes product in 2007 and very encouraging results have been reported to date. There have been no reports of product related adverse events. For the treatment of Parkinson's disease and other neurological disorders, the company implants microencapsulated choroid plexus cells NTCELL 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.*

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Living Cell Technologies Limited

ABN

14 104 028 042

Quarter ended ("current quarter")

31 March 2011

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (9 months) \$A
1.1 Receipts from customers	6,205	171,373
1.2 Payments for		
(a) staff costs	(521,011)	(1,165,879)
(b) advertising and marketing	(30,167)	(104,622)
(c) research and development	(1,073,385)	(3,961,655)
(d) leased assets	0	0
(e) other working capital	(90,344)	(776,707)
1.3 Dividends received	0	382
1.4 Interest and other items of a similar nature received	19,481	146,506
1.5 Interest and other costs of finance paid	0	(85)
1.6 Income taxes paid	0	0
1.7 Other - government grants received	828,194	1,823,821
<b>Net operating cash flows</b>	<b>(861,027)</b>	<b>(3,866,866)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A	Year to date (9 months) \$A
<b>1.8 Net operating cash flows (carried forward)</b>	<b>(861,027)</b>	<b>(3,866,866)</b>
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(48,373)	(110,811)
(e) other non-current assets		
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	0	800
(e) other non-current assets		
<b>1.11 Loans to other entities</b>		
<b>1.12 Loans repaid by other entities</b>		
<b>1.13 Other (provide details if material)</b>		
	<b>(48,373)</b>	<b>(110,011)</b>
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	<b>(909,400)</b>	<b>(3,976,877)</b>
<b>Cash flows related to financing activities</b>		
<b>1.15 Proceeds from issues of shares, options, etc.</b>	<b>2,570,090</b>	<b>4,570,090</b>
<b>1.16 Proceeds from sale of forfeited shares</b>		
<b>1.17 Proceeds from borrowings</b>	<b>0</b>	<b>0</b>
<b>1.18 Repayment of borrowings</b>	<b>0</b>	<b>(7,383)</b>
<b>1.19 Dividends paid</b>		
<b>1.20 Other (payment of share capital raising costs)</b>	<b>(12,227)</b>	<b>(216,762)</b>
<b>Net financing cash flows</b>	<b>2,557,863</b>	<b>4,345,945</b>
<b>Net increase (decrease) in cash held</b>	<b>1,648,463</b>	<b>369,068</b>
<b>1.21 Cash at beginning of quarter/year to date</b>	<b>1,822,654</b>	<b>3,121,524</b>
<b>1.22 Exchange rate adjustments to item 1.20</b>	<b>(2,292)</b>	<b>(21,767)</b>
<b>1.23 Cash at end of quarter</b>	<b>3,468,825</b>	<b>3,468,825</b>

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A
1.24	Aggregate amount of payments to the parties included in item 1.2	\$143,182
1.25	Aggregate amount of loans to the parties included in item 1.11	\$0
1.26	Explanation necessary for an understanding of the transactions	
	New Zealand directors' salaries & fees (2 executive directors)	\$ 39,662
	US Directors' fees (1 non executive director)	\$ 12,500
	Australian directors' fees (1 non executive director & 1 executive director)	\$ 91,020

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A
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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A
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**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A	Amount used \$A
3.1	Loan facilities		
3.2	Credit standby arrangements		

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A	Previous quarter \$A
4.1	Cash on hand and at bank	91,347	236,678
4.2	Deposits at call	3,377,478	1,585,976
4.3	Bank overdraft		
4.4	Other (provide details)		
<b>Total: cash at end of quarter (item 1.23)</b>		<b>3,468,825</b>	<b>1,822,654</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: .....Original signed..... Date: 20 April 2011  
 (Company secretary)

Print name: .....N J V Geddes.....

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## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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