



Living Cell Technologies Limited Company Announcement

LCT Half Yearly Report period ended 31 December 2010

25 February 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, today announced the half yearly report for the six months ended 31 December 2010. The report is attached.

The consolidated operating loss after income tax for the period 1 July to 31 December 2010 was \$4.3 million (2009 \$3.3m), an increase of 28% in the loss for the same period in the previous year. This is in line with management's expectations and reflects the continuing development cost of the promising lead product DIABECCELL[®]

During the six months ended 31 December 2010 4 patients in the New Zealand clinical trial received implants of DIABECCELL, the company's encapsulated insulin-producing cells for Type 1 diabetes. Patients have shown a dramatic reduction in life-threatening low blood glucose events and reduced insulin requirements. Approval has been granted to add 2 more patients to the Phase II trial to complete the dose-ranging data set needed to define the target product profile for Phase III trials.

For the period to 31 December 2010 grant funding income was \$0.8m (2009: \$0.0m). Research and development costs were \$2.8m in the period (2009: \$2.0m), reflecting the increased clinical trial activity and product registration in Russia. A foreign exchange loss of \$0.6m was reported compared to a loss of \$0.04m last year reflecting the weakening New Zealand dollar.

As at 31 December 2010 net assets were \$4.2m compared to \$8.4m at 31 December 2009 and \$6.2m as at 30 June 2010. Cash in the bank at 31 December 2010 decreased to \$1.8m (30 June 2010 \$3.1m). On 4 January 2011 the company completed the first closing of the \$5,750,000 funding facility with SpringTree Special Opportunities Fund, LP and received \$650,000. On 31 January 2011 Jiangsu Aosaikang Pharmaceutical Co., Limited signed a subscription agreement to buy 5% of the company's shares for \$1.72m.

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For further information: www.lctglobal.com

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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

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