Living Cell Technologies Limited
Company Announcement

Appendix 4C Quarterly Cash Flow Report 31 December 2010

28 January 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 December 2010. The Appendix 4C is attached. The cash balance at the end of the quarter was $1,822,654 compared to $3,506,933 at 30 September 2010. This decrease reflects the continuing development cost of the promising lead product DIABECELL®. 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.

Net operating cash outflows in the quarter were $1,576,763 compared to $1,429,070 last quarter. Expenditure included $1,857,678 on research and development ($1,030,592 last quarter) for the supply of DIABECELL for the clinical trial in New Zealand and product registration in Russia. Cash received from grants was $458,898 ($536,729 last quarter). Receipts from customers were $163,514 ($1,655 last quarter) as there were no receipts from the Centocor Research & Development Inc. research collaboration last quarter.

Capital expenditure was $30,677 in the quarter, compared to $31,767 last quarter, reflecting purchase of equipment to scale up production.

During the quarter patients 10 and 11 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 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.

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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. The Company's lead product, DIABECELL®, consists of microencapsulated porcine islets which are implanted into a patient's abdomen using a simple laparoscopic procedure. DIABECELL 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 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.