



Living Cell Technologies Limited Company Announcement

Appendix 4C Quarterly Cash Flow Report 31 December 2011

27 January 2012: Sydney, Australia & Auckland, New Zealand – Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY), announced today the quarterly cash flow report for the quarter ended 31 December 2011. The Appendix 4C is attached. The cash balance at the end of the quarter was \$2,487,018 compared to \$2,875,447 at 30 September 2011. This decrease reflects the continuing development cost of the lead product DIABECCELL[®] until 1 November and the primate study of NTCELL for the treatment of Parkinson's disease, partially offset by service fees.

Net operating cash outflows in the quarter were \$296,435 compared to \$1,797,312 last quarter. Receipts from customers were \$1,256,832 reflecting the services provided to Diatranz Otsuka Limited (DOL) from 1 November (last quarter \$3,589). Expenditure included \$984,148 on research and development (\$1,350,842 last quarter) for the supply of DIABECCELL for the clinical trial in Argentina, services to DOL and preclinical studies of NTCELL. Cash received from grants was \$230,548 (\$230,924 last quarter).

Capital expenditure was \$0 in the quarter, compared to \$40,622 last quarter.

On 1 November 2011 the company settled the formation of a 50/50 company Diatranz Otsuka Limited (DOL) with Otsuka Pharmaceutical Factory, Inc. (OPF), to accelerate the commercialisation of DIABECCELL. LCT transferred DIABECCELL assets into Diatranz Otsuka Limited for \$25m of shares and OPF invested \$25m of cash in DOL. LCT provides research and development and administrative services to DOL at commercial rates and retains access to the facilities and designated pathogen free pigs for products other than diabetes.

- Ends -

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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, DIABECCELL[®], 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 remarkable 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.

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