



## Living Cell Technologies Limited Company Announcement

### Appendix 4C Quarterly Cash Flow Report 30 September 2012

**30 October 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 30 September 2012. The Appendix 4C is attached. The cash balance at the end of the quarter was \$2,942,000 compared to \$3,170,000 at 30 June 2012. This slight decrease reflects the services fee received from Diatrantz Otsuka Limited (DOL) for the continuing development cost of DIABECCELL<sup>®</sup>, offset by the cost of developing NTCELL<sup>®</sup> for the treatment of Parkinson's disease.

Net operating cash flow in the quarter was (\$232,000) compared to (\$491,000) last quarter. Receipts from customers were \$1,658,000 reflecting the services provided to DOL (last quarter \$1,529,000). Operating payments were \$1,920,000 compared to \$2,040,000 last quarter. They include payments for the services provided to DOL for the development of DIABECCELL, costs of the NTCELL clinical trial application and continuing preparation for the Good Manufacturing Practice manufacture of NTCELL for the clinical trial in the first quarter of 2013.

Capital expenditure was \$13,000 in the quarter, compared to \$2,000 last quarter.

"The DOL joint venture with Otsuka Pharmaceutical Factory continues to fully fund the expense involved in the late stage development of DIABECCELL, says Dr Andrea Grant, CEO "this enables LCT to focus funds on the development of our other pipeline products, such as NTCELL for Parkinson's disease"

- Ends -

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

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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<sup>™</sup> allows for cell transplantation without the need for immunosuppressant drugs.

LCT's lead therapeutic candidate DIABECCELL<sup>®</sup> 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. DIABECCELL 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 DIABECCELL product and associated IP into the JV, while OPF vested A\$25m to fund the final phase of development of DIABECCELL through to market approval. Both LCT and OPF are 50:50 shareholders in the current and future value generated by DIABECCELL 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.

### **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 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Living Cell Technologies Limited

ABN

14 104 028 042

Quarter ended ("current quarter")

30 September 2012

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (...3.... months) \$A'000
1.1 Receipts from customers	1,658	1,658
1.2 Payments for (a) staff costs	(283)	(283)
(b) advertising and marketing	(17)	(17)
(c) research and development	(1,620)	(1,620)
(d) leased assets	-	-
(e) other working capital	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	30	30
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (government grants received)	-	-
<b>Net operating cash flows</b>	<b>(232)</b>	<b>(232)</b>

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date (...3... months) \$A'000
1.8 Net operating cash flows (carried forward)	(232)	(232)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(13)	(13)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	(13)	(13)
<b>1.14 Total operating and investing cash flows</b>	(245)	(245)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	-	-
<b>Net increase (decrease) in cash held</b>	(245)	(245)
1.21 Cash at beginning of quarter/year to date	3,170	3,170
1.22 Exchange rate adjustments to item 1.20	17	17
<b>1.23 Cash at end of quarter</b>	<b>2,942</b>	<b>2,942</b>

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**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'000
1.24	Aggregate amount of payments to the parties included in item 1.2	95
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Salaries & fees paid to directors for the quarter

**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

NIL

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

NIL

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
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'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	599	223
4.2 Deposits at call	2,343	2,947
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>2,942</b>	<b>3,170</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  
(Director/Company secretary)

Date: 30 October 2012

Print name: NJV 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 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting 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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