Living Cell Technologies Limited

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ASX: LCT
OTCQX: LVCLY

ASX ANNOUNCEMENT

Half yearly report ended 31 December 2016

22 February 2017 – Sydney, Australia & Auckland, New Zealand – Living Cell Technologies Limited today announced the half yearly report for the six months ended 31 December 2016. The report is attached.

The consolidated operating loss after income tax for the period 1 July to 31 December 2016 was $2.1m (2015 loss $1.4 m). The main reason for the increased loss is that during the period, groups 1 and 2 of the Phase IIb clinical trial of NTCELL® for Parkinson's disease were treated at Auckland City Hospital and the cost of securing the supply and manufacture of NTCELL.

Services provided increased, reflecting the facilities provided to the 50% joint venture company Diatranz Otsuka Limited (DOL) now that the company leases the manufacturing premises. Callaghan Innovation Growth Grant income increased as a result of increased eligible R&D expenditure.

Research and development has increased significantly due to completion of groups 1 and 2 and the manufacture of NTCELL® for the Phase IIb clinical trial. General and administration expenses were similar to last year. The company's share of joint venture losses exceeds its interest in the joint venture so the losses are no longer equity accounted.

As at 31 December 2016 net assets were $9.8m compared to $3.7m at 31 December 2015 and $5.7m as at 30 June 2016. Cash and cash equivalents at 31 December 2016 increased to $8.6m (30 June 2016 $5.3m). This increase is primarily due to the capital raising of $6.3m at the end of November, partially offset by increased R&D expenditure.

– Ends –

For further information: www.lctglobal.com

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About Living Cell Technologies
Living Cell Technologies Limited (LCT) is an Australasian biotechnology company improving the wellbeing of people with serious diseases worldwide by discovering, developing and commercialising regenerative treatments which restore function using naturally occurring cells.

LCT's lead product, NTCELL®, is an alginate coated capsule containing clusters of neonatal porcine choroid plexus cells. After transplantation NTCELL functions as a biological factory, producing factors to promote new central nervous system growth and repair disease-induced nerve degeneration.

The Phase I/IIa NTCELL clinical trial in New Zealand for the treatment of Parkinson's disease met the primary endpoint of safety and reversed progression of the disease two years after implant. Results from this trial were used to design a larger Phase IIb trial to confirm the most effective dose of NTCELL, define any placebo component of the response and further identify the initial target Parkinson's disease patient sub group. This trial commenced in March 2016. If the trial is successful, the company will apply in late 2017 for provisional consent to treat paying patients in New Zealand and launch NTCELL as the first disease modifying treatment for Parkinson's disease.

In addition to Parkinson's disease, NTCELL has the potential to be used in a number of other central nervous system indications, including Huntington's, Alzheimer's and motor neurone diseases including amyotrophic lateral sclerosis (ALS).

LCT's proprietary encapsulation technology, IMMUPEL™, allows cell therapies to be used without the need for co-treatment with drugs that suppress the immune system.

LCT is listed on the Australian (ASX: LCT) and US (OTCQX: LVCLY) stock exchanges. The company is incorporated in Australia, with its operations based in New Zealand.

For more information visit www.lctglobal.com or follow @lctglobal on Twitter.

Forward-looking statements
This document may contain 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 commercialisation 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 materialise, 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.