



Living Cell Technologies Limited Company Announcement

Living Cell Technologies Welcomes Pharmaceutical Investor

- Jiangsu Aosaikang Pharmaceutical to take 5% equity position in LCT
- A\$1.72m investment
- LCT and ASK intend to collaborate on research for clinical trials in China

31 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 therapy to treat diabetes, today announced that a binding subscription agreement has been executed in relation to share placement with Jiangsu Aosaikang Pharmaceutical Co., Ltd. ("ASK"). The proposed placement is for the issue of 14,334,080 LCT shares at A\$0.12 per share, to raise A\$1.72m. This represents a 5% equity stake in LCT, the funds to be received by LCT from ASK not later than 4 March 2011.

LCT will use the proceeds from the investment to fund further development and clinical trials of its breakthrough lead product DIABECCELL[®], for the treatment of Type 1 diabetes.

ASK is a private research-based pharmaceutical company, based in Nanjing, China. Established in 2005, ASK develops, produces and markets pharmaceuticals and healthcare products, and has over sixty pharmaceutical products in the market place.

In addition to ASK's investment, the companies have also agreed to negotiate a collaborative research agreement, the terms of which are proposed to include LCT granting ASK a right of first refusal to negotiate a licence to commercialise the use of DIABECCELL in China and become the sole agency to implant and treat patients with DIABECCELL once the product is registered in China.

LCT CEO and Managing Director Dr Ross Macdonald said: "We are very pleased to have the support of Jiangsu Aosaikang, through this investment and interest as a collaborator, reflecting the increasing attention that LCT's work is generating from leading companies worldwide. Our relationship with ASK provides us with a highly experienced, knowledgeable local partner in a large and promising emerging market."

LCT Chairman and Medical Director Professor Robert Elliott noted: "We are looking forward to working together with ASK as partners to research and develop DIABECCELL in China. This is consistent with our strategy to seek quality organisations around the world as collaborators in the development and commercialisation of DIABECCELL. ASK has a proven track record in developing and marketing innovative products and therefore understands the potential of a therapy like DIABECCELL."

ASK Chairman and CEO Dr Qingcai Chen added: "We are quite honoured to be granted with such an opportunity to establish a strategic partnership with LCT, a global leader in the treatment of Type 1 diabetes. At the same time we are also very excited by the opportunity to bring DIABECCELL into China which would be great news for those patients who are suffering.

Like other markets globally, Type 1 diabetes is a major disease in China, which currently has inadequate treatment options. We see DIABECCELL as a significant step in offering Chinese diabetics real treatment options and improved lifestyles. More importantly, we are pleased to be working with such an innovative company as LCT."

The transaction is expected to be completed by early March and shares issued soon after receipt of funds and subject to regulatory approval.

– Ends –

Terms of the Agreement:

- 5% of LCT Current Outstanding Ordinary Shares (286,681,595) totalling 14,334,080 Shares
- Share Purchase Price: AU\$0.12 with total purchase price of A\$1,720,090 to be received by LCT no later than 4 March 2011
- LCT and ASK agree to negotiate in good faith to enter into a collaborative research agreement to conduct research in a clinical trial in China with DIABECCELL within 60 days of the date of issue of securities by LCT to ASK
- This agreement may include the potential for a joint venture company as a mutually beneficial means to facilitate such research. This collaborative research agreement is also proposed to include the grant by LCT to ASK of a right of first refusal to negotiate a licence to commercialise the use of DIABECCELL for the treatment of Type I diabetes in China and to become the sole agency for DIABECCELL Designated Centres of Excellence (DDCE) to implant and treat patients with DIABECCELL once the product is registered in China.
- The placement is subject to regulatory approvals being obtained by LCT to the extent such approvals are required. LCT will apply to ASX Limited for quotation of the placement shares on the Australian Securities Exchange.
- Shareholder approval to the proposed issue is not required (see LR 3.10.3).

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.

About Jiangsu Aosaikang Pharmaceutical Co., Ltd. - ask-pharm.com

Jiangsu Aosaikang Pharmaceutical Co., Ltd., a subsidiary of Nanjing Aosaikang Medicinal Group, is a research-based pharmaceutical company located in the Science Park in Nanjing, China. Established in September 2005, ASK is a hi-tech, modern, non-stated owned enterprise integrating the research, development, production, market promotion and sales of medicine, fine chemicals and health care products. With specialized mass production as well as outstanding research and development

capacity, it continually launches new products into the market. ASK has sixty plus products on market, covering categories of gastrointestinal, cardiovascular, anti-tumor, and antibiotics. ASK is currently one of the pharmaceutical companies in China with a variety of oncology products and also PPI injection drugs. ASK has three main facilities at its new \$US 10 million state-of-the-art 120,000m² site, encompassing R&D, cGMP production, and retail sales and service. In 2006, ASK was named one of the Top 100 private enterprises in Nanjing. In 2010, ASK was awarded as a Top Ten National R&D Innovator and ranked in the Top 100 Chinese pharmaceutical companies.

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.