

**Living Cell Technologies Ltd**

PO Box 3014, Auburn VIC 3123

ABN: 14 104 028 042

**Quarterly Cash Flow Report Period Ended 31 March 2007***ASX Announcement – 30 April 2007*

Attached is the Appendix 4C – Quarterly Cash Flow Report – for Living Cell Technologies (ASX:LCT) for the quarter ended 31 March 2007.

The cash balance at the end of the quarter was \$3,602,961 compared to \$896,334 at the end of the quarter to 31 December 2006.

The increase in available cash resulted from capital raisings during the quarter, with \$5,225,417 generated from issuing new shares. The majority of the capital raised was announced in February 2007, comprising \$3.0 million from a successful Share Purchase Plan and a \$1.3 million private placement. In addition in excess of \$800,000 was received in early January 2007 relating to a private placement announced in December 2006.

Net operating cash flows for the quarter to 31 March 2007 amounted to \$2,143,467, up from \$1,132,493 in the preceding quarter, an increase of \$1,010,974 in the period. This was largely attributable to an increase in working capital expenditure, which increased by \$791,365 from \$441,135 in the December quarter, to \$1,232,500 in the March quarter. Included in the working capital expenditure were a range of “one off” costs associated with the wind down of Living Cell Technologies Ltd’s North American operation, LCT BioPharma Inc, including final vacation leave entitlements and termination payments paid to US based staff.

In the quarter LCT has achieved a number of major milestones, the most notable being approval to start its diabetes cell transplant clinical trial. After a seven month strenuous international review, the New Zealand regulatory Medsafe has provided approval for LCT to proceed with its clinical trial application. LCT will now obtain ethics approval prior to beginning the trial before the end of the calendar year.

In addition, LCT has received regulatory and ethics approval to begin a Phase I/IIa clinical trial in Russia for its DiabeCell diabetes cell transplant. Patient recruitment has started and the first transplants are expected this coming month.

LCT has also recently announced the establishment of a Level 1 American Depository Receipt Program (ADR) under the Bank of New York. This program will assist in broadening and diversifying LCT’s shareholder base, by making it easier for US investors to access the stock, as well as increasing visibility of LCT in the international market.

The regulatory approvals provide a considerable validation for the Company’s capabilities. LCT is the only xeno cell transplant company to have met current regulatory guidelines of a high-health safe pig herd, GMP manufacturing and an audited diagnostic laboratory for monitoring of transplant recipients.

The first quarter for the calendar year has also seen LCT announce a new CEO – Dr Paul Tan, who has considerable experience in the production and development of products through clinical trials to commercialisation.

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| <b>Further information: <a href="http://www.lctglobal.com">www.lctglobal.com</a></b> |  |  |
| Richard Justice<br>Chief Financial Officer<br>Mob: +64 27 222 3806                   | Paul Tan<br>CEO<br>Mob: +64 21 608 784 | Paris Brooke<br>General Manager -<br>Australia<br>Mob: +61 407 715 574 |

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Living Cell Technologies Limited

ABN

14 104 028 042

Quarter ended ("current quarter")

31 March 2007

### Consolidated statement of cash flows

| Cash flows related to operating activities                | Current quarter<br>\$A | Year to date<br>(.6. months)<br>\$A |
|---|------------------------|-------------------------------------|
| 1.1 Receipts from customers                               | 128                    | 592                                 |
| 1.2 Payments for  |                        |                                     |
| (a) staff costs   | (150,515)              | (414,058)                           |
| (b) advertising and marketing                             | (5,433)                | (12,788)                            |
| (c) research and development                              | (894,851)              | (2,679,142)                         |
| (d) leased assets   | 0                      | 0                                   |
| (e) other working capital                                 | (1,232,500)            | (2,396,125)                         |
| 1.3 Dividends received                                    | 0                      | 402                                 |
| 1.4 Interest and other items of a similar nature received | 24,988                 | 66,528                              |
| 1.5 Interest and other costs of finance paid              | (16)                   | (154)                               |
| 1.6 Income taxes paid                                     | 0                      | 0                                   |
| 1.7 Other (Government Grants)                             | 114,732                | 638,512                             |
| <b>Net operating cash flows</b>                           | <b>(2,143,467)</b>     | <b>(4,796,233)</b>                  |

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

|   | Current quarter<br>\$A | Year to date<br>(..6.. months)<br>\$A |
|---|------------------------|---------------------------------------|
| 1.8 <b>Net operating cash flows (carried forward)</b> | <b>(2,143,467)</b>     | <b>(4,796,233)</b>                    |
| 1.9 <b>Cash flows related to investing activities</b> |                        |                                       |
| Payment for acquisition of:                           |                        |                                       |
| (a) businesses (item 5)                               |                        |                                       |
| (b) equity investments                                |                        |                                       |
| (c) intellectual property                             |                        |                                       |
| (d) physical non-current assets                       | (14,222)               | (130,674)                             |
| (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>(14,222)</b>        | <b>(130,674)</b>                      |
| <b>Net investing cash flows</b>                       |                        |                                       |
| 1.14 <b>Total operating and investing cash flows</b>  | <b>(2,157,689)</b>     | <b>(4,926,907)</b>                    |
| <b>Cash flows related to financing activities</b>     |                        |                                       |
| 1.15 Proceeds from issues of shares, options, etc.    | 5,225,417              | 5,936,709                             |
| 1.16 Proceeds from sale of forfeited shares           |                        |                                       |
| 1.17 Proceeds from borrowings                         | 0                      | 0                                     |
| 1.18 Repayment of borrowings                          | 0                      | 0                                     |
| 1.19 Dividends paid                                   |                        |                                       |
| 1.20 Other (payment of share capital raising costs)   | (361,100)              | (363,220)                             |
| <b>Net financing cash flows</b>                       | <b>4,864,317</b>       | <b>5,573,489</b>                      |
| <b>Net increase (decrease) in cash held</b>           | <b>(2,706,628)</b>     | <b>646,582</b>                        |
| 1.21 Cash at beginning of quarter/year to date        | 896,333                | 2,956,379                             |
| 1.22 Exchange rate adjustments to item 1.20           |                        |                                       |
| 1.23 <b>Cash at end of quarter</b>                    | <b>3,602,961</b>       | <b>3,602,961</b>                      |

+ See chapter 19 for defined terms.

**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<br>\$A |
|------|--|------------------------|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2                           | 398,756                |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11                             | 0                      |
| 1.26 | Explanation necessary for an understanding of the transactions                             |                        |
|      | New Zealand executive directors' (2) salaries & fees                                       | \$105,120              |
|      | US directors (2) – including redundancy payment for one director ceasing to be an employee | \$264,267              |
|      | Australian non executive directors' fees (2)   | \$ 29,369              |

**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

|     |
|-----|
| N/A |
|-----|

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

|     |
|-----|
| N/A |
|-----|

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

|     |                             | Amount available<br>\$A | Amount used<br>\$A |
|-----|-----------------------------|-------------------------|--------------------|
| 3.1 | Loan facilities             |                         |                    |
| 3.2 | Credit standby arrangements |                         |                    |

+ See chapter 19 for defined terms.



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 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting 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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