



Living Cell Technologies Limited

COMPANY ANNOUNCEMENT

Living Cell Technologies half yearly report period ended 31 December 2009

25 February 2010 – Sydney, Australia, Auckland, New Zealand – Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY) today announced the half yearly report for the six months ended 31 December 2009. The report is attached.

The consolidated operating loss after income tax for the period 1 July to 31 December 2009 was \$3.3 million (2008 \$2.9m), an increase of 15% in the loss for the same period in the previous year and is in line with management's expectations.

During the six months ended 31 December 2009 two patients were implanted with a medium dose in the New Zealand the clinical trial of DIABECELL®, the company's encapsulated insulin producing cells for type 1 diabetes. The first patient was reported to have dropped his daily insulin dose by 30% while maintaining his usual blood glucose levels. The Phase I/IIa clinical trial in Russia has continued to show positive results with conservative doses of DIABECELL®. To date, eight patients with insulin dependent diabetes have received between one and three implants of DIABECELL® without remarkable adverse events.

In December the company signed a further research collaboration with Centocor Research & Development Inc. and granted an exclusive two year option to take up a world-wide licence for LCT's encapsulation technology for use in a specified field. The research fees and annual option fees will provide a revenue stream for the company.

For the period to 31 December 2009, grant funding received was \$0.0m (2008: \$0.4m). Employee costs totalling \$1.6m were slightly below the previous year's spending (2008: \$1.7m). Research and development costs were \$0.7m in the period (2008: \$0.8m), reflecting the clinical trial activity. A foreign exchange loss of \$0.04m was reported compared to a gain of \$1.02m last year reflecting the weakening New Zealand dollar.

As at 31 December 2009, net assets were \$8.4m compared to \$8.7m at 31 December 2008 and \$5.5m as at 30 June 2009. Cash in the bank at 31 December 2009 increased to \$5.5m (30 June 2009 \$2.9m) as a result of the private placement on 4 August raising \$4.2m and the Share Purchase Plan which closed on 17 December raising \$2.2m.

-Ends-

For further information:

Dr. Paul Tan
Chief Executive Officer
Mob: 0402 716 984 (AUS)
Mob: 021 608 784 (NZ)
Tel: +64 9 276 2690
ptan@lctglobal.com

Prof. Bob Elliott

Mr John Cowan
Finance & Administration Manager
Tel: +64 9 276 2690
jcowan@lctglobal.com

Paul Dekkers



Medical Director
Mob: +64 27 292 4177
Tel: +64 9 276 2690
relliott@lctglobal.com

Investor and Media Relations
Tel: +612 9237 2800
pdekkers@bcg.com.au

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 Parkinson's disease, Huntington's disease and other neurological disorders, the company is developing 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.

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 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.