



Living Cell Technologies Ltd

PO Box 3014, Auburn VIC 3123

ABN: 14 104 028 042

Quarterly cash flow report Period ended Sept 30th 2007

ASX announcement 31 October 2007,

Attached is the Appendix 4C – Quarterly cash flow report – for Living Cell Technologies (ASX:LCT,OTC:LVCLY) for the quarter ended Sept 30th 2007.

The cash balance at the end of the quarter was \$1,246,366 compared to \$2,449,768 at the end of the quarter to June 30th 2007.

The \$1,203,402 decrease was mainly due to normal operational cash expenditure of \$1,164,925 compared to \$1,157,679 last quarter. Expenditure included \$436,674 on research and development expenditure (\$423,335 for the quarter to 30th June).

This quarter saw the commencement of the Phase I/IIa clinical trials in Russia, in addition to ethics and regulatory approval to commence clinical trials in New Zealand in early 2008. The phase I/IIa trials preliminary results as announced on Oct 3rd and Oct 22nd were very encouraging and led to a further \$6.4m being raised for the company from Australian and New Zealand investors, subject to shareholder approval at the General Meeting to be held on 27th November. This amount is in addition to an initial placement of up to \$2.2 million from NaviGroup Management Ltd in the US, with NaviGroup having an option to subscribe for up to a further \$6.6 million, also subject to shareholder approval.

The combination of the NaviGroup investments in LCT and the private placement by Taylor Collison could raise up to approximately \$15 million placing the company in a very strong financial position moving forward. These events have moved the company to a whole new level allowing the progression of clinical trials and an upgrade of the production facilities.

For further information: www.lctglobal.com

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About Living Cell Technologies: www.lctglobal.com

Living Cell is developing live cell therapy 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.

Further background information on the trial is available at

<http://www.lctglobal.com/news/167.php>

<http://www.lctglobal.com/news/149.php>

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, 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. In particular, management's expectations regarding the approval and commercialization of product candidates could be affected by, among other things, unexpected clinical trial results; 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.

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")

30 September 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (..3.. months) \$A
1.1 Receipts from customers	172	172
1.2 Payments for		
(a) staff costs	(111,622)	(111,622)
(b) advertising and marketing	(14,135)	(14,135)
(c) research and development	(436,674)	(436,674)
(d) leased assets	0	0
(e) other working capital	(835,051)	(835,051)
1.3 Dividends received	416	416
1.4 Interest and other items of a similar nature received	13,562	13,562
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Other (Government Grants)	218,407	218,407
Net operating cash flows	(1,164,925)	(1,164,925)

+ See chapter 19 for defined terms.

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

	Current quarter \$A	Year to date (..3.. months) \$A
1.8 Net operating cash flows (carried forward)	(1,164,925)	(1,164,925)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(54,001)	(54,001)
(e) other non-current assets		
1.10 Proceeds from disposal of:	18,844	18,844
(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)		
	(35,156)	(35,156)
Net investing cash flows		
1.14 Total operating and investing cash flows	(1,200,081)	(1,200,081)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	0	0
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)	(3,321)	(3,321)
Net financing cash flows	(3,321)	(3,321)
Net increase (decrease) in cash held	(1,203,402)	(1,203,402)
1.21 Cash at beginning of quarter/year to date	2,449,768	2,449,768
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	1,246,366	1,246,366

+ 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 \$A
1.24	Aggregate amount of payments to the parties included in item 1.2	\$107,910
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 directors salaries & fees (3directors)	\$68,326
	US Director's fees (1 director)	\$12,500
	Australian directors' fees (2 directors)	\$43,702

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 \$A	Amount used \$A
3.1	Loan facilities		
3.2	Credit standby arrangements		

+ See chapter 19 for defined terms.

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

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	Previous quarter \$A
4.1 Cash on hand and at bank	1,246,366	2,449,768
4.2 Deposits at call	0	0
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	1,246,366	2,449,768

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
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 /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: [original signed] Date: 31 Oct 07
 (Director/Company secretary)

Print name: NJV Geddes

Notes

+ 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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