



Living Cell Technologies Ltd

**COMPANY ANNOUNCEMENT
Appendix 4C Quarterly Report**

Quarterly cash flow report period ended 31 December 2008

30 January 2009 – Sydney, Australia, Auckland, New Zealand – Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY) today announced the quarterly cash flow report for the quarter ended 31 December 2008. The appendix 4C is attached.

The cash balance at the end of the quarter was \$7,235,292 compared to \$8,670,253 at the end of the quarter to 30 September 2008.

The \$1,434,961 decrease was mainly due to normal operational cash expenditure of \$678,229 compared to \$1,325,758 last quarter. Expenditure included \$887,036 on research and development (\$654,668 last quarter) to meet the supply of higher doses of DiabeCell in the Russian clinical trial. Capital expenditure increased to \$509,498 in the quarter, compared to \$253,822 last quarter, reflecting construction of the new pig facility. Cash received from Government grants increased to \$266,764 from \$60,271.

The ending quarter 31 December saw further data being released to confirm clinical benefit to all patients involved in the clinical trial to date and no remarkable adverse events.

Building consent for the new pig facility was granted and construction commenced. This new facility will be crucial to the supply of DiabeCell for the New Zealand trial in 2009, following approval from New Zealand's Health Minister on 21 October 2008.

In December the company entered into a research agreement with Centocor Research & Development, Inc to carry out research on the use of LCT's proprietary encapsulation technology. This arrangement has the potential for ongoing collaboration and future licensing opportunities.

To focus funds and activities on servicing the clinical trials in Russia and New Zealand Dr Robert Caspari stood down as CEO but remains a director. Dr Paul Tan resumed the CEO role.

-Ends-

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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 bio-certified pig herd that it uses as a source of cells for treating diabetes and neurological disorders. For patients having type 1 diabetes, the Company implants micro-encapsulated islet cells so that near-normal blood glucose levels may be achieved without the need for administration of insulin or at significantly reduced levels. LCT entered clinical trials for its diabetes product in 2007. The Company is developing treatments for Parkinson's disease and other neurological disorders that involve implantation of micro-encapsulated choroid plexus cells to deliver beneficial proteins and neurotrophic factors to the brain. LCT's technology has the potential for allowing 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 is developing 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 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 as of December 18 2008, 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.

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 December 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (.6. months) \$A
1.1 Receipts from customers	188	228
1.2 Payments for		
(a) staff costs	(127,795)	(226,138)
(b) advertising and marketing	(86,158)	(115,185)
(c) research and development	(887,036)	(1,541,704)
(d) leased assets	(982)	(2,006)
(e) other working capital	(678,229)	(2,003,981)
1.3 Dividends received	20	398
1.4 Interest and other items of a similar nature received	143,637	314,589
1.5 Interest and other costs of finance paid	0	(3)
1.6 Income taxes paid	0	0
1.7 Other - Government Grants received	266,764	327,035
Net operating cash flows	(1,369,591)	(3,246,767)

+ See chapter 19 for defined terms.

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

	Current quarter \$A	Year to date (..6.. months) \$A
1.8 Net operating cash flows (carried forward)	(1,369,591)	(3,246,767)
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	(509,498)	(763,321)
(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	0	36,437
(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)		
	(509,499)	(726,884)
Net investing cash flows		
1.14 Total operating and investing cash flows	(1,879,090)	(3,973,651)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings	(48,567)	(51,089)
1.19 Dividends paid		
1.20 Other (payment of share capital raising costs)	(2,445)	(2,445)
Net financing cash flows	(51,012)	(53,534)
Net increase (decrease) in cash held	(1,930,102)	(4,027,185)
1.21 Cash at beginning of quarter/year to date	8,670,253	10,767,335
1.22 Exchange rate adjustments to item 1.20	495,140	495,142
1.23 Cash at end of quarter	7,235,292	7,235,292

+ 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	\$538,978
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 (1 non executive, 2 executive directors)	\$259,022
	US Director's fees (2 non executive director)	\$217,456
	Australian directors' fees (2 non executive directors)	\$62,500

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	779,356	629,634
4.2	Deposits at call	6,455,936	8,040,619
4.3	Bank overdraft		
4.4	Other (provide details)		
Total: cash at end of quarter (item 1.23)		7,235,292	8,670,253

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: Date:
(Director/Company secretary)

Print name:

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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