

Living Cell Technologies Investor Update – March 2007

The information below is to help explain the current business and research activities undertaken by Living Cell Technologies and the implications for the progression of its lead products to market.

This monthly update will be made available on the company's website.

Share purchase plan completed

- Living Cell Technologies announced that it closed its Share Purchase Plan (SPP) offer to a total value of AUD\$3 million, as well as an additional private placement of \$1.3 million in capital.
- The SPP raised AUD\$1.982 million in capital from eligible Australian and New Zealand shareholders, with a further \$1.018 million being taken up by clients of stock broking firm Taylor Collison, who underwrote the SPP.
- This represents 17, 142, 857 new ordinary shares in the company, to bring the total number of shares held to 145 million.
- Under the Share Purchase Plan, Australian and New Zealand eligible shareholders were able to purchase up to \$5,000 worth of new shares.
- The raised funds are intended for working capital to drive the first phase of LCT's clinical trial program in two jurisdictions.

Half-yearly financial report released

- LCT lodged the audited financial statements for the six month period ended 31 December 2006.
- The cash balance at 31 December 2006 was \$896,333.
- During the period completed capital raising activities added \$711,000 to contributed equity, with shares issued at 15 cents per share.
- A further \$5.1 million was received after balance date from the proceeds of the recently completed Share Purchase Plan and private placements, all completed at 17.5 cents per share.
- This represents close to a further 12 months in capital requirements for the company, as it moves into clinical trials.

What they said

"The success of the SPP and recent placements supports a very much improved financial position than showing as at 31 December and enables LCT to move swiftly into its Phase I/IIa clinical trial."

LCT Chief Financial Officer Richard Justice

Outlook for 2007

- Start human clinical trials for the DiabeCell® type 1 diabetes product - Q2, 2007, Russia – patient transplants completed by Q3, 2007.
- Intended further clinical trial for DiabeCell in New Zealand in 2007.
- Develop an additional disease free pig facility to enable cell production to meet late clinical studies and market.
- Progress pre-clinical studies of NtCell in Huntington disease, stroke and hearing loss.

Product Development

- Expected product revenues by 2010/11
- The realignment of LCT's product and clinical strategy has shifted focus towards DiabeCell®, which has the potential to provide shareholder returns within a shorter timeframe.
- LCT's specialised biocapsules used in targeted cell delivery are fully characterised & scaled (with GMP accreditation).
- Further expansion of pig production and manufacturing capabilities to provide clinical grade products and assessment of market/licensing opportunities.

DiabeCell®

- Approved for a Phase I/IIa clinical trial in Russia designed according to FDA guidelines and monitored by a Boston-based contract research organisation.
- Application for human clinical trials also lodged with NZ regulator MedSafe.
- Awaiting approval from MedSafe to begin patient recruitment and monitoring for human clinical trial in New Zealand.

Product Pipeline

- NeurotrophinCell (NtCell) well-tolerated in pre-clinical primate studies targeting neurological disorders with no evidence of adverse side effects.
- NtCell significantly diminishes the degeneration of striatal neurons in neurodegenerative conditions such as Huntington's disease.
- Early stage research indicates the NtCell product may be effective in protecting insulin secreting beta cells and preventing the onset of diabetes in a non-obese diabetic (NOD) mouse model of Type 1 diabetes.



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