



20 March, 2012

Dear Shareholder

### **Living Cell Technologies Limited – Share Purchase Plan**

On behalf of the Board of Directors, I am pleased to offer eligible LCT shareholders an opportunity to further participate in the success of the Company through the Share Purchase Plan (SPP) which was announced on 20 March 2012.

Under the SPP, holders of fully paid ordinary LCT shares on the share register at the record date of 19 March 2012, with an address in Australia or New Zealand are invited to purchase up to \$15,000 worth of new shares (subject to a minimum application of \$1,000) regardless of the number of LCT shares they currently hold. Custodians will be able to apply on behalf of nominees pursuant to ASIC Class Order (CO 09/425). Participation in the SPP is entirely voluntary.

This SPP offer opens on Monday 2 April and will remain open until Monday 23 April 2012.

The issue price for shares offered under the SPP will be a 15% discount to the volume weighted average closing price of LCT ordinary shares during the five trading days before the closing date for applications under the SPP.

### **LCT continuing towards market**

During the last 12 months LCT has met a number of significant milestones. Our lead product DIABECCELL<sup>®</sup> is in Phase II trials in both NZ and Argentina and a clear path to market is in sight. The commercial promise of DIABECCELL has enabled us to secure a major pharmaceutical partner and form the 50:50 joint-venture Diatranz Otsuka Limited (DOL). With a \$25m cash asset, DOL is set to fund the final phase of development and commercialisation of DIABECCELL. Additionally, NTCELL, LCT's lead cell therapy product for the treatment of neurodegenerative disorders met significant pre-clinical milestones in Parkinson's disease models. Based on the promising results, the company is compiling an application to New Zealand's medicines safety authority, Medsafe, to start Phase I clinical trials in Parkinson's patients. Pending regulatory authorisation, Living Cell Technologies expects to begin these trials by the end of Q1 2013.

The capital raised through this SPP will be used to conduct clinical trials with NTCELL for Parkinson's disease as well as further research and development on NTCELL in other neurodegenerative diseases and operating expenses.

### **SPP timetable**

Record date	19 March 2012
SPP offer period	2-23 April 2012
SPP pricing period	16-20 April 2012
SPP allotment date	On or before 7 May 2012

If you wish to participate, please complete the enclosed Application Form and forward it to our share registry.

Please note that this letter does not constitute financial product advice and does not take into account the investment objectives, financial situation, tax position or particular needs of individuals. If you are in doubt of the course of action that you should follow, you should consult your stockbroker, accountant, taxation adviser, solicitor or other professional advisor before participating in the SPP.

I advise you to carefully read the enclosed Terms and Conditions of the SPP before making your investment decision. In particular, you should note the risk of movements in the LCT share price, which is set out in Section 3.2.

If you have any questions in relation to the SPP or how to complete the application form please contact the Company Secretary Nick Geddes [ngeddes@austcosec.com.au](mailto:ngeddes@austcosec.com.au), phone +61 1300 134 875.

On behalf of the Board, I thank you for your continued support as a LCT shareholder.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Roy Austin', with a stylized flourish at the end.

Roy Austin  
Chairman

## **Living Cell Technologies Limited**

ACN 104 028 042

### **SHARE PURCHASE PLAN OFFER TERMS AND CONDITIONS**

#### **1. OFFER TIMETABLE**

- 1.1 This offer is dated and taken to be made on Monday 19 March 2012 (“Record Date”).
- 1.2 The offer opens on Monday 2 April 2012 (“Opening Date”).
- 1.3 The offer closes at 5.00pm Sydney, Australia time on Monday 23 April 2012 (“Closing Date”), unless extended. Application forms and cheques or money orders may not be processed or held to be valid if they have not been received by the Company by this time.
- 1.4 The shares are proposed to be allotted on or before 7 May 2012 and holder statements dispatched to you on or before 9 May 2012 (“Allotment and Dispatch Date”).
- 1.5 The Company has the discretion to change, at any time, any of the Opening Date, the Closing Date, the Allotment and Dispatch Date to later dates by lodging a revised timetable with ASX.

#### **2. ELIGIBILITY TO PARTICIPATE**

- 2.1 You are eligible to participate in the offer only if you are, subject to clause 2.4, recorded as the registered holder of shares in the Company in the Company’s register of members at 7.00pm Sydney, Australia time on the Record Date with a registered address (as recorded in the Company’s register of members) in either Australia or New Zealand (“Eligible Shareholder”). The Board has determined that it is not practical for holders of shares who are resident in other jurisdictions to participate in the SPP.
- 2.2 To the extent that you hold shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any acceptance is in compliance with all applicable foreign laws.
- 2.3 Joint holders of shares are taken to be a single registered holder of shares for the purposes of determining whether they are an Eligible Shareholder and the certification in clause 7.1 (c) and on the application form is taken to have been given by all of them.
- 2.4 Where a trustee or nominee is a registered holder of shares and is expressly noted on the Company’s register of members as holding shares on account of a named beneficiary, the named beneficiary will be taken to be the registered holder of those shares. An application of shares, certification (for the purposes of clause 7.1 (c) or issue of shares to the trustee or nominee will be taken to be an application or certification by, or an issue to, the named beneficiary.

2.5 Custodians, trustees and nominees – If you are a custodian, trustee or nominee within the definition of “custodian” in ASIC Class Order CO 09/425 (“Custodian”) and hold LCT Shares on behalf of one or more persons resident in Australia and New Zealand (each a “Participating Beneficiary”), you may apply for up to \$15,000 worth of LCT Shares for each Participating Beneficiary, subject to providing a notice in writing to LCT (the “Custodian Certificate”) certifying the following:

- that you hold LCT Shares on behalf of Participating Beneficiaries who have instructed you to apply for New Shares on their behalf under the SPP;
- the number of Participating Beneficiaries;
- the name and address of each Participating Beneficiary;
- the number of LCT Shares that you hold on behalf of each Participating Beneficiary;
- the number or dollar amount of New Shares which each Participating Beneficiary has instructed you to apply for on their behalf; and
- any such additional or varied information as might be required by LCT in relation to the SPP.

To the extent that you hold LCT Shares on behalf of another person resident outside Australia and New Zealand, it is your responsibility to ensure that any acceptance complies with all applicable foreign laws.

For the purposes of ASIC Class Order CO 09/425, you are a Custodian if you are a registered holder that:

- holds an Australian Financial Services Licence that:
- covers the provision of a “custodial or depository service” (as defined in section 766E of the Corporations Act); or
- includes a condition requiring the holder to comply with ASIC Class Order CO 02/294; or
- is exempt under:
- paragraph 7.6.01 (1) (k) of the Corporations Regulations 2001; or
- under ASIC Class Order CO 05/1270 to the extent that it relates to ASIC Class Order CO 03/184, from the requirement to hold an Australian Financial Services Licence for the provision of a custodial or depository service.

If you hold LCT Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above unless LCT otherwise agrees. In this case, the rules for multiple single holdings (above) apply. Custodians should have received a Custodian Certificate. If you did not receive a Custodian Certificate or would like further information on how to apply, you should contact **Computershare Investor Services Pty Limited, on 1300 556 161 within Australia or +61 3 9415 4000 outside Australia.**

- 2.6 If you are an Eligible Shareholder, your rights under this offer are personal to you and non-renounceable, so you may not transfer them.
- 2.7 An offer will not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.
- 2.8 Participation in the offer is optional.

### **3. OFFER PRICE**

- 3.1 The price for each SPP share offer for issue under the SPP (“Offer Price”) will be a 15% discount to the volume weighted average closing price of LCT ordinary shares during the five trading days before the closing date for applications under the SPP.
- 3.2 By accepting an offer and applying for shares, each Eligible Shareholder acknowledges that the market price of shares may rise or fall between the date of this offer and the Allotment Date. Any such change in the share price will not affect the Offer Price. This means that the Offer Price may be either higher or lower than the market price of shares at the time the SPP shares are issued to you. Eligible Shareholders should obtain financial advice in relation to the offer and consider price movements of the shares before accepting the offer.

### **4. APPLICATIONS FOR SHARES**

- 4.1 If you are an Eligible Shareholder and wish to participate in the SPP, you must complete the application form and provide a cheque or money order or BPAY in accordance with the instructions on the application form.
- 4.2 You may apply to purchase shares to the value of the parcel you select on the application form. These parcels are subject to scale-back.
- 4.3 Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold shares in more than one capacity) may apply on different application forms for more than one parcel, but may not apply for shares with an aggregate value of more than A\$15,000. If an offer is received by an Eligible Shareholder who is expressly noted on the Company’s register of members as a trustee or nominee on account of a named beneficiary, then any shares issued in relation to that offer will not be included in calculating the maximum number of shares that may be applied for by the named beneficiary.

- 4.4 An Eligible Shareholder must provide the Company with a certification that the A\$15,000 limit is not breached by it as set out in clause 7.1 (c) and the application form.
- 4.5 The Board reserves the right to reject any application for SPP shares to the extent that it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements, these terms and conditions or for any other reason. If an application is refused, the application monies received will be refunded without interest.
- 4.6 The Board has the discretion to determine the maximum aggregate amount that may be raised under an offer and accordingly, the maximum number of shares that may be issued. The Company reserves the rights to scale-back, pro-rata, allocations under an offer if the total number of shares applied for exceeds the maximum number of shares that may be issued under an offer.
- 4.7 The Company reserves the right to issue fewer shares than an Eligible Shareholder applied for under the SPP (or none at all) at its sole discretion. Excess application monies will be refunded without interest.

## **5. COSTS OF PARTICIPATION**

No brokerage, commissions, stamp duty or other transaction costs will be payable by Eligible Shareholders in respect of the application form and issue of shares under the SPP.

## **6. GENERAL**

- 6.1 The SPP will be administered by the Board or a committee of the Board that will have absolute discretion to:
- (a) determine appropriate procedures for administration of the SPP;
  - (b) resolve conclusively all questions of fact or interpretation, difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participating Eligible Shareholder, or application for shares, and any such resolution will be conclusive and binding on all participants and other persons to whom the resolution relates;
  - (c) delegate to any one or more person, for such a period and on such conditions as they may determine, the exercise of their powers or discretions under the SPP; and
  - (d) suspend, change or terminate the offer at any time, in the event that the Board does so, it will advise the ASX. Any omission to give notice of changes to, or termination of, the offer, or the non-receipt of any such notice, will not invalidate the change of termination.

- 6.2 If you apply for shares under the SPP, you will apply for a certain value rather than a certain number of shares. The number of shares you receive will be determined by:
- (a) if there is no scale-back applied to your allotment, dividing the value of the shares you have applied for by the Offer Price ; or
  - (b) if there is a scale-back applied to your allotment, dividing the value of the shares you have been allotted by the Offer Price.
- 6.3 Shares issued under the SPP will rank equally with and have the same voting rights and other entitlements as existing shares quoted on the ASX.
- 6.4 The allotment of shares for all valid applications from Eligible Shareholders will be made within 10 business day after the Closing Date.
- 6.5 The Company will apply for shares issued under the SPP to be quoted on the ASX within 10 business days after the Closing Date. It is anticipated that the shares will be quoted on the ASX shortly after the Allotment Date.
- 6.6 These terms and conditions are governed by the laws in force in New South Wales.

## **7. DECLARATION AND ACKNOWLEDGEMENT**

- 7.1 By making payment by BPAY or by forwarding a cheque and completing the application form, an Eligible Shareholder;
- (a) irrevocably and unconditionally agrees to these terms and conditions and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP;
  - (b) agree to accept any lesser number of shares than the number of shares applied for;
  - (c) certifies that the aggregate of the application price for:
    - (i) the shares the subject of the application form; and
    - (ii) any other share applied for by, or on behalf of, the Eligible Shareholder under the SPP or any similar plan operated by the Company in the 12 months prior to the offer,
  - (d) agree to be bound by the Company's constitution in respect of shares issued under the SPP;
  - (e) accepts that it will not be able to withdraw or revoke its application or BPAY payment once it has been sent to the Company;

- (f) authorises LCT (and its officers or agents) to correct any error or omission in its application form and to complete the application form by the insertion of any missing details;
- (g) acknowledges that LCT may at any time determine that its application form is valid, in accordance with these terms and conditions, even if the application form is incomplete, contains errors or is otherwise defective;
- (h) accepts the risk associated with any refund that may be sent to it by direct credit or cheque to its address shown on LCT's member's register;
- (i) acknowledges that it is responsible for any dishonour fees or other costs LCT may incur in presenting a cheque for payment which is dishonoured;
- (j) acknowledges that neither LCT nor Computershare Investor Services Pty Limited has provided you with investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for and buy shares;
- (k) acknowledges that LCT is not liable for any exercise of its discretion referred to in these terms and conditions; and
- (l) certifies that its acceptance of an offer under SPP will not result in it breaching the 20% limit imposed by section 606 of the Corporation Act 2001 (Cth).