

Living Cell Technologies Limited Company Announcement Preliminary Final Report for the year ended 30 June 2010

- All 8 patients in the NZ DIABECCELL[®] clinical trial successfully implanted
- Episodes of low blood glucose in first 4 patients reduced or eliminated
- 64% increase in grant revenue
- Cash at 30 June 2010 \$3,121,524
- Further \$2m received on 13 July from underwriters of expiring options

27 August 2010 – Sydney, Australia, Auckland, New Zealand– Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY), a global company pioneering the development of cell implants to treat diabetes, announced today the Preliminary Final report (Appendix 4E) on the results for the year ended 30 June 2010. In accordance with Listing Rule 4.3A, the report is attached.

This financial year has been another of significant progress for LCT, with the commencement of the clinical trial of its lead cell therapy product DIABECCELL for the treatment of Type 1 diabetes in New Zealand. Approval was obtained to proceed with a higher dose in the second group of 4 patients following a positive assessment by the New Zealand Data Safety and Monitoring Board of results from the first group of 4 patients. These patients all showed a reduction or elimination of episodes of low blood glucose levels, which are often life-threatening and improved blood glucose control with reduced insulin requirements.

The clinical trial of DIABECCELL in Russia successfully met the end points for safety and tolerability and showed proof of principle of efficacy in humans with Type 1 diabetes.

Financial support from Centocor Research & Development Inc, New Zealand Government and the Juvenile Diabetes Research Foundation International demonstrates the progress being made in commercialising DIABECCELL and the value of the platform technologies owned by the company. On 13 July a further \$2m was received from underwriters of expiring options.

Financial Results

The net loss for the financial year to 30 June 2010 was \$5,674,059 compared to \$6,123,562 in the prior year, a 7.3% decrease in the annual loss. The net operating cash flows for the company during the year to 30 June 2010 totalled (\$5,863,818) a 2.8% increase on the (\$5,703,572) last financial year.

The end of year cash balance was \$3,121,524. This has since been supplemented by the \$2 million private placement completed on 13 July 2010.

Revenue for the year was \$1,673,469, an increase of \$492,321 or 41.7%. Most of this was from an increase of in Government Grants and the JDRF grant together with an increase in trading revenue as a result of fees from the research collaboration with Centocor Research & Development Inc.

Key Announcements & Milestones Achieved

July 2009

New pig breeding facility opened for New Zealand Diabetes Clinical Trial

The new designated pathogen free pig breeding facility in Invercargill, Southland was formally opened by the Mayor of Invercargill, Mr Tim Shadbolt. The facility is designed to meet health regulations for pig herds used as a source of medical grade tissues.

Patients enrolled into New Zealand Diabetes Clinical Trial

The trial of encapsulated pig islet cell product for insulin dependent diabetes, DIABECCELL, has commenced following authorisation by the New Zealand Minister of Health and acceptance of the clinical trial protocol by the Regional Ethics Committee.

October 2009

Successful first implant of DIABECCELL in New Zealand

DIABECCELL was successfully implanted on 6 October 2009 in the first patient with Type 1 diabetes in Auckland New Zealand.

December 2009

First patient in NZ clinical trial drops insulin dose without ill effects

The 48 year old man has dropped his insulin dose by 30% while maintaining usual blood glucose levels.

New research collaboration and option to license agreement with Centocor

The research collaboration with Centocor Research & Development Inc. has been extended and an exclusive two year option to take up a world-wide licence for LCT's encapsulation technology granted.

February 2010

Awarded NZD4.04m New Zealand government grant to advance DIABECCELL for Type 1 diabetes

A grant of NZD4.04m from the New Zealand government's Foundation for Research, Science & Technology over two years to support the ongoing development of DIABECCELL was awarded.

March 2010

Approval to progress to the next stage of the phase II diabetes trial with a higher dose

The New Zealand Data Safety and Monitoring Board approved advancing to the next stage of the Phase II clinical trial of DIABECCELL with a higher dose following a positive assessment of the first 4 patients in the trial.

April 2010

Report of safety and proof of principle on phase I/IIa clinical trial of DIABECCELL in Russia

The report on the trial concludes that DIABECCELL successfully meets the end points for safety and tolerability and shows proof of principle of efficacy in humans with Type 1 diabetes.

Awarded grant from JDRF for NZ clinical trial

Award of a grant of USD500,000 from the Juvenile Diabetes Research Foundation International for the on-going phase II clinical trial of DIABECCELL[®] in New Zealand.

July 2010

Consistent benefit in DIABECCELL NZ trial

All 8 patients have received now implants of DIABECCELL without remarkable adverse events. The first group of 4 patients all showed a reduction or elimination of episodes of low blood

glucose levels, which are often life-threatening and improved blood glucose control with reduced insulin requirements.

- Ends -

For further information: www.lctglobal.com

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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 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 the treatment of Parkinson's disease and other neurological disorders, the company transplants 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 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 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.