



Living Cell Technologies Ltd

COMPANY ANNOUNCEMENT
Appendix 4C Quarterly Report

Living Cell Technologies in strong cash position to accelerate clinical trial program

January 31, 2008 – Melbourne, Australia and Auckland, New Zealand - Living Cell Technologies Limited (ASX:LCT; OTC: LVCLY.PK) today announced that the cash balance at the end of the quarter to 31st December 2007 was A\$7,643,560, compared to A\$1,246,366 at the end of the quarter to September 30th 2007. Operational cash flow at (A\$1,388,660) was maintained at a comparable level to the (A\$1,164,925) spent in the preceding quarter.

The A\$6,397,194 increase in cash (or 513 percent improvement) was primarily due to the two capital placements invested into LCT totaling A\$8,296,308 as announced by the Company on October 3 and 30, 2007. A further US\$6.0m is expected to be invested into the Company by Palmert Members, as announced on January 9, 2007. Furthermore, the convertible notes issued in June 2006 are being converted to shares and therefore LCT will not be required to pay the A\$2m that was owed on those notes, as announced on January 25, 2008.

Richard Justice, Chief Financial Officer said: "The company's significantly improved cash balance places LCT in a stronger financial position. We are very pleased and encouraged by the level of confidence that global investors have demonstrated in LCT during recent weeks. Our current funding allows us to complete the current Russian clinical trial and it will also enable us to commence a clinical trial in New Zealand, following approval from the New Zealand Health Minister."

Dr Paul Tan, Chief Executive Officer of LCT "Apart from continuing and expanding our clinical trials, a further focus for 2008 will be the expansion of our production and manufacturing capabilities , as well as the commencement of a targeted and strategic commercialisation program for our technology.'

Dr. Paul Tan CEO Mob: 0402 716 984 (AUS) 021 608 784 (NZ) Tel: +64 9 270 7941 ptan@lctglobal.com	Richard Justice Tel: +64 9 276 2690 Mob: +64 21 223 4741 rjustice@lctglobal.com	Investor and Media Relations Rebecca Wilson Buchan Consulting P: +612 9237 2800 M: +61 (0)417 382 391 rwilson@bcg.com.au	Investor and Media Relations (U.S.) Leslie Wolf Creutzfeldt The Global Consulting Group Tel: +1-646-284-9472 lwolf-creutzfeldt@hfgcg.com
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About Living Cell Technologies: www.lctglobal.com

Living Cell 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 Huntington's disease and other neurological disorders, the company transplants microencapsulated choroid plexus cells that deliver beneficial proteins and neurotrophic factors to the brain. Living Cell'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. Living Cell 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 as of January 31, 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 2007

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	176	348
1.2 Payments for		
(a) staff costs	(101,366)	(212,988)
(b) advertising and marketing	(11,313)	(25,448)
(c) research and development	(395,750)	(832,424)
(d) leased assets	(7,887)	(7,887)
(e) other working capital	(1,082,638)	(1,917,689)
1.3 Dividends received	0	416
1.4 Interest and other items of a similar nature received	24,698	38,260
1.5 Interest and other costs of finance paid	(4,718)	(4,718)
1.6 Income taxes paid	0	0
1.7 Other - Government Grants received	190,138	408,545
Net operating cash flows	(1,388,660)	(2,553,585)

+ 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)	(1,388,660)	(2,553,585)
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	(27,337)	(81,337)
(e) other non-current assets		
1.10 Proceeds from disposal of:	0	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)		
	(27,337)	(62,493)
Net investing cash flows		
1.14 Total operating and investing cash flows	(1,415,997)	(2,616,078)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	8,296,308	8,296,308
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)	(483,117)	(486,438)
Net financing cash flows	7,813,191	7,809,870
Net increase (decrease) in cash held	6,397,194	5,193,792
1.21 Cash at beginning of quarter/year to date	1,246,366	2,449,768
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	7,643,560	7,643,560

+ 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	\$356,132
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)	\$288,203
	US Director's fees (1 non executive director)	\$20,929
	Australian directors' fees (2 non executive directors)	\$50,000

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	7,643,560	1,246,366
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)		7,643,560	1,246,366

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
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 give a true and fair view of the matters disclosed.

Sign here: Original Signed.....
 Company secretary

Date:31 January 2008....

Print name:N J V 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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