



## COMPANY ANNOUNCEMENT

### Living Cell Technologies Half Yearly Report Period Ended 31 December 2007

**February 29, 2008 – Melbourne, Australia and Auckland, New Zealand - Living Cell Technologies Limited (ASX:LCT; OTC: LVCLY.PK)** today announced the half yearly report (attached) for Living Cell Technologies (ASX:LCT) for the six-month period ended 31 December, 2007. The consolidated operating loss after income tax for the period July 1 to December 31, 2007 was \$3.0 million (2006: \$3.1 m), a decrease of 4% in the loss from the same period in the previous year and is in line with management's expectations.

During the six-month period, LCT completed capital raising activities, which added \$8.3 million to contributed equity (2006: \$0.7 million). A share placement agreement for a further US\$6.0m (approximately AU \$6.6 million) in share capital has been completed and funds are due to be received immediately after the General Meeting on Friday 7<sup>th</sup> March, 2008 subject to shareholder approval of the transaction.

For the period to 31<sup>st</sup> December 2007, grant funding received was \$0.4 million (2006: \$0.5 million) and employee costs totaling \$1.5 million were reduced in comparison to the previous year's spending (2006: \$1.8 million). A decrease was also reported on research and development costs, which were \$0.4 million in the period (2006: \$0.6 million).

As at 31 December 2007, net assets were \$6.5 million. This is a significant increase on both last years figures (2006: \$0.6 million deficit) and the end of financial year net assets of \$1.4 million as at 30 June, 2007. Cash in the bank as at 31 December, 2007 also increased to \$7.6 million (30 June 2007 @ \$2.4 million). These significant improvements in the balance sheet of the Company were the result of the capital raise of \$8.3 million, referred to above.

LCT's Chief Financial Officer, Richard Justice said: "The successful capital raisings reflect the growing confidence in the Company globally and will allow the progression of the Russian clinical trial as well as commencement of the New Zealand trial later in the year".

Dr Paul Tan, CEO of LCT added: "This strong financial position allows us to start focusing on expanding our production and manufacturing facilities which will enable successful commercialization of Diabecell and move the Company forward to the next stage"

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#### **About Living Cell Technologies:** [www.lctglobal.com](http://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 February 28, 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.*