



Living Cell Technologies Limited

Company Announcement

Appendix 4C Quarterly Cash Flow Report to 30 September 2010

- Cash at 30 September 2010 \$3,506,933
- Grant receipts increased by 12.6% for the quarter to \$536,729
- Preliminary results from NZ clinical trial of DIABECCELL[®] show dramatic reduction in low blood glucose events

29 October 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 quarterly cash flow report for the quarter ended 30 September 2010. The Appendix 4C is attached. The cash balance at the end of the quarter was \$3,506,933 compared to \$3,121,365 at 30 June 2010. This increase reflects the 13 July 2010 issue of shares to expiring option underwriters which raised \$2,000,000 offset by the continuing development cost of the promising lead product DIABECCELL[®].

Net operating cash outflows in the quarter were \$1,429,070 compared to \$1,278,190 last quarter. Expenditure included \$1,030,592 on research and development (\$768,463 last quarter) for the supply of DIABECCELL for the clinical trial in New Zealand. Cash received from Government and JDRF grants was \$536,729 (\$476,320 last quarter) These are claims under the NZD4m matching grant over 2 years to scale up production of DIABECCELL, announced on 12 February and the Juvenile Diabetes Research Foundation grant announced on 27 April. Receipts from customers were \$1,655 (\$379,320 last quarter) as there were no receipts due from the Centocor Research & Development Inc. research collaboration during the quarter.

Capital expenditure was \$31,767 in the quarter, compared to \$43,643 last quarter, reflecting purchase of equipment to scale up production.

During the quarter patients 8 and 9 in the New Zealand clinical trial received implants of DIABECCELL, the company's encapsulated insulin producing cells for type 1 diabetes. Patients have shown a dramatic reduction in life-threatening low blood glucose events and lower insulin requirements. These implants were all well tolerated with no remarkable adverse events.

- Ends -

For further information:

<p>At the company: Dr Ross Macdonald Managing Director Tel: +64 9 276 2690 rmacdonald@lctglobal.com</p> <p>Mr John Cowan Finance & Administration Manager Tel: +64 9 276 2690 jcowan@lctglobal.com</p> <p>Ms Susanne Clay Chief Business Officer Tel: +64 9 270 7954 sclay@lctglobal.com</p>	<p>Investor enquiries: NZ and Australia: Buchan Consulting Rebecca Wilson Tel: +61 3 9866 4722 Mob: +61 417 382 391 rwilson@bcg.com.au</p> <p>Media enquiries: Erik Denison Buchan Consulting +61 432 312 278</p>
--	---

#

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. The Company's lead product, DIABECCELL®, consists of microencapsulated porcine islets which are implanted into a patient's abdomen using a simple laparoscopic procedure. DIABECCELL is designed to help normalise the lives of people with unstable Type 1 diabetes, especially those suffering from life-threatening episodes of unaware hypoglycaemia (low blood sugar), a dangerous and potentially fatal diabetes complication. The Company entered clinical trials for its diabetes product in 2007 and very encouraging results have been reported to date. There have been no reports of product related adverse events. For the treatment of Parkinson's disease and other neurological disorders, the company implants 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.