



Living Cell Technologies Ltd

COMPANY ANNOUNCEMENT

Living Cell Technologies Announces Appendix 4C Quarterly Report

July 31 , 2008 – Melbourne, Australia and Auckland, New Zealand - Living Cell Technologies Limited (ASX:LCT; OTCQX: LVCLY) today announced that the cash balance at the end of the quarter was \$10,767,335 compared to \$12,689,973 at the end of the quarter to March 31st 2008.

The \$1,922,639 decrease in available cash was predominantly due to the \$ 1,536,511 in general Working Capital Expenditure, which decreased by 12.6% from the last quarter (\$1,758,115). There was an increase in R&D expenditure (relating to DiabeCell[®] and in-house manufacturing of alginate) of 30.8%, amounting to a \$470,535 spend in the quarter, largely offset by a sizeable increase of \$161,161 (360.1%) in Interest Received from funds on deposit, which totaled \$208,466 in the quarter. Government Grants Received also increased, amounting to \$262,754 (up 25.6%).

LCT has achieved a number of milestones in the last quarter including further progress of the Russian clinical trial as well as expansion of that trial and listing on the International OTCQX. Progress has been made towards establishing new pig breeding facilities to allow further expansion of clinical trials.

CFO of LCT, Richard Justice, said "The Company remains in a strong financial position and is making significant progress. The recent appointment of Dr. Robert Caspari as CEO of LCT will ensure that maximum effort continues to go into expanding the operations of LCT while also greatly enhancing our ability to progress down the commercialisation path."

Richard Justice CFO 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 Grayling Global 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 July 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.