



## Living Cell Technologies Limited Company Announcement

### Appendix 4C Quarterly Cash Flow Report 30 September 2011

**28 October 2011: Sydney, Australia & Auckland, New Zealand – Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY)**, a cell implant company, announced today the quarterly cash flow report for the quarter ended 30 September 2011. The Appendix 4C is attached. The cash balance at the end of the quarter was \$2,875,447 compared to \$4,504,677 at 30 June 2011. This decrease reflects the continuing development cost of the lead product DIABECCELL<sup>®</sup> and the primate study of NTCELL for the treatment of Parkinson's disease.

Net operating cash outflows in the quarter were \$1,797,312 compared to \$1,864,942 last quarter. Expenditure included \$1,350,842 on research and development (\$1,292,328 last quarter) for the supply of DIABECCELL for the clinical trial in New Zealand and preclinical studies of NTCELL. Cash received from grants was \$230,924 (\$422,456 last quarter).

Capital expenditure was \$39,314 in the quarter, compared to \$82,163 last quarter, reflecting purchase of equipment to scale up production and improve processes.

Financing activities include the final \$150,000 tranche of the SpringTree facility.

During the quarter 4 patients in the clinical trial in Argentina received the first of two implants of DIABECCELL, the company's encapsulated insulin producing cells for Type 1 diabetes. On 19 October 2011 the company announced that it had agreed to form a 50/50 company Diatranz Otsuka Limited (DOL) with Otsuka Pharmaceutical Factory, Inc. (OPF) to accelerate the commercialisation of DIABECCELL. LCT will transfer DIABECCELL assets into Diatranz Otsuka Limited and OPF will invest \$25m in DOL.

- Ends -

**For further information:** [www.lctglobal.com](http://www.lctglobal.com)

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**About Living Cell Technologies** - [www.lctglobal.com](http://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. The Company's lead product, DIABECCELL<sup>®</sup>, 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 remarkable product related adverse events. For the treatment of Parkinson's disease and other neurological disorders, the company implants microencapsulated

choroid plexus cells NTCELL 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.*

# 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")

30 September 2011

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	Current quarter \$A	Year to date (3 months) \$A
1.1 Receipts from customers	3,589	3,589
1.2 Payments for		
(a) staff costs	(249,185)	(249,185)
(b) advertising and marketing	(52,768)	(52,768)
(c) research and development	(1,350,842)	(1,350,842)
(d) leased assets	(0)	(0)
(e) other working capital	(402,567)	(402,567)
1.3 Dividends received	382	382
1.4 Interest and other items of a similar nature received	23,145	23,145
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Other - Government Grants received	230,924	230,924
<b>Net operating cash flows</b>	<b>(1,797,312)</b>	<b>(1,797,312)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A	Year to date (3 months) \$A
<b>1.8 Net operating cash flows (carried forward)</b>	<b>(1,797,312)</b>	<b>(1,797,312)</b>
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(40,622)	(40,622)
(e) other non-current assets		
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	1,308	1,308
(e) other non-current assets		
<b>1.11 Loans to other entities</b>		
<b>1.12 Loans repaid by other entities</b>		
<b>1.13 Other (provide details if material)</b>		
	<b>(39,314)</b>	<b>(39,314)</b>
<b>Net investing cash flows</b>		
<b>1.14 Total operating and investing cash flows</b>	<b>(1,460,037)</b>	<b>(1,460,037)</b>
<b>Cash flows related to financing activities</b>		
<b>1.15 Proceeds from issues of shares, options, etc.</b>	150,000	150,000
<b>1.16 Proceeds from sale of forfeited shares</b>		
<b>1.17 Proceeds from borrowings</b>	0	0
<b>1.18 Repayment of borrowings</b>	0	0
<b>1.19 Dividends paid</b>		
<b>1.20 Other (payment of share capital raising costs)</b>	(3,213)	(3,213)
<b>Net financing cash flows</b>	<b>146,787</b>	<b>146,787</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,689,839)</b>	<b>(1,689,839)</b>
<b>1.21 Cash at beginning of quarter/year to date</b>	4,504,677	4,504,677
<b>1.22 Exchange rate adjustments to item 1.20</b>	(60,609)	(60,609)
<b>1.23 Cash at end of quarter</b>	<b>2,875,447</b>	<b>2,875,447</b>

+ 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	\$101,181
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 executive & 1 non-executive director )	\$ 67,262
US Directors' fees (1 non executive director)	\$ 12,500
Australian directors' fees (2 non executive directors)	\$ 21,419

**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
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- 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
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**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.



## Notes

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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