Living Cell Technologies Limited

COMPANY ANNOUNCEMENT

Appendix 4C Quarterly Cash Flow report to 31 December 2009

29 January 2010 – Sydney, Australia, Auckland, New Zealand– Living Cell Technologies Limited (ASX: LCT; OTCQX: LVCLY) today announced the quarterly cash flow report for the quarter ended 31 December 2009. The Appendix 4C is attached.

The cash balance at the end of the quarter was $5,494,840 compared to $5,021,780 at 30 September 2009. This improvement reflects the Share Purchase Plan which closed on 17 December raising $2.2 million.

Net operating cash outflows were $1,676,991 compared to $1,661,828 last quarter. Expenditure included $677,827 on research and development ($734,753 last quarter) to meet the supply of DIABECELL® for the clinical trials in New Zealand and Russia. Cash received from Government grants was $0 ($0 last quarter). Receipts from customers were $163 ($146 last quarter).

Capital expenditure was $25,221 in the quarter, compared to $118,541 last quarter, which included commissioning of the new high health pig facility in Southland.

During the quarter two patients were implanted with a medium dose in the New Zealand the clinical trial of DIABECELL®, the company's encapsulated insulin producing cells for type 1 diabetes. The first patient was reported to have dropped his daily insulin dose by 30% while maintaining his usual blood glucose levels. The Phase I/IIa clinical trial in Russia has continued to show positive results with low and medium doses of DIABECELL®. To date, eight patients with insulin dependent diabetes have received between one and three implants of DIABECELL® without remarkable adverse events.

In December the company signed a further research collaboration with Centocor Research & Development Inc. and granted an exclusive two year option to take up a world-wide licence for LCT's encapsulation technology for use in a specified field. The research fees and annual option fees will provide a revenue stream for the company.

-Ends-

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About Living Cell Technologies: 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. 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 Parkinson's disease, Huntington's disease and other neurological disorders, the company is developing 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 commercialisation 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 materialise, 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.

Rule 4.7B

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	Quarter ended ("current quarter")
14 104 028 042	31 December 2009

Consolidated statement of cash flows

			Current quarter $A	Year to date (..6..months) $A
Cash flows related to operating activities				
1.1	Receipts from customers		163	309
1.2	Payments for	(a) staff costs	(168,704)	(284,934)
		(b) advertising and marketing	(26,352)	(56,775)
		(c) research and development	(677,827)	(1,412,580)
		(d) leased assets	(450)	(1,025)
		(e) other working capital	(845,454)	(1,637,096)
1.3	Dividends received		7	391
1.4	Interest and other items of a similar nature received		41,626	52,891
1.5	Interest and other costs of finance paid		0	0
1.6	Income taxes paid		0	0
1.7	Other - Government Grants received		0	0
	Net operating cash flows		**(1,676,991)**	**(3,338,819)**

		Current quarter $A	Year to date (..6..months) $A
1.8	**Net operating cash flows (carried forward)**	**(1,676,991)**	**(3,338,819)**
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets	(25,221)	(143,762)
	(e) other non-current assets		
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets	2,325	2,325
	(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)		
	Net investing cash flows	**(22,896)**	**(141,437)**
1.14	**Total operating and investing cash flows**	**(1,699,887)**	**(3,480,256)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	2,180,901	6,388,401
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings	(7,954)	(14,630)
1.19	Dividends paid		
1.20	Other (payment of share capital raising costs)	0	(267,157)
	Net financing cash flows	**(2,172,947)**	**(6,106,614)**
	Net increase (decrease) in cash held	**473,060**	**2,626,358**
1.21	Cash at beginning of quarter/year to date	5,021,780	2,868,482
1.22	Exchange rate adjustments to item 1.20		
1.23	**Cash at end of quarter**	**5,494,840**	**5,494,840**

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	$483,657
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 (2 executive directors)	$277,887
US Directors' fees (1 non executive director)	$ 87,840
Australian directors' fees (4 non executive directors)	$117,930

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		

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	467,305	391,878
4.2	Deposits at call	5,027,535	4,629,903
4.3	Bank overdraft		
4.4	Other (provide details)		
	Total: cash at end of quarter (item 1.23)	**5,494,840**	**5,021,780**

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] Date: 29th January 2009
(Company secretary)

Print name: NJV Geddes

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.