

ASX ANNOUNCEMENT**ADMEDUS ANNOUNCES PLACEMENT
AND SHARE PURCHASE PLAN**

- Oversubscribed placement for \$8 million
- Participation by International funds
- SPP to existing shareholders
- Placement and SPP both priced at \$0.10

Brisbane, Australia, 12th May 2014

Admedus Limited (ASX: AHZ) is pleased to announce that it has completed an oversubscribed placement to sophisticated and professional investors to raise \$8 million through the private placement of ordinary shares at an issue price of \$0.10.

Existing shareholders will be offered an opportunity to subscribe for up to \$15,000 of shares at the same issue price through a share purchase plan (SPP).

“We appreciate the support of the new and existing investors that participated in the placement and encourage shareholders to participate in the SPP” said Admedus CEO, Mr. Lee Rodne.

Funds raised from the placement and SPP will be used to support ongoing programmes within the Company; specifically:

- Expanding the sales teams in Europe and the US to build the marketing efforts for CardioCel[®]. Currently CardioCel[®] has been used in 8 key centres in Europe and has secured initial US sales orders last week. The goal will be to get CardioCel[®] established in 15 key centres in Europe and the US over the next 12 months
- Post-market studies and further product development to expand the use of CardioCel[®] in cardiovascular surgical applications
- Fund the HSV-2 therapeutic vaccine. After initial positive results from the Phase I study, Admedus is planning to progress the HSV-2 vaccine into a Phase II study to be initiated before the end of 2014

Shareholders on the register as of 7pm on 9 May 2014 will be entitled to participate in the SPP.

Admedus is a growing healthcare company with an established revenue stream, its first regenerative tissue product available in the major markets and an exciting therapeutic vaccine programme.

The anticipated major drivers for Admedus over the next 12 months and beyond are:

- First regenerative product on market in Europe & US to grow revenues
- A validated platform to develop a portfolio of regenerative tissue products for a range of surgical applications, including cardiovascular, hernia and pelvic floor repair
- An established, growing revenue stream
- Continuation of our work with Professor Ian Frazer, to develop exciting therapeutic vaccine programmes based on his novel platform technology

“The next 12 to 36 months are important for Admedus as we continue to leverage off the recent marketing approvals of CardioCel® and grow our revenues” said Mr. Rodne”

The key milestones for the Company in the coming 12 months include:

- Growing revenues in Europe
- Initial US CardioCel® sales
- Initial Asian market approval for CardioCel®
- Submission of the Canadian marketing application for CardioCel®
- Initiation of CardioCel® market expansion studies
- Progression of CardioCel® with cellular therapies programme
- Complete preclinical HPV data
- Initiation of HSV-2 Phase II
- Initiation of HPV Phase I

“Admedus is entering an exciting phase with CardioCel® on market in the US and Europe, the Herpes vaccine progressing to Phase II and the HPV therapeutic vaccine also heading into clinical trials” said Mr. Rodne.

Morgans was Lead Manager to the placement, supported by WG Partners. Baillieu Holst acted as Co-Manager.

The key dates for the Share Purchase Plan are:

Event	Date
Opening Date	19 May, 2014
Closing Date	3 June, 2014
Issue of Shares under the SPP	5 June, 2014
Despatch of holding statements	6 June, 2014
Commencement of trading of Shares on ASX	6 June, 2014

These dates are indicative only and the Company retains the right to vary any of the dates without advance notification to shareholders. However, any alteration to the dates will be notified to the ASX.

More information on the Company can be found at www.admedus.com

You can also follow Company announcements on Twitter. If you would like to be kept up to date on ASX and company announcements please contact us on info@admedus.com

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About Admedus Limited

Admedus (ASX: AHZ) is a diversified healthcare company focused on investing in and developing next generation technologies with world class partners, acquiring strategic assets to grow its product and service offerings and expanding revenues from its existing profitable medical sales and distribution business. The Company has assets from research & development through clinical development as well as sales, marketing and distribution.

Admedus is in the process of commercialising its innovative tissue engineering technology for regenerative medicine. Admedus also has a major interest in developing the next generation of vaccines with a Brisbane-based research group led by Professor Ian Frazer. The vaccine programmes target disease with significant global potential such as Herpes and Human Papillomavirus.

Further information on the Company can be found on www.admedus.com

Admedus Regen

Admedus Regen started as a research program in 2001 focusing on tissue engineering and regenerative medicine based around the proprietary ADAPT[®] Tissue Engineering Process. The lead program, CardioCel[®] is approved in Europe and is being used in Australia under the Authorised Prescriber Scheme. CardioCel[®] is a cardiovascular scaffold used to repair paediatric and adult heart deformities. These deformities range from routine “hole in the heart” operations to major vessel outflow tract repairs. The CardioCel[®] scaffold may also be used to repair leaking heart valves in paediatric and adult patients. CardioCel[®] has been shown to allow tissue regeneration once implanted. Some researchers postulate that stem cells play an active role in tissue regeneration*, suggesting that CardioCel[®] facilitates endogenous stem cells and other cells to regenerate and repair damaged tissue.

The division is based on the patented ADAPT[®] Tissue Engineering Process as a platform technology to produce implantable tissue scaffolds for use in various soft tissue repair applications and for the production of replacement tissue heart valves. The ADAPT[®] technology is used to process xenograft tissues to produce unique implantable tissue scaffolds that are compatible with the human body. The technology has a number of advantages over current tissue treatment processes on the market, most notably the reduction of calcification post implantation and has the potential to replace many of the products that surgeons currently use for soft tissue repair.

* Körbling&Estrov, 2003. Adult Stem Cells for Tissue Repair — A New Therapeutic Concept? NEJM Volume 349:570-582, August 7, 2003, Number 6

About Admedus Vaccines

Admedus Vaccines was founded in 2000 by the founder inventor Professor Ian Frazer as a private unlisted company, to develop and commercialise patented technology for improving immune responses to DNA vaccines licensed by UniQuest Pty Ltd and developed at the University of Queensland. The company has laboratories within the Translational Research Institute at the Princess Alexandra Hospital in Brisbane, working in collaboration with the University of Queensland's Diamantina Institute. The company's overall objective is to utilise its unique optimisation technology to produce prophylactic and/or therapeutic DNA vaccines for a range of infectious diseases and cancers in humans. Product development is currently focused on Herpes virus vaccines.

About Admedus Vaccines optimised technology

Admedus Vaccines has 6 granted US patents protecting its codon optimisation DNA technology, which enhances protein expression in the cell or tissue targeted and results in an improved humoral response. The second component of the technology, also patent protected, is to use a mixture of DNAs encoding ubiquitinated and non ubiquitinated proteins. This strategy enhances the degradation of the protein and optimises T cell responses, while preserving structural epitopes necessary for B cell responses, resulting in vaccines with both prophylactic and therapeutic potential.

About Genital Herpes

This disease often results in recurrent painful sores in the genital area. HSV-2 is the major causative agent of genital herpes. As well as pain and discomfort to infected individuals, the virus can have serious health implications for babies born to infected women. Herpes is also believed to aid in the transmission of HIV. Current Herpes treatment involves the use of antiviral drugs which can reduce, but not eliminate, outbreaks and shedding and therefore do not prevent spread of the disease. According to research reported in Biomed Central's journal BMC Infectious Diseases, the economic burden of genital HSV infection and resulting complications has been estimated to be greater than \$1 billion annually in the USA alone.