

ASX ANNOUNCEMENT**ADMEDUS END OF FINANCIAL YEAR UPDATE**

- CardioCel® now being used in 12 centres in Europe
- US centres ordering CardioCel® ahead of schedule
- Closing the financial year with strong cash balance
- Income of over \$9m expected for the full financial year

Brisbane, Australia, 26th June 2014

Admedus (ASX: AHZ) today announced an update on activities across the Group. The company highlighted that total income, including revenue grants and other income, for the Group is expected to be over to \$9M for this financial year, up from the previous year, with a closing cash balance of over \$20M. These results place the Company in a strong position to progress towards our key milestones of growing revenue and progressing our platform technologies in regenerative medicine and next generation immunotherapies.

"The past 12 months have been extremely successful, with European and US marketing clearance for our lead regenerative tissue product CardioCel® and the completion of the HSV-2 vaccine Phase I study" said Admedus CEO Mr. Lee Rodne.

"The initial target is to get CardioCel® into 15 key centres in Europe and in the US and as we scale up our manufacturing we will increase the number of new centres coming on-stream and continue to grow our revenue." Mr. Rodne said

The Company currently has 12 key centres in Europe using the product and has received sales orders from US key centres earlier than scheduled.

"We've had a very encouraging initial launch period for CardioCel® and the key for us during this early phase is centre penetration" said Mr. Rodne. "This will provide the base to continue to grow revenue for the company as surgeons begin to experience the benefits of using CardioCel® first hand for the repair and reconstruction of cardiovascular defects in both children and adults" he added.

In addition, the Company is seeking marketing approvals for CardioCel® in other jurisdictions and expansion of use for CardioCel®, not only for additional cardiovascular applications, but also for other areas of surgical repair. The Company will make additional updates on these planned programmes during the 2014/15 financial year. CardioCel® continues to be used in Australia under the Authorised Prescriber Scheme with over 200 patients successfully implanted to date.

At the beginning of 2014 Admedus acquired a state-of the art manufacturing site in Western Australia to provide manufacturing capability for the global supply of CardioCel® and it is anticipated that production of CardioCel® for the US market will commence in July this year.

Over the past 12 months Admedus, in collaboration with Professor Ian Frazer and his team, entered into a Phase I study with a Herpes simplex virus (HSV-2) therapeutic vaccine. The Company released interim positive Phase I results earlier this year and is expecting to release additional data from the study in the next quarter once final assay analysis is completed. The positive interim results mean the programme will progress into Phase II, with the team currently finalising details for the study which is scheduled to be initiated by the end of 2014.

The past 12 months have been very successful for Admedus and it is anticipated that this trend will continue for the next 12 months as we focus our activities to achieve the following milestones:

- CardioCel® into 15 key centers in Europe
- CardioCel® into 15 key centers in the US
- Initial Asian market approval for CardioCel®
- Initiation of CardioCel® market expansion studies
- Progression of CardioCel® with cellular therapies programme
- Expansion of the regenerative tissue portfolio
- Complete the preclinical HPV therapeutic vaccine programme
- Initiation of the Herpes (HSV-2) Phase II clinical study
- Growing revenues for the group

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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 programme, 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,

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.