

Appendix 4C Quarterly Report

ASX Announcement 30th October 2012
Tissue Therapies Limited ABN 45 101 955 088

Announcement

Biomedical company, Tissue Therapies Limited (ASX: TIS) has released the additional commentary below, in support of the following Appendix 4C Quarterly Report, for the period 1 July to 30 September 2012.

1. The operating and investing cash expenditure of the Company of \$2,504,700 for the quarter ended 30 September 2012 was as expected and consistent with expenditure forecasts. The net cash outflow after a share placement to a strategic investor was \$1,413,200.
2. Cash expenditure for the next 2 quarters is forecast to be lower than those incurred during the last 2 quarters. Decreased expenditure in the next 2 quarters will be primarily in R&D and inventory manufacturing costs.
3. The Company is well set up to commence commercial operations as soon as CE Mark is granted.
4. Ample inventory for the at least the first 12 months of sales is now stored in 2 specialist health product distribution warehouses in Europe and is available for immediate sales as soon as CE Mark is granted. Strong interest in VitroGro[®] ECM has been generated by the announced clinical results of the EU patient trial. (Please see ASX: TIS Robust EU Final Clinical Trial Results, 11 November 2011.)

The cash position of the Company is under constant review by the Board.

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What is VitroGro[®] ECM

- VitroGro[®] ECM is a topically applied, biomimetic scaffold, comprising a synthetic extracellular matrix (ECM) protein.
- **How it works:** VitroGro[®] ECM replaces the degraded matrix of a hard to heal wound. VitroGro[®] ECM binds to a prepared wound bed and provides a physical structure (a scaffold) for cell attachment, which is a primary requirement for subsequent cell functions critical for healing, such as cell proliferation and migration ^[1].
- **An optimal scaffold:** One of the characteristics of hard to heal wounds is prolonged inflammation, which damages the native ECM that would normally guide the wound healing process ^[1,2,3,4]. Replacement of this damaged ECM is a beneficial strategy for treating hard to heal wounds ^[1]. VitroGro[®] ECM is ideal as an ECM replacement since its structural and functional elements mimic those present in the ECM at the early stages of normal wound healing.
- Expert health economics modelling indicates that VitroGro[®] ECM offers the opportunity for substantially more cost effective treatment of wounds compared to the current standard of care.

[1] Widgeow AD . Deconstructing the stalled wound. Wounds 2012

[2] Schultz GS. Extracellular Matrix: review of its roles in acute and chronic wounds. World Wide Wounds. 2005

[3] Moor AN. et al. Proteolytic activity in wound fluids and tissues derived from chronic venous leg ulcers. Wound Rep Reg. 2009

[4] International consensus, Acellular matrices for treatment of wounds. Wounds Int. 2010

About Tissue Therapies Limited

Tissue Therapies Limited is a biomedical technology company that is developing significantly more effective treatments for acute and chronic wound healing applications, including chronic skin ulcers and burns. Tissue Therapies Limited is commercialising VitroGro[®] ECM, a technology created by cell biology, tissue engineering and protein engineering experts at the Institute of Health and Biomedical Innovation at the Queensland University of Technology. The company is also developing treatments for psoriasis, scar prevention and various cancers including those of the breast, colon and prostate. Tissue Therapies Limited's shares are traded on the Australian, Berlin and Frankfurt stock exchanges.

More information: www.tissuetherapies.com



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