

Private Placement to Strategic Investor

ASX Announcement 29 August 2012
Tissue Therapies Limited ABN 45 101 955 088

Announcement

Biomedical company, Tissue Therapies Limited (ASX: TIS) is very pleased to announce that a new strategic investor has joined the Company's share register via a private placement.

The Board of Tissue Therapies has approved a placement of 3 million Fully-paid Ordinary Shares to this investor at AU\$0.37 each, totalling AU\$1,110,000, as detailed in the Appendix 3B released to the ASX following this announcement. The new investment will represent approximately 1.7% of the Company's issued capital.

The new shareholder is a Sophisticated Investor with extensive commercial interests in South America. He divides his time between South America, the USA and Europe and has a wide network of commercial contacts in these areas.

He was first attracted to Tissue Therapies and VitroGro[®] ECM when he became aware of the Company's promotional activities in Europe.

He is convinced of the global commercial opportunity of VitroGro[®] ECM as well as the practical benefits for millions of patients with hard-to-heal wounds.

In this regard, Tissue Therapies intends to proceed with its global rollout plans to strategically position the Company and maximise the commercial opportunities for VitroGro[®] ECM while waiting for final CE Mark approval.

The additional funds raised via the private placement will be used to proceed immediately with finalisation of FDA clinical trial submissions as well as preparation for applications for approval for sale in other regions including South America.

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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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