

July 31, 2014

On behalf of Unilife Corporation ("Unilife" or "the Company") (NASDAQ: UNIS; ASX: UNS), I am pleased to attach an Appendix 4C Quarterly Report for the Fourth Fiscal Quarter of 2014 ("Current Quarter" or "June 30, 2014") and an associated press release entitled "Unilife Accelerates Investment to Meet Increasing Demand from New and Existing Customers".

Yours sincerely

A handwritten signature in black ink, appearing to read "AS Shortall", written over a horizontal line.

Alan Shortall, Chairman and CEO

Unilife Accelerates Investment to Meet Increasing Demand from New and Existing Customers

* * *

Revenue for fiscal year 2014 anticipated to be at the high end of the \$12 million to \$15 million guidance range

Unifill commercial sales to commence this fiscal quarter and accelerate through FY2015 and FY2016

First commercial Unifill Finesse manufacturing line operational with additional lines on order and in progress

York, PA (July 30, 2014) Unilife Corporation (“Unilife” or “Company”) (NASDAQ:UNIS; ASX: UNS), a developer and supplier of injectable drug delivery systems, today announced an acceleration of investments in manufacturing capacity, R&D, and facilities in response to increasing demand from pharmaceutical and biotechnology companies for its products and services. During the fourth quarter of fiscal year 2014, the Company invested approximately \$16 million in capital expenditures and R&D above normal quarterly investments.

Mr. Alan Shortall Chairman and CEO of Unilife said, “We are scaling-up our operational capacity to support increasing demand from existing and new pharmaceutical customers. Some of this expansion is occurring ahead of schedule as customers seek to accelerate their commercial launch timelines under existing contracts, and we commence a multitude of new programs for the customization and supply of products from across our broad portfolio. This resulted in a surge of capital expenditure and R&D during the fourth quarter of fiscal year 2014. We have elected to capitalize on these opportunities by making this one-time increase in expenditure during the fourth quarter of fiscal year 2014.

“We begin fiscal year 2015 with 12 active programs from 11 customers, with additional contracts in the final stages of formalization. Cash receipts and revenue are expected to increase during fiscal year 2015 via a diversified and expanding base of customers and programs. We expect that ongoing investments in capital equipment and R&D during fiscal year 2015 will be funded by customer payments under existing and upcoming programs, our long-term debt financing agreement with OrbiMed and current cash on hand. In addition, we have access to \$12.8 million under the ATM (“At the Market”) facility with Cantor Fitzgerald. As we take receipt of additional manufacturing lines where we have made large upfront payments, we may also secure capital equipment financing, where appropriate, to support the continued scale-up of our production capabilities,” Mr. Shortall continued.

Unilife remains on schedule to commence the commercial sale of three separate Unifill product lines to multiple customers between now and the middle of fiscal year 2015. Commercial sales of Unifill® syringes are scheduled to commence during the current first fiscal quarter of 2015 utilizing an existing commercial manufacturing line. Commercial sales of the Unifill Finesse® and the Unifill Nexus are scheduled to commence during the middle of the fiscal year on additional manufacturing lines that are either in the process of being configured, or are now operational and in the process of being qualified.

Unifill products sold in fiscal year 2015 are expected to be used by customers for a range of purposes including compatibility studies and filling and packaging validation prior to the expected commercial launch of target injectable therapies. In addition to generating revenue via the commercial sale of Unifill

products, Unilife expects to receive upfront and milestone-based payments from various customers during fiscal year 2015.

Unilife also invested in an expansion of its manufacturing capacity for wearable injectors during the fourth quarter of fiscal 2014 in response to accelerating customer demand for programs that are either underway or about to commence. This investment by Unilife in its platform of wearable injectors has enabled the Company to provide customers with a broader range of product configurations utilizing a manufacturing line with key automated processes earlier than originally anticipated to support drug stability studies, feasibility programs, filling line validation, human clinical trials and human factors studies. Unilife also invested in the expansion of its manufacturing capabilities for additional product platforms across its broad portfolio of injectable drug delivery systems.

Unilife has completed a reconfiguration of its existing cleanrooms at its production facility in York, PA to accommodate new manufacturing lines for its Unifill products and wearable injectors that will support scheduled customer demand during fiscal year 2015. Unilife is also continuing the process of building new cleanrooms that will double the size of its cleanroom space at this facility to support the continued scale-up in production for existing and upcoming customer programs. This extra cleanroom space is expected to come on line in stages to support the planned arrival of additional manufacturing lines and equipment.

The Company has also increased its cross-functional R&D teams of engineers and other staff that are dedicated to servicing existing and prospective customers, with more than 200 staff now employed across the business. Part of the increase in R&D expenditure during fiscal year 2014 related to the supply of products and components to current and prospective pharmaceutical companies to support evaluation processes and user studies that are typically undertaken prior to the anticipated signing of contracts.

A [video](#) of the Unifill Finesse manufacturing line in operation and in the process of being qualified at Unilife's facility in York, PA can be viewed on the homepage of the Unilife website at www.unilife.com.

Fiscal Year 2014 Outlook

Mr. Shortall continued: "We are pleased with the trajectory of our business so far. We have invested in R&D during the last three years to build a critical mass in product range, industry expertise and operational capabilities. That investment is now generating revenue at an attractive growth rate. We are pleased to refine our full year revenue guidance for fiscal year 2014 to the high end of the \$12 million to \$15 million range that we had guided previously.

"We anticipate full year fiscal 2015 revenue to show strong growth over fiscal year 2014. We expect to moderate our investment in R&D during fiscal year 2015 while keeping SG&A largely flat. The increasing revenue and decrease in R&D investment is expected to allow us to continue narrowing our operating income loss and operating cash flow loss during fiscal year 2015. As the mix of the revenue expands beyond fees and shifts toward commercial sales, we expect to naturally increase our investment in capital expenditure. Beyond our current plans, we do not anticipate any additional increase in capital expenditure during fiscal year 2015," Mr. Shortall concluded.

About Unilife

Unilife Corporation (NASDAQ:UNIS / ASX: UNS) is a U.S. based developer and commercial supplier of injectable drug delivery systems. Unilife's broad portfolio includes prefilled syringes with automatic needle retraction, drug reconstitution delivery systems, auto-injectors, wearable injectors, intraocular delivery systems and novel devices. Each of these innovative, differentiated technology platforms can be customized to address specific customer, drug and patient requirements. Unilife's global headquarters and state-of-the-art manufacturing facilities are located in York, Pennsylvania. For more information, please visit www.unilife.com or download the Unilife IRapp on your iPhone, iPad or Android device.

Forward-Looking Statements

This press release contains forward-looking statements. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to our management. Our management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from our historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in "Item 1A. Risk Factors" and elsewhere in our Annual Report on Form 10-K and those described from time to time in other reports which we file with the Securities and Exchange Commission.

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments
Rule 4.7B

Appendix 4C
Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/3/2000. Amended 24/10/2005

Name of entity

UNILIFE CORPORATION

ARBN

141 042 757

Quarter ended ("current quarter")

30 June 14

Consolidated statement of cash flows

		Current quarter \$US'000	Year to date (12 months) \$US'000
Cash flows related to operating activities			
1.1	Receipts from customers	1,142	23,738
1.2	Payments for (a) staff costs	(8,299)	(20,997)
	(b) advertising and marketing	(64)	(249)
	(c) research and development	(6,678)	(15,792)
	(d) leased assets	(154)	(468)
	(e) other working capital	(4,725)	(16,022)
1.3	Dividends received	—	—
1.4	Interest and other items of a similar nature received	4	21
1.5	Interest and other costs of finance paid	(1,235)	(3,222)
1.6	Income taxes paid	—	—
1.7	Other (provide details if material)	—	—
	Net operating cash flows	<u>(20,009)</u>	<u>(32,991)</u>

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$US'000	Year to date (12 months) \$US'000
1.8 Net operating cash flows (carried forward)	(20,009)	(32,991)
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	(8,772)	(12,149)
(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	—	—
(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	(8,772)	(12,149)
1.14 Total operating and investing cash flows	(28,781)	(45,140)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc	—	19,390
1.16 Proceeds from sale of forfeited shares	—	—
1.17 Proceeds from borrowings	—	40,000
1.18 Repayment of borrowings	(165)	(11,226)
1.19 Dividends paid	—	—
1.20 Other (provide details if material)	—	(487)
Net financing cash flows	(165)	47,677
Net increase in cash held	(28,946)	2,537
1.21 Cash at beginning of quarter/year to date	39,797	8,206
1.22 Exchange rate adjustments	(13)	95
1.23 Cash at end of quarter (note 1)	10,838	10,838

+ See chapter 19 for defined terms.

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 \$US'000
1.24	Aggregate amount of payments to the parties included in item 1.2	461
1.25	Aggregate amount of loans to the parties included in item 1.11	—
1.26	Explanation necessary for an understanding of the transactions	
	Included in the above is directors' fees and executive director's remuneration (\$422K); and fees to a company associated with a director that is providing company secretarial, accounting and administrative services in order to maintain compliance with Australian regulations (\$39K).	

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
	Nil during the quarter
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
	Nil during the quarter

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$US'000	Amount used \$US'000
3.1	Loan facilities	55,591	55,591
3.2	Credit standby arrangements	—	—

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
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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 \$US'000	Previous quarter \$US'000
4.1	Cash on hand and at bank	8,092	37,440
4.2	Deposits at call	2,746	2,357
4.3	Bank overdraft	—	—
4.4	Other (Term Deposit)	—	—
Total: cash at end of quarter (item 1.23)		10,838	39,797

4.5 Explanation necessary for an understanding of the transactions

Restricted cash of \$2,400 is included in 4.2 Deposits at call of \$2,746 in the current quarter which fully secures a related borrowing.

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	—

+ See chapter 19 for defined terms.

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 gives a true and fair view of the matters disclosed.

Sign here:  Date: 31 July 2014
(Director)

Print name: Alan Shortall

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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.

+ See chapter 19 for defined terms.