

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE

31st October 2014

Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear sir/madam,

Re: Appendix 4C - Quarterly Report

Please refer to the 'Appendix 4C' attached for details for the period ended 30 September 2014, for the Admedus Group.

- **CardioCel® in 20 centres across Europe**
- **CardioCel® in 15 centres in the USA**
- **CardioCel® shipping from the Western Australian manufacturing site**
- **Admedus increases holding in Admedus Vaccines to 66.3%**

At the end of September, Admedus finished the quarter with \$14.4M in cash and customer receipts were up 8% from the previous corresponding quarter to \$2.27M.

The company continues to invest in the launch of CardioCel® in Europe and the US, as well as seeking marketing approvals in other jurisdictions, such as the recently reported Canadian marketing license from Health Canada.

During the last quarter, Admedus continued to increase market penetration of CardioCel® into the European and US markets. Currently, CardioCel® is in 20 centres in Europe and 15 centres in the US, which is ahead of the forecast target of 15 centres for each jurisdiction in the first 12 months.

The company has also participated in a number of international cardiovascular conferences, with a strong presence at the recent European Association for Cardiothoracic Surgery (EACTS) meeting in Italy and the Congenital Heart Surgeons' Society (CHSS) conference in Chicago.

Admedus will continue to invest in building our sales teams for the ongoing roll-out of CardioCel®, as well as pursuing product extensions in cardiovascular repair and reconstructions and progressing the ADAPT® tissue in non-cardiovascular applications.

During the last quarter, Admedus invested an additional \$3M to fund the upcoming Admedus Vaccines Phase II study for the Herpes simplex 2 (HSV-2) therapeutic vaccine, resulting in an increased holding for the company of 66.3% in the technology.

Recently, Admedus announced additional Phase I data for the HSV-2 vaccine which showed a clear T-cell response in patients. The company is working with Professor Ian Frazer and the team to take this vaccine into the next clinical study, which is anticipated to be initiated towards the end of this year or early next year.

Overall, Admedus has continued to grow revenues and expand its R&D and product pipelines. Admedus anticipates continued sales growth across our product ranges and geographies. The company will also continue to progress product development within the regenerative tissue portfolio, as well as initiating the next phase of the therapeutic vaccines studies.

Everyone at Admedus is looking forward to another exciting year for the company and shareholders.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Mann', written in a cursive style.

Stephen Mann
Company Secretary

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Admedus Limited

ABN

35 088 221 078

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	2,277	2,277
1.2 Payments for		
(a) staff costs	(2,909)	(2,909)
(b) advertising and marketing	(137)	(137)
(c) research and development	(258)	(258)
(d) leased assets	-	-
(e) other working capital	(3,942)	(3,942)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	41	41
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refunded	(17)	(17)
1.7 Other – Commercialisation Australia Grant	-	-
1.8 Other – WA Innovation Voucher Program Grant	-	-
Net operating cash flows	(4,945)	(4,945)

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(4,945)	(4,945)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(40)	(40)
(d) physical non-current assets	(81)	(81)
(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	(165)	(165)
Net investing cash flows	(286)	(286)
1.14 Total operating and investing cash flows	(5,231)	(5,231)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	68	68
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other / Transactions with Non-controlling interests	-	-
Net financing cash flows	68	68
Net increase (decrease) in cash held	(5,163)	(5,163)
1.21 Cash at beginning of quarter/year to date	19,583	19,583
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	14,420	14,420

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 \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	126
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Consultancy services \$66k
Directors fees \$60k

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

N/A

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

N/A

Financing facilities available

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

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

The Group holds an overdraft facility of \$500,000 which is completely unused at the end of the current quarter.

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 \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	14,420	19,583
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	14,420	19,583

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		

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 does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 31 October 2014
(Company Secretary)

Print name: Stephen Mann

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 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting 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.