



Avita Medical Completes Sale of Respiratory Business for \$2.47m

Sale enables greater focus on core business of regenerative medicine and wound care

Northridge, CA, USA and Cambridge, United Kingdom, 5 February 2016 — Avita Medical Limited (ASX: AVH), (OTCQX: AVMXY), a regenerative medicine company specializing in the treatment of wounds and skin defects, has completed the sale of its respiratory business to Medical Developments International Limited (ASX: MVP) for \$2.47m.

The strategic divestment of the respiratory business will allow Avita to concentrate exclusively on its core business of regenerative medicine and wound care.

Avita Medical's respiratory business included two products, Breath-A-Tech® and Funhaler®, which are both asthma spacers aimed at optimizing the use of medicinal puffers. The products are marketed in pharmacies throughout Australia.

The transaction was comprised of \$2.029m cash, plus 117,894 new MVP shares escrowed for 6 months valued at \$0.44m at the time of closing. The final price was adjusted to accommodate for such elements as receivables and a stock valuation.

The sale represents the second input of non-dilutive capital Avita has received in recent months, following last September's conclusion of a deal worth up to USD \$54.9m from the US federal disaster preparedness agency BARDA. The company is already invoicing BARDA under a program to support the completion of Avita's FDA approval and its entry to the US market.

"With the sale of the respiratory business, we now have complete focus on our most valuable asset – our ReCell® autologous cell harvesting technology," said Avita Medical's CEO, Adam Kelliher. "The sale proceeds will enable us to focus on our core commercialisation and clinical goals, such as completing our ReCell® FDA approval trial, currently underway in the US."

ABOUT RECELL® AND RES™

ReCell® is Avita Medical's unique proprietary technology that enables a clinician to rapidly create, at point of care in approximately 30 minutes, Regenerative Epithelial Suspension (RES™) using a small sample of the patient's skin. RES™ is an autologous suspension comprising the cells and wound healing factors necessary to regenerate natural, healthy skin. RES™ has a broad range of applications and can be used to restart healing in unresponsive wounds, to repair burns using less donor skin, yet with improved functional and aesthetic outcomes, and to restore pigmentation and improve cosmesis of damaged skin.

ABOUT AVITA MEDICAL LTD

Avita Medical develops and distributes regenerative products for the treatment of a broad range of wounds, scars and skin defects. Avita's patented and proprietary collection and application technology provides innovative treatment solutions derived from a patient's own skin. The company's lead product, ReCell®, is used in the treatment of a wide variety of burns, plastic, reconstructive and cosmetic procedures. ReCell® is patented, CE-marked for Europe, TGA-registered in Australia, and CFDA-cleared in China. In the United States, pending completion of the FDA approval trial, ReCell® is an investigational device limited by federal law to investigational use. To learn more, visit www.avitamedical.com.

###

FOR FURTHER INFORMATION

Avita Medical Ltd

Adam Kelliher

Chief Executive Officer

Phone: +44 (0) 1763 269 772

akelliher@avitamedical.com

Avita Medical Ltd

Tim Rooney

Chief Financial Officer

Phone: + 1 (818) 356-9400

trooney@avitamedical.com

Avita Medical Ltd

Gabriel Chiappini

Company Secretary

Phone +61(0) 8 9474 7738

gabriel@laurus.net.au

UK/EU

Instinctif Partners

Gemma Howe/Sue Charles

Phone +44 (0)20 7866 7860

avitamedical@instinctif.com

USA

The Ruth Group

Lee Roth, Investor Relations

Kirsten Thomas

Phone: +1 (646) 536-7012 /

+1 (508) 280-6592

lroth@theruthgroup.com

/ kthomas@theruthgroup.com

Australia

Monsoon Communications

Dean Felton

Investor Relations / PR

Phone: +61 3 9620 3333

rudim@monsoon.com.au