



ASX RELEASE
4 February 2015

Letter to option holders - Tissue Therapies Limited (ASX Code: TIS)

Dear Option Holder

Entitlement Offer - notice to option holders

Tissue Therapies Limited (**Tissue Therapies**) today announced that it will raise approximately A\$3.7 million through a non-renounceable entitlement offer in Tissue Therapies (**Entitlement Offer**).

The proceeds of the Entitlement Offer will allow Tissue Therapies to proceed with:

- completion of the final EMA review, to seek approval for the granting of CE Mark and targeting country sales launches in the EU and internationally; and
- commencing preparatory work for an FDA diabetic ulcer human trial to commence during the second half of 2015, to provide the basis for approval for sale of VitroGro[®] ECM for the treatment of diabetic ulcers in the USA and to optimize future global sales.

The Entitlement Offer entitles eligible shareholders to subscribe for 1 new share for every 15 existing ordinary shares in Tissue Therapies (**New Shares**) held at 7.00pm (AEDT) on 10 February 2015 (**Record Date**) at an offer price of \$0.21 per new share (**Entitlement**).

Your options do not entitle you to participate in the Entitlement Offer.

The purpose of this letter is to give you notice prior to the Record Date that you may exercise your options should you wish to participate in the Entitlement Offer. Accordingly, if you wish for some or all of the shares underlying your options to be counted as part of your Entitlement under the Entitlement Offer, you will need to exercise that portion of your vested and exercisable options for which you wish to participate and pay the current exercise price for them so that those shares are issued to you before the Record Date. Please contact our share registry should you wish to exercise your options.

The share registry contact details are:

Tissue Therapies Limited ABN 45 101 955 088 www.tissuetherapies.com
Level 19, 179 Turbot Street, Brisbane QLD 4000 Australia
GPO Box 1596, Brisbane QLD 4001
telephone +61 7 3334 3900 facsimile +61 7 3334 3999

By hand delivery (not to be used if mailing)

Tissue Therapies Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

By post

Tissue Therapies Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

If you choose to participate in the Entitlement Offer by exercising some or all of your options prior to the Record Date, you will be sent an Information Booklet and personalised Entitlement and Acceptance Form containing important information about the Entitlement Offer. A copy of the Information Booklet will also be available on the ASX website at www.asx.com.au and Tissue's website at www.tissuetherapies.com.

If you do not wish to participate in the Entitlement Offer (in respect of your options) you do not need to take any action.

In that case, you should be aware that your options confer no right to a change in exercise price, nor change to the number of underlying shares over which they can be exercised, as a result of the Entitlement Offer.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Entitlement Offer carefully and consult with your professional adviser if necessary.

Should you have any queries in relation to this matter, please do not hesitate to contact the share registry on 1800 063 366 at any time from 8.30am to 5.00pm (AEDT) Monday to Friday.

Yours sincerely



Steven Mercer
Managing Director
Tissue Therapies Limited

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] Widgerow 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

Important information

This letter does not constitute an offer to sell or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. In particular, the new shares under the Entitlement Offer have not been, and will not be, registered under the US Securities Act of 1933 (US Securities Act) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be offered, sold or resold in the United States or to, or for the account or benefit of, a person in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.