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**August 25, 2016**

## **AirXpanders Half Year Financial Results**

### **Highlights**

- Total revenue for the half year period ended 30 June 2016 of US\$216,644
- Operating expenses of US\$7,068,112
- Net loss after tax of US\$8,840,919
- Cash position as of 30 June 2016 of US\$23,339,317

**PALO ALTO, CA, United States — AirXpanders Inc. (ASX: AXP) (AirXpanders or Company)** a medical device company focused on the design, manufacture, sale and distribution of the AeroForm® Tissue Expander System, today released its Appendix 4D Half Year Financial Results for the period ending 30 June 2016 and its unaudited consolidated financial statements, with accompanying notes.

During the period, the company reported revenue of US\$216,644, reflecting the continued increase in procedures and the result of training over 70 surgeons in Australia to date. The increase also demonstrates the Company bringing on new hospitals in the Australian marketplace.

Expenditure for the period was US\$7,068,112, demonstrating continued investment in the manufacturing transfer to Costa Rica, growing marketing and support in the Australian market, as well as ramp up in preparation for launch of AeroForm® in the U.S., pending regulatory clearance, in the final quarter of 2016.

During the half year, AirXpanders submitted its formal response to the U.S. Food and Drug Administration's (FDA) initial queries to the dossier submitted in 2015; held a successful placement of CHESS Depositary Interests raising US\$14.9 million; and added the CFO/COO position to the senior management team.

Scott Dodson, President and CEO of AirXpanders said, "During the first half of 2016, we built upon the successful launch of AeroForm® in Australia by reaching more surgeons and bringing in hospitals, as well as our continued manufacturing transfer to Costa Rica to ensure a strong inventory position in preparation for US launch."

"We also submitted our response to the FDA's initial queries and anticipate that a final decision from the regulatory authorities could be received in the final quarter of 2016."

AirXpanders had a cash position of US\$23,339,317 as of 30 June 2016.

-ENDS-

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**About AirXpanders:**

The revolutionary AeroForm® Tissue Expander System is a patient-controlled, needle-free tissue expander for patients undergoing breast reconstruction. The AeroForm System is comprised of the AeroForm Tissue Expander (Expander) and the AeroForm Dosage Controller (Controller). The Expander has a textured, outer silicone shell and houses a reservoir of compressed carbon dioxide (CO<sub>2</sub>), which is released within the Expander by using the Controller. The Controller is a wireless controller which enables the patient to inflate the Expander in the comfort of her own home. With a push of a button, the programmed dose (10cc) of CO<sub>2</sub> is delivered in a matter of seconds. The needle-free design eliminates the need for expansion visits. The Expander is available in three sizes: small, medium and large. The AeroForm System is not cleared or approved for use in the United States and is for investigational use only.

For more information, visit [www.airxpanders.com](http://www.airxpanders.com).