



ASX Announcement - Capital Consolidation

York, PA. - May 9, 2016 (Sydney, Australia - May 10, 2016)

Unilife Corporation (NASDAQ: UNIS, ASX: UNS) (**Unilife** or the **Company**) wishes to advise that the reverse share split approved at the Company's Special Meeting of Stockholders held earlier today will proceed as set out below.

Effect on number of shares and CHESS Depository Interests (CDIs)

The capital consolidation or reverse split will be effected at a ratio of one for ten, such that holders of shares of common stock (**Shares**) will receive one (1) Share for every ten (10) Shares that they hold on the record date.

The CDIs in respect of the Company's Shares will not be consolidated and therefore CDI holders will hold the same number of CDIs following the consolidation, however each CDI will represent an interest in one-60th of a Share of common stock following the consolidation rather than one-sixth of a Share prior to the consolidation.

Treatment of fractional entitlements to Shares

No fractional Shares will be issued as a result of the reverse stock split.

Shares of common stock

Stockholders of record who otherwise would be entitled to receive fractional Shares because they hold a number of pre-split shares of common stock not exactly divisible by ten on the record date, will be entitled to rounding up of their fractional share to the nearest whole Share. Stockholders will not obtain any voting, dividend or other rights with respect to any fractional entitlements but will be entitled to receive a whole share of common stock as noted above.

CDIs

While the number of CDIs held following implementation of the reverse stock split will not change, if at any time after the reverse stock split, a CDI holder holds a number of CDIs not exactly divisible by 60 then with respect to any fractional entitlement to a Share represented by the balance of these CDIs, as the Company does not issue fractional Shares or recognise fractional votes, CDI holders will not:

- be able to convert the fractional entitlement to Shares; and
- have any right to vote at any meetings of the Company in respect of the fractional entitlement to underlying Shares of our common stock such CDIs represent.

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Effect on incentive plans, options, restricted stock awards, stock units, warrants, and convertible securities

Pursuant to the terms of the Amended and Restated 2009 Stock Incentive Plan and the Unilife Medical Solutions Limited Exempt Employee Share Plan (collectively, the “**Plans**”) and in accordance with the ASX Listing Rules, the number of Shares available for future grants under the Plans, the number of Shares underlying outstanding awards issued pursuant to the Plans, the exercise price per Share of outstanding stock options and warrants and other terms of outstanding awards issued pursuant to the Plans will adjust automatically to reflect the effects of the reverse stock split.

Proportionate adjustments are also required to be made to the per share exercise price and the number of shares issuable upon the exercise or conversion of outstanding options, restricted stock units, warrants under other plans and arrangements and any convertible or exchangeable securities entitling the holders to purchase, exchange for, or convert into, shares of common stock.

In summary:

- *Options and one for one warrants* - the number of options/warrants will be consolidated in the same ratio as the Share consolidation and the exercise price of the options/warrant will be amended in inverse proportion to the ratio;
- *Single warrant over a prescribed number of shares* - the number of shares to be received on exercise of the warrants will be reduced in accordance with the consolidation ratio and the exercise price per Share will be amended in inverse proportion to the ratio;
- *Restricted stock* - the number of shares of restricted stock will be consolidated in the same ratio as the Shares;
- *Convertible notes* - the number of shares to be received on conversion will be adjusted to reflect the consolidation ratio;
- *Stock units* - the number of shares the subject of the stock units will be consolidated in the same ratio as the Share consolidation.

Please see the Appendix 3A.3 filed with this announcement for further details of the adjustment to these securities.

The above adjustments will result in approximately the same aggregate price being required to be paid under such options, restricted stock units, warrants and convertible or exchangeable securities upon exercise, and approximately the same value of shares of common stock being delivered upon such exercise, exchange or conversion, immediately following the reverse stock split as was the case immediately preceding the reverse stock split.

Timetable

The consolidation will proceed in accordance with the following timetable:

Event	Date (US EST)	Date (AEST)
Shareholder meeting to approve consolidation	9 May 2016	10 May 2016
Last day for trading of pre-consolidation securities on ASX.		11 May 2016
Trading of consolidated securities on a deferred settlement basis begins on ASX.		12 May 2016
Last day for Unilife to register security transfers on a pre-consolidation basis on ASX.	12 May 2016	13 May 2016
Effective date for consolidation of shares	3:01am 13 May 2016	5:01pm 13 May 2016
First day for Unilife to register new security holdings on a consolidated basis on ASX and to trade shares on a consolidated basis on Nasdaq	13 May 2016	16 May 2016
First day for issuing holding statements/new share certificates to shareholders.	13 May 2016	16 May 2016
Last day to register new security holdings on a consolidated basis and last day for issuing holding statements. Deferred settlement trading ends on ASX.	20 May 2016	20 May 2016
Normal (T+2) trading of CDIs starts on ASX.		23 May 2016

Security holders are advised that the Company's CDIs may be traded using the code UNSDA on ASX trading platforms, indicating the deferred settlement basis, while procedures for the capital consolidation are completed. Normal trading using the UNS code is expected to resume on 23 May 2016.

For further information please contact:

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