

NORWOOD IMMUNOLOGY VIROSOME DEAL COMPLETES

Medical technologies group Norwood Abbey Ltd [ASX:NAL] advises that Norwood Immunology Ltd has now completed the transaction to sell its equity in Bestwil Holdings NV and subsidiary Virosome Biologicals NV.

The Norwood Immunology EGM overwhelmingly approved the sale to Mymetics Inc. Mymetics has now transferred to Norwood Immunology the initial payment of 5 million euros.

Norwood Immunology has announced a special dividend of one pence per share, to be paid from the proceeds of the Mymetics transaction. The Board of Norwood Immunology is now examining its future strategy.

Norwood Abbey is continuing discussions with a view to consummating a merger. A further announcement will be made in due course.

With the confirmation of the Norwood Immunology position, Norwood Abbey is now working to complete its half-yearly accounts with a view to moving to reinstatement of its securities to ASX trading during May.

The full text of the Norwood Immunology announcement is set out below.

“Norwood Immunology is pleased to announce that completion of the sale of Bestewil to Mymetics has now occurred and the Company is now in receipt of funds in respect of the €5 million cash payment due on completion.

The sale of Bestewil flowed from a decision by the Norwood Board to endeavour to convert assets into cash and focus the ongoing activities of the Company on revenue producing activities. The non contingent consideration is €5 million cash on completion and €2.5 million in Mymetics 5% convertible loan notes, repayable with accrued interest 36 months from completion. In addition, further consideration and royalties could be receivable by the Company from Mymetics based on milestones being achieved in the business sold.

Since the initial announcement of the proposed sale of Bestewil, the Board has continued to discuss the direction of the Company and the application of the proceeds from the sale of Bestewil. As an interim measure the Board has decided to pay a special interim dividend of 1p per ordinary share to Shareholders on the Company's register at 1 May 2009 (an amount in aggregate equivalent to €2.58 million) on 8 May 2009. Thereafter, the Board plans to send to Shareholders proposals that will outline its recommendations for the future direction of the Company. These proposals may include a share buy-back, with an alternative of a special dividend.

The Board expects to be in a position to circulate the proposals prior to 31 May 2009, some of which are expected to require Shareholder approval in general meeting.

Interim Accounts for the six months ended 31 December 2008 are in the course of preparation, and it is expected that these will be made available during May 2009, prior to any proposals being circulated to Shareholders.

Terms defined in the announcement by the Company dated 6 March 2009 have the same meaning in this announcement”.