



TISSUE THERAPIES LIMITED

ACN 101 955 088

Information Booklet

1 for 9 pro rata non-renounceable Entitlement Offer at \$0.21 per Share to raise approximately \$5.3 million before Offer Costs.

The Entitlement Offer is fully underwritten

Entitlement Offer closes: 5.00pm (AEDT) on 9 December 2013

If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this document you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Lead Manager and Underwriter



Legal Adviser



IMPORTANT NOTICES

This Information Booklet is dated 4 November 2013. Capitalised terms in this section have the meaning given to them in this Information Booklet.

The Entitlement Offer is being made without a prospectus in accordance with Section 708AA Corporations Act (as notionally modified by ASIC Class Order 08/35). This Information Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet is important and should be read in its entirety before deciding to participate in the Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares or Top Up Shares through BPAY in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Information Booklet.

No overseas offering

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Information Booklet is not to be distributed in, and no offer of New Shares or Top Up Shares is to be made in countries other than Australia and New Zealand. The distribution of this Information Booklet in other jurisdictions may be restricted by law and therefore persons who come into possession of this Information Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction outside Australia or New Zealand.

The distribution of this Information Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for TIS to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

This document has not been registered, filed with or approved by a New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Definitions, currency and time

Defined terms used in this Information Booklet are contained in Section 5. All references to currency are to Australian dollars and all references to time are to Australian Eastern Daylight Saving Time (**AEDT**), unless otherwise indicated.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. TIS considers that it is not appropriate to give advice regarding the tax consequences of subscribing for New Shares under this Information Booklet or the subsequent disposal of any New Shares. TIS recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

Privacy

TIS collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in TIS.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to TIS (directly or through the Share Registry). TIS collects, holds and will use that information to assess your Application. TIS collects your personal information to process and administer your shareholding in TIS and to provide related services to you. TIS may disclose your personal information for purposes related to your shareholding in TIS, including to the Share Registry, TIS' related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that TIS holds about you. To make a request for access to your personal information held by (or on behalf of) TIS, please contact TIS through the Share Registry.

Governing law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Queensland, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by TIS or any of its officers.

Past Performance

Investors should note that TIS' past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) TIS' future performance including TIS' future financial position or share price performance.

Future performance

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of TIS and certain plans and objectives of the management of TIS. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither TIS, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of TIS. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Information Booklet in light of those disclosures.

Risks

Refer to Section 4 of this Information Booklet for a summary of general and specific risk factors that may affect TIS.

United States disclaimer

None of the information in this booklet or the accompanying Entitlement and Acceptance Form constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this booklet (or any part of it), the accompanying ASX announcement nor the accompanying Entitlement and Acceptance Form may be released or distributed directly or indirectly, to persons in the United States.

The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons (including nominees or custodians) who are acting for the account or benefit of a person in the United States, and the New Shares 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 transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction in the United States.

Chairman's and Managing Director's letter

4 November 2013

Dear Shareholder

On behalf of Tissue Therapies Limited (**TIS**), we are very pleased to invite you to participate in the recently announced 1 for 9, fully underwritten, non-renounceable entitlement offer for new TIS ordinary shares (**New Shares**) at an issue price of \$0.21 per New Share (**Entitlement Offer**).

On 4 November 2013, TIS announced its successful raising of approximately \$3.0 million through a placement to institutional and sophisticated investors (**Placement**) and its intention to proceed with the Entitlement Offer (together, the **Equity Raising**).

As well as providing TIS with working capital to meet the operational costs of the company, TIS intends to use the proceeds of the Equity Raising to proceed with:

- 1 Preparation for and execution of a well-planned sales launch program for VitroGro[®] ECM within the UK and Europe as well as other defined regions internationally. The sales launch in the UK and Europe is planned to start shortly after CE Mark¹ is granted and is designed to minimise the time for TIS to achieve a cash flow positive position. CE Mark is now expected during the 2nd quarter of 2014 (calendar year).
- 2 Two health economic impact and reimbursement studies, one in the UK and one in Germany. These studies will be used to build on the impressive health economic and cost saving data already developed, to maximise market access in the EU and elsewhere internationally.

The start of the final review for CE Mark approval by the European Medicines Agency (**EMA**) was unexpectedly delayed in February 2013, but is now underway. The EMA Committee review is a defined process with a maximum duration of 210 calendar days, which does not include the time taken for TIS to respond to any questions that may be issued by the EMA reviewers. The average duration of an EMA Committee review is approximately 192 calendar days. The EMA Committee review started on 6 September 2013 and should result in the grant of CE Mark and start of sales in the 2nd quarter of 2014 (calendar year).

It is expected that the funds raised from the Placement (announced on 4 November 2013 and to complete on 11 November 2013) and the Entitlement Offer will provide the Company with sufficient working capital to meet its current strategic objectives through to the end of the 3rd quarter of 2014 (calendar year).

The TIS Board is convinced that the most effective means to maximise Company value is to use the time of the EMA Committee review to prepare for optimised sales launches and reimbursement applications within a targeted set of countries within the EU and elsewhere internationally.

¹ A mandatory conformity marking for certain products sold within the European Economic Area.

The benefits that are expected to flow from this initiative, for TIS and its shareholders, are described in slide 3 of the TIS investor presentation set out in Section 2 of this Information Booklet), and are expected to include:

- 1 Maximising Company value by optimising sales launches in:
 - The UK and selected European countries; and
 - Countries outside the EU that use CE Mark as an important part of the approval for sale: e.g. Russia, Turkey, the Middle East, South Africa, Latin America, Canada and Australia.
- 2 Maximising market access and sales within the EU and elsewhere internationally by demonstrating the health economic and benefits and cash savings that can be generated by using VitroGro[®] ECM.
- 3 Positioning VitroGro[®] ECM for US market entry by gaining FDA approval for the pivotal clinical trial of VitroGro[®] ECM to heal venous ulcers. The application for FDA approval was made on 25 October 2013. The usual approval time for this type of application is 30 calendar days. As a result of the recent US Government shutdown and furlough of FDA employees, a backlog of applications is expected to extend this time period. Despite this, it is expected that approval for the clinical trial will be received before the end of December 2013. Subject to obtaining FDA approval, the pivotal clinical trial will commence when sufficient funding is available.
- 4 Minimising the time to achieve cash flow positive status.

Entitlement Offer overview

Under the Entitlement Offer, Eligible Shareholders have the opportunity to invest at the price of \$0.21 per New Share, which is the same price as the institutional investors who participated in the Placement. The number of new shares you are entitled to subscribe for under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed in this Information Booklet. There is also a 'top-up facility' (**Top-Up Facility**) available under the Offer to allow Eligible Shareholders to apply for shares beyond their Entitlement (please refer to Section 3.2 of this Information Booklet for more information).

The issue price of \$0.21 per New Share represents a 16% discount to the weighted average closing price for the five trading days up to and including 30 October 2013 (being the last trading day before the Equity Raising was announced by the Company).

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable. We encourage you to consider this offer carefully.

Other Information

This Information Booklet contains important information, including:

- the investor presentation referred to above, which was released to the ASX on 4 November 2013, and provides information on TIS, the Entitlement Offer and key risks for you to consider;
- instructions on how to apply, detailing how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates;
- a personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions; and
- instructions on how to take up all or part of your Entitlement via BPAY.

The Entitlement Offer closes at 5.00pm (AEDT) on 9 December 2013

Please read in full the details on how to submit your application which are set out in this Information Booklet. For further information regarding the Entitlement Offer, please call 1300 859 277 (within Australia) or +61 1300 859 277 (outside Australia) during the offer period.

An investment in TIS should be considered speculative. Section 4 identifies the major risks associated with an investment in TIS. You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board of TIS, we encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Roger Clarke
Chairman



Steven Mercer
Managing Director

Summary of Equity Raising

Placement	
Issue Price	\$0.21 per Share
Size	14.5 million Shares
Gross proceeds	\$3.0 million
Entitlement Offer	
Ratio	1 New Share for every 9 Existing Shares
Issue Price	\$0.21 per New Share
Size	25.4 million New Shares
Gross proceeds	\$5.3 million
Total gross proceeds of the Equity Raising	\$8.3 million

Capital structure

Subject to rounding up of fractional Entitlements, the capital structure of TIS following the issue of New Shares is expected to be as follows:

Shares on issue as at 4 November 2013 (announcement of the Equity Raising)	214,250,604
Shares issued under the Placement	14,500,000
New Shares to be issued under the Entitlement Offer	25,416,734
Shares on issue after the Equity Raising	254,167,338

Placement

Investors who receive shares under the Placement will have those Shares registered by the Record Date and will be entitled to participate in the Entitlement Offer as Eligible Shareholders.

Underwriting and sub-underwriting

The Entitlement Offer is fully underwritten by Morgans Corporate Limited.

In addition, TIS' largest shareholder, Allan Gray Australia Pty Limited (**Priority Sub Underwriter**), has shown support for the Company by participating in the Placement, as well as committing to the Underwriters to take up its full entitlement under the Entitlement Offer and to sub-underwriting a priority amount of any shortfall from the Entitlement Offer.

As part of this arrangement, the Company has agreed that, if the amount of any shortfall is less than the amount sub-underwritten by the Priority Sub Underwriter, at the Priority Sub Underwriter's election (within a 48 hour period), the Company will issue further Shares to the Priority Sub Underwriter for the difference in the actual shortfall and the priority sub-underwritten amount.

Accordingly, the Priority Sub Underwriter is expected to increase its overall shareholding in the Company to approximately 16%.

Risks

The major risks associated with an investment in TIS are set out in Section 4. These include:

- (a) TIS may not obtain the regulatory approvals (such as the grant of CE Mark) that it requires for sale of its products or the reimbursement approvals required for sales growth, or such approvals may be subject to delay;
- (b) TIS' clinical trials may prove unsuccessful;
- (c) TIS currently has no material revenues. It may need to raise further capital in the future;
- (d) TIS may need to replace inventory currently in storage if applicable regulatory authorities do not agree to an extension of shelf-life. If this occurs then inventory will be impaired by \$3.9 million and an additional production batch will be required. An additional production batch has been included by the Company as a contingency in its use of funds raised under the Equity Raising (please see Section 1.2, which refers to a provision of \$1.2 million for 'inventory manufacturing');
- (e) TIS is dependent on the performance of its commercial partners and the retention of key consultants and personnel for its specialised business;
- (f) TIS' value may be impacted if its intellectual property is not able to be adequately protected; and
- (g) TIS may face competition from better resourced industry participants.

Key dates

Activity	Date
Announcement of the Entitlement Offer	4 November 2013
Mailing of the Entitlement Offer details	6 November 2013
Ex-date	7 November 2013
Record Date for Entitlement Offer (7.00pm (AEDT))	13 November 2013
Information Booklet and Entitlement & Acceptance Form despatched	19 November 2013
Entitlement Offer opens	19 November 2013
Closing date for acceptances under Entitlement Offer (5.00pm (AEDT))	9 December 2013
New Shares quoted on deferred settlement basis	10 December 2013
Company notifies ASX of under subscriptions	12 December 2013
Allotment of New Shares under the Entitlement Offer	17 December 2013
Despatch of holding statements for New Shares issued under the Entitlement Offer	18 December 2013
Normal ASX trading for New Shares issued under the Entitlement Offer commences	18 December 2013

This timetable is indicative only and subject to change. The Directors may vary these dates, in consultation with the Underwriter, subject to the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Enquiries

Telephone: 1300 859 277 (within Australia) or +61 1300 859 277 (outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday during the offer period. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

If you have lost your Entitlement and Acceptance Form and would like a replacement form, you should contact the Share Registry on the above telephone numbers.

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1 Description and effect of the Offer

1.1 Overview

The Entitlement Offer is a fully underwritten non-renounceable offer of approximately 25.4 million New Shares at \$0.21 per New Share to raise about \$5.3 million (before Offer Costs).

As well as providing TIS with working capital to meet the operational costs of the company, TIS intends to use the proceeds of the Equity Raising to proceed with:

- 1 Preparation for and execution of a well-planned sales launch program for VitroGro[®] ECM within the UK and Europe as well as other defined regions internationally. The sales launch in the UK and Europe is planned to start shortly after CE Mark is granted and is designed to minimise the time for TIS to achieve a cash flow positive position. CE Mark is now expected during the 2nd quarter of 2014 (calendar year).
- 2 Two health economic impact and reimbursement studies, one in the UK and one in Germany. These studies will be used to build on the impressive health economic and cost saving data already developed, to maximise market access in the EU and elsewhere internationally.

Eligible Shareholders who are on TIS' share register on the Record Date are entitled to acquire 1 New Share for every 9 Shares held on the Record Date (**Entitlement**). The issue price of \$0.21 per New Share represents a discount of 16% to the weighted average closing price for the five trading days to 30 October 2013 (being the last trading day before the Equity Raising was announced by the Company). Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Information Booklet.

Shareholders will have their interest in TIS diluted because of the issue of Shares under the Placement. In addition, Eligible Shareholders who do not take up all of their Entitlements will have their percentage shareholding in TIS further diluted.

Eligible Shareholders should be aware that an investment in TIS involves risks and should be considered speculative. The key risks identified by TIS are identified in Section 4 of the Information Booklet.

Top Up Facility

Eligible Shareholders may subscribe for all or part of their Entitlement.

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility detailed in Section 3.2.

There is no guarantee that such Shareholders will receive the number of New Shares applied for under the Top Up Facility, or any.

There is no cap on the number of additional New Shares that Eligible Shareholders may apply for under the Top Up Facility, although the number of New Shares available under the Top Up Facility will not exceed the shortfall from the Entitlement Offer. The Directors reserve the right to allot and issue New Shares under the Top Up Facility at their discretion. Interests of existing shareholders and the interests of the Priority Sub Underwriter will be taken into consideration in allocating shares under the Top Up Facility.

Options

The Company has 3,740,000 existing options on issue, comprising:

Category	Number	Exercise Price	Lapse Date
Employees and contractors	950,000	59c	4 July 2014
Director - Dr Steven Mercer	140,000	64c	2 years from achievement of milestones by Dr Steven Mercer
Balance at 30 June 2013	1,090,000		
Employees and contractors	2,150,000	15% premium to the 10 trading-day volume weighted average of Shares immediately prior to the achievement of the KPI	3 years from achievement of milestones by employees and contractors
Director - Dr Steven Mercer	500,000	15% premium to the 10 trading-day volume weighted average of Shares immediately prior to the achievement of the KPI	3 years from achievement of milestones by Dr Steven Mercer
Balance at 4 November 2013	3,740,000		

None of the existing options may be exercised prior to the Record Date.

Effect on the Company's financial position

Set out below is the Pro Forma Consolidated Statement of Financial Position as at 30 June 2013. This statement comprises the independently audited Consolidated Statement of Financial Position as at 30 June 2013 adjusted for significant transactions as detailed in Note 1 below.

	30-Jun-13 Audited	Working Capital Adjustment	Placement	Rights Issue	30-Jun-13 Pro Forma
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Current Assets					
Cash and cash equivalents	4,862	(2,232) ^a	2,853 ^b	4,911 ^d	10,394
Receivables	142	-	-	-	142
Inventories	9,227	122	-	-	9,349
Current tax assets	321	-	-	-	321
Financial assets	50	-	-	-	50
Other assets	304	-	-	-	304
Total Current Assets	14,906	(2,110)	2,853	4,911	20,560
Non-Current Assets					
Inventories	238	-	-	-	238
Property, plant and	307	-	-	-	307

equipment					
Intangible assets	342	-	-	-	342
Other assets	2	-	-	-	2
Total Non-Current Assets	889	-	-	-	889
Total Assets	15,795	(2,110)	2,853	4,911	21,449
Current Liabilities					
Payables	1,403	(586)	-	-	817
Current tax liabilities	10	-	-	-	10
Provisions	171	-	-	-	171
Other liabilities	30	-	-	-	30
Total Current Liabilities	1,614	(586)	-	-	1,028
Non-Current Liabilities					
Provisions	78	-	-	-	78
Other liabilities	135	-	-	-	135
Total Non-Current Liabilities	213	-	-	-	213
Total Liabilities	1,827	(586)	-	-	1,241
Net Assets	13,968	(1,524)	2,853	4,911	20,208
Equity					
Contributed equity	48,845	-	2,853	4,911	56,609
Reserves	158	256 ^c	-	-	414
Accumulated losses	(35,035)	(1,780)	-	-	(36,815)
Total Equity	13,968	(1,524)	2,853	4,911	20,208

Notes to the Pro Forma Consolidated Statement of Financial Position

Note 1: Pro Forma Adjustments

The Pro Forma Consolidated Statement of Financial Position has been prepared on the basis that the following significant transactions occurred as at 30 June 2013:

Material transactions since 30 June 2013:

- working capital adjustment for payments of \$2,232,000 made from 1 July 2013 to 30 September 2013. This includes \$857,000 paid for process validation and research and development, which had been largely incurred prior to, and was accrued at, 30 June 2013.
- the issue of 14,500,000 New Shares arising from the Placement, raising gross proceeds of \$3,045,000 less issue costs of \$192,000.
- 2,150,000 share options were granted on 16 September 2013 to Key TIS staff and contractors under the Company's equity option plan approved at the AGM held on 12 November 2012. The exercise price is a 15% premium to the 10 trading-day volume weighted average of Shares immediately prior to the achievement of the relevant KPI. These options will expire in 3 years from the date that they vest. The amortisation expense of \$256,000 has been included from the grant date to the 4 November 2013.

The Entitlement Offer:

- the issue of 25,416,734 New Shares under the Entitlement Offer, expected to raise gross proceeds of \$5,337,514 less estimated Offer Costs of \$427,000.

Note 2: Cash and cash equivalents

The pro forma consolidated cash balance has been calculated after the following pro forma transactions:

	\$ 000's
Cash as at 30 June 2013	4,862
Working capital adjustment	-2,232
Placement proceeds	3,045
Expenses of the Placement	-192
Gross proceeds of the Entitlement Offer	5,338
Offer Costs of the Entitlement Offer	<u>-427</u>
Pro forma cash balance	<u>10,394</u>

Until utilised, the funds will remain as a cash balance as reflected by the increase in cash assets.

1.2 Purpose of the Placement and the Entitlement Offer

The purpose of the Placement and the Entitlement Offer is to raise funds primarily to fund:

- (a) inventory manufacturing expenses - which includes \$1.0 million as a contingency for inventory replacement should the shelf-life of the product not be extended by applicable regulatory authorities;
- (b) marketing, sales and logistics - including accelerating the sales launch program within the UK and Europe, as well as other defined regions internationally. This includes the development of interactive sales and health economic materials for health care providers, health insurer and patient education (e.g. website or tablet sales tools), key opinion leader programs and clinic support for health economic outcome assessments, publications to support the evidence base for the VitroGro[®] ECM, media programs aimed at health administrators and healthcare providers, local trade shows and printing of brochures and hardcopy sales aids, and logistics operations to support sales;
- (c) market access expenditure - which includes health economic outcomes research to define the cost effectiveness of VitroGro[®] ECM pre launch, for the purpose of generating models and data to support conditional reimbursement claims, and post market observational studies to refine and verify the cost effectiveness of VitroGro[®] ECM against standard care to support continued and extended reimbursement;
- (d) intellectual property costs - TIS technologies are protected by a strong intellectual property portfolio, with international patents granted and pending. This expenditure will further develop and commercialise existing technologies and fund further intellectual property protection. TIS has the benefit of licensed rights to a portfolio of nine (9) patent families, additional provisional patent applications as well as trademarks. These applications are in various stages of prosecution in multiple jurisdictions;
- (e) regulatory costs - expenditure to obtain regulatory approvals for TIS to commence sales in multiple jurisdictions including, but not limited to, Europe;
- (f) research and development – which includes expenditure to further develop and to commercialise a portfolio of technologies originating from Queensland University of Technology. The portfolio of patent families comprises various platforms that can be used to develop complementary and follow-up products in wound healing and other areas including, but not limited to, cancer treatment. TIS has on-going development projects and will use funds to further develop existing technologies, including new and follow-up products in the areas of wound healing and cancer; and
- (g) operating expenditure.

Estimated Use of Funds	\$ 000's
Inventory manufacturing	1,215
Marketing, sales and logistics	1,200
Market access expenditure	662
Intellectual property and regulatory costs	830
Research and development	992
Operating expenditure	
- Australian corporate salaries & Directors' Fees	993
- International Medical Director, Head of EU Commercial Operations and VP International Business Development	640
- Registry, ASX, Audit and Tax Accounting, and Insurances	143
- Other operating expenditure	470
Costs of the Placement and the Entitlement Offer	619
Total	7,764

Revenues received by the Company and any surplus funds will be applied towards the working capital requirements of the Company.

1.3 Underwriting and management

The Underwriter has underwritten the full amount of the Offer on the terms set out in the Underwriting Agreement. Customary with these types of arrangements:

- (a) the Underwriting Agreement includes a number of termination events, including market related termination events in respect of a 10% fall in the S&P/ASX 200;
- (b) the Underwriter will receive:
 - (i) an underwriting fee of an amount equal to 4% (exclusive of GST) of the offer proceeds for the Entitlement Offer; and
 - (ii) a management fee of an amount equal to 2% (exclusive of GST) of the offer proceeds for the Entitlement Offer;
- (c) TIS has agreed to indemnify the Underwriter and others against their losses in connection with the Entitlement Offer.

Mr Roger Clarke, Chairman and a Director of TIS, is a past director and currently serves as chairman of the Board of Advice for Morgans Corporate Limited.

The Underwriter has agreed to pay the Priority Sub Underwriter a fee for its commitment to sub-underwrite a priority amount of any shortfall from the Entitlement Offer.

1.4 Eligibility of Shareholders

The Entitlement Offer is being offered to all Eligible Shareholders.

Eligible Shareholders are Shareholders on the Record Date who:

- (a) have a registered address in Australia or New Zealand or are a Shareholder that TIS has otherwise determined is eligible to participate;

- (b) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States; and
- (c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of such Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

1.5 Ranking of New Shares

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with Existing Shares.

1.6 Allotment

TIS will make an application within seven days from the date of this Offer for quotation of the New Shares on ASX. Trading of New Shares will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the New Shares under the Entitlement Offer will take place no more than 6 Business Days after the close of the Entitlement Offer.

Application Monies will be held by TIS on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

1.7 Information availability

Eligible Shareholders can obtain a copy of this Information Booklet from the TIS website at www.tissuetherapies.com or by calling the Share Registry on 1300 859 277 (within Australia) or +61 1300 859 277 (outside Australia) at any time from 8.30am and 5.30pm (AEDT) Monday to Friday during the Offer period. Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet. The electronic version of this Information Booklet will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry.

2 Investor presentation



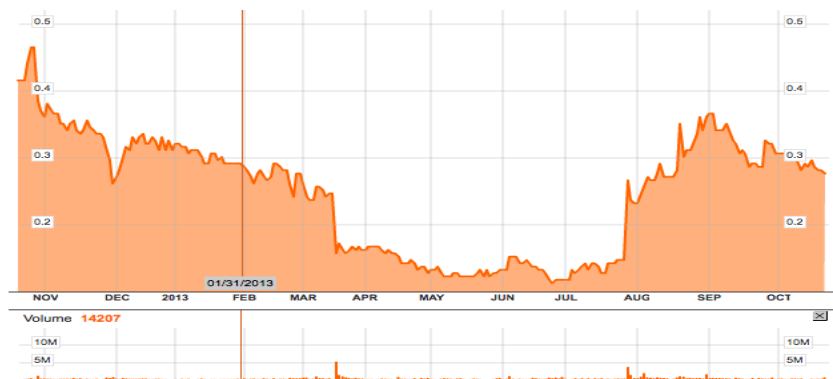
TISSUE THERAPIES

Investor Update

VitroGro[®] ECM: Think Different

Dr Steven Mercer (CEO)
s.mercer@tissuetherapies.com

Financial Summary



Snapshot for Tissue Therapies Ltd (TIS)

Today Open:	0.2800	52wk Range:	0.1050 - 0.4650
Previous Close:	0.2800	Volume:	496,685
Day's Range:	0.2700 - 0.2800	1-Yr Rtn:	-33.73%

Key Statistics

Code	ASX: TIS
Listed	ASX (2004), Frankfurt & Berlin (2009)
Current Price (30.Oct. 2013)	A\$ 0.25
52 Week High	A\$ 0.385
52 Week Low	A\$ 0.105
Shares Outstanding	214.3m
Market Cap	A\$ 53.6m
Net Cash (30.9.13)	A\$ 2.6m
Top 20 Shareholders	~47% of issued capital; institutional & private investors, Directors, CEO, CSO

Major Achievements

Finalisation of protein formulation, VitroGro® ECM; Successful clinical trials	✓
Commercial-scale Good Manufacturing Practice (GMP) standard manufacturing	✓
Key commercial partners in place for start of sales (incl. Quintiles, Movianto)	✓
Successful regulatory classification	✓
CE Mark & start of sales; EU & Global (ex USA)	2Q 2014

Major Priorities

- Launch UK & European Sales 2Q 2014
- Initial focus: German-speaking EU, UK, Benelux
- Execute global roll-out plan / strategy
- USA FDA approval for pivotal clinical trial: Venus Ulcers
- USA FDA pivotal trial, approval & US sales launch: \$ availability

Top Shareholders

Allan Gray Investment Management	11.7%
Asia Union Investments	9.6%
Directors, Employees & Related Parties	3.9%
Queensland Uni. of Tech.	3.8%

Strategic Objectives

Key Strategic Objectives:

- Successfully complete final EMA review and granting of CE Mark 2nd Q 2014.
- Optimise size and speed of EU launch following CE Mark.
 - Initial concentration on Germany, Austria, Switzerland, UK: approx. 15% of global wound market^[1].
 - Countries outside EU that use CE Mark as important part of approval for sale: Russia, Turkey, Middle East, South Africa, Latin America, Canada, Australia.
- Gain FDA approval for venous ulcer clinical trial 4th Q 2013

Methods to Achieve Strategic Objectives:

- Sales, marketing and logistics preparation and execution for sales launch in EU and internationally: key commercial relationships in place.
- Health economic / reimbursement studies: 20 – 30% benefit from VitroGro[®] ECM
 - UK and German Government databases: matched patient outcomes and costs data.
 - Private German health fund databases: matched patient outcomes and cost data.
 - valid throughout EU and internationally.
 - maximum market access.
- USA FDA venous ulcer pivotal trial application submitted 24 October 2013 (Washington DC time) .

Tissue Therapies

- An Australian biomedical company developing advanced technologies for more cost effective wound healing, tissue repair and scar prevention.
- Worldwide exclusive rights to commercialise VitroGro® technology: first product – VitroGro® ECM for difficult to heal wounds.
- Patents granted in the USA, Canada, Europe, China, Hong Kong, South Korea, Japan, South Africa, Australia and New Zealand (India under examination).
- CE Mark (EU) approval expected 2nd Q 2014: sales launch in UK, Germany, Switzerland, Austria, Benelux; 2015 Nordic, Poland, Czech, Hungary and start of global rollout.
- Approved EU claim is for treatment of difficult to heal wounds: broad on-label use.
- Partnerships with Quintiles (hiring & support services) and Movianto (logistics) to minimise operational risk, restrain cost and optimise revenue.
- Attractive margin product; more **convenient**, **consistent** and **cost effective** than existing wound care treatments.
- USA FDA approval for pivotal venous ulcer clinical trial expected 4th Q 2013: 12 month pivotal trial to proceed when funding available.

VitroGro[®] ECM



- VitroGro[®] ECM a synthetic matrix protein produced as a liquid that rapidly transforms into a scaffold on contact with the wound.
- Skin cells attach, move (migrate) into the wound bed and grow (proliferate) on this scaffold reinstating the normal wound healing process that is stalled in hard to heal wounds.
- Addresses a significant un-met need in providing a convenient, cost effective treatment.
 - improved healing, only 1 application per week x 10 weeks.
 - correction of wound tissue pathology by replacement of a defective ECM (matrix) with one that is characteristic of the functional matrix involved in the early stages of normal wound healing.
- Scale up manufacturing complete.

VitroGro[®] ECM

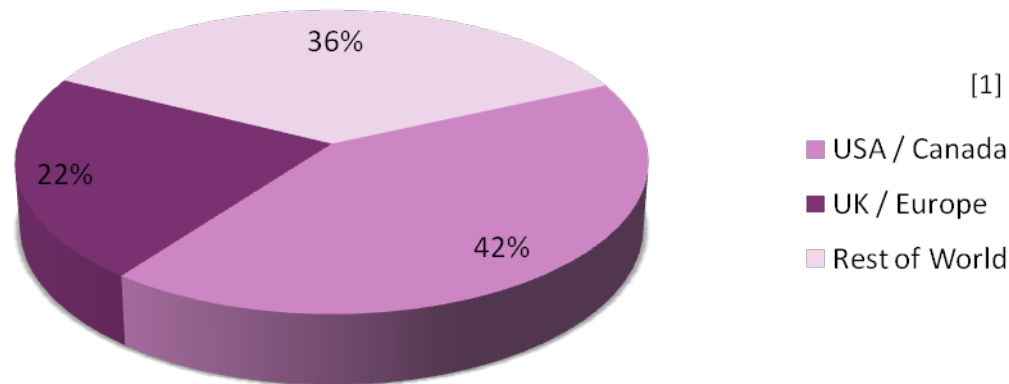
Additional indications / market segments

VitroGro[®] ECM can also be used to address:

- Burns: Paediatric & Adult.
- Surgical Wound Applications (especially at-risk patients).
- Specialist Units & Retail:
 - Specialist unit, general hospital, outpatient, GP, pharmacy, retail.
 - Potential retail applications include dressings, creams, lotions, product range for burns, chronic wounds, acute sunburn etc.



Global Market: Hard to Heal Wounds



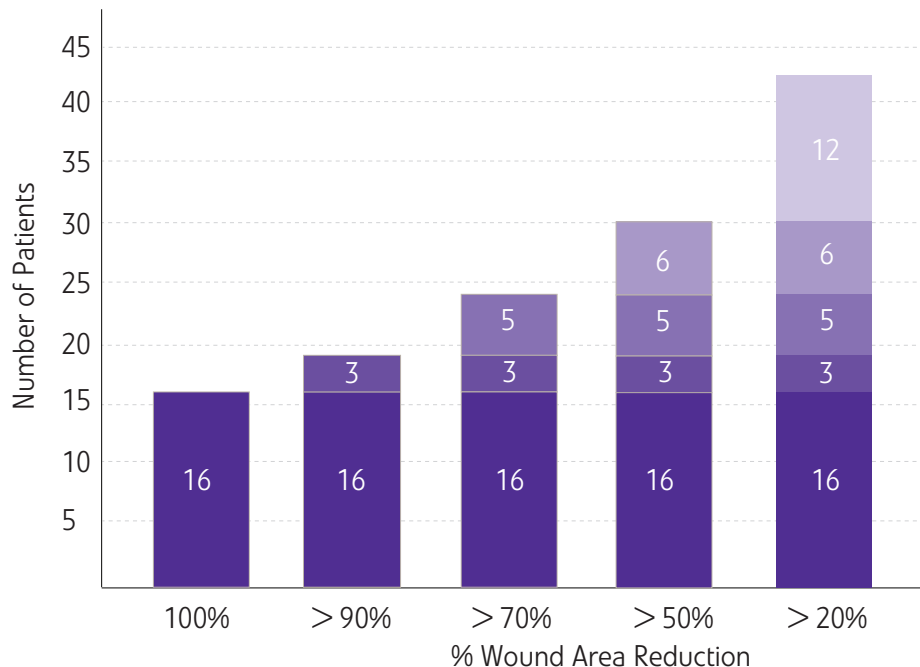
The global market is growing rapidly as confirmed by the growing cost associated with treating hard to heal wounds [2].

- Total cost of treating hard to heal wounds (DFU, VLU and PU) is variably reported; recent USA estimates range from:
 - VLU (USD 15 -18 Billion) [3] DFU (USD 11-15 Billion) [4, 5] PU (USD 11 Billion) [2].
 - Highlights the critical need for treatments that decrease healing times and therefore reduce cost.
- In Europe
 - The cost of VLU was estimated at € 6.5 Billion in 2009 [6].
 - The cost of DFU in UK alone was estimated as up to GBP 516 million in 2003 [7].
- No definitive treatments: recent analysis of healing rates from wound and community clinics in Germany showed that only 7-15% of ulcers are healed (closed) within 12 weeks [8].
- Costs are driven by aging populations, ulcer recurrence rates, increasing incidence of venous disease & diabetes and the expanding affordability of health care, primarily in developing countries [2].
- Additional sales potential in consumer, retail and acute wound care products – not in sales projections.

VitroGro® ECM: Clinical Effectiveness [10]

EU safety and effectiveness clinical trial : Venous Leg Ulcer (VLU) study

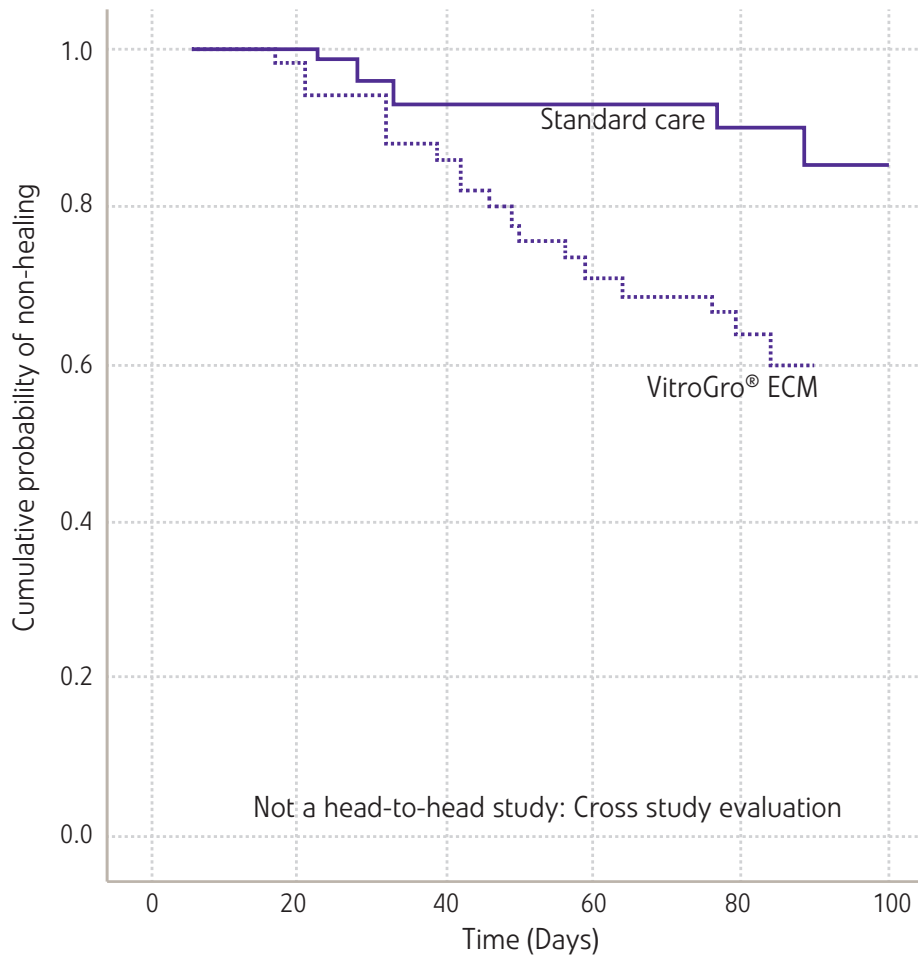
In human trials, VitroGro® ECM has demonstrated consistent restoration of healing of venous leg ulcers that had not responded to expert care.



Adapted from Harding K. et al. Int. Wound J. 2013, [Epub ahead of print].

- Results for 45 patients that completed the study:
 - Average age 74 years and had suffered venous ulcers that had not responded to expert care for an average of 37 months.
- Strong results in 12 weeks:
 - 36% (16 out of 45 patients) completely healed (100% wound area reduction)
 - 67% (30 out of 45 patients) greater than 50% wound area reduction.
 - Median wound area reduction was 70%.

Cross study evaluation: positive health economic outcome ^[8,9]



- Data mined from German wound care networks (community and specialized clinic based care).
- Outcomes from EU clinical study and German standard care data analysed.
 - Number of matched standard care patients = 66.
 - 7-15% VLU healed at 8-12 weeks in wound clinics and community care using standard care.
 - 30-40% VLU healed at 8-12 weeks treated with VitroGro® ECM.
- Not a head to head comparison study but results indicate a tangible benefit for using VitroGro® ECM.
- Further health economic analysis on expanded databases ongoing.

Commercialisation: Partnership Structure

Tissue Therapies has in place partnerships to minimise operational risk, restrain cost and optimise revenue while maintaining flexibility and control

- **Quintiles**

- Outsourced HR for dedicated VitroGro® ECM Sales team; shared risk/reward: KPI based fee structure



- **Movianto**

- Integrated Logistics, Multi-lingual Customer Support, Order Entry, Supply, Accounts Receivable



- **Eurogentec**

- Manufacture of VitroGro® ECM Protein



- **Catalent**

- Fill and finish



- **Queensland University of Technology (QUT)**

- Research & Development; only royalty payable is to QUT



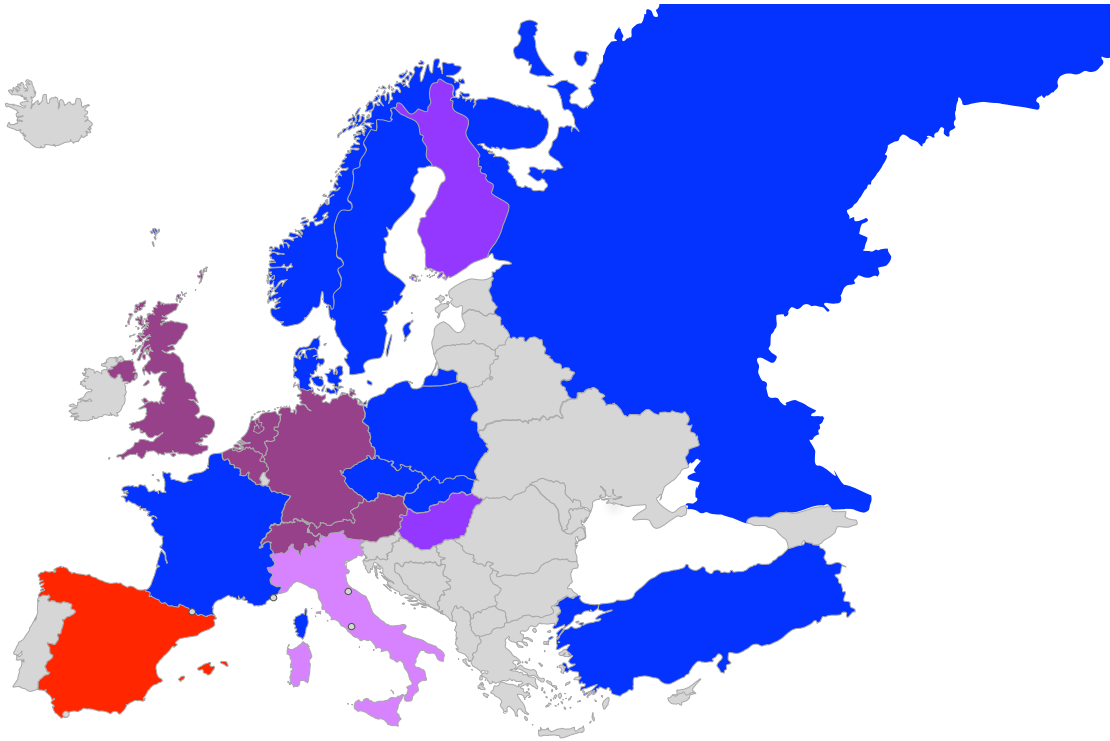
VitroGro[®] ECM: CE Mark

- European Medicines Agency (EMA) review: final step: desk audit only: 210 calendar day limit plus clock stop: CE Mark expected by 2nd Q 2014
- EMA device reviews routinely result in recommendation for sale
- Already approved:
 - Safety and efficacy
 - Labeling
 - Instructions for use
 - Packaging
 - Indications for Use, “Hard to heal wounds ...”
- Benefits of EMA review:
 - Definitive regulatory approval for sale signed off by all EU member countries + 3 others
 - Optimal regulatory package for approval for sale in Turkey, Middle East, South Africa, Latin America, Russia, Taiwan, Canada and Australia
- EMA review period is being used for:
 - Detailed preparation for sales launch: initially in UK, Germany, Austria, Switzerland and the Netherlands: fastest path to cash flow positive
 - Case matched health economics data for reimbursement
- EU sales will start very soon after CE Mark granted

VitroGro® ECM: US FDA Approval for Sale

- One 12 month pivotal trial for FDA approval for sale for treatment of venous ulcers
- Application submission to FDA 24 October 2013 (Washington, DC time)
 - 30 calendar day approval process: possibly extended by US Government shutdown backlog
 - Prospective, randomised, control trial with double blinding: exceptional scientific standard for wound trial
 - Detailed statistical analyses to calculate number of patients, delta over standard of care and statistical significance
 - Clinical Investigators and CRO in place
 - Clinical trial sites in place
- VitroGro® ECM protein classified as a biologic by FDA (EU does not have a Biologic Classification): practical commercial advantages:
 - No limit on number of clinical trial sites
 - Reimbursement involves a single negotiation with CMS; avoids device negotiations with individual US private insurance payers
- Strong health economics compared to current global standard of care
- Most countries accept FDA approval or CE Mark as basis for approval for sale
- Target for start of sales in the USA with reimbursement, 26 months from start of pivotal trial

VitroGro[®] ECM: Sales Launch UK, EU, Middle East



2014

United Kingdom, Benelux, Austria, Germany, Switzerland.

2015

Turkey, UAE, Saudi Arabia, Oman & Bahrain, Israel, Sweden, Denmark, Norway, Northern Italy, Czech Republic, Poland, Russia, France.

2016

Northern Italy.

2017

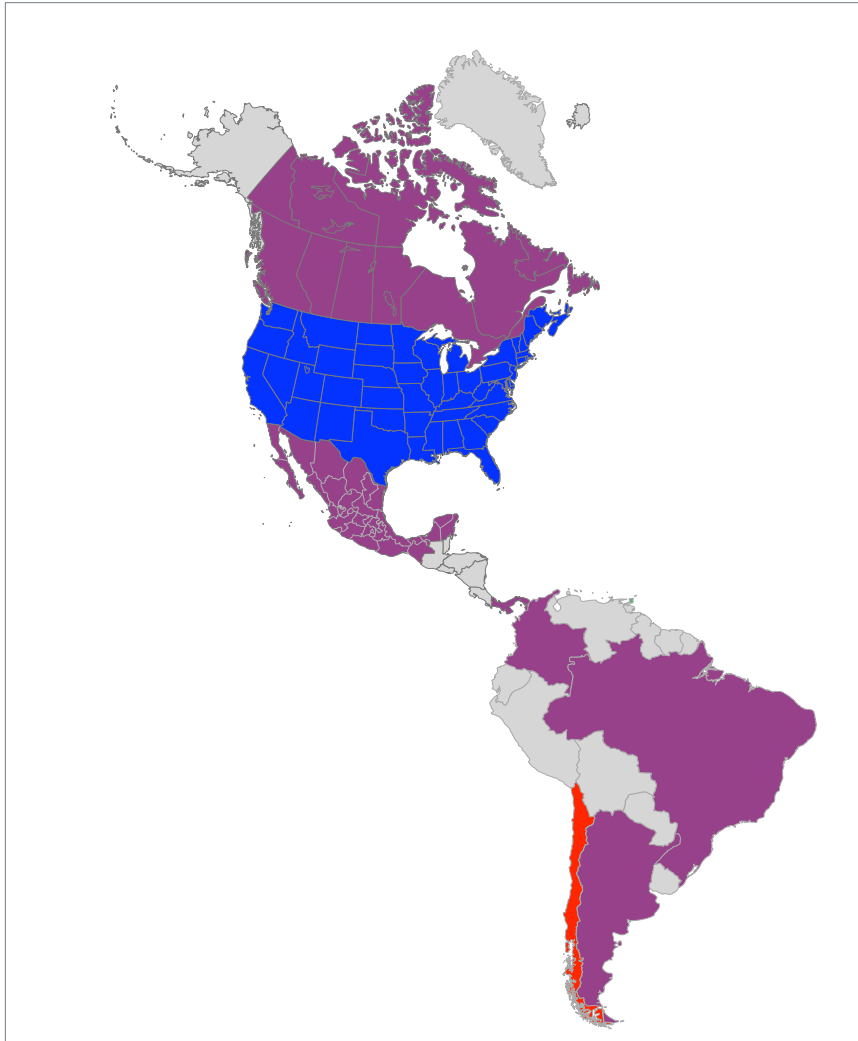
Hungary, Finland.

2018

Spain.

Subject to CE Mark being granted in the EU and relevant regulatory approvals in other jurisdictions.

VitroGro[®] ECM: Sales Launch Americas



To be determined

USA

2015

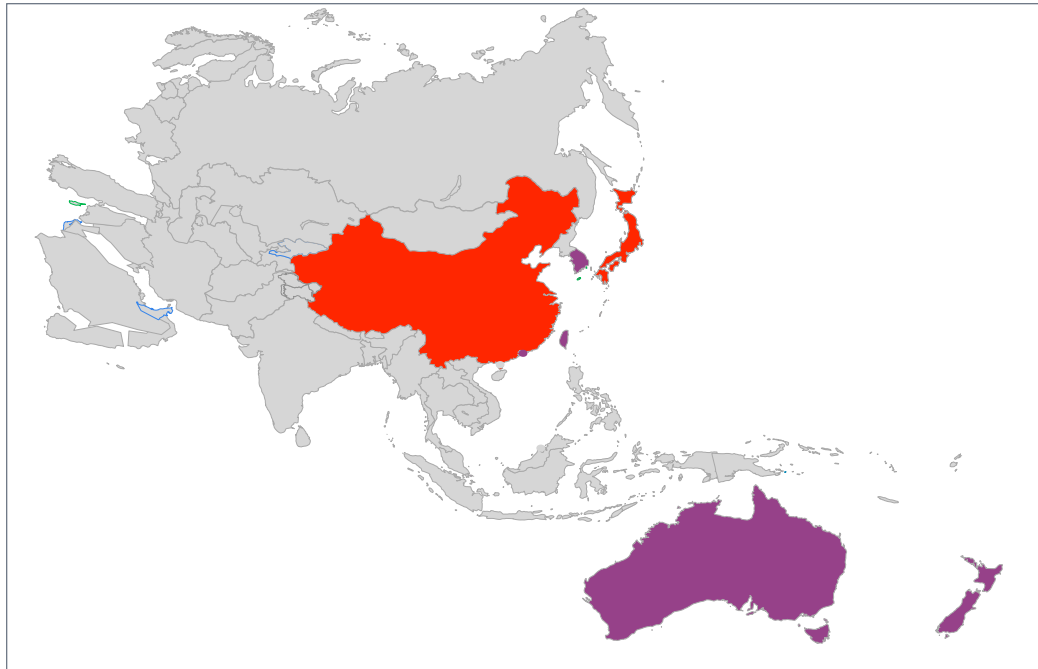
Canada, Mexico, Costa Rica, Columbia,
Brazil & Argentina

2018

Chile

Subject to FDA approval in the USA and relevant regulatory approvals in other jurisdictions.

VitroGro[®] ECM: Sales Launch ROW



2016

Australia, New Zealand, Taiwan, South Korea, Hong Kong & Singapore

2017 / 2018

China & Japan

Subject to relevant regulatory approvals.

References

- [1] Data on file: Report Global Health Economic Projects LLC, USA, 2012 (contractor to Tissue Therapies Limited).
- [2] Chandon K *et al.* Human Skin Wounds: A Major and Snowballing Threat to Public Health and the Economy. Wound Repair Regen. 2009.
- [3] Bradford-rice J. *et al.* Medical, drug and work-loss costs of venous leg ulcers. 18th ISPOR annual meeting 2013 Presentation by “Analysis Group Inc. (A Health Economic Consultancy).
- [4] Driver VR *et al.* The costs of diabetic foot: the economic case for the limb salvage team. J. Vas. Surg. 2010.
- [5] Press & announcements Organogenesis 26/09/13 Bradford-rice J. *et al.* 18th ISPOR annual meeting 2013 Presentation by “Analysis Group Inc. (A Health Economic Consultancy).
- [6] Posnett J. *et al.* The resource impact of wounds on healthcare providers in Europe. Journal of Wound Care. 2009.
- [7] Gordois A *et al.* The healthcare cost of diabetic peripheral neuropath in the UK. The Diabetic foot 2003.
- [8] Data on file: Phase I HEOR project report, Institute and German Center for Health Services Research in Dermatology and Nursing (IVDP) 2013.
- [9] Augustine *et al.* Institute and German Center for Health Services Research in Dermatology and Nursing (IVDP). In preparation for publication.
- [10] Harding K. *et al.* Int. Wound J. Effectiveness of an acellular synthetic matrix in the treatment of hard-to-heal leg ulcers 2013, [Epub ahead of print].
- [11] Data on file: VLU 1-year Healing Cost (contractor to Tissue Therapies Limited) Report Global Health Economic Projects LLC, USA, 2012 .
- [12] Alguire P *et al.* Chronic venous insufficiency and venous ulceration. J. Gen. Inter. Med. 1997.

VitroGro[®] ECM



Back on track

Offer Overview

Offer Details	<ul style="list-style-type: none">● Capital raising of 39.9 million shares at an Offer Price of \$0.21 per new ordinary share to raise \$8.3 million comprising:<ul style="list-style-type: none">● A Placement to institutional and sophisticated investors of 14.5 million shares to raise \$3.0 million● A fully underwritten 1 for 9 Non-Renounceable Entitlement Offer of 25.4 million shares to raise \$5.3 million. The Entitlement Offer is available to Eligible Shareholders who were on the register as at the Record Date of 7.00pm (AEDT) on 13 November 2013
Pricing	<ul style="list-style-type: none">● The Offer Price of \$0.21 represents:<ul style="list-style-type: none">● 16% discount to the closing price at 30 October 2013
Use of Funds	<ul style="list-style-type: none">● As well as providing the Company with working capital to meet the operational costs of the company, TIS intends to utilize the proceeds as follows;<ul style="list-style-type: none">a) inventory manufacturing expenses - including \$1 million as a contingency for inventory replacement if the shelf life is not extendedb) marketing and sales-accelerating launch programme - with the UK, Europe and other defined regions including development of interactive sales and health economic materials for providers and insurers and other marketing programsc) market access expenditure - including health economic impact and reimbursement studies in the UK and Germanyd) intellectual property costs - to maintain and further develop its intellectual property portfolioe) regulatory costs – expenditure to obtain regulatory approval to commence sales in multiple jurisdictionsf) research and development
Top-Up Facility	<ul style="list-style-type: none">● Eligible Shareholders will have the opportunity to apply for additional new securities that are not subscribed for under the Entitlement Offer● Allocations will be at the discretion of the Board and Underwriter
Other	<ul style="list-style-type: none">● New securities issued pursuant to the Entitlement Offer will be fully paid and rank equally with Tissue Therapies existing securities● Morgans Corporate Limited is Lead Manager and Underwriter to the Placement and Entitlement Offer

Timetable

Activity	Date
Announcement of the Placement and Entitlement Offer	4 November 2013
Mailing of the Entitlement Offer details	6 November 2013
Ex-date	7 November 2013
Record Date for Entitlement Offer (7.00pm (AEDT))	13 November 2013
Information Booklet and Entitlement & Acceptance Form despatched	19 November 2013
Entitlement Offer opens	19 November 2013
Closing date for acceptances under Entitlement Offer (5.00pm (AEDT))	9 December 2013
New Shares quoted on deferred settlement basis	10 December 2013
Company notifies ASX of under subscriptions	12 December 2013
Allotment of New Shares under the Entitlement Offer	17 December 2013
Despatch of holding statements for New Shares issued under the Entitlement Offer	18 December 2013
Normal ASX trading for New Shares issued under the Entitlement Offer commences	18 December 2013

This timetable is indicative only and subject to change. The Directors may vary these dates, in consultation with the Underwriter, subject to the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Summary of Key Risks

The major risks associated with an investment in TIS are set out in Section 4 of the Offer Information Booklet released on 4 November 2013. These include:

- TIS may not obtain the regulatory approvals (such as the grant of CE Mark) that it requires for sale of its products or the reimbursement approvals required for sales growth, or such approvals may be subject to delay;
- TIS' clinical trials may prove unsuccessful;
- TIS currently has no material revenues. It may need to raise further capital in the future;
- TIS may need to replace inventory currently in storage if applicable regulatory authorities refuse to consider an extension of shelf-life. If this occurs then inventory will be impaired by \$3.9 million and an additional production batch will be required. An additional production batch has been included by the Company as a contingency in its use of funds raised under the Equity Raising (please see Section 1.2, which refers to a provision of \$1.2 million for 'inventory manufacturing');
- TIS is dependent on the performance of its commercial partners and the retention of key consultants and personnel for its specialised business;
- TIS' value may be impacted if its intellectual property is not able to be adequately protected; and
- TIS may face competition from better resourced industry participants.

Pro-Forma Balance Sheet

	30-Jun-13 Audited \$ 000's	Working Capital Adjustments \$ 000's	Placement \$ 000's	Rights Issue \$ 000's	30-Jun-13 Pro Forma \$ 000's
Current Assets					
Cash and cash equivalents	4,862	(2,232) ^a	2,853 ^b	4,911 ^d	10,394
Receivables	142	-	-	-	142
Inventories	9,227	122	-	-	9,349
Current tax assets	321	-	-	-	321
Financial assets	50	-	-	-	50
Other assets	304	-	-	-	304
Total Current Assets	14,906	(2,110)	2,853	4,911	20,560
Non-Current Assets					
Inventories	238	-	-	-	238
Property, plant and equipment	307	-	-	-	307
Intangible assets	342	-	-	-	342
Other assets	2	-	-	-	2
Total Non-Current Assets	889	-	-	-	889
Total Assets	15,795	(2,110)	2,853	4,911	21,449
Current Liabilities					
Payables	1,403	(586)	-	-	817
Current tax liabilities	10	-	-	-	10
Provisions	171	-	-	-	171
Other liabilities	30	-	-	-	30
Total Current Liabilities	1,614	(586)	-	-	1,028
Non-Current Liabilities					
Provisions	78	-	-	-	78
Other liabilities	135	-	-	-	135
Total Non-Current Liabilities	213	-	-	-	213
Total Liabilities	1,827	(586)	-	-	1,241
Net Assets	13,968	(1,524)	2,853	4,911	20,208
Equity					
Contributed equity	48,845	-	2,853	4,911	56,609
Reserves	158	256 ^c	-	-	414
Accumulated losses	(35,035)	(1,780)	-	-	(36,815)
Total Equity	13,968	(1,524)	2,853	4,911	20,208

Notes to the Pro Forma Balance Sheet:

Pro Forma Adjustments

The Pro Forma Consolidated Statement of Financial Position has been prepared on the basis that the following significant transactions occurred as at 30 June 2013:

Material transactions since 30 June 2013:

- a) working capital adjustment for payments of \$2,232,000 made from 1 July 2013 to 30 September 2013. This includes \$857,000 paid for process validation and research and development, which had been largely incurred prior to, and was accrued, at 30 June 2013.
- b) the issue of 14,500,000 New Shares arising from the Placement, raising gross proceeds of \$3,045,000 less issue costs of \$192,000.
- c) 2,150,000 share options were granted on 16 September 2013 to Key TIS staff and contractors under the Company's equity option plan approved at the AGM held on 12 November 2012. The exercise price is a 15% premium to the 10 trading-day volume weighted average of Shares immediately prior to the achievement of the relevant KPI. These options will expire in 3 years from the date that they vest. The amortisation expense of \$256,000 has been included from the grant date to the 4 November 2013.

The Entitlement Offer:

- d) the issue of 25,416,734 New Shares under the Entitlement Offer, expected to raise gross proceeds of \$5,337,514 less estimated Offer Costs of \$427,000.

Estimated Use of Funds

Estimated Use of Funds	\$ 000's
Inventory manufacturing	1,215
Marketing, sales and logistics	1,200
Market access expenditure	662
Intellectual property and regulatory costs	830
Research and development	992
Operating expenditure	
- Australian corporate salaries & Directors' Fees	993
- International Medical Director, Head of EU Commercial Operations and VP International Business Development	640
- Registry, ASX, Audit and Tax Accounting, and Insurances	143
- Other operating expenditure	470
Costs of the Placement and the Entitlement Offer	619
Total	7,764

Disclaimer

- This document has been prepared by Tissue Therapies Ltd (the Company) to provide existing and prospective investors in Tissue Therapies Ltd with an update on the Company and its operations
- The information contained in the presentation is not intended to be an offer for subscription, invitation or recommendation with respect to shares in any jurisdiction.
- No representation or warranty, express or implied, is made in relation to the accuracy or completeness of the information contained in this document or opinions expressed in the course of this presentation. The information contained in this presentation is subject to change without notification.
- This presentation contains forward-looking statements which can be identified by the use of words such as “may”, “should”, “will”, “expect”, “anticipate”, “believe”, “estimate”, “intend”, “scheduled” or “continue” or similar expressions. Any forward-looking statements contained in this presentation are subject to significant risks, uncertainties, assumptions, contingencies and other factors (many of which are outside the control of, and unknown to, Tissue Therapies Ltd (“TIS”) and its officers, employees, agents or associates), which may cause the actual results or performance to be materially different from any future result so performed, expressed or implied by such forward-looking statements.
- There can be no assurance or guarantee that actual outcomes will not differ materially from these statements.
- The photographs of clinical subjects used in this presentation are illustrative of medical conditions associated with potential applications of VitroGro®. Actual clinical results may vary from those shown.

3 How to Apply

3.1 Shareholder's choices

The number of New Shares to which Eligible Shareholders are entitled (their **Entitlement**) is shown on the accompanying Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up their Entitlement in full and, if they do so, they may apply for additional New Shares under the Top Up Facility (refer to Section 3.2);
- (b) take up part of the Entitlement, in which case the balance of the Entitlement would lapse (refer to Section 3.3); or
- (c) allow their Entitlement to lapse (refer to Section 3.4).

Ineligible Shareholders may not take up any of their Entitlements.

TIS reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Entitlement Offer is **5.00pm (AEDT) on 9 December 2013** (however, that date may be varied by TIS, in accordance with the Listing Rules and the Underwriting Agreement).

3.2 Taking up all of your Entitlement and participating in the Top Up Facility

If you wish to take up your Entitlement in full, follow the instructions set out in the Entitlement and Acceptance Form.

If you have applied to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with Section 3.6 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than 5.00pm (AEDT) on 9 December 2013 at the address set out below:

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
Locked Bag 3415
Brisbane QLD 4001

You may also take up all of your Entitlement by payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is being made through BPAY, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than 5.00pm (AEDT) on 9 December 2013.

If you do not return the Entitlement and Acceptance Form, amounts received by TIS in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) may be treated

as an application to apply for as many additional New Shares as your Excess Amount will pay for in full.

If you apply for additional New Shares under the Top Up Facility and your application is successful (in whole or in part) your New Shares will be issued at the same time that other New Shares are issued under the Entitlement Offer. There is no guarantee you will receive any New Shares under the Top Up Facility. The Directors reserve their right to allot and issue New Shares under the Top Up Facility at their discretion.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer. If you wish to advise or change your banking instructions with the Share Registry you may do so by going to <https://investorcentre.linkmarketservices.com.au/Login.aspx/Login> and following the instructions.

3.3 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up. You do not need to take any other action as the portion of your Entitlement that you do not take up will lapse.

You may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY and TIS receives an amount that is less than the Issue Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

3.4 Allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

3.5 Consequences of not accepting your Entitlement

If you do not accept all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise have been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired by the Underwriter or sub-underwriters or under the Top Up Facility.

3.6 Payment

The consideration for the New Shares (including under the Top Up Facility) is payable in full on application by a payment of \$0.21 per New Share. The Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**Tissue Therapies Limited**' and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Eligible Shareholders must not forward cash by mail. Receipts for payment will not be issued.

3.7 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Information Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid

application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue of New Shares under the Entitlement Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia or New Zealand; and
- (c) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

3.8 Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

3.9 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Information Booklet or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial holders of Shares in New Zealand, and beneficial holders of Shares who are institutional or professional investors in other countries that TIS has approved as being a country in which investors are eligible to participate, as well as any other country to the extent TIS may determine it is lawful and practical to make the Entitlement Offer.

4 Risk factors

4.1 Introduction

An investment in TIS should be considered speculative. This Section identifies the major risks associated with an investment in TIS.

4.2 General market risks

Share market investments

The price of Shares might rise or fall and Shares might trade at prices below the Issue Price. There can be no assurance that an active trading market will always exist for the Shares.

Factors affecting the price at which the Shares are traded on ASX could include economic conditions and investor sentiment. These risks apply generally to any investment in the stock market.

General economic conditions

TIS' operating and financial performance is influenced by a variety of general economic and business conditions, both domestic and global, including the level of inflation, commodity prices, interest rates and government fiscal, monetary and regulatory policies.

Taxation risks

A change to the current taxation regime in Australia or overseas may affect TIS and its Shareholders. Personal tax liabilities are the responsibility of each individual investor. TIS is not responsible for either taxation or penalties incurred by investors.

4.3 Specific risks

Regulatory and reimbursement approvals

The research, development, manufacture, marketing and sale of products using TIS' technology are subject to varying degrees of regulation by a number of government authorities in Australia and overseas including but not limited to, the FDA and European Competent Authorities.

Therapeutic products developed using TIS' technology must undergo a comprehensive and highly regulated development and review process before receiving approval for marketing. The process includes the provision of data relating to the quality, safety and effectiveness of the products for their proposed use.

The ability to sell VitroGro® ECM in Europe is subject to regulatory approval as a Class III, Rule 13 medical device by the notified body, BSI. As part of the regulatory approval process, the EMA is required to undertake a review of the quality, safety and manufacturing data relating to the ancillary medicinal substance of the medical device. The EMA review must be conducted within a 210-day review period, which does not include the time taken for TIS to respond to any questions issued by the EMA reviewers. This review period may be prolonged if the EMA requests that the Company obtain further experimental data in order to progress a favourable review. It is theoretically possible, but in the opinion of TIS, unlikely, that the EMA may issue a negative opinion in respect of its review. If so, BSI is bound by this opinion and will not issue the CE mark.

The European regulatory approval process for medical devices is currently under review and there is the potential for new legislation to be implemented this year that affects the

approval process, however TIS does not expect this to impact on the current review of VitroGro® ECM given TIS' application has already been submitted.

Products may also be submitted for reimbursement approval. The availability and timing of that reimbursement approval may have an impact upon the uptake and profitability of products in some jurisdictions.

Furthermore, any of the products utilising TIS' technology may be shown to cause adverse events or to be non-affective, uneconomical to market, compete with superior products marketed by third parties or not be as attractive as alternative treatments.

The regulatory environment is subject to change as many Western countries pursue health sector cost reforms. TIS has conducted economic modelling and retained expert consultants to assist with regulatory approval and reimbursement processes.

Clinical trial risk

TIS may be unable to secure necessary approvals from regulatory agencies and institutional bodies (clinics and hospitals) to conduct future clinical trials. There is also no assurance that products developed using TIS' technology will prove to be completely safe and efficacious in clinical trials, or that the regulatory approval to manufacture and market its products will be received. Clinical trials might also potentially expose TIS to product liability claims in the event its products in development have unexpected effects on clinical subjects.

To the extent it is available on reasonable terms, TIS intends to maintain clinical trial insurance, however there is no guarantee such insurance will be held valid or be sufficient to cover any liability which may arise.

Clinical trials undertaken by TIS have many associated risks which may impact the Company's profitability and commercial potential. They may prove unsuccessful or non-efficacious, impracticable or costly. The clinical trials could be terminated and this would likely have a significant adverse affect on the Company, the value of its securities and the future commercial development of VitroGro® ECM.

TIS has retained expert consultants to assist with the optimisation of its clinical trials.

Risk of delay

The Company may experience delay in achieving a number of critical milestones (including the completion of the EMA review and grant of CE Mark), securing further commercial partners, completion of clinical trials, obtaining regulatory approval (to commence sales) or reimbursement approvals (for sales growth), manufacturing, product launch and sales in one or more jurisdictions. Any material delays may impact adversely upon the Company, including the timing of any revenues under milestone or sales payments.

Commercialisation of products

TIS has not yet commercialised its technology and as yet has no material revenues. TIS has in place sales and distribution networks for announced European countries, subject to EMA approval.

Once sales start, the Company may also not meet sales target expectations.

Requirement to raise additional funds

The Company may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be unsatisfactory. If TIS is unsuccessful in obtaining funds when they are required, TIS may need to delay or scale down its operations.

Inventory

Following a discussion with the relevant notified body, BSI, a potential change in the prospects of extension of shelf-life of inventory currently in storage may occur because:

- Shelf-life regulation of medical devices placed on the European market is driven by regulation that specifically applies to medical devices and requires the manufacturer to determine how the shelf-life will be established and monitored.
- By virtue of the fact that management possesses stability indicating data that positively supports a shelf-life extension, it is possible to obtain, by application to a notified body, a shelf-life extension under medical device regulation.
- Shelf-life regulation of medicinal products placed on the European market is driven by regulation that specifically applies to medicinal products and requires management to determine shelf-life from real-time stability indicating data obtained from the first three commercial lots placed into inventory.
- If at the conclusion of the current ancillary medicinal product consultation, the opinion of a regulator requires that stability be determined on the same basis as that for medicinal products, under the current rules a shelf-life extension would not be possible on this occasion despite the fact that, a) the product is unequivocally classified as a Class III Medical Device, b) shelf-life has already been resolved during design examination (i.e. CE marking) and c) the possession of stability indicating data that supports an extension of shelf-life.
- If at the conclusion of the ancillary medicinal product consultation (i.e. the threshold test) an application for shelf-life extension could not be filed with the notified body, the current inventory would be impaired by \$3.9 million on the basis that the labelled expiry date could not be amended and affected lots could not be placed on the market.
- An additional production batch has been included by the Company as a contingency in its use of funds raised under the Equity Raising (please see Section 1.2, which refers to a provision of \$1.2 million for 'inventory manufacturing').

Commercial, manufacturing and distribution capability

TIS' ultimate success is dependent upon its ability, directly or through its partners, to manufacture its products on a commercial scale, with continuity of supply and in accordance with current Good Manufacturing Practices, prescribed by the regulatory authorities.

Delays and difficulties in the future manufacture of products for trials or commercial purposes or with packagers or distributors could delay market introduction and subsequent sales of TIS' products. More particularly, any contamination or other failure in the manufacture of the compounds that are supplied or subsequently manufactured could result in delay, increased costs, exposure to liability for breach of obligations as well as regulatory and statutory standards, loss of funding and / or regulatory approval.

Dependence on commercial partners

TIS has entered into a number of commercial partnering agreements to launch the marketing and sales of its lead products. Satisfactory performance of these agreements will be critical to TIS' ability to derive revenue and the timing of those revenues.

There is no guarantee that TIS will be able to find suitable industry partners or that it can negotiate attractive commercial terms for future medical indications or in all jurisdictions.

The success of TIS' partnering arrangements may depend on the resources devoted to them by itself or its industry partners. Collaborative agreements may be terminable by TIS' partners. Non-performance, suspension or termination of relevant agreements is likely to

have a material and adverse impact on TIS' business, financial condition and results of operations.

Retention of key personnel and contract researchers

Because of the specialised nature of TIS' business, TIS is highly dependent upon qualified, scientific, technical and managerial personnel.

The loss of the services of existing personnel, as well as the failure to recruit additional key scientific, technical, managerial and other personnel in a timely manner could harm TIS' R&D programs and its business.

Intellectual property

While TIS has an exclusive licence to commercialise the licensed patents from the Queensland University of Technology (**QUT**), it does not own the licensed patents until the preconditions for the intellectual property assignment have been satisfied. TIS' right to use the licensed patents to carry out its business activities may be terminated if TIS breaches the terms of the licence agreement prior to the intellectual property assignment.

Australian Red Cross Blood Services has a non-exclusive licence from QUT to use certain products (which incorporate some of the original patented technology) to assist in the treatment of burns patients. This licence is for non-commercial purposes and does not impinge upon TIS' current objectives in relation to diabetic and venous ulcer wound care.

TIS' success will depend in part on the ability to obtain commercially valuable patent claims and to protect its intellectual property. Accordingly, TIS and its research partners face the following risks and uncertainties with respect to the licensed patents and any other patents subsequently licensed or issued to TIS:

- the licensed patents may not result in issued patents or may take longer than expected for patents to issue;
- the claims of any patents that are issued from the licensed patents may not provide meaningful protection;
- TIS and its research partners may not be able to develop additional proprietary technologies that are patentable;
- the licensed patents and any other patents subsequently licensed or issued to TIS or its industry partners may not provide a competitive advantage;
- other companies may challenge the licensed patents and any other patents subsequently licensed or issued to TIS or its industry partners;
- other companies may independently develop similar or alternative technologies, to those of TIS or duplicate TIS' technology;
- other companies may design around technologies TIS has licensed or developed; or
- if letters patent do not issue in respect of a licensed patent, then the value of TIS' intellectual property rights may be significantly diminished. Further, any information contained in the licensed patents will become part of the public domain, so that it will not be protected as confidential information.

As legal regulations and standards relating to the validity and scope of patents continue to evolve, the degree of future protection for TIS' proprietary rights is uncertain.

TIS may incur substantial costs in asserting any patent or intellectual property rights and in defending legal action against it relating to intellectual property rights. Such disputes could substantially delay TIS' product development or commercialisation activities.

QUT has agreed to assign the intellectual property to TIS pursuant to a deed of assignment of intellectual property rights for \$100,000 subject to achievement of only two remaining milestones, being certain preconditions regarding its level of cash reserves and the

Company's Share price. There is no guarantee of the preconditions being met in the short-term, or at all. In addition to the licensed patents, TIS depends upon trade secrets and proprietary know-how to protect its proprietary technology. Any agreements between TIS and its employees and consultants may not provide adequate protection for TIS' trade secrets, know-how, or other proprietary information in the event of any unauthorised use or disclosure.

TIS has registered 'VitroGro' as a trade mark in Australia and other jurisdictions in respect of its products. As trade mark registration is on a national basis, registration of 'VitroGro' as a trade mark in the jurisdictions in which it is registered will not give TIS exclusive rights in those marks outside of those jurisdictions.

TIS may from time to time need to acquire or licence intellectual property from third parties to develop and commercialise its own suite of intellectual property and products. There is no guarantee such acquisition or licence can be obtained or, if obtained, that it will be on reasonable commercial terms.

Competition

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. TIS' products may compete with existing alternative treatments that are already available to customers. In addition, a number of companies, both in Australia and abroad, may be pursuing the development of products that target the same conditions that TIS is targeting. Some of these companies may have, or develop, technologies superior to TIS' own technology. TIS may face competition from parties who have substantially greater resources than TIS.

Litigation

There is a risk that the Company may in future be the subject of or required to commence litigation. There is, however, no litigation currently underway or threatened.

5 Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Information Booklet.

AEDT means Australian Eastern Daylight Savings Time.

Applicant means a person who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or arranging for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Application means the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Application Monies means the aggregate amount of money payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).

Board means the board of Directors of TIS.

BSI means the British Standards Institution.

Business Day has the same meaning as in the Listing Rules.

Closing Date means 9 December 2013, the day the Entitlement Offer closes.

Company or TIS means Tissue Therapies Limited ACN 101 955 088.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder on the Record Date who:

- (a) has a registered address in Australia or New Zealand or is a Shareholder that TIS has otherwise determined is eligible to participate;
- (b) is not in the United States and is not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States; and
- (c) is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

EMA means the European Medicines Agency.

Entitlement means the right to subscribe for New Shares pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Information Booklet.

Entitlement Offer means a pro rata non-renounceable offer to Shareholders to subscribe for New Shares on the basis of 1 Share for every 9 Shares of which the Shareholder is the registered holder on the Record Date at an Issue Price of \$0.21 per New Share, pursuant to the Information Booklet.

Equity Raising means the Entitlement Offer and the Placement.

Existing Shares means the Shares already on issue in the Company as at the Record Date.

FDA means the US Food and Drug Administration.

Ineligible Shareholder means a Shareholder (or beneficial holder of Shares) on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that TIS and the Underwriter agree to whom ASX Listing Rule 7.7.1(a) applies.

Information Booklet means this document.

Investor Presentation means the presentation to investors, incorporated in Section 2 of this Information Booklet.

Issue Price means \$0.21 per New Share.

Listing Rules means the official listing rules of ASX.

New Shares means Shares to be allotted and issued under the Entitlement Offer.

Offer Costs means direct costs of the Entitlement Offer including fees paid to the Underwriter, advisers and to providers of specific services to cover Share Registry, printing and postage costs.

Placement means the offer of New Shares to institutional investors announced on 4 November 2013 and to complete on 11 November 2013.

Priority Sub Underwriter means Allan Gray Australia Pty Limited ACN 112 316 168, TIS' largest shareholder.

Record Date means 7.00pm (AEDT) on 13 November 2013.

Shareholders means holders of Shares.

Shares means fully paid ordinary shares in the capital of the Company.

Share Registry means Link Market Services Limited ACN 083 214 537.

Top Up Facility means the facility described in Section 1.1 under which certain Eligible Shareholders may apply for New Shares in excess of their Entitlement.

Top Up Shares means extra Shares a Shareholder may apply for in excess of their Entitlement.

Underwriter means Morgans Corporate Limited ACN 010 539 607.

Underwriting Agreement means the underwriting agreement dated 4 November 2013 between the Company and the Underwriter.

US Securities Act means the US Securities Act of 1933, as amended.

6 Corporate information

COMPANY

Tissue Therapies Limited
ACN 101 955 088

www.tissuetherapies.com

REGISTERED OFFICE

Level 19, 179 Turbot Street
Brisbane QLD 4000

Tel (07) 3334 3900
Fax (07) 3334 3999

DIRECTORS

Roger Clarke (Chairman)
Steven Mercer (Managing Director)
Cherrell Hirst (non-executive Director)
Melvyn Bridges (non-executive Director)
Iain Ross (non-executive Director)

COMPANY SECRETARY

Drummond McKenzie

SHARE REGISTRY

Link Market Services Limited
ABN 54 083 214 537
Level 15, 324 Queen Street
Brisbane QLD 4000

Tel 1300 554 474

www.linkmarketservices.com.au

UNDERWRITER TO THE OFFER

Morgans Corporate Limited
ABN 32 010 539 607
Level 29 Riverside Centre
123 Eagle Street
Brisbane QLD 4000

www.morgans.com.au

AUDITOR

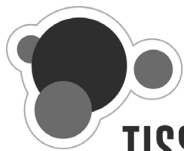
Lawler Hacketts Audit
Level 3, 549 Queen Street
Brisbane QLD 4000

www.lawlerhacketts.com.au

LEGAL ADVISER TO THE OFFER

McCullough Robertson Lawyers
Level 11 Central Plaza Two
66 Eagle Street
Brisbane QLD 4000

www.mccullough.com.au



TISSUE THERAPIES

ABN 45 101 955 088

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 1300 554 474
ASX Code: TIS
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as at the Record Date, on Wednesday, 13 November 2013, 7:00pm (AEDT):

Offer Opens: Tuesday, 19 November 2013

Entitlement to New Shares (on a 1 New Share for every 9 existing TIS ordinary shares):

Amount payable on full acceptance at A\$0.21 per Share:

Offer Closes: Monday, 9 December 2013 5:00pm (AEDT)

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 9 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.21 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Information Booklet dated 4 November 2013. The Information Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Information Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Information Booklet.

If you do not have a paper copy of the Information Booklet, you can obtain a paper copy at no charge, by calling the Tissue Therapies Limited Offer Information Line on 1300 859 277 (within Australia) or +61 1300 859 277 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by Bpay®, refer to the instructions overleaf. You do NOT need to return the acceptance slip below if you elect to make payment by Bpay®. Payment must be received via Bpay® before Monday, 9 December 2013 5.00pm (AEDT). You should check the processing cut off-time for Bpay® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by Bpay® you will have deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before Monday, 9 December 2013 5.00pm (AEDT).



Billers Code: [XXXXXX]

Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

© Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment



TISSUE THERAPIES



SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)

B Number of additional New Shares

C Total number of New Shares accepted (add Boxes A and B)

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Tissue Therapies Limited” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

E CONTACT DETAILS – Telephone Number

Telephone Number – After Hours

Contact Name

TISSUE THERAPIES LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Information Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Information Booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Tissue Therapies Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.21.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Tissue Therapies Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Tissue Therapies Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Tissue Therapies Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Information Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Tissue Therapies Limited
C/- Link Market Services Limited
Locked Bag 3415
Brisbane QLD 4001

Hand Delivery

Tissue Therapies Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than Monday, 9 December 2013 5.00pm (AEDT). Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Tissue Therapies Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Tissue Therapies Limited Offer Information Line on 1300 859 277 (within Australia) or +61 1300 859 277 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.