

ASX ANNOUNCEMENT

CELLMID SIGNS MAJOR JAPANESE DISTRIBUTION AGREEMENT

- **Agreement signed for the sale of 30,000 units of Cellmid's FGF-5 inhibitor lotions**
- **Significant step in increasing Japanese sales**
- **Building strong relationship with customers with the view to launch new products**

SYDNEY, Friday, 20 September 2013: Cellmid Limited (ASX: CDY) is pleased to advise that it has signed an agreement with Natural Garden Co Ltd (Chiba, Japan), one of the largest Japanese private direct marketing companies, for the supply of 30,000 units of the Company's FGF-5 inhibitor hair growth lotions.

Under the terms, Cellmid will supply Natural Garden with a minimum of 30,000 units of Andeprong S, one of the newly acquired and successful Japanese brands, during the 12 months from November 2013. Supply price will depend on the quantity of individual orders, which must be at a minimum of 10,000 units each.

In May 2013 Cellmid made a highly strategic acquisition with the purchase of Advangen Inc., the Japanese owner of the FGF-5 hair growth technology platform. Andeprong S was acquired together with other established Japanese brands.

The acquisition provided immediate access to the sales from the Japanese brands. Cellmid acquired the business with the view to grow these sales in Japan in the near term by building on the strong product loyalty and existing customer relationships. This agreement with Natural Garden represents a significant milestone in and validation of this strategy.

With an experienced and professional marketing staff Natural Garden prides itself with leading the market launching "first in kind" and "best in kind" products.

"We have a keen interest in working with Australian companies developing cutting edge, pioneering products that benefit our 200,000 strong customer base", said CEO of Natural Garden, Mr Masahiro Matsuura.

"We are particularly looking forward to a growing partnership with Cellmid, given our already strong ties with its Japanese subsidiary, and the progressive product development strategy by management" he added.

"Natural Garden is an outstanding partner led by some of the most experienced direct marketing professionals in Japan. With its long history of successful product launches we are excited of the prospect of continuing product innovation for their loyal customers" added Maria Halasz, CEO of Cellmid.

In 2012, the Japanese haircare market had total revenues of \$5.9 billion and it is expected to reach the market value of \$6.3 billion by the end of 2017. ¹ A significant component of that spending is for hair growth products.

The global market for hair growth is estimated to be several billions of dollars. There is an outstanding potential for Cellmid's clinically proven FGF-5 inhibitor product range to gain a significant share of this market for various hair loss indications.

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Cellmid Limited (ASX: CDY)

Cellmid is an Australian biotechnology company developing innovative novel therapies and diagnostic tests for inflammatory diseases, heart attack and cancer. Cellmid holds the largest and most comprehensive portfolio of intellectual property related to midkine and midkine antagonists globally. The Company's most advanced development programme is for the treatment of inflammatory disorders and cancer using its large portfolio of anti-midkine antibodies.

Elevated midkine concentration in the blood and other body fluids is strongly indicative of cancer. Cellmid is commercialising midkine as a biomarker for cancer diagnosis. The first product with midkine as one of the markers, CxBladder, was launched in the US in early 2013.

In 2010 Cellmid set up a dedicated subsidiary, Advangen International Pty Ltd, for the development of midkine for hair growth. Through this subsidiary, the Company acquired exclusive rights in certain territories to a range of hair growth products utilising FGF-5 inhibition technology. The products have since been successfully listed with the TGA and a commercial proof of concept launch was conducted in late 2012. In 2013 the Company acquired the owner of the FGF-5 technology and intends to expand the distribution of these products globally in the future.

¹ <http://www.marketresearch.com/MarketLine-v3883/Haircare-Japan-7680312>