

**ASX ANNOUNCEMENT**

**IKON LEGAL ACTION**

**SYDNEY, Friday, 22 July 2016, Cellmid Limited (ASX:CDY)**, was advised at 4:43pm today by email that Ikon Communications Pty Ltd (Ikon), a subsidiary of the WPP AUNZ (ASX:WPP) group of advertising agencies, filed legal action against Advangen International Pty Ltd, Cellmid's wholly owned subsidiary operating its Australian consumer health business.

Ikon's claim is for the amount of \$939,055.65 pursuant to the Services Agreement entered into by the parties on 15 June 2015. In its claim Ikon alleges that Advangen has failed to pay certain invoices for services rendered in relation to an advertising campaign.

Advangen strongly disputes that Ikon is entitled to be paid for the work the subject of the invoices. It is Advangen's position that Ikon has breached the Services Agreement, failed to provide certain services at all or adequately and engaged in misleading and dishonest conduct that has caused Advangen loss and damage.

Advangen intends to vigorously defend its position and cross claim for payments already made for services not provided or properly provided by Ikon, as well as for any further damages. It will also ensure that there is adequate security for its costs, and if necessary, apply for an order that security for costs be provided by Ikon.

Cellmid, together with its operating entities including Advangen, takes its responsibility to prudently deploy shareholders' capital seriously. Advangen has sought a commercial resolution of the dispute between the parties to avoid legal proceedings but this has been unsuccessful.

Additional information, to the extent legally permissible, will be shared during the investor call on 27<sup>th</sup> July 2016.

End

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**Cellmid Limited (ASX: CDY)**

Cellmid is an Australian life sciences company with lead programs in multiple disease indications. The Company, through its wholly owned subsidiaries, develops and markets innovative novel therapies and diagnostic tests for fibrotic diseases, cancer, ischemic diseases of the heart and hair loss. Cellmid holds the largest and most comprehensive portfolio of intellectual property relating to the novel targets midkine (MK) and FGF5 globally. Through its Advangen business, Cellmid sells its FGF5 inhibitor hair growth products in Australia and Japan, and expanding distribution in other territories. For further information, please see [www.cellmid.com.au](http://www.cellmid.com.au) and [www.evolisproducts.com.au](http://www.evolisproducts.com.au).

**Advangen Limited - Cellmid's Consumer Health Division**

In 2013 Cellmid acquired Advangen Inc. (Japan), the owner of a range of FGF5 hair growth technologies and became the only company globally with an FGF5 inhibitor hair growth product range on the market. Cellmid has continued innovation and product development and filed a number of new patent applications covering several hair growth agents including midkine and a group of novel FGF5 inhibitors. In addition to distribution in Australia and Japan the Company is actively expanding into other markets such as the USA, Asia and Europe.

**Forward-Looking Statements**

This press release may include forward-looking statements that relate to future events and/or future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and actual results may differ from the results anticipated in these forward looking statements. We do not undertake any obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise