



Thursday 19 May 2016

Respiri Announces \$4.3M Fully Underwritten Rights Issue

Respiri Limited (ASX: RSH) is pleased to announce that it will provide eligible shareholders with the opportunity to participate in a 1 for 2 renounceable entitlement offer of new RSH shares (**New Shares**) at an issue price of \$0.03 per New Share (**Offer Price**) to raise up to \$4.3M (**Rights Issue** or **Entitlement Offer**). The Entitlement Offer has been fully underwritten by the Company's mandated brokers Patersons Securities Limited.

The Directors are pleased with the response the Company has received from the Underwriter of the Entitlement Offer with Chairman Leon L'Huillier stating:

"The Company has been working to meet the critical goals set by the Board in February 2014 to monetise the Intellectual Property of Respiri. The Board is delivering on its goals and the underwriting support provided for this significant capital raising highlights the confidence investors have in supporting the Company to ensure these goals are achieved.

We believe this Rights Issue provides investors with an attractive opportunity to participate in the growth of Respiri."

Respiri operates in the globally attractive and rapidly growing health and technology sectors:

- 1. New board, management and technology partners have transformed the business:**
- 2. Asthma is a major global problem that is poorly managed & controlled:**
 - Over 334 million people globally suffer from asthma. Poor asthma management is a major economic burden for society and reduces the quality of life for patients.
 - Prevalence is increasing fastest in low and middle-income countries, especially Asia, with urbanisation, high smoking rates and frequent pollution causing respiratory problems.
- 3. Wheeze is the most common symptom of asthma (The Global Asthma Report 2014):**
 - Other symptoms of asthma include chest tightness, shortness of breath and cough.
- 4. Respiri has leading edge core technology to detect and measure wheeze:**
 - One of the few medical device companies globally with the advanced technology to participate in the home monitoring of asthma, a chronic disease.
 - Acoustic sensors, proprietary algorithms and software platforms will participate in the next big global technology trend.
 - Clinical research on Respiri's wheeze detection technology has been published by world leading physicians and scientists in 14 publications. Its clinically proven technology has been sold to major hospitals across the world.
- 5. No known competition:**
 - The Company's technology replaces outdated, difficult to use products such as peak flow meters.

6. Home monitoring via smartphones is a key driver of growth:

- Explosive growth of smart phone apps and mobile technology platforms.
- Self-monitoring of fitness and wellness is a major global trend.
- Next wave is more complex medical devices for chronic diseases.

7. Quickly scalable business:

- An over-the-counter product without the need for GP prescriptions.
- Use online marketing and distribution to complement the traditional channels.

The Company will use the proceeds of this issue to provide working capital for its commercialisation activities that constitute a clear proposed pathway to monetise the business's Intellectual Property by:

- **Completing the current independent AirSonea research study at the University of Chicago;**
- **Progressing the current regulatory submissions for AirSonea in FDA and CE.**
- **Undertaking a market pilot in Australia with a major pharmacy chain.**
- **Delivering sales and distribution agreements and collaborative technology partnerships.**

Entitlement Offer

Eligible shareholders will be able to acquire 1 New Share for every 2 existing Respiro ordinary shares held on the Record Date of 7.00pm (Melbourne time) on 24 May 2016 (**Entitlement**).

The Offer Price is \$0.03 per New Share. This represents a 6.3% discount to the closing market price of Respiro ordinary shares on 13 May 2016 and a 4.3% discount to the theoretical ex-rights price (**TERP**).

The Entitlement Offer will open on 27 May 2016 and close at 5.00pm (WST) on 15 June 2016. Eligible shareholders will be allotted an Entitlement that can be traded on ASX from 23 May 2016 to 7 June 2016. This means that shareholders who do not wish to take up all or part of their Entitlement can seek to sell all or part of their Entitlement on ASX in order to realise value for that Entitlement.

Eligible shareholders who take up their Entitlements in full will also be able to apply for any New Shares not taken up by eligible shareholders.

New Shares issued under the Entitlement Offer will rank equally with existing Respiro ordinary shares from issue.

Shortly, eligible shareholders will receive a copy of the offer booklet and (if eligible) an entitlement and acceptance form. Full details of the Entitlement Offer are set out in the offer booklet and Appendix 3B lodged with ASX. Both documents are available on ASX's website (www.asx.com.au) and on the Company's website (www.respiro.com.au).

In order to take up Entitlements, holders must meet certain eligibility criteria that are set out in the offer booklet. In particular, persons in the United State and persons acting for the account or benefit of a person in the United States will not be eligible to acquire Entitlements on ASX or take up Entitlements acquired on ASX or otherwise.

The Entitlement Offer is fully underwritten by Patersons Securities Limited and partly sub-underwritten by Investment Holdings Pty Ltd, an existing substantial shareholder, and the directors of Respiro. Details of the potential effect of the underwriting and sub-underwriting arrangements on Respiro, as well as the underwriting agreement itself, are set out in the offer booklet.

A summary of the key terms of the Entitlement Offer is set out below (and an indicative timetable is set out further below):

Summary of Key Information	
Type of offer	Renounceable pro rata offer to eligible shareholders of up to 144,127,741 fully paid ordinary shares. The New Shares will rank equally in all respects from the date of allotment with the existing class of quoted shares.
Offer Price	\$0.03 (3 cents) per New Share.
Offer ratio	1 New Share for every 2 existing shares held at the Record Date. Fractions will be rounded up.
Shortfall participation rights	Eligible shareholders will have the opportunity to apply for shortfall shares.
Renounceable	Your entitlements may be sold on ASX or otherwise transferred.
Ranking of New Shares	The New Shares will be fully paid and will rank equally in all respects with Respire's existing issued ordinary shares.
Eligible shareholders	In accordance with the ASX Listing Rules, the directors of Respire have determined that the following shareholders will be eligible to participate in the Entitlement Offer: <ul style="list-style-type: none">▪ holders of shares in Respire, who are entered on the register of shareholders, as at the Record Date;▪ who are resident in Australia and New Zealand;▪ who are not US Persons (as defined in Regulation S made under the <i>Securities Act 1933</i> (US)); and▪ who are not acting on account for or on behalf of US Persons.

Shareholder Enquiries

Eligible shareholders who have questions relating to the Entitlement Offer should call the Respire Share Registry on (08) 9315 2333 (within Australia) or +61 8 9315 2333 (outside Australia) from 8.30am to 5.30pm (Western Standard Time) Monday to Friday or go to our Entitlement Offer website at www.respire.com.au.

Further information in relation to the matters described in this announcement are set out in the investor presentation released today to ASX by Respire.

Important information

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

For and on behalf of the Company;



Peter Vaughan
Company Secretary
Respire Limited

Ph: 1800 476 683

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OF AMERICA

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (Securities Act) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United State, unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Neither this announcement nor any other documents relating to the offer of the New Shares may be sent or distributed to persons in the United State.

Persons in the United States or persons acting for the account or benefit of persons in the United States may not access the offer booklet or any other documents relation to the Entitlement Offer.

Indicative Timetable for Rights Offer

Event	Indicative Timing (Eastern Standard Time)
Announcement of Rights Issue by Respiri Limited Option holders to be notified	Thursday 19 May 2016
The Company to send notice to Eligible Shareholders	Friday 20 May 2016
"Ex date" - the date on which Shares are quoted ex-Entitlements and Entitlements trading commences on ASX	Monday 23 May 2016
"Record Date" - the date for determining entitlements of Eligible Shareholders to participate in the Rights Issue and Shortfall Offer (7.00pm EST)	Tuesday 24 May 2016
Anticipated dispatch of offer booklet and entitlement forms to shareholders and announcement of completion of dispatch	Friday 27 May 2016
Rights trading ends	Tuesday 7 June 2016
Last day to extend the offer closing date	Thursday 9 June 2016
Last date for receipt of Entitlement and Acceptance Forms and payment (Applications Closing Date) (7:00pm EST time)	Wednesday 15 June 2016
The Company to inform ASX of any shortfall under the Rights Issue (Shortfall Notification Date)	Friday 17 June 2016
The Company to issue New Shares under the Rights Issue and confirmation to ASX of all information required by Appendix 3B*	Wednesday 22 June 2016
Normal trading commences	Thursday 23 June 2016
Dispatch of Holding Statements	Thursday 23 June 2016

* Queen's Birthday public holiday is on 13 June 2016 and is a non-trading day.

The above timetable is subject to change.