ASX/MEDIA RELEASE **22 May 2018**

SIRTEX RECEIVES BINDING OFFER FROM CDH, COMMENCES MATCHING RIGHT PROCESS AND PROVIDES TRADING UPDATE

Further to the announcement of 4 May 2018 in relation to the non-binding, indicative and conditional proposal from CDH Investments, Sirtex Medical Limited (**Sirtex**) advises that, following a period of due diligence by CDH Investments, it has received an offer capable of acceptance from CDH Genetech Limited (**CDH Genetech**) for the acquisition of all of the shares in Sirtex by way of scheme of arrangement, including a draft scheme implementation deed (the **CDH Proposal**).

Varian matching right

Sirtex has notified Varian Medical Systems, Inc. (**Varian**) of the material terms and conditions of the CDH Proposal. Under the terms of the scheme implementation deed entered into between Sirtex and Varian (the **Varian Scheme**), Varian has the right, but not the obligation, to submit a counter proposal.

Sirtex Board position

The Board of Sirtex is considering the relative merits and risks of the CDH Proposal and the Varian Scheme, including the offer prices, the risks and timing to completion and the potential outcomes for Sirtex shareholders if a control transaction did not complete. The Board has not yet formed a view on these matters.

Following completion of its assessment of the CDH Proposal, the Board of Sirtex will provide a recommendation as to which proposal it believes is in the best interests of shareholders and full details supporting its recommendation.

At this time, the Directors of Sirtex continue to unanimously support and recommend the Varian Scheme.

Trading update

As previously announced to the market, Sirtex's first half 2018 financial year dose sales were relatively flat, reflecting a 0.4% decline versus the prior corresponding period (pcp). Through the majority of the second quarter of FY18, Sirtex experienced positive momentum in dose sales. Subsequent to the announcement of the Varian Scheme, dose sales have not met internal expectations.

- Worldwide dose sales for the period 1 January to 30 April 2018 were 3,755, down 10.6% versus the pcp.
- Worldwide dose sales from the period 1 July 2017 to 30 April 2018 were 9,778, down 4.6% versus the pcp.

Andrew McLean, the Chief Executive Officer of Sirtex said "Since the announcement of the Varian Scheme, Sirtex has experienced uncertainty and distraction, and this has contributed to dose sales being below expectations. As a result, our second half dose sales are expected to be relatively flat versus the first half. We believe once the current process has been resolved, the recent growth initiatives implemented will drive positive momentum, and market growth rates are still favourable."

Sirtex now anticipates that FY18 underlying EBITDA[1] will be at the lower end of the $75-85 million guidance previously issued.

Sirtex does not expect today's trading update to have any impact on implementation of the Varian Scheme or the CDH proposal.

Key terms of the CDH Proposal

Price	• $33.60 cash per share, less any dividend declared by the Board of up to $0.30 per share

Nominee	• CDH Genetech to nominate a subsidiary to acquire the Sirtex shares under the CDH Proposal which must be either:
	  ○ a wholly-owned subsidiary of CDH Genetech; or
	  ○ a subsidiary of CDH Genetech which is owned as to 51% to 54% by CDH Genetech and 46% to 49% by China Grand Pharmaceutical and Healthcare Holdings Limited

Conditions precedent	• Termination of the Varian Scheme • Approval by Sirtex shareholders and by the Federal Court of Australia • Approval by Australia's Foreign Investment Review Board • US anti-trust approval under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (US) • No court or government agency in Australia, USA, Germany, Italy, Belgium, the United Kingdom or Ireland issuing any temporary restraining order, preliminary or permanent injunction or other order restraining, preventing or imposing any legal restraint on the CDH Proposal (**Regulatory Intervention**) • Receipt of any necessary ASIC or ASX consents • no "prescribed occurrences" (being similar to those in the Varian Scheme as defined in section 10 of the Scheme Booklet for the Varian Scheme released by Sirtex on ASX on 29 March 2018) • the independent expert concluding that the CDH Proposal is in the best interests of Sirtex shareholders and not changing that conclusion • no "insolvency event" (being similar to those in the Varian Scheme as defined in section 10 of the Scheme Booklet for the Varian Scheme released by Sirtex on ASX on 29 March 2018) by CDH Genetech
CFIUS approval	• CDH Genetech and Sirtex to make a voluntary notification of the proposed transaction to The Committee for Foreign Investment in the US (**CFIUS**) • CFIUS approval of the transaction is not a condition precedent, however an objection or ongoing investigation by CFIUS may result in a legal restraint being imposed (that could amount to a Regulatory Intervention) that would delay and could prevent the CDH Proposal from completing • CDH Genetech is required to accept any mitigating actions requested by CFIUS, or that are necessary or advisable, in connection with obtaining CFIUS clearance, to the extent they involve either (i) outsourcing the US operations of Sirtex involving US patient data collection and/or US manufacturing or any other US activities involving the handling of radioactive materials; or (ii) other requirement that would not be reasonably likely to result in a reduction (individually or in aggregate with all other mitigating actions) in the sales of Sirtex of US$50 million or more in the 12 month period following the proposed implementation of such mitigating action

[1] Underlying EBITDA excludes costs associated with the acquisition process, legal costs associated with the shareholder class action and unrealised/realised FX gains/losses.

Payments by CDH Genetech	• A fee of $200m (plus GST if any) would be payable by CDH Genetech to Sirtex where:
	  ○ the CDH Proposal is terminated due to the conditions precedent requiring FIRB and US anti-trust approval to be obtained, and there to be no Regulatory Intervention, not being satisfied or waived;
	  ○ the Court not approving the CDH Proposal as a result of these conditions precedent not being satisfied or waived;
	  ○ Sirtex and CDH Genetech agreeing in writing to voluntarily withdraw the CFIUS notification; or
	  ○ Sirtex terminates the CDH Proposal due to a material breach of the scheme implementation deed or warranties by CDH Genetech
	  Payment of this fee would be subject to it not being determined to be unlawful.
	• This amount would be paid to a trust account with an Australian bank on entering into a scheme implementation deed with CDH Genetech
	• CDH Genetech to deposit the balance of the scheme consideration into the trust account (to be applied towards payment of the scheme consideration if the CDH Proposal becomes effective) by no later than the business day prior to the date of the scheme meeting

Exclusivity	• Sirtex would be subject to customary no shop, no talk and no due diligence (subject to the Sirtex directors' fiduciary obligations), notification obligations and matching rights on terms similar to those contained in the Varian Scheme (as summarised in section 9.1(c) of the Scheme Booklet for the Varian Scheme released by Sirtex on ASX on 29 March 2018)
Sirtex break fee	• Break fee of 1% of the equity value (approximately $19m) would be payable by Sirtex to CDH Genetech in certain circumstances, similar to the circumstances in which a break fee is payable under the Varian Scheme (as summarised in section 9.1(c) of the Scheme Booklet released by Sirtex on ASX on 29 March 2018)

China commercialisation rights	• Sirtex and CDH Genetech to use best endeavours to negotiate, as soon as practicable after entering into the scheme implementation deed, an agreement for the grant by Sirtex to CDH Genetech of exclusive commercialisation rights for the China market that would apply in the event that the CDH Proposal is terminated due to:
	  ○ failure to obtain FIRB or US anti-trust approval;
	  ○ Regulatory Intervention; or
	  ○ the Court not approving the CDH Proposal as a result of either a failure to obtain FIRB or US anti-trust approval or Regulatory Intervention,
	  and Sirtex has received payment of the $200m fee (plus GST if any) discussed above.
	• If Sirtex and CDH Genetech do not reach agreement on terms within 40 business days, CDH Genetech is to have a right of first refusal under which Sirtex may not enter into an agreement with any third party for the grant of such rights for a period of 3 years following termination of the CDH Proposal in the circumstances outlined above unless it has first offered to enter into an agreement with CDH Genetech on terms no less favourable to CDH Genetech
	• The parties' obligations do not apply to the extent they would be unlawful, involve a breach of the duties of the Board or constitute unacceptable circumstances within the meaning of the Corporations Act

In conjunction with its proposal, CDH Genetech has provided Sirtex with evidence of committed equity financing and debt financing from a reputable financial institution.

About CDH Genetech

CDH Genetech is currently 100% owned by CDH Fund V, L.P., being part of the CDH Investments group.

Upon entry into a binding scheme implementation deed between Sirtex and CDH Genetech, CDH Genetech would separately enter into a binding agreement with China Grand Pharmaceutical and Healthcare Holdings Limited (**China Grand Pharma**) to provide 49% of the equity funding required for the acquisition. China Grand Pharma is listed on the Hong Kong Stock Exchange, with a market capitalization of approximately A$2.4 billion and is principally engaged in the development, manufacture and sale of pharmaceutical preparations, medical devices, pharmaceutical intermediates, specialised raw materials and healthcare products.

China Grand Pharma's participation is being supported by its majority shareholder, China Grand Enterprises Inc. (**China Grand Enterprises**), a Chinese conglomerate whose core businesses include the research, manufacture and sale of pharmaceutical products in China, including oncology therapies.

China Grand Enterprises, together with its affiliates, owns more than 50% of China Grand Pharma and intends, subject to the execution of a binding scheme implementation deed between Sirtex and CDH Genetech, to vote in favour of a resolution to be proposed at China Grand Pharma's special general meeting approving China Grand Pharma's entry into its agreement with CDH Genetech. In addition, China Grand Enterprises, or its affiliates, will provide funding support to China Grand Pharma to satisfy its equity commitments towards the consideration payable to Sirtex shareholders. The participation of China Grand Pharma and China Grand Enterprises is subject to further approvals, which will be obtained prior to the execution of the binding scheme implementation deed between Sirtex and CDH Genetech. However, the CDH Proposal is not conditional on these further approvals or approval of shareholders of China Grand Pharma.

Varian interlocutory application

Varian has made an application in the Federal Court of Australia proceeding concerning the Varian Scheme seeking orders that the shareholder meeting to approve the Varian Scheme be re-convened on 31 May 2018. This morning the Court directed that the proceeding be relisted at 3pm on Friday, 25 May 2018. In the circumstances, Sirtex considers it to be premature to reconvene the shareholder meeting and will update the market in relation to the outcome of the application in due course.

- ENDS -

About Sirtex Medical, www.sirtex.com

Sirtex Medical Limited (ASX:SRX) is an Australian based medical device company with global market coverage. Its core revenue producing technology, which has regulatory approvals, is a selective internal radiation therapy (SIRT), with clinically proven applications for liver cancer with over 86,000 doses supplied and administered at over 1,160 medical centres in more than 40 countries.

Investor Enquiries:

Mr Andrew McLean
CEO
Sirtex Medical Limited
Phone: +61 (0) 2 9964 8400

Investor/Media Enquiries:

Dr Tom Duthy
Global Head of Investor Relations &
Corporate Development
Sirtex Medical Limited
Phone: +61 (0) 2 9964 8427
Email: tduthy@sirtex.com

To subscribe to our email alert service for ASX Announcements, please visit:
http://www.sirtex.com/au/investors/email-alerts/

Follow us on Twitter: **@sirtexmedical**
Visit us on LinkedIn: **Sirtex Medical Limited**