



## ASX Announcement

### Reverse U.S. Common Stock Split No Split of Australian CDIs

**Sydney, Australia and Eden Prairie, MN: 25 January 2012** – Sunshine Heart, Inc. (ASX: SHC) (**Sunshine Heart**) advises that the Sunshine Heart board has resolved to consolidate the company's U.S. common stock at a ratio of 1 for 200 (**Reverse U.S. Common Stock Split**) and to change the transmutation ratio of CDIs to shares, so that each CDI will be exchangeable for shares of common stock at a new ratio of 200:1.

The Reverse U.S. Common Stock Split was previously approved by stockholders at the Sunshine Heart EGM on 18 August 2011 and the Company does not expect that there will be any change to the underlying value of each CDI.

The last day for trading on ASX where an underlying Sunshine Heart share is equivalent to 1 CDI will be Friday, 27 January 2012; and the Reverse U.S. Common Stock Split will be affected on 30 January 2012.

Sunshine Heart is undertaking the Reverse U.S. Common Stock Split in order to meet certain criteria relating to its minimum listing price in connection with its application to list its common shares on the Nasdaq Capital Market (**Nasdaq**). It is expected that during the first quarter of 2012, the US Securities and Exchange Commission will declare Sunshine Heart's Form 10 effective and Nasdaq will approve Sunshine Heart's listing application.

#### **The effect of Reverse U.S. Common Stock Split on Sunshine Heart's CDIs**

Sunshine Heart's CDIs will not be consolidated but rather the transmutation ratio of CDIs to shares will change from 1:1 to 200:1.

Once Sunshine Heart is listed on Nasdaq, securityholders will be able to freely convert their holdings between ASX-listed CDIs and shares of common stock listed on Nasdaq, with one share represented by 200 CDIs. It is expected that the trading price of shares on Nasdaq should be approximately 200 times the trading price of CDIs on ASX after accounting for the currency exchange rate.

#### **Treatment of fractional shares**

If the Reverse U.S. Common Stock Split results in the issuance of a fraction of a U.S. common share, Sunshine Heart will round up each holder's underlying shares to the nearest whole number in order to bring the number of shares held by such holder up to the next whole number. There will therefore be a corresponding rounding up of each CDI holder's aggregate holding of CDIs to nearest multiple of 200, after taking into account the new transmutation ratio of 200:1.

For the purpose of determining entitlements under the Reverse U.S. Common Stock Split, pre-Reverse Stock Split holdings registered in the same name will be aggregated. Where Sunshine Heart considers that pre-Reverse Stock Split holdings have been split to take advantage of rounding, Sunshine Heart reserves the right to aggregate holdings held by associated holders.

#### **Timetable**

Attached to this announcement is the timetable for the Reverse U.S. Common Stock Split.

#### **Capital structure**

Following the record date of the Reverse U.S. Common Stock Split, Sunshine Heart will advise the market of new number of shares of common stock on issue, and the corresponding number of CDIs.

#### **Deferred trading**

CDIs will trade on a deferred settlement basis between 30 January 2012 and 10 February 2012. The ASX code for trading in CDIs during this period will be **SHCDA**.

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## Timetable

Event	Date
Last day for trading where an underlying SHC share is equivalent to 1 CDI.	27 January 2012
Effective date of reverse U.S. common stock split of SHC's shares. File certificate of amendment with Delaware Secretary of State effecting reverse U.S. common stock split. First day for CDIs to trade where an underlying SHC share is equivalent to 200 CDIs. Trading in re-organised CDIs on a deferred settlement basis begins (under ASX code: SHCDA).	30 January 2012
Record date to determine entitlements. Last day for SHC to register transfers of CDIs on a pre-reorganisation basis.	3 February 2012
First day for: <ul style="list-style-type: none"> <li>SHC to send notice to each of its CDI holders informing them of the number of CDIs and underlying shares held before and after the consolidation.</li> <li>SHC to register transfers of CDIs on a post-reorganisation basis</li> <li>Despatch of holding statements to CDI holders.</li> </ul>	6 February 2012
Despatch date (last day to despatch holding statements) (by noon) Deferred settlement market ends. Last day for SHC to send notice to each of its CDI holders.	10 February 2012
Normal (T+3) trading resumes.	13 February 2012
Settlement of first trades conducted on a T+3 basis and settlement of on-market trades conducted on a deferred settlement basis.	16 February 2012

### About the C-Pulse® Heart Assist System

The C-Pulse Heart Assist System, an investigational device, utilizes the proven scientific principles of intra-aortic balloon counter-pulsation applied in an extra-aortic approach to assist the left ventricle by reducing the workload required to pump blood throughout the body, while increasing blood flow to the coronary arteries. Operating outside the patient's bloodstream, the novel extra-aortic approach of the C-Pulse technology offers greater flexibility allowing patients to disconnect as necessary or desired. The C-Pulse system's potential benefits may help reverse the heart failure process or maintain the patient's current condition, which may reduce the need for later stage heart failure therapies, such as left ventricular assist devices (LVADs), artificial hearts or transplants.

Caution: Investigational device, limited by Federal (or United States) Law to Investigational use.

### About Sunshine Heart®

Sunshine Heart is a global medical device company committed to the commercialization of the C-Pulse Heart Assist System, an implantable, non-blood contacting, heart assist therapy for the treatment of moderate to severe heart failure which can be implanted using a minimally invasive procedure. C-Pulse is designed to relieve the symptoms of heart failure through the use of counter-pulsation technology which enables an increase in cardiac output, an increase in coronary blood flow and a reduction in the heart's pumping load. The Company has completed enrollment of an approved U.S. Food and Drug Administration (FDA) 20 patient feasibility clinical trial with the C-Pulse System. Sunshine Heart is a Delaware corporation headquartered in Minneapolis with a subsidiary presence in Australia. The Company has been listed on the ASX since September 2004. For more information, please visit [www.sunshineheart.com](http://www.sunshineheart.com).

### Forward-Looking Statements

This announcement contains forward-looking statements that are based on management's beliefs, assumptions and expectations and on information currently available to management. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation, our expectations with respect to product development and commercialization efforts, results of clinical trials, expected timing of regulatory filings and approvals, regulatory acceptance of our filings and research and development activities, ultimate clinical outcomes and benefit of our products to patients, market and physician acceptance of the products, intellectual property protection and competitive product offerings could cause actual events to adversely differ from the expectations indicated in these forward looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on forward-looking statements because they speak only as of the date when made. Sunshine Heart does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sunshine Heart may not actually achieve the plans, projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, including without limitation, the possibility regulatory authorities do not accept our application or approve the marketing of the C-Pulse® Heart Assist System, the possibility we may be unable to raise the funds necessary for the development and commercialization of our products, the possibility we may be unable to successfully list our securities on a U.S. securities exchange, and those described in our filings with the ASX. We may update our risk factors from time to time in our filings with the ASX.