



## ASX ANNOUNCEMENT

4 September 2006

### Appointment of New Chief Executive Officer

The Board of HeartWare is pleased to announce the appointment of Mr Douglas Godshall as HeartWare's new Chief Executive Officer, effective from 18 September 2006. Mr Godshall takes over from Mr Stuart McConchie who has resigned from the position.

Prior to accepting the position at HeartWare, Mr Godshall served on the Operating Committee at Boston Scientific Corporation (**Boston Scientific**), one of the world's largest medical device companies.

Since January 2005 Mr Godshall has been President, Vascular Surgery at Boston Scientific, with overall responsibility for a business division employing some 600 personnel and generating revenues of approximately US\$100M. Mr Godshall previously spent five years as Vice President, Business Development at Boston Scientific, where he was instrumental in developing the acquisition strategies for the cardiology, electrophysiology, neuroradiology and vascular surgery divisions. During this period Mr Godshall led the negotiation and structuring of over 70 transactions and represented Boston Scientific on the Boards of 11 companies. Prior to assuming the Business Development position, he was Director of Marketing for Boston Scientific's Urology Division where he helped build global sales to over US\$150M. Mr. Godshall joined Boston Scientific in 1990.

HeartWare Chairman, Mr Rob Thomas, said:

*"On behalf of the Board I am delighted to welcome Doug to HeartWare. Having spent over fifteen years in a range of progressively more senior positions at Boston Scientific, Doug brings to HeartWare a depth of expertise across all facets of the medical device business. He has established and led executive teams through the clinical development, market launch and subsequent commercial rollout of a range of medical devices in the United States and around the world. He has exceptional credentials as a strategic leader and a track record of identifying and successfully executing a number of substantial business partnerships and corporate transactions.*

*Doug also brings to HeartWare a breadth of financial, strategic and operational relationships in the United States, the world's largest medical device market. These will be of critical importance to the Company over the coming years.*

*The Board would like to extend its sincere thanks to outgoing Chief Executive Mr Stuart McConchie who has made a significant contribution during his time with the Company. During this period, HeartWare listed on the Australian Stock Exchange and successfully completed two substantial capital raisings. More importantly, Stuart oversaw the Company's transition from a pre-clinical technology developer into a clinically focused medical device manufacturer. With a strong executive team now in place and compelling clinical validation of its technology, HeartWare is well-placed to move towards its commercial phase."*

Incoming Chief Executive Officer, Mr Douglas Godshall commented:

*"Congestive heart failure (CHF) is among the most prevalent diseases in the world. CHF patients, particularly those with advanced disease, have few treatment options. The ventricular assist devices available today have already created a substantial market and clearly point to a tremendous growth opportunity when smaller, more reliable pumps become available. HeartWare has the product portfolio, intellectual property, clinical credibility and internal resources necessary to establish a major presence in this market.*



*HeartWare's technologies have the potential to offer a viable long-term treatment option to the many millions of patients suffering advanced heart failure. I am looking forward to working with the strong management team already in place to ensure that the Company's breakthrough products benefit as many patients as possible."*

Mr Godshall will be based primarily in the United States. Details of Mr Godshall's employment arrangements are set out on the following page.

### **Company Update**

HeartWare has conducted two implants of the HVAD<sup>TM</sup> Left Ventricular Assist Device to-date. These implants were conducted at the Vienna General Hospital on 22 March and 19 April respectively. Prior to the procedures, both patients were suffering Class IV (end-stage) heart failure and both were on the cardiac transplant waiting list. At 4 September 2006, the two patients have been supported for a cumulative period of 297 days. The pumps have performed flawlessly and both patients have recovered well.

On 21 April 2006, the Board appointed Mr Dozier Rowe to the position of Chief Operating Officer. Having previously led the operations at one of Boston Scientific's largest facilities, Mr Rowe is charged with overseeing the transition of the Company, particularly with regards to the HVAD<sup>TM</sup> device, from product development to manufacturing.

Following the successful recent efforts of Mr Rowe and his team, a third HVAD<sup>TM</sup> implant is now imminent, subject to patient availability. Further implants are expected over ensuing weeks, during which time HeartWare plans to expand beyond the Vienna General Hospital and progressively to initiate implants at the three additional participating centres in Australia and Europe. Given the success of the first two HVAD<sup>TM</sup> implants, HeartWare expects significant momentum in its clinical program through the balance of 2006 and beyond.

A handwritten signature in blue ink, appearing to read "Rob Thomas".

**Mr Rob Thomas**  
**Chairman**



### **CEO Remuneration Details**

Mr Godshall will be paid a base annual salary of US\$350,000. He will be entitled to an additional annual bonus payment of up to US\$75,000 subject to certain performance criteria set and reviewed annually by the HeartWare Board. In addition, Mr Godshall will be paid a sign-on fee of US\$75,000.

Mr Godshall's employment contract does not have a fixed term and is terminable in various circumstances including, without limitation, by the provision of 6 month's notice in writing by either the Company or Mr Godshall.

Mr Godshall will be issued with 5,581,264 options to acquire shares in HeartWare pursuant to the Company's Employee Share Option Plan. This represents approximately 3% of the issued capital of the Company. The options will vest over four years in four equal annual tranches, commencing on the first anniversary of Mr Godshall's appointment. The options have an exercise price of A\$1.10 per option.

### **Cessation of Directorship**

With immediate effect from today's date, Mr McConchie ceases his roles as Chief Executive Officer and Director of HeartWare Limited. Attached is an ASX Appendix 3Z in this regard.

The Company also wishes to advise that 3,438,921 unlisted options granted under the Company's Employee Share Option Plan have lapsed and will be removed from the Company's share register. One third of these options were exercisable at a price of A\$0.75 per option, one third were exercisable at a price of A\$1.00 per option and one third were exercisable at A\$1.50 per option.

### **About HeartWare**

HeartWare is developing a family of proprietary circulatory assist devices to treat patients with congestive heart failure. HeartWare's lead product, the HVAD™ left ventricular assist device, commenced human clinical trials in March 2006. First sales are anticipated in late 2007. With a volume of 45cc, the HVAD™ device is the smallest "3rd generation" pump and the only full output device implantable routinely within the thoracic cavity.

HeartWare's miniaturization platform allows the development of smaller devices, potentially implantable by minimally invasive surgical techniques. Pre-clinical studies are underway for a prototype pump approximately one tenth the volume of the HVAD™ device.

For further information:

[www.heartware.com.au](http://www.heartware.com.au)

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# Appendix 3Z

## Final Director's Interest Notice

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 30/9/2001.

<b>Name of entity</b>	HEARTWARE LIMITED
<b>ABN</b>	34 111 970 254

We (the entity) give ASX the following information under listing rule 3.19A.3 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of director</b>	Stuart Bruce McConchie
<b>Date of last notice</b>	1 February 2006
<b>Date that director ceased to be director</b>	4 September 2006

### Part 1 – Director's relevant interests in securities of which the director is the registered holder

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Number &amp; class of securities</b>
1,146,306 vested (unquoted) options granted under the Company's Employee Share Option Plan. Each option entitles the holder to subscribe for one ordinary share in the capital of the Company at an exercise price of A\$0.60.

+ See chapter 19 for defined terms.

## Appendix 3Z

### Final Director's Interest Notice

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#### Part 2 – Director's relevant interests in securities of which the director is not the registered holder

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

<b>Name of holder &amp; nature of interest</b> Note: Provide details of the circumstances giving rise to the relevant interest	<b>Number &amp; class of securities</b>
	NIL

#### Part 3 – Director's interests in contracts

<b>Detail of contract</b>	NIL
<b>Nature of interest</b>	
<b>Name of registered holder (if issued securities)</b>	
<b>No. and class of securities to which interest relates</b>	

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+ See chapter 19 for defined terms.