

Proposed focus on Human Healthcare business and dilution/divestment of Animal Healthcare Business

- **Future focus and investment on growing profitable Human Healthcare business**
- **Human Healthcare experiencing significant revenue and profit growth**
- **Animal Healthcare business requires continued investment to achieve sufficient scale and profitability, and to deliver upon its growing pipeline of new product opportunities.**

Sydney, 23 June 2015: The Board of Medical Australia Limited (“MLA”, the “Company”) provides this update to shareholders following a strategic review of the Company’s operations.

In June 2013 MLA announced its intention to acquire the animal healthcare and stem cell technology provider MediVet Pty Ltd (MediVet). The acquisition was finalised in December 2013.

Since the acquisition, the Company has added new Directors, new management and raised additional capital. A review of the various business operations has also been undertaken.

The Directors do not believe the Company has either the financial resources nor people resources to fully pursue the potential of both the Human Healthcare business and Animal Healthcare business opportunities that have been presented.

Significant growth opportunities have been identified in both business sectors which will require additional capital resources to fulfil. In particular the opportunities related to the Animal Healthcare business are predominantly in the United States (trading as MediVet Biologics) and there are few if any synergistic benefits of common ownership of the business sectors.

The Board believes that the progress which has been made with MediVet over the last eighteen months since the acquisition will be a good platform for the future of the business as it continues to penetrate the USA & other global markets. The Board is particularly encouraged by the R&D programs that support the existing product base as well as those that are focussed on expansion into allogeneic products and also in the area of canine cancer therapies. MediVet is owned 60.5% by MLA and 39.5% by interests related to the US management. The Company has engaged Main Street Capital in conjunction with Corporate Capital Group, located in New York, and who are familiar with MediVet to assist the process of looking for investors to take the MediVet business forward.

MLA Chief Executive Officer, Mr Darryl Ellis, commented: “This process could see MLA cease to be an investor in MediVet or the level of investment reduced from subsidiary down to that of an associate. The intention is to allow MediVet to fulfil its potential and MLA is prepared to work with any new investor to ensure that this objective can be achieved.”



The Human Healthcare business has been returned to profitability and management have identified a number of additional growth options. These options will require funding for both investment acquisitions and working capital expansion. It is expected that investment which has been directed to MediVet over the last eighteen months will now be freed up and enable the Human Healthcare opportunities to be fully exploited.

Mr Jeremy Delk, a Director of MLA and CEO of the US MediVet business has announced his intention to step down from the Board of MLA as of 30 June 2015 as he directs his full attention to working with Main Street/Corporate Capital Group in identifying new investment partners and continue building the US business. The board is grateful for his contribution as a MLA board member and supports this decision

– ENDS –

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ABOUT MEDICAL AUSTRALIA LIMITED

Medical Australia Limited (ASX: MLA) is a human and animal healthcare company engaged in the manufacture, distribution and sale of a broad range of medical and veterinary devices used by healthcare facilities, critical care services and veterinarians in global markets. The Company is a leader in Intravenous (IV) Medication Delivery Systems, Surgical Irrigation, Suction and Oxygen Therapy, Safety Sharps Collection and Reuse Prevention and specialised Diagnostic and Laboratory Equipment. Our products are used in three broad areas of healthcare, Human Health; Biological Collection, Processing and Laboratory; and Animal Health. Through the acquisition of MediVet Pty Ltd Medical Australia now has proprietary ownership of technology for regenerative medicine including stem cell therapy for domestic animals and the equine industry. Medical Australia's animal health business is now represented in major countries and regions such as Canada, USA, Great Britain, Continental Europe, Australia and the Asia Pacific Region, including a 60.5% interest in MediVet America LLC.