

MLA records revenue of \$14.8 million for FY15 (up 25%) with net loss after tax of \$216,879

HIGHLIGHTS

- Revenue of \$14.8 million up by 25% on previous year, with Human Healthcare revenue up 15%
- Company records net loss after tax of \$216,879 versus profit of \$105,241 for FY14
- Human Healthcare NPAT of \$1.31 million
- MLA pursues divestment or dilution via capital raising for Animal Healthcare business
- Company focuses on growth of Human Healthcare division to increase profitability

Sydney, 31 August 2015: Human and animal healthcare company Medical Australia Limited (“MLA”, the “Company”) has today released its financial results for the year ended 30 June 2015, reporting a statutory net loss after tax of \$216,879 for the period compared to a profit of \$105,241 for financial year 2014.

Revenue for the year increased by 25% to \$14.8 million (2014: \$11.9 million), which was partially due to a full year’s revenue combination from the Animal Healthcare division (versus 7 months in 2014). However, MLA is greatly encouraged that the majority of the Company’s revenue growth was delivered by the Human Healthcare division, which enjoyed a year on year increase of 15%.

The Human Healthcare division’s significant revenue growth during FY2015 has been achieved through solid sales contributions from both the Tuta Direct and Tuta OEM divisions, while revenue from the Clements devices division recorded year on year revenue growth of 16%.

The Company expanded its human healthcare sales team during the year, and has secured a number of sales and supply contracts in the public and private healthcare sectors, while also assessing opportunities to expand its geographic footprint both in Australia and overseas. The Company’s new product program has contributed significantly to revenue growth and will provide a platform for future growth.

A highlight during the year was the successful completion of a Non-Renounceable Rights Issue, which raised just over \$2 million in capital for the Company. As initially communicated to shareholders (ASX 10 October 2015), these funds were deployed towards pursuing strategic opportunities, funding the growth of MLA’s animal stem cell business and strengthening working capital.

As communicated to shareholders on 23 June 2015, the Company has taken the decision to divest or dilute, via a capital raising in the U.S., its 60.5% interest in MediVet Biologics LLC, its U.S. based animal healthcare business. 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 U.S. & 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. 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.

MLA’s Chief Executive Officer, Mr Darryl Ellis, commented: “While the small statutory loss that we incurred for financial year 2015 is somewhat disappointing, we are greatly encouraged by the strong growth in sales and revenue that is being achieved by the Human Healthcare division, hence this is our major focus going forward in order to increase profitability.”



“While we still see much potential for the MediVet business, we consider that the ongoing investment of capital and human resources required to maximise this potential would be better directed towards our core Human Healthcare business.” Accordingly, we continue to assess any opportunities to either divest or dilute through a capital raising, our interest in MediVet, but will only proceed with any such transaction on the basis of obtaining maximum value for shareholders.”

“The Company has entered financial year 2016 with a solid balance sheet and well placed to further grow and develop. We continue to explore any acquisitions and joint ventures that would be accretive and have synergies with our existing business, and I look forward to updating shareholders on our progress in this regard in the months to come.”

– 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.

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