

MLA records solid revenue of \$4.14 million for Q1 FY2016

HIGHLIGHTS

- Quarterly revenue of \$4.14 million, an increase of 15% on previous quarter and 9% on Q1 FY2015
- Investment in building inventory levels for Human Healthcare now completed
- Major supply contracts secured for TUTA products, additional trials will also drive sales
- Animal Health dilution/divestment process progressing with an announcement anticipated soon

Sydney, 30 October 2015: Human and Animal Healthcare company, Medical Australia Limited (“MLA”, the “Company”) is pleased to update shareholders on its financial performance and activities for the quarter ended 30 September 2015.

Quarterly Financial Update

MLA booked revenue for the quarter of \$4.14 million, representing an increase of 15% on the previous quarter (\$3.59 million) and up 9% on the same period last year (\$3.80 million).

Net cash flow for the quarter was negative \$326,000, a significant decrease from the previous quarter (negative \$942,000) and in line with expectations.

The Company is confident that it will now begin to benefit from its investment in inventory as stock levels are becoming more aligned with customer demand. As previously announced to shareholders, MLA has taken the decision to dilute or divest its 60.5% interest in MediVet Biologics, the Company’s U.S. based Animal Healthcare business, which was acquired in December 2013.

Human Healthcare

MLA’s Human Healthcare division continues to perform well, with strong and recurring sales into public and private hospital networks sustaining this performance. The strengthened MLA sales and marketing team has been integral to maintaining and renewing existing tender and supply agreements, while continuing to seek additional opportunities in other states, in particular Queensland.

In a notable development for the Company, its TUTA T-site Luer Valve, an accessory that is designed to make the intravenous (IV) process (commonly within anaesthesia) safer and more efficient, was successfully trialled and has now been accepted at a number of major hospitals.

In addition, the Company’s TUTA N-Pulse Needle Free Injection Port, another IV accessory with many applications, has now been accepted at three large teaching hospitals. This vote of confidence should once again significantly drive broader sales and distribution of the product for MLA, along with the wider TUTA range.

Encouraged by this success, MLA will continue to strategically invest in further developing and growing its product range in order to meet the changing needs of the health care sector.

Animal Healthcare

As previously advised by MLA, the Company implemented a marketing campaign during the quarter with the objective of divesting or diluting its investment in the MediVet business. Progress has been made and the Company will update shareholders at the Annual General Meeting to be held next month.



Outlook

As the divestment/dilution of its interest in the MediVet business is impending, as noted above, MLA will now strengthen its focus on the growth of its Human Healthcare business through further product development, geographic expansion – in particular South East Asia, organic growth and value accretive acquisitions.

MLA looks forward to updating shareholders on its operations and business initiatives, along with any material developments for the Company over the coming months.

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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 Biologics LLC.