

MLA records revenue of \$3.22 million for Q3 FY2017

HIGHLIGHTS

- Revenue from continuing operations increases 15.4% over corresponding quarter
- Cash Balance increases to \$1.26m after strong sales

Sydney, 26th April 2017: Healthcare Company Medical Australia Limited (“MLA”, the “Company”) is pleased to update shareholders on its financial performance and activities for the quarter ended 31 March 2017.

Quarterly Financial Update

MLA recorded total company revenue for the quarter of \$3.22m that compares favourably to revenue of \$2.94m in the corresponding period in FY2016. When revenues of disposed business activities are excluded, the revenue from continuing operations recorded a 15.4% increase.

The Company generated cash of \$237k in the March quarter and is pleased to report a cash balance of \$1.26m at quarter end. Working capital at the end of the quarter was \$3.30m which is up from \$3.15m in the previous quarter. Management will continue its primary aim of driving sales as well as focussing on cost control, cost-of-sales reductions and managing foreign exchange exposure.

Business Update

The TUTA range continued its strong performance recording 9.6% growth over the same period last year and in line with the previous quarter - traditionally the strongest period of the year. Several new custom products for major customers were developed during the quarter and are currently in production with anticipated supply to commence late Q4. The Company was successful with our submission to the Victorian Government for supply of product under the HPV contract to the public hospital network in that state. A highlight was the increase in the number of products accepted including a range of safety cannulas recently sourced from DeltaMed of Italy, sales of which will commence in May.

The Company continues to work with both surgeons and anaesthetists to develop customised consumables that offer improved clinical performance and or, lower cost solutions.

Sales to OEM customers improved over the same period last year but declined over the prior quarter. As announced to the market on 10th February, CareFusion advised the company that they would be terminating their supply agreement with the Company at its expiry in May. The Company remains focussed on realising opportunities that will assist in offsetting the impact this decision.

Sales in the Clements Medical Equipment division remained flat against both prior quarter and the corresponding quarter last year. The increasing acceptance of the ARDO range of breast pumps and associated consumables has been somewhat offset by the depressed sales on the traditional Clements suction products.



Following on from product presentations and trials, the Company is pleased to report that Westmead, Blacktown and Fairfield Hospitals have all adopted the ARDO breast pump. Further trials are underway in both NSW and other states and the Company remains confident of further distribution gains.

As previously announced on 22nd February, the ARDO range has been exclusively endorsed by the Australian Breastfeeding Association (ABA). The ABA has 191 community groups around Australia and the Company is working closely with them to assist in delivering an improved level of support for new mothers along with easy access to the ARDO range.

Outlook

The Company continues to focus on building and improving its product range in order to meet the needs of the health care sector, and building on its reputation as a trusted and reliable supplier to the industry.

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

– ENDS –

For more information contact:

Darryl Ellis

Chief Executive Officer

Medical Australia

Ph: +61 2 9466 5300 or to contact the Company via email info@medaust.com

Media please contact: Adam Jarvis, Six Degrees Investor Relations: +61 424 297 736

ABOUT MEDICAL AUSTRALIA LIMITED

Medical Australia Limited (ASX: MLA) is a human healthcare company engaged in the manufacture, distribution and sale of a broad range of medical devices used by healthcare facilities and critical care services 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.