

Medical Developments International

Annual General Meeting

28 October 2014

Exciting future

Penthrox has global application and the capacity to dominate specific analgesic markets around the world.

Our respiratory and medical devices are leaders in many of the markets we operate in.

We have achieved a number of key strategic milestones this year, moving us closer to achieving our ambition.

Penthrox future

We are looking forward to receiving positive feedback from the European regulatory authorities regarding the approval of Penthrox for sale in the United Kingdom, France, Ireland and Belgium before the end of this calendar year.

If successful, we will be in a position to add additional European Union member countries to our list of approved markets over the ensuing months.

Penthrox future

During FY14 we used our Regulatory Dossier to make submissions to:

United Kingdom;
France;
Ireland;
Israel;

Saudi Arabia;
Belgium;
Russia;
Singapore.

We are preparing applications in Hungary, Mexico, Malaysia and Hong Kong which we hope will be lodged in the next few months.

Penthrox future

We expect to have our CSIRO project completed during FY15.

If successful it will provide valuable intellectual property for MDI.

Respiratory future

We have completed deals to distribute our range of respiratory devices in the:

United Kingdom;

Italy;

Luxembourg;

Netherlands;

Belgium;

Greece;

Singapore;

Hong Kong.

This adds to our established networks in:

Australia,

Germany,

Switzerland,

Austria,

Canada,

UAE

New Zealand,

and Malaysia

Respiratory future

International sales are almost four times (4x) higher than for the same period last year.

We are looking to sign additional distribution deals in the coming months, including in the USA.

We expect sales to grow for the rest of FY15 and beyond.

Innovation, Research and Product Development

MVP increased its investment, energy and focus in its internal capacity for product innovation, development and research.

Our new range of anti-static respiratory devices will be available for sale during FY15 and will be leaders in their field.

A range of next generation Pentrox products are being developed which are expected to provide MVP with valuable intellectual property into the future.

Trading update

Our business has recovered strongly in the first quarter FY15.

- Sales are up 22% (year on year)
- Gross Margin has improved
- Pentrox sales are up 36% (year on year)
- Respiratory Device sales are up 88% (year on year)
- EBIT is four times higher compared to Q1FY14
- R&D tax concession refund to be circa \$290,000 for FY14

We expect the stronger trading performance to continue.

Conclusion

Our Respiratory Device business is recovering and will provide long term sustainable sales growth for our company.

Penthrox is a category leading drug in Australia and we expect it can dominate many of the trauma and minor surgical procedure markets around the world.

With the completion of our Regulatory Dossier and a number of licensing deals successfully completed during FY14, the opportunities for a quantum change in the performance of our company is fast approaching.