

MLA finishes FY2016 with solid revenue of \$3.12 million for Q4

HIGHLIGHTS

- Human Healthcare revenue of \$3.12 million for quarter represents a 11.8% increase on Q3 FY2016, and an increase of 9% on previous corresponding period (\$2.86 million)
- Full year revenue of \$14.11 million a decrease on FY2015 (\$14.86 million) reflecting the mid-year exit from Animal Healthcare business
- Human Healthcare revenue of \$12.42 million for FY2016 an 8% increase on FY2015 (\$11.51 million)

Sydney, 28 July 2016: Healthcare Company Medical Australia Limited ("MLA", the "Company") is pleased to update shareholders on its financial performance and activities for the quarter ended 30 June 2016.

Quarterly Financial Update

MLA booked revenue of \$3.12 million for the quarter, representing an increase of 6% on revenue for the previous quarter (\$2.94 million) and bringing total revenue for financial year 2016 to \$14.11 million.

While this overall result is less than the previous corresponding period (\$3.59 million in Q4 FY2015), this is a direct result of the Company's divestment of its Animal Healthcare business. Human Healthcare revenue of \$3.12 million for Q4 FY2016 represents an increase of 9% on revenue contribution by this division in Q4 FY 2015 (\$2.86 million).

Similarly, full year revenue is slightly less than that for FY2015 (\$14.86 million). However, the continuing Healthcare business contributed revenue of \$12.42 million for FY2016, an increase of 8% on the previous year's result (\$11.51 million).

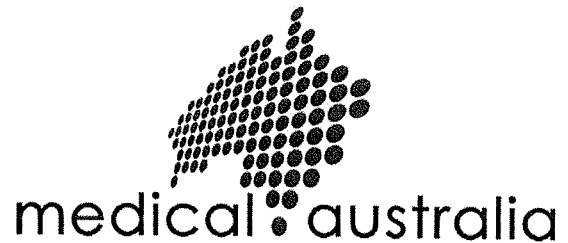
MLA has maintained its ongoing focus on streamlining inventory management in order to enhance cash flows, strengthen its balance sheet and take advantage of available supplier incentives, while also protecting its gross margins from currency fluctuations through the use of foreign exchange hedging contracts.

Net cash generation for the quarter was \$271,000, which included an amount of \$135,000, being the final payment to MLA as consideration of its interest in MediVet. The Company anticipates that the business will continue to be cash flow positive in future quarters.

MLA had cash at bank of \$879,000 as at 30 June 2016.

Operational Overview

During the quarter MLA witnessed encouraging sales growth, in particular with the TUTA range of products into the Australian healthcare system. This has been an ongoing focus for the Company, as growth in sales of its own products will make the business less reliant on OEM contracts and further boost gross margins.



The Company is also now seeing the benefits of the investment it made in technology and training in the first half of FY2016 to assist its sales team, as evidenced by the quarter-on-quarter revenue growth detailed above.

A notable development during the quarter was MLA's securing of an agreement with Ardo medical AG ("Ardo") for the exclusive distribution of the Swiss manufacturer's market leading range of breast pumps in Australia and New Zealand. The range is being distributed by the Company's Clements Medical Equipment division and promoted under the name "Ardo by Clements."

This agreement is a direct reflection of MLA's strategy to further grow its market presence in the Healthcare sector by scaling up its product suite across all business divisions.

Outlook

Having completed the final phase of the divestment of its interest in MediVet, MLA enters financial year 2017 well placed with the financial flexibility to further grow sales, supply and distribution agreements in what is now its core Human Healthcare business.

MLA will continue to assess products that are complementary to its existing range and that will further enhance and build the Company's product suite, while also considering strategic and 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 medical 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 & Laboratory equipment and, Infection Control.