

## **MLA records stable revenue of \$3.59 million for Q4 FY2015**

### **HIGHLIGHTS**

- **Quarterly revenue of \$3.59 million broadly in line with previous quarter (\$3.7 million)**
- **Investment in building inventory levels for Human Healthcare now completed**
- **Company assessing options after decision to dilute/divest interest in Animal Healthcare business**

**Sydney, 31 July 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 June 2015.

### **Quarterly Financial Update**

Revenue for the quarter was stable at \$3.59 million and broadly in line with that of the previous quarter (\$3.7 million) and up on the same period last year (\$3.43 million). This result brings year-to-date revenue to \$14.95 million, an increase of over 26% on revenue for financial year 2014 (\$11.88 million) and which has been driven by the ongoing growth of MLA’s Human Healthcare division and the full year impact of Animal Health.

Cash flow for the quarter was negative at \$942,000 largely due to the significant investment in inventory that the Company made in its Human Healthcare business, along with the ongoing costs associated with its Animal Healthcare division.

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 to expectations, with strong and recurring sales into public and private hospital networks (primarily in NSW) underpinning this performance. The strengthened sales and marketing team has also been actively seeking tenders and supply agreements in other states and has seen some promising early signs, especially in Queensland.

The Company continues to invest in further developing and growing its product range, with a particular focus on its respected TUTA brand. The division has added a number of products to this range which have been well accepted by its customer base and will continue to strategically add to its product range in coming quarters.

MLA reaffirms its commitment to the growth of its Human Healthcare business through geographic expansion, organic growth and value accretive acquisitions.

### **Animal Healthcare**

As announced to shareholders on 23 June 2015, MLA has made 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.



Whilst MediVet Biologics has considerable promise and potential, particularly in the area of stem cell therapies and other biological treatments for animals, the business requires significant investment of capital in research & development and human resources in order to maximise this potential.

As reported to shareholders, MLA has engaged Main Street Capital, in conjunction with Corporate Capital Group, who are located in New York and familiar with the MediVet business, to assist with the process of seeking investors to purchase some or all of its interest in MediVet.

### **Outlook**

MLA maintains its focus on driving the sales of its Human Healthcare business in Australia, where it is gaining a wider footprint and traction, while also pursuing and assessing further domestic and international tender, sales and supply opportunities.

MLA will update shareholders on its financial performance for FY2015 toward the end of August, and will also report on any other meaningful developments at this time.

– 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 Biologics LLC.*