

Appendix 4E

Preliminary final report

BMDi TUTA Limited

ABN 30 096 048 912

Financial Year ended ('Current Period')	Financial year ended ('Previous period')
30 June 2009	30 June 2008

Results for announcement to the market

Revenue from ordinary activities	Up	63%	To	7,612,308
Loss from ordinary activities attributable to members	Up	45%	To	2,190,381
Net loss for the period attributable to members	Up	45%	To	2,190,381

Dividends (Distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	N/A
Interim Dividend	Nil	N/A
Previous corresponding period		
Final Dividend	Nil	N/A
Interim Dividend	Nil	N/A

Record Date for determining entitlements to dividends	N/A
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Brief explanation of the figures reported above and short details of any bonus or cash issue or other items of importance not previously reported to the market	See Attached report
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NTA Backing	Current period	Previous corresponding period
Net Tangible Asset backing per ordinary security	(0.2) cents	(0.3) cents

Comments by directors

Financial Report

The past twelve months has seen the continued transformation of BMDI TUTA Limited (“BMI” or “the Company”) from a one-market, one-brand company, into a diversified global medical devices business with an expanding product portfolio, and a suite of established, well-known brands, with robust earnings.

While there has been considerable improvement in the financial and operational performance of the business over the past twelve months, the ongoing restructure has resulted in a number of one-off expenses impacting adversely on the unadjusted FY2009 result. Further, the directors felt it prudent to write-down the carrying value of the TUTA Healthcare goodwill, given the impact of the Global Financial Crisis and the need to ‘stress test’ asset values in future periods. This too has affected the headline FY2009 result. While I will address the overall financial result in more detail below, highlights have seen revenues and gross profit well up on prior years. This is a particularly pleasing result, given the rationalisation of the BMDI and TUTA product ranges, the devaluation of the Australian dollar and significant out-of-stocks resulting from the relocation of the BMI manufacturing base.

Key Points – Financial

- Consolidated revenue was \$7.61m for the year, up 63% compared with revenue of \$4.66m in FY2008, reflecting the additional contribution from the TUTA Healthcare acquisition.
- Gross profit increased by 63% to \$2.99m from \$1.84m in FY2008, a reflection of the more favourable product mix generated through further rationalisation of the TUTA and BMDI ranges, and ongoing efforts to drive cost savings across the Company’s global supply chain¹.
- EBITDA for the period, adjusted for one-off impairment, capital raising and restructure costs, showed a loss of \$95,000, a turnaround of \$817,000 on prior year. This improved result is reflective of not only the revenue and margin improvements outlined above, but also the significant overhead and operational savings resulting from the strategic review undertaken in 2008.

In total, \$2.97 million in savings have been generated over the past twelve months, bringing the breakeven point for the business down from \$9.6m to a more sustainable \$6.7m. It should be noted that these savings have been facilitated through the out-sourcing of non-strategic business functions and through the maximising of operational and financial synergies brought about through the merger of the BMDI, TUTA and Clements businesses. BMI can therefore benefit from these ongoing savings, without loss of function or value.

Outlook

While progress made to date may appear slow, the BMI business is continuing to move forward, and is now well positioned to build on the hard-earned gains of the past two years. The headline revenue and margin gains we were able to achieve in the face of numerous obstacles and challenges in FY2009, augers well for the future. We will continue to identify growth opportunities, both organically and through strategic acquisitions, that help us achieve scale and enhance shareholder value.



Gary L. Lewis
Managing Director
31 August 2009

The attached Financial Report, which forms part of this Appendix 4E, is in the process of being audited.

¹ An estimated \$658,000 in sales was lost during the year as a result of relocating the BMI manufacturing base. The Gross Profit impact of these lost sales was estimated at \$381,000.

**BMDI TUTA LIMITED
AND ITS CONTROLLED ENTITIES**

**I n c o m e S t a t e m e n t s
F o r t h e y e a r e n d e d 3 0 J u n e 2 0 0 9**

		Consolidated	
	Notes	2009	2008
		\$	\$
Sale of goods	2	7,612,308	4,657,709
Cost of goods sold		(4,624,374)	(2,819,893)
Gross profit		2,987,934	1,837,816
Government grants	2	7,616	128,710
Expenses:			
Administration and consultants	2	(1,109,455)	(1,154,720)
Depreciation		(98,111)	(50,888)
Research expenses	2	4,386	(56,828)
Impairment write down	2	(520,000)	(371,383)
Write down of inventory	2	-	(92,314)
Employee expenses	2	(2,372,553)	(1,292,804)
Travel and accommodation	2	(245,605)	(179,499)
Occupancy costs		(88,413)	(32,322)
Other		(580,999)	(248,529)
(Loss) before interest and tax		(2,015,200)	(1,512,761)
Financial income	2	9,111	7,323
Financial expense	2	(225,418)	(308)
Net financing (Loss) / income		(216,307)	7,015
Loss before income tax expense		(2,231,507)	(1,505,746)
Income tax credit / (expense)	3	41,126	-
Loss for the year		(2,190,381)	(1,505,746)
Basic loss per share attributable to ordinary shareholders (cents per share)	4	(1.14) cents	(1.26) cents
Diluted loss per share attributable to ordinary shareholders (cents per share)	4	(1.14) cents	(1.26) cents

**BMDI TUTA LIMITED
AND ITS CONTROLLED ENTITIES**

**B a l a n c e S h e e t
A s a t 3 0 J u n e 2 0 0 9**

		Consolidated	
	Notes	2009	2008
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		699,849	292,742
Trade and other receivables		1,441,933	1,563,595
Inventories		1,304,162	1,246,836
TOTAL CURRENT ASSETS		3,445,944	3,103,173
NON-CURRENT ASSETS			
Plant and equipment		371,528	238,391
Intangibles	5	4,368,632	3,929,564
TOTAL NON-CURRENT ASSETS		4,740,160	4,167,955
TOTAL ASSETS		8,186,104	7,271,128
CURRENT LIABILITIES			
Trade and other payables		2,671,003	2,235,785
Interest Bearing Liabilities	6	519,795	-
Provisions		69,020	201,959
TOTAL CURRENT LIABILITIES		3,259,818	2,437,744
NON-CURRENT LIABILITIES			
Interest bearing liabilities	6	1,108,000	1,000,000
Provisions		2,650	6,877
TOTAL NON-CURRENT LIABILITIES		1,110,650	1,006,877
TOTAL LIABILITIES		4,370,468	3,444,621
NET ASSETS		3,815,636	3,826,507
EQUITY			
Issued capital	7	15,029,018	12,849,508
Equity remuneration reserve		86,203	86,203
Accumulated losses	8	(11,299,585)	(9,109,204)
TOTAL EQUITY		3,815,636	3,826,507

**BMDI TUTA LIMITED
AND ITS CONTROLLED ENTITIES**

**Statement of Changes in Equity
As at 30 June 2009**

	Issued capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2007	8,169,508	86,203	(7,603,458)	652,253
Loss for the year	-	-	(1,505,746)	(1,505,746)
Equity contributions	4,680,000	-	-	4,680,000
Balance at 30 June 2008	<u>12,849,508</u>	<u>86,203</u>	<u>(9,109,204)</u>	<u>3,826,507</u>
Loss for the year	-	-	(2,190,381)	(2,190,381)
Equity contributions	2,263,884	-	-	2,263,884
Share issue costs	(84,374)	-	-	(84,374)
Balance at 30 June 2009	<u>15,029,018</u>	<u>86,203</u>	<u>(11,299,585)</u>	<u>3,815,636</u>

**BMDI TUTA LIMITED
AND ITS CONTROLLED ENTITIES**

**Statements of Cash Flows
For the year ended 30 June 2009**

		Consolidated	
		2009	2008
Notes		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		7,888,275	3,443,279
Cash receipts from government grants		7,616	128,710
Cash paid to suppliers and employees		(9,215,883)	(4,422,625)
Cash generated from operations		(1,319,992)	(850,636)
Interest received		9,111	7,015
Net cash used in operating activities	11	(1,310,881)	(843,621)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(231,249)	(128,392)
Payments for acquisition of business	10	(254,901)	(309,112)
Payments/receipts for other assets		-	5,032
Net cash used in investing activities		(486,150)	(432,472)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,543,517	1,200,000
Payment of share issue costs		(84,374)	-
Borrowings		168,000	-
Debt to Equity conversion		189,743	-
Net cash provided by financing activities		1,816,886	1,200,000
Net decrease in cash held		19,855	(76,093)
Cash and cash equivalents – beginning of year		292,742	391,682
Effect of exchange rate adjustments on cash held		(72,543)	(22,847)
Cash and cash equivalents at the end of the financial year		240,054	292,742

**BMDI TUTA LIMITED
AND ITS CONTROLLED ENTITIES**

**Notes to the Financial Statements
For the year ended 30 June 2009**

NOTE 1 – BASIS OF PRESENTATION

Statement of compliance

The preliminary financial report does not include all the notes of the type normally included with the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The preliminary final report should be read in conjunction with the half-year financial report of BMDi TUTA Limited as at 31 December 2008.

This preliminary final report has been prepared in accordance with the requirements of the Australian Stock Exchange listing rules.

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The consolidated financial report of the Group and the financial report of the Company comply with the IFRSs and interpretations adopted by the International Accounting Standards Board ('IASB').

**BMDI TUTA LIMITED
AND ITS CONTROLLED ENTITIES**

**Notes to the Financial Statements
For the year ended 30 June 2009**

	2009	Consolidated	2008
	\$		\$
NOTE 2 – LOSS FROM OPERATING ACTIVITIES AND FINANCIAL INCOME			
Loss from ordinary activities includes the following items of revenue and expense:			
Revenue and other income			
Sales of goods	7,612,308		4,657,709
Government grants	7,616		128,710
	<u>7,619,924</u>		<u>4,786,419</u>
Expenses			
Administration and consultants expenses:			
- general and administrative	864,020		637,155
- consultancy fees	245,435		517,565
	<u>1,109,455</u>		<u>1,154,720</u>
Research expenses	(4,386)		56,828
Impairment loss on property, plant and equipment	-		42,834
Impairment loss on receivables	58,201		308,152
Write-down of inventory	-		92,314
Impairment loss on other assets	520,000		20,397
Wages and Salaries	2,353,599		1,160,562
Increase in liability for annual leave	18,954		46,039
Equity settled share based payment	-		86,203
Travel and entertainment	245,605		179,499
Audit of financial reports	59,000		79,919
Foreign exchange loss on cash	72,534		22,847
Financial income			
Interest revenue	9,111		7,323
Interest expense	(225,418)		(308)
	<u>(216,307)</u>		<u>7,015</u>

At 30 June 2009, the Group had 22 employees (2008 - 33).

**BMDI TUTA LIMITED
AND ITS CONTROLLED ENTITIES**

**Notes to the Financial Statements
For the year ended 30 June 2009**

	2009	Consolidated	2008
	\$		\$
3. INCOME TAX EXPENSE			
Numerical reconciliation between tax expense and pre-tax net profit			
Loss before tax – continuing operations	(2,231,507)		(1,505,746)
Income tax using the domestic corporation tax rate of 30%	(669,452)		(451,724)
Increase/ (decrease) in income tax expense due to:			
- Non-deductible expenses	32,996		840
- Effect of tax losses not brought to account	636,456		450,884
- Research and development tax offset	(41,126)		-
	<u>(41,126)</u>		<u>-</u>
Income tax expense	<u>(41,126)</u>		<u>-</u>

The income tax expense credit reflects amounts receivable from an R&D offset claim.

NOTE 4 - LOSS PER SHARE

	2009	Consolidated	2008
	\$		\$
Net loss for the year	2,190,381		1,505,746
	<u>Number</u>		<u>Number</u>
Weighted average number of ordinary shares			
Weighted average issued ordinary shares at year end	191,691,826		119,923,168

As at 30 June 2009 there are 1,500,000 (2008 – 3,000,000) ‘potential’ ordinary shares on issue, but these options are not included in the calculation of diluted per share as they are not considered dilutive.

**BMDI TUTA LIMITED
AND ITS CONTROLLED ENTITIES**

**Notes to the Financial Statements
For the year ended 30 June 2009**

	Consolidated	
NOTE 5 - INTANGIBLES	2009	2008
	\$	\$
Goodwill – TUTA Healthcare	3,929,564	3,929,564
Less: Impairment	(520,000)	-
Goodwill – TUTA Healthcare	3,409,564	3,929,564
Product Development Costs – Gross	262,650	-
Less: Accumulated amortisation	(4,733)	-
Product Development Costs - net	257,917	-
Goodwill on acquisition – Clements	701,151	-
	4,368,632	3,929,564

The Company paid \$200,000 and issued 10,265,000 fully paid ordinary shares on 1 June 2009 as consideration of \$446,250 for the acquisition of medical devices business of Clements Medical Devices Pty Ltd. Consideration was determined by reference to the share price on the date of issue. Goodwill represents the \$646,250 consideration plus costs of \$51,496 associated with acquisition and recognition of a long service leave liability of \$3,405. Goodwill represents intangible assets which could not be readily identified or separated.

The Goodwill relating to the Cash Generating Unit TUTA Healthcare of \$3,929,564 was tested for impairment at 30 June 2009 and the directors considered impairment existed in the period to 30 June 2009 of \$520,000 and goodwill was written down by this amount.

The Group has adopted a policy of capitalising Product Development Costs related to specific projects, in accordance with AASB 138. Intangible asset costs are amortised on a straight line basis over the useful life of the product. As at 30 June 2009, specific Product Development Costs capitalised as intangible assets had a carrying value of \$257,917 (30 June 2008 – Nil).

Goodwill represents intangible assets which could not be readily identified or separated.

	Consolidated	
	2009	2008
	\$	\$
NOTE 6 – INTEREST BEARING LIABILITIES		
Current		
Bank overdraft	459,795	-
Loans – related parties	60,000	-
Total	519,795	-
Non-current		

**BMDI TUTA LIMITED
AND ITS CONTROLLED ENTITIES**

**Notes to the Financial Statements
For the year ended 30 June 2009**

Loans – related party	1,108,000	1,000,000
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Consolidated

NOTE 7 – ISSUED CAPITAL	2009	2008
Issued and paid up capital	\$	\$
252,977,386 (2008 – 181,764,366)		
ordinary shares, fully paid	15,029,018	12,849,508
	15,029,018	12,849,508

	2009 No.	2009 \$	2008 No.	2008 \$
Fully paid ordinary shares				
Balance at beginning of year	181,764,366	12,849,508	97,764,264	8,169,508
Issue of shares (Net of issue costs)	71,213,122	2,179,510	84,000,102	4,680,000
Balance at end of year	252,977,488	15,029,018	181,764,366	12,849,508

During the year:

- The Company issued 60,588,122 fully paid ordinary shares at 3 cents per share on May 19 2009. These shares were issued as a result of a 1:3 rights issue announced by the Company.
- The Company issued 10,625,000 fully paid ordinary shares on 1 June 2009 at 4.2 cents per share as consideration of \$446,250 for the acquisition of medical devices business of Clements Medical Equipment Pty Ltd. Consideration was determined by reference to the share price on the date of issue.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

Consolidated

2009	2008
\$	\$

NOTE 8 - ACCUMULATED LOSSES

Accumulated losses at beginning of year	(9,109,204)	(7,603,458)
Net loss attributable to members of the parent entity	(2,190,381)	(1,505,746)

**BMDI TUTA LIMITED
AND ITS CONTROLLED ENTITIES**

**Notes to the Financial Statements
For the year ended 30 June 2009**

Accumulated losses at year end	(11,299,585)	(9,109,204)
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No dividends were paid or declared during the period.

NOTE 9 - PARTICULARS IN RELATION TO CONTROLLED ENTITIES

Parent Entity

BMDI TUTA Limited is an Australian incorporated company listed on the Australian Stock Exchange.

Controlled Entities	Country of Incorporation	Ownership Interest	
		2009	2008
			%
BMDI Pty Ltd	Australia	100	100
BMDI TUTA Healthcare Pty Ltd	Australia	100	100
Bio Medical Developments International Pty Ltd	Australia	70	70

During the year, no subsidiaries were acquired or disposed of.

Minority interests

Minority interests have a value of nil, as the controlled entity has incurred operating losses in excess of its capital and the parent entity has brought to account 100% of the losses beyond the capital of the controlled entity.

NOTE 10 – BUSINESS ACQUISITION

Business Combination

On June 1 2009 the Group acquired the medical devices business of Clements Medical Equipment Pty Ltd, a manufacturer and distributor of Suction Oxygen Therapy devices and scientific equipment.

The acquisition had the following effect on the Group's assets and liabilities on the acquisition date:

	Pre-acquisition Carrying amounts	Fair value adjustments	Recognised values on acquisition
	\$	\$	\$
Property, plant and equipment	-	-	-
Long service leave liability	(3,405)	-	(3,405)
Net identifiable assets and liabilities	(3,405)	-	(3,405)
Goodwill on acquisition	701,151	-	701,151
Consideration paid*	697,746	-	697,746
Net cash outflow	251,496	-	251,496

Goodwill represents intangible assets which could not be readily identified or separated.

**BMDI TUTA LIMITED
AND ITS CONTROLLED ENTITIES**

**Notes to the Financial Statements
For the year ended 30 June 2009**

* The Company paid \$200,000 and issued 10,625,000 fully paid ordinary shares on 1 June 2009 (As consideration of \$446,250, determined by reference to the share price on the date of issue) for the acquisition of the suction oxygen therapy an scientific equipment business of Clements Medical Equipment. Costs associated with the acquisition were \$51,496.

NOTE 11 - STATEMENTS OF CASH FLOWS

Reconciliation of cash

For the purposes of the Statements of Cash Flows, cash includes cash on hand and at bank and cash on deposit, net of bank overdrafts and excluding security deposits. Cash as at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Balance Sheets as follows:

	Consolidated	
	2009	2008
	\$	\$
Reconciliation of net loss from operating activities to net cash used in operating activities		
Loss from operating activities after tax	(2,190,381)	(1,505,746)
Items classified as investing/financing activities		
Non-cash items		
Depreciation of property, plant and equipment	98,111	50,888
Impairment loss on intercompany loans	-	-
Foreign exchange loss	72,543	22,848
Movements in Provisions	(207,098)	354,191
Share based payment		86,203
Impairment loss on property, plant and equipment	-	42,834
Write down of inventory	-	92,314
Capitalisation of Product Development Costs	(257,917)	-
Goodwill impairment	520,000	-
Changes in assets and liabilities		
Receivables	275,967	(1,154,239)
Inventories	(57,327)	(1,223,576)
Customer deposits	(9,164)	-
Other assets	-	90,904
Payables	444,385	2,299,758
Net cash used in operating activities	(1,310,881)	(843,621)

**BMDI TUTA LIMITED
AND ITS CONTROLLED ENTITIES**

**Notes to the Financial Statements
For the year ended 30 June 2009**

NOTE 12 - FINANCIAL REPORTING BY SEGMENTS

The Group operates wholly within the health care industry in Australia, Asia, New Zealand and the United States.

Geographical segments	Australia	Asia	New Zealand	United States	Consolidated
	\$	\$	\$	\$	\$
30 June 2009					
Revenue					
External segment income	6,656,280	484,947	371,795	32,612	7,545,634
Unallocated income	-	-	-	-	66,674
					<u>7,612,308</u>
Result					
Segment result	(748,254)	(147,143)	210,909	16,432	(668,056)
Unallocated corporate expenses	-	-	-	-	(1,522,325)
					<u>(2,190,381)</u>
Net loss					
Assets					
Segment assets	8,186,104	-	-	-	8,186,104
Including non-current assets acquired during the year:					
	96,069	-	-	-	96,069
Plant and equipment					
Furniture and fittings	25,016	-	-	-	25,016
Office equipment	45,804	-	-	-	45,804
Software	2,040	-	-	-	2,040
Leasehold Improvements	59,562	-	-	-	59,562
	<u>228,491</u>		<u>-</u>	<u>-</u>	<u>228,491</u>
Segment liabilities	<u>4,370,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,370,468</u>

**BMDI TUTA LIMITED
AND ITS CONTROLLED ENTITIES**

**Notes to the Financial Statements
For the year ended 30 June 2009**

NOTE 12 - FINANCIAL REPORTING BY SEGMENTS (Cont'd)

Geographical segments	Australia	Asia	India	United States	Consolidated
	\$	\$	\$	\$	\$
30 June 2008					
Revenue					
External segment income	3,894,742	-	103,445	659,522	4,657,709
Unallocated income	-	-	-	-	135,725
					<u>4,793,434</u>
Result					
Segment result	(120,038)	(141,771)	(46,510)	111,105	(197,214)
Unallocated corporate expenses	-	-	-	-	(1,308,532)
Net loss					<u>(1,505,746)</u>
Assets					
Segment assets	7,022,051	161,373	-	87,704	7,271,128
Including non-current assets acquired during the year:					
Plant and equipment	-	35,065	-	-	35,065
Furniture and fittings	3,934	-	-	-	3,934
Office equipment	30,961	-	-	-	30,961
Warehouse equipment	-	-	-	-	-
Software	83,432	-	-	-	83,432
	<u>118,327</u>	<u>35,065</u>	<u>-</u>	<u>-</u>	<u>153,392</u>
Segment liabilities	<u>3,356,500</u>	<u>-</u>	<u>-</u>	<u>88,121</u>	<u>3,444,621</u>

Division of the Group's results and assets into geographical segments has been ascertained by direct identification of revenue cost centres. Asia includes China and Thailand and primarily represents sales of components to our suppliers. There are no intersegment revenue transactions and the major products are IV systems, safety, blood banking, surgical and anaesthesia products.

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