

MLA enters into a Scheme Implementation Agreement with ICU Medical Inc.

- **MLA shareholders offered \$0.086 cash per share**
- **Represents ~30% premium to the 15 day VWAP**
- **MLA's Board unanimously recommends the Scheme in the absence of a superior offer**

Sydney, 10th August 2017: The Board of Medical Australia Limited (ASX: MLA), (Medical Australia, the Company) announces that it has entered into a Scheme Implementation Agreement (SIA) under which it is proposed that ICU Medical Inc. (NASDAQ: ICUI), a California-based global medical device company, will acquire all of the ordinary shares in MLA by way of a Scheme of Arrangement (Scheme).

Scheme Implementation Agreement (SIA)

Under the terms of the Scheme, MLA shareholders will be entitled to receive A\$0.086 cash per share (Scheme Consideration), subject to all applicable conditions being satisfied or waived and the Scheme being implemented. The Scheme Consideration of A\$0.086 cash per share represents ~30% premium to the 15 day Volume Weighted Average Price (VWAP) of MLA's shares of \$0.066 as at 9th August 2017, and an implied market capitalisation of A\$11.762 million on a fully diluted basis.

The signing of the SIA followed receipt of a confidential, indicative and non-binding proposal from ICU Medical, after which MLA granted ICU Medical a period of exclusivity to conduct due diligence and negotiate the SIA terms.

ICU Medical is one of the world's leading pure-play infusion therapy companies with global operations and a product portfolio that includes IV solutions, IV smart pumps, dedicated and non-dedicated IV sets and needle-free connectors, along with pain management and safety software technology designed to help meet clinical, safety and workflow goals. ICU Medical also manufactures automated pharmacy IV compounding systems with workflow technology, closed systems transfer devices for hazardous IV drugs, and cardiac monitoring systems to optimize patient fluid levels. ICU Medical has ~9,000 employees globally. www.icumed.com

Subject to the completion of an independent expert's report concluding that the Scheme is in the best interests of MLA shareholders, MLA's Board unanimously recommends the Scheme, and that MLA shareholders vote in favour of the Scheme, in the absence of a superior proposal. As well, each director of MLA intends to vote all the MLA shares held or controlled by them in favour of the Scheme.

In making this recommendation, MLA Directors have diligently considered several factors:

- **MLA's Board has spent considerable time evaluating earnings accretive Merger & Acquisition (M&A) opportunities and organic growth prospects in Australia and New Zealand. However, none of these opportunities would deliver the shareholder value that can be realised through this Scheme;**
- **Relative to its major competitors, MLA is a small company and considerable investment is needed to grow its operations. Therefore, the offer from ICU Medical outweighed any benefits such investment would have delivered to shareholders;**
- **MLA's Australian business, and its quality products, can now be expanded and enhanced by a company with a much stronger balance sheet. ICU Medical delivers this balance sheet strength.**

Board Commentary

MLA Non-Executive Chairman Bruce Hancox said: "Over the past 18 months, and following extensive restructuring, the Board has been very focused on building greater value into MLA's human healthcare business. The relatively small size of the business has made meaningful organic growth challenging, despite the commendable efforts of the management team.

As well, growth through acquisition would require MLA to raise capital at a discount, which would dilute existing shareholders considerably.

“As part of the Board’s ongoing M&A initiatives, consideration was also given to the option of MLA being acquired by a larger entity. The ICU Medical Scheme fits exactly this outcome, and the Board believes it to be in the best interests of shareholders, staff and customers.”

MLA CEO and Managing Director Darryl Ellis added: “MLA’s Board believes this Scheme delivers a very good result for our customers, and MLA’s operations will strengthen as part of ICU Medical. ICU Medical sees considerable value in our operations and recognise the quality and potential of both our product offering and our people. MLA’s Australian business complements ICU Medical’s existing operations here, and by bringing the two together through this Scheme, we deliver meaningful gains to shareholders and, most importantly, healthcare professionals and their patients across the region.”

Details of the Scheme Implementation Agreement

The implementation of the Scheme is subject to customary conditions including the requisite MLA shareholder and Court approvals and there being no prescribed events. Full details of all conditions precedent to the Scheme and other agreed terms are set out in the SIA, a copy of which is displayed on MLA website.

MLA has appointed William Buck Corporate Advisory Services as the independent expert to prepare a report opining on whether the Scheme is in the best interests of MLA shareholders. The independent expert’s report will be included in the Scheme Booklet which is expected to be distributed to shareholders by 13th October 2017.

Indicative timetable and next steps

Shareholders do not need to take any action at the present time. A Scheme Booklet containing information relating to the Scheme, the independent expert’s report on whether the Scheme is in the best interests of MLA’s shareholders, the reasons for the Board of Directors’ unanimous recommendation in favour of the Scheme, and details of the Scheme meeting is expected to be sent to MLA shareholders by 13th October 2017. MLA shareholders will be given the opportunity to vote on the Scheme at a Scheme meeting expected to be held by 15th November 2017.

Subject to the conditions of the Scheme being satisfied, the Scheme is expected to be implemented in 29 November 2017. These dates are indicative and subject to change.

– ENDS –

For further information, please contact:

Darryl Ellis
Chief Executive Officer
Medical Australia
Ph: +61 2 9466 5300

Released through: Ben Jarvis, Six Degrees Investor Relations: +61 413 150 448

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.