BMDi INTERNATIONAL

28 March 2008

The Manager Companies
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

(13 pages by email)

Dear Madam,

RE: GENERAL MEETING

I advise that all resolutions put to shareholders at today's General Meeting of Members as set out in the attached Notice of Meeting were passed on a show of hands.

I advise that a total of 48,455,731 votes were cast by proxy as follows:

	For	Against	Abstain
Resolution 1	48,455,731	0	0
Resolution 2	28,345,476	0	20,110,255
Resolution 3	47,655,731	0	800,000

Yours faithfully

Peter J. Nightingale
Company Secretary

pjn4317

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of BMDi International Limited ('the Company') will be held at Level 2, Ming Room, 3 Spring Street, Sydney, NSW, Australia on 28 March 2008, commencing at 10.00 a.m.

AGENDA

Ordinary Resolutions

To consider and, if thought fit, pass the following ordinary resolutions:

1. Acquisition of the Medical Devices Business of TUTA Healthcare Pty Limited

'That, in accordance with Australian Securities Exchange Limited Listing Rules 7.1 and 11.1, the acquisition of the medical devices business of TUTA Healthcare Pty Limited and associated assets on the terms and conditions described in the Explanatory Memorandum attached to this Notice of Meeting, be and is hereby approved.'

2. Proposed Issue of Shares

'That, for the purposes of Australian Securities Exchange Limited Listing Rule 7.1, the proposed issue of 20.0 million fully paid ordinary shares in the Company as set out in the Explanatory Memorandum attached to this Notice of Meeting be and is hereby approved.'

Special Resolution

3. Change of Company Name

'That, subject to the passing of Resolution 1, the name of the Company be changed from ''BMDi International Limited' to BMDi TUTA Limited'.

By order of the Board

Peter J. Nightingale
Company Secretary

27 February 2008

pjn4280

BMDi International Limited

ABN 30 096 048 912

EXPLANATORY MEMORANDUM

General Meeting of Members
to be held at
Level 2, Ming Room, 3 Spring Street, Sydney, NSW, Australia
on
28 March 2008 at 10.00 a.m.

This is an important document that should be read in its entirety. You may wish to consult your financial adviser about its contents.

INDEX TO EXPLANATORY MEMORANDUM

1. INTRODUCTION

The purpose of this Explanatory Memorandum is to provide shareholders with information necessary to enable them to assess the merits of the resolutions to be proposed at the forthcoming General Meeting of Members.

The General Meeting of Members will consider, and if thought fit, pass resolutions to enable the Company to:

1. Satisfy the requirements of ASX Listing Rules 7.1 and 11.1 and to acquire the medical devices business of TUTA Healthcare Pty Limited and associated assets.
2. Satisfy the requirements of ASX Listing Rule 7.1 and to issue 20.0 million fully paid ordinary shares to raise $1.0 million.
3. Change its name to reflect the acquisition of the TUTA Healthcare medical devices business.

The acquisition of the TUTA medical devices business leverages the strengths of the TUTA and BMDi businesses, which are highly complementary in terms of customer base, manufacturing processes, sales and marketing and technical capability. Together, the combined businesses have a strong opportunity to improve margins and increase sales.

The proposed issue of 20.0 million fully paid ordinary shares to raise $1.0 million will strengthen BMDi's balance sheet as the Company prepares to take advantage of strategic growth opportunities through consolidation within the global medical devices industry.

The Directors unanimously recommend that shareholders vote in favour of all three resolutions.

2. RESOLUTION 1 - ACQUISITION OF THE MEDICAL DEVICES BUSINESS OF TUTA HEALTHCARE PTY LIMITED AND ASSOCIATED ASSETS

Resolution 1 seeks the approval by shareholders, for the purposes of ASX Listing Rules 7.1 and 11.1, of the issue of 60.0 million fully paid ordinary shares in the Company as soon as practicable after the date of this General Meeting, and in any event, within 3 months of the date of this General Meeting for the acquisition of the medical devices business of TUTA Healthcare Pty Limited and associated assets.

2.1 The Agreement

The proposed acquisition has been encapsulated in an agreement between the Company and the vendors of the TUTA Healthcare medical devices business, the principal terms of which are:

- The Company will acquire select fixed assets and intellectual property owned by TUTA, which are used in the conduct of the TUTA Healthcare medical devices business.
- TUTA shareholders shall retain all debtors and creditors including shareholder loans and will pay all employee entitlements with the exception of the long service leave of those employees who are offered and accept employment with BMDi.
- TUTA shareholders shall retain all inventory including raw materials, working progress and finished goods. BMDi will purchase this inventory at cost on normal commercial arrangements, subject to a minimum shelf life and annual stock turn.
- BMDi shall be offered an option by TUTA shareholders to purchase their shares in TUTA Healthcare International ('THI'), a company that owns a state of the art manufacturing facility in Thailand. This option will be no less than three years and no more than four years, with the exercise price calculated based on a multiple of 2.5 times sales generated by THI.
- Consideration for the acquisition shall be $3.3 million, which will be satisfied by the issue by the Company of 60.0 million fully paid ordinary shares at an issue price of $0.055 each.
- These shares are to rank pari passu with the Company's existing fully paid ordinary shares and will be escrowed for a period of two years commencing on the date of the securities being issued.
- Completion of the acquisition is subject to the execution of an exclusive supply agreement between BMDi and THI, an option agreement for the purchase of shares by BMDi in THI, due diligence and the approval of the Company’s shareholders in General Meeting.

The Company will issue the 20.0 million fully paid ordinary shares to the following vendors:

Name	**Number**
Andrew Fay Super Fund	2,000,000
Andrew Fay	3,000,000
Narelle Fay	8,000,000
Karl Sterberg	1,000,000
Lou Petrin	400,000
Steven Goldberg	400,000
Mal Eutick	400,000
James Kelly	1,200,000
Phillip Parisi	600,000
Kenneth Brimoud	300,000
Frank Beamont	300,000
Thomas Toma	200,000
Bruce Whiting	200,000
Ceylinco Pty Ltd	2,000,000
Total	**20,000,000**

The Company will issue these securities immediately following shareholder approval at the General Meeting, and in any event, within three months of the date of the General Meeting.

All of these securities will be subject to a voluntary two year escrow restriction commencing on the date the securities are issued.

2.2 The TUTA Healthcare Medical Devices Business

TUTA Healthcare is an established manufacturer of sterile andnon-sterile medical plastics for the Australian health care market, with a specialty in intravenous plastic disposable products. TUTA has been a supplier to the Australian health care market for nearly 50 years.

During its long history, TUTA grew to around $30 million per annum in sales mainly dominating the 'blood bag' market however competition, lack of management focus by its large owner (Otsuka Pharmaceuticals of Japan) and lack of capital investment had a dramatic impact on the company. The Pharmalab Group acquired a majority interest in 2004 and revitalised the TUTA infrastructure in 2005 and 2006 by capital investment in equipment and improvements within the manufacturing facility.

Product Range

TUTA is a developer, manufacturer and distributor of passive critical care sterile and non-sterile medical devices for hospitals and other critical care areas such as ambulance services and the defence forces.

TUTA's product range has over 16 product groups and over 150 listed products. Traditionally TUTA's products were concentrated mainly around intravenous (IV) plastic components and sets for the gravity fed infusion market. In 2005/06, TUTA expanded this product range through a license with a major Swiss manufacturer, to include a range of electronic pumps to complement its traditional gravity IV products, to offer both ACTIVE and PASSIVE Intravenous Care.

TUTA is now a full service provider, offering all hospital and critical care needs in the IV infusion market. The current product range includes:

- IV administration sets.
- IV burettes.
- IV pump sets.
- Extension sets.
- IV speciality sets (e.g. anaesthetic sets).
- Arthroscopy sets.
- Cystoscopy sets.
- Laryngoscope, Yeescope®.
- Arcomed® active computer controlled IV pumps.
- S-Mart® (for bloodless limb surgery).
- Other selected agencies – Sebra blood handling products, Hakko, Sirtex, Summit, drapes, gowns and CSSD products.

Customers

TUTA's 2,800 strong customer base in Australia comprises hospitals and critical care groups such as ambulance services and the military. In fact any group where there is a need for sterile devices in an emergency situation and where these devices are disposable or, in the case of Arcomed® pumps, where a sterile consumable is used with the pump, are all potential customers for TUTA. Specific groups are:

- Hospitals – general but in particular, pharmacies, ICU, emergency rooms and operating theatres.
- Palliative care hospitals.
- Pain management teams.
- Anaesthetists.
- Orthopaedic surgeons.
- Nurse unit managers.
- Paramedics such as ambulance personnel.
- Military.
- Emergency evacuation and extraction teams.
- Ambulatory care teams.
- Haematology/oncology clinics or wards.
- Radiology.
- Veterinary animal health.
- Sterilisation departments in hospitals.
- Laboratories.
- Clinical trials.

Licenses

TUTA is accepted by the Australian Therapeutic Goods Administration to manufacture non-implantable medical devices, is a holder of TGA Conformity Assessment Certificate Q0001/01 issued on 11 February 2003. TUTA has similar licenses to manufacture for Europe and the USA.

Quality Systems

TUTA maintains a Quality Management System in compliance with the requirements as per the Therapeutic Goods (Medical Devices) Regulations 2002 and MDD 93/42EEC. It also has a current Quality System certification to ISO 13485:1996 as per Certificate Number QS 669/3, which was issued on 16 June 2003 and is valid until March 2008. TUTA completed a TGA audit in February 2007 to ISO 13485-2003.

CE Marking has been achieved resulting in issuance of CE0805 and CE Certification as per TGA file number 2002/055818.

Strategic and financial synergies

The TUTA and BMDi businesses are synergistic, from an external (market), internal (operational) and financial perspective, as evidenced by the following.

<u>External (market) synergies</u>

- TUTA have a very broad range of in-house and third party products, which would provide robust and regular income in Australia.
- Combining the two ranges would provide scale from a sales and marketing perspective, including justifying a standalone representative force and a direct distribution model.
- BMDi would be able to capitalise on the strong TUTA brand name and customer base in Australia and NZ (2,800 customers), while TUTA would be able to benefit from BMDi's growing international exposure and expertise in North America, Europe, the Sub-continent and South East Asia.

Internal (operational) synergies

- The TUTA in-house technical capability (personnel, facilities and GMP culture) would fill a need within BMDi for such a requirement, and assist the BMDi business in better managing manufacturing, quality control and new product development processes.
- TUTA has a quality management team with most existing job functions not overlapping within BMDi.
- TUTA are looking to outsource much of their production offshore, with short-run production to Thailand and long-run projects to China. With no established relationships in China, the TUTA business would benefit from BMDi's Shanghai operations, and the combined business would benefit from the removal of costs from the supply chain.

Financial synergies

- TUTA operates within niche markets, which deliver strong margins. This can be further improved from the shifting of production to Thailand and China.
- TUTA has mature and established financial systems in place, which would be of benefit to BMDi.
- TUTA are at beginning of their development cycle, so BMDi would not be paying 'over-the-odds' valuations.
- Combining the two businesses would deliver financial scale and immediate profitability which would start to put BMDi on new investors' radars.

2.3 Recommendation

The Directors believe that the proposed acquisition of TUTA Healthcare medical devices business and associated assets will benefit the Company and its shareholders. Highlights of the proposed transaction include:

- Improved financial scale and profitability.
- Broadened, lower cost manufacturing capability, with operations in Australia, China, India, and Thailand.
- Two strong brands, linking BMDi's global supply chain and TUTA's established brand of nearly 50 years in a diversified and highly competitive product portfolio.
- Complementary R&D.
- Benefits from improved management of financial, operational and management processes.
- Strengthened management team and skilled personnel.
- Expanded and more experienced board.
- Based on a pro forma consolidation of the financial position of the Company and the TUTA Healthcare business, there will be a significant improvement in the net assets of the Company.
- Significant cost savings in staffing and operating expenses will be achieved by the merging of the two organisations.
- Improved cash flow and profitability will result from the acquisition. Shareholders should note that forecasts are based upon a number of assumptions and matters that management expect to occur. There is no guarantee that actual results will occur as forecast

Potential disadvantages to shareholders in approving the proposal include:

- Completion of the acquisition will result in a dilution of the interests of existing shareholders.
- Completion of the acquisition will result in the issue of shares to the vendors of the TUTA Healthcare medical devices business, which will result in them holding approximately 33% of the Company's issued capital.

- The issue of shares will result in an overall increase of the percentage of issued shares held by BMDi's top 10 shareholders. This may result in a tightening of the Company’s share register and a reduction in the liquidity of shares.

Advantages of not approving the proposal include:

- Interests of existing shareholders would not be diluted.
- There will be no transfer of significant influence over the Company's affairs.
- The Company may be able to grow its existing business and be able to explore other opportunities for expansion or diversification.
- The Company will avoid the risks that may arise by needing to integrate and merge operations.

A summary of the operations and financial performance and the financial effects of the acquisition of the TUTA Healthcare medical devices business and associated assets are set out in Section 4 of this Explanatory Memorandum below.

The Directors unanimously recommend that shareholders approve the acquisition of the TUTA Healthcare medical devices business and associated assets.

3. RESOLUTION 2 - PROPOSED ISSUE OF SHARES

Resolution 2 seeks the approval by shareholders, for the purposes of ASX Listing Rule 7.1, of the issue of 20.0 million fully paid ordinary shares in the Company as soon as practicable after the date of this General Meeting, and in any event, within 3 months of the date of this General Meeting.

The placement will strengthen BMDi’s balance sheet as BMDI prepares to take advantage of strategic growth opportunities through consolidation within the global medical devices industry.

3.1 Details of the Proposed Issue

Details of the proposed issue, as required by ASX Listing Rule 7.1 are as follows:

• Number of securities to be issued:	20,000,000.
• Issue price:	A minimum of $0.05 per share.
• Terms:	Fully paid ordinary shares ranking pari passu with existing fully paid ordinary shares.
• Allottees:	Andrew Fay Super Fund, Andrew Fay, Narelle Fay, Karl Sterberg, Lou Petrin, Steven Goldberg, Mal Eutick, James Kelly, Phillip Parisi, Kenneth Brimoud, Frank Beamont, Thomas Toma, Bruce Whiting and Ceylinco Pty Ltd.
• Intended use of funds:	To provide funds for the continued development and promotion of the Company's new and existing product ranges and for working capital purposes.
Voting exclusion:	The Company will disregard any votes cast on Resolution 2 by Andrew Fay Super Fund, Andrew Fay, Narelle Fay, Karl Sterberg, Lou Petrin, Steven Goldberg, Mal Eutick, James Kelly, Phillip Parisi, Kenneth Brimoud, Frank Beamont, Thomas Toma, Bruce Whiting and Ceylinco Pty Ltd or a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associate of that person. However, the Company need not disregard a vote if: it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. FINANCIAL INFORMATION

The financial effects of the proposed transactions on the issued capital and net assets of the Company are set out below.

4.1 Issued Capital

The following summarises the Company's existing issued capital and its capital assuming the proposed transactions are completed.

	Number	$000
Existing fully paid ordinary shares	101,764,264	8,368
Proposed issue for the acquisition of GCNG and associated assets	60,000,000	3,300
Proposed issue for $1.0 million	20,000,000	1,000
	181,764,264	12,668

In addition, the Company has the following options on issue which remain unchanged.

Expiry Date	Number	Exercise Price
31 August 2008	1,500,000	$0.06
31 August 2009	1,500,000	$0.10

4.2 Net Assets

The following summarises the Company's net assets as at 31 December 2007 and an unaudited proforma on the basis of the assumptions set out below.

	31 December 2007 $000	Proforma $000
Current assets		
Cash and cash equivalents	152	1,152
Trade and other receivables	366	366
Inventories	2	2
Other	24	24
Total current assets	544	1,544
Non-current assets		
Plant and equipment	187	187
Other (including TUTA business acquisition net assets and goodwill)	10	3,310
Total non-current assets	197	3,497
Total assets	741	5,041
Current liabilities		
Trade and other payables	368	368
Employee entitlements	77	77
Customer deposits	88	88
Total current liabilities	533	533
Total liabilities	533	533
NET ASSETS	208	4,508

The proforma balance sheet is based on the balance sheet of the Company as at 31 December 2007 and includes the following transactions:

- The issue of 60.0 million fully paid ordinary shares for completion of the acquisition of the TUTA Healthcare medical devices business and associated assets as set out in this Explanatory Memorandum.
- The issue of 20.0 million fully paid ordinary shares for $1.0 million cash as set out in this Explanatory Memorandum.

When preparing the Company's future historical financial accounts, the Directors will determine the values at which the Company's investment in the TUTA Healthcare medical devices business should be included in those financial accounts. That carrying value, which will be determined in accordance with the requirements of applicable accounting standards, may not be the same as the values reported in the above proforma statement of net assets.

5. RISK FACTORS

Generally the Company’s performance may be adversely affected by:

- Local and international factors such as fluctuations in interest and inflation rates, rise and fall in raw material prices, currency fluctuations, rise and fall in the world equity markets, and changes in demand for medical devices.
- Varying and changing governmental and regulatory factors, for example environmental regulations, purchasing criteria of government departments/ministries of health, both in Australia and internationally.
- Operational and logistical risks in commissioning or availability of plant or key personnel.
- Uncompetitive behaviours of competitors in particular large multinational medical device companies.
- Possible operational and technical difficulties might unexpectedly be encountered in achieving the Company’s objectives.
- The Company’s capital requirements depend on numerous factors. Depending on the Company’s ability to generate income from its operations, the Company may require further financing in addition to amounts rased under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

6. RESOLUTION 3 - CHANGE OF COMPANY'S NAME

Resolution 3, which is conditional on the passing of Resolution 1, is a Special Resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution to be voted in favour of the resolution. The proposed change of the Company's name is to reflect the expanded product range and brand recognition which comes with the acquisition of the TUTA Healthcare medical devices business.