

11 March 2008

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

(15 pages by email)

Dear Madam

SHAREHOLDERS' MEETING TO APPROVE THE TUTA HEALTHCARE ACQUISITION

Further to the Company's announcement dated 14 February 2008 regarding the proposed acquisition of the medical devices business of TUTA Healthcare Pty. Limited ('TUTA') and the underwritten placement of 20 million shares to raise \$1.0 million, I advise that a General Meeting of Members is to be held at Level 2, 3 Spring Street, Sydney on 28 March 2008, commencing at 10.00 a.m.

I attach the Notice of Meeting, Explanatory Memorandum and Form of Proxy which provide details of the resolutions to give effect to these proposed transactions.

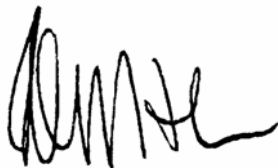
Resolution 1 of the attached Notice of Meeting, which seeks shareholder approval under ASX Listing Rule 11.1.2, is required because the proposed TUTA acquisition represents a significant change in scale to the Company's activities.

Resolution 2 of the attached Notice of Meeting, which seeks shareholder approval under ASX Listing Rule 7.1, is required because the issue of 20 million shares would exceed the Company's 15% capacity.

Resolution 3 of the attached Notice of Meeting seeks shareholder approval to change the Company's name to reflect the expanded product range and brand recognition which comes with the TUTA acquisition.

For further information, please contact Gary Lewis, Managing Director of BMDI on +61 2 8249 4381 or Ashley Rambukwella, Financial & Corporate Relations on +61 2 8264 1004 or 0407 231 282.

Yours faithfully

A handwritten signature in black ink, appearing to read "PJN", written over a horizontal line.

Peter J. Nightingale
Company Secretary

pjn4300

27 February 2008

Dear Fellow Shareholder

Enclosed is a Notice of 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. to consider and, if thought fit, approve a transaction which will result in a major acquisition by the Company and a placement of shares by the Company to raise \$1.0 million.

The resolutions to be considered at this meeting are important in the future development of the Company.

The Notice of Meeting incorporates a detailed Explanatory Memorandum which contains details of the proposed transaction and placement. I urge you to read the Explanatory Memorandum carefully in deciding how to cast your vote at the General Meeting.

The Directors unanimously recommend that shareholders vote in favour of each resolution.

If you are unable to attend the General Meeting, I recommend that you complete the enclosed Form of Proxy and return it to the Company in accordance with the instructions set out on the Form of Proxy.

If you have any questions or require any further assistance, do not hesitate to contact Gary Lewis, Managing Director of BMDi on +612 8249 4381.

Yours sincerely

A handwritten signature in dark ink, appearing to read "McEvoy".

Keith Cadell
Chairman

pjn4280

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of BMDi International Limited ("**BMDi**" or 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 (the "**TUTA Business**") 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

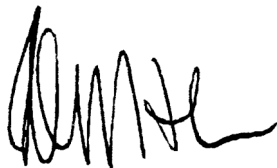
'That, for the purposes of Australian Securities Exchange Limited Listing Rule 7.1, the proposed issue of 20.0 million fully paid ordinary shares in the Company as set out in the Explanatory Memorandum attached to this Notice of Meeting be and is hereby approved.'

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

A handwritten signature in black ink, appearing to read 'PJN', is written over a horizontal line.

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.

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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 Australian Securities Exchange ('**ASX**') Listing Rules 7.1 and 11.1 and to acquire the medical devices business of TUTA Healthcare Pty Limited and associated assets (the "**TUTA Business**").
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 Business.

The acquisition of the TUTA 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 TUTA Business from TUTA Healthcare Pty Limited (the "**Vendor**").

2.1 The Agreement

The proposed acquisition has been encapsulated in an agreement between the Company and the Vendors, the principal terms of which are:

- The Company will acquire select fixed assets and intellectual property owned by the Vendor, which are used in the conduct of the TUTA Business
- The Vendor will 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
- The Vendor will 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 procured by the Vendor to purchase all the shares in TUTA Healthcare International Pvt Limited (“**THI**”), a company that owns a custom built manufacturing facility in Thailand. This option will be exercisable not less than three years and no more than four years from the date of granting of the option, with the exercise price calculated based on a multiple of 2.5 times sales annual generated by THI for the 12 months immediately preceding exercise of the option.
- Consideration for the acquisition of the TUTA Business is \$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. Notwithstanding, the Company may transfer all or some of these shares to related parties and staff of the Vendor, provided that such holders shares are subject to the same escrow arrangements as the Vendor
- Completion of the acquisition is subject to the execution of an Assets Purchase Agreement between BMDi and the Vendor, 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.

2.2 The TUTA Healthcare Medical Devices Business

The Vendor is an established manufacturer of sterile and non-sterile medical plastics for the Australian healthcare market, with a specialty in intravenous plastic disposable products, and has been a supplier to this market for nearly 50 years.

Product Range

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 a full service provider, offering all hospital and critical care needs in the IV infusion market. Its 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, Yeescop®
- 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 that have a need for sterile devices in an emergency situation. Specific groups include:

- 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.

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.

External (market) synergies

- The TUTA Business has a very broad range of in-house and third party products, which provides robust and regular income in Australia
- Combining the two product ranges will provide scale from a sales and marketing perspective, including justifying a standalone representative force and a direct distribution model
- BMDi will be able to capitalise on the strong TUTA brand name and customer base in Australia and New Zealand (2,800 customers), while TUTA will 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) will 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 that will complement BMDi's staff.
- TUTA is looking to outsource much of its production offshore, with short-run production to Thailand and long-run projects to China. With no established relationships in China, the TUTA Business is expected to benefit from BMDi's Shanghai operations, and the combined business is expected to 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
- Combining the two businesses would deliver financial scale and immediate profitability.

2.3 Recommendation

The Directors believe that the proposed acquisition of the TUTA Business 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 activities
- Benefits from improved management of financial, operational and management processes
- Strengthening of the management team
- Expanded and more experienced board
- Based on a pro forma consolidation of the financial position of the Company and the TUTA Business, there will be a significant increase in the net assets of the Company
- 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 Business, which will result in them holding approximately 37% of the Company's issued capital prior to the Share Placement reducing to approximately 33% following the Share Placement
- 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 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 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 share 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.

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

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 International Trading Company Limited of Sri Lanka	2,000,000
Total	20,000,000

3.1 Details of the Proposed Share Placement

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: \$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 International Trading Company of Sri Lanka.
- Intended use of funds: To provide funds for the continued development and promotion of the Company's new and existing product ranges, meet professional costs associated with the acquisition of the TUTA business 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 International Trading Company of Sri Lanka 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:

- (i) 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
- (ii) 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 TUTA Business (including associated assets)	60,000,000	3,300
Proposed share issue for \$1.0 million	20,000,000	1,000
	<u>181,764,264</u>	<u>12,668</u>

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	<u>544</u>	<u>1,544</u>
Non-current assets		
Plant and equipment	187	187
Other (including TUTA Business acquisition)	10	3,310
Total non-current assets	<u>197</u>	<u>3,497</u>
Total assets	<u>741</u>	<u>5,041</u>
Current liabilities		
Trade and other payables	368	368
Employee entitlements	77	77
Customer deposits	88	88
Total current liabilities	<u>533</u>	<u>533</u>
Total liabilities	<u>533</u>	<u>533</u>
NET ASSETS	<u>208</u>	<u>4,508</u>

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 Business 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 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 raised 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 Business.

FORM OF PROXY

I/we
 of
 being a member/members of BMDi International Limited HEREBY APPOINT

.....
 or failing him, the Chairman of the Meeting, as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of Members of the Company to be held at 10.00 am on 28 March 2008 and at any adjournment thereof.

The Proxy is directed by me/us to vote as indicated by the marks in the appropriate boxes below:

RESOLUTION	FOR	AGAINST	ABSTAIN
1. Approval of the acquisition of the medical devices business of TUTA Healthcare Pty Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of the issue of 20.0 million shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Change of Company name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain. If you mark the abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Important:

If you do not wish to direct your Proxy how to vote, please place a mark in the box: ☐
By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote undirected proxies in favour of each item.

Dated this day of 2008.

Signatures of Member(s)

THE COMMON SEAL of A.C.N.
 was hereunto affixed in accordance with its Constitution in the presence of:

.....

Director

Secretary

PROXY INSTRUCTIONS

1. A member entitled to attend and vote is entitled to appoint not more than 2 proxies.
2. Where more than 1 proxy is appointed, each proxy must be appointment to represent a specified proportion of the member's voting rights.
3. A proxy need not be a member.
4. All joint holders must sign.
5. All executors of deceased estates must sign.
6. Voting exclusion: The Company will disregard any votes cast on Resolution 1 by:

Tuta Healthcare Pty Limited (A.C.N 092 721 214) and any of their associates.

However, the Company need not disregard a vote if:

- (i) 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
- (ii) 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.

7. Voting exclusion: The Company will disregard any votes cast on Resolution 2 by:

Names of allottees 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:

- (i) 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
- (ii) 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.

8. This Proxy Form (and the original or certified copy of any power of attorney under which this proxy form is signed) must be received at an address given below no later than 48 hours before the time appointed for holding the meeting:

- in person or by mail at the Company's registered office, Level 8, 261 George Street, Sydney, NSW 2000 Australia; or
- by facsimile on +61 2 9247 7273.