



ASX/MEDIA RELEASE

ASX: MLA 4th April 2011

MLA secures new supply agreement with Healthscope

- **Initial two-year agreement to supply IV consumables**
- **MLA will supply almost 100 Healthscope private hospitals and medical centres**
- **MLA's first agreement with Healthscope – expected to become a top five customer**
- **Year to date MLA has traded profitably every month**
- **Pursuing additional supply contracts and OEM agreements**

Sydney: 4th April 2011: Medical products and distribution company Medical Australia Limited (ASX: MLA) today announced that it has secured a new agreement to supply its range of IV consumable products to Healthscope, Australia's largest private hospital operator with 44 hospitals and 45 medical centres throughout Australia. Healthscope also has extensive pathology business operating in Australia, New Zealand, Singapore and Malaysia.

The agreement, which is initially for a two-year term, is the first agreement MLA has secured with Healthscope and has the potential to become one of the company's largest supply agreements. MLA will supply its range of TUTA branded consumable products to Healthscope. These products include blood transfusion sets, gravity IV sets, arthroscopy flushing sets, extension sets and burettes.

MLA's Chief Executive Officer Mark Donnison commented: "This new agreement is a very significant achievement for MLA and represents further evidence of the strong organic growth we are experiencing. Healthscope is particularly encouraged by MLA's quality systems and its supply chain. This was a determining factor in MLA securing this important contract, which has the capacity to become one of MLA's largest.

"It is important to note that this new agreement represents un-forecast revenue for MLA. We currently have a heavy focus on building our customer base, as well as supplying new products to new and existing customers on acceptable margins."

Mr. Donnison added that MLA has traded profitability every month in the fiscal year to date. He also said MLA is pursuing a number of new distribution contracts, it has a pipeline of new products coming on stream, and it continues to pursue additional Original Equipment Manufacturing (OEM) agreements.

"MLA has a number of organic growth platforms which are driving our revenue growth and continued profitability. As well as pursuing new supply agreements, we are actively expanding our product portfolio so we can increase the number of products we supply to our customer base.

“OEM agreements remain a core growth driver and we have a number of new agreements that we are close to securing. We are also actively expanding existing agreements.”

MLA will immediately start to supply product to Healthscope.

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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 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.