

ASX/MEDIA RELEASE

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BMDI TUTA ACCELERATES GROWTH WITH ACQUISITION OF CLEMENTS MEDICAL EQUIPMENT

- **100 year-old brand, specialising in medical suction, diagnostic and laboratory equipment.**
 - **Adds \$2+ million revenue and \$300,000 EBITDA in FY 2010.**
 - **Purchase price of \$625,000 represents 2.6 times forecast FY 2009 EBITDA.**
 - **Meets all key acquisition criteria.**
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Sydney, Australia: **BMDI TUTA Limited (ASX: BMI) today announced that it has agreed to acquire the business and select assets of Clements Medical Equipment (Clements).**

Clements is a highly regarded Australian manufacturer and distributor of medical suction devices, and diagnostic and laboratory equipment. Clements has supplied the Australian healthcare market for over 100 years, and is headquartered in Somersby on the NSW Central Coast.

The purchase price is \$625,000, being an upfront payment of \$200,000 in cash plus the issue of 8.5 million shares at 5 cents per share; plus stock on hand. The new shares will be subject to voluntary escrow for two years from the date of issue. The purchase price represents a multiple of 2.6 times forecast financial year (FY) 2009 EBITDA.

BMDI TUTA's managing director, Gary Lewis, said, *this acquisition is another step in BMDI's continued expansion and integration of leading medical device brands and businesses. While others seek growth through the acquisition of medical distribution businesses, our approach differs in that we value brand equity over the tenuous nature of third party distribution arrangements.*"

“Clements marks the next stage in BMDI TUTA’s growth and is further proof of our ability to identify and acquire quality businesses that are complementary to our existing operations and generate immediate returns for our shareholders.”

“As with the acquisition of the TUTA Healthcare business, Clements meets all of our key acquisition criteria. The business has tremendous brand equity derived from its 100 year-old heritage, it has proven and trusted products, a strong and diversified customer base, and is easily integrated into our existing operations.”

“In addition, Clements gives us greater critical mass in three of our five core clinical areas – i.e. IV and Medical Systems, Surgical Products and Blood Banking. It also opens up new distribution opportunities for the company within hospital and scientific markets, both domestically and internationally.”

Clement’s managing director, Warren Kaye, said, *“This is a great transaction for the staff and partners of Clements. For Clements, the merger will provide the balance sheet strength, greater resources and depth of talent to take the business to the next stage of its growth. For BMDI TUTA, the strong international sales presence of Clements will deliver an accelerated penetration of its current products into these markets. We are delighted about the opportunity and look forward to joining the BMDI TUTA team”.*

Upon completion of the transaction, BMDI TUTA’s immediate priority will be to initiate a phased integration of the Clements business. The administrative and logistics functions will be immediately consolidated into BMDI TUTA operations, while sales and marketing integration will commence early in FY 2010. BMDI expects to complete the Clements acquisition by 01 May 2009.

Gary Lewis added, “We will continue to identify growth opportunities, both organically and through strategic acquisitions that help us achieve scale and are EPS accretive. Our focus continues to be on identifying businesses that have strong brands and products that fall within our five core clinical areas – IV and Medical Systems, Safety Collection and Injection, Blood Banking, Surgical Products and Anaesthesia.

For more information contact:

Gary Lewis
Managing Director, BMDI TUTA
Ph: +61 2 9466 5300

BMDI TUTA Limited (ASX : BMI) 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. BMI’s strategy is to provide products that improve clinical and community safety, by delivering a range of safety-engineered medical devices with a focus on five clinical therapy areas: Intravenous and medical systems, safety injection and collection products, blood banking, surgical products and anaesthesia.