



## **Update on Care Essentials Transaction**

**Sydney, 1 September 2010:** Medical Australia Limited (ASX: MLA) provides the following update regarding the proposed acquisition of the Care Essentials business.

MLA sought to raise funds to acquire Care Essentials in part through a non-renounceable rights issue, announced in June this year. Given the shortfall in the funds raised, MLA has been unable to complete the transaction within the required time frame, and therefore no longer has exclusive rights to acquire the business.

MLA is pursuing a number of avenues to raise additional capital through the placement of the shortfall to the rights issue to fund the acquisition of Care Essentials and remains committed to the transaction. The business represents an attractive addition to MLA, and negotiations are continuing.

Following the recent rights issue, MLA has raised \$1.5 million which has provided sufficient working capital to recapitalise the company and fund its existing operations and organic growth objectives.

**Further information:**

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