



ASX/MEDIA RELEASE

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MLA reports record first quarter performance

- **Q1 EBITDA of \$221,000 versus budget of \$44,000**
- **Record first quarter sales of \$2.4 million – ahead of budget**
- **Result does not include contribution from Medivet sales – expected Q2**
- **Revenue and EBITDA margin growth expected to continue**

Sydney, Australia: Medical products manufacturer and distributor Medical Australia Limited (ASX: MLA) today reported record sales and EBITDA for the first quarter of Financial Year 2011. Sales were \$2.4 million, a \$663,000 improvement on the immediate past quarter and a record performance for the company. Revenue in September alone was \$852,000.

EBITDA was \$221,000 excluding one-off non-operating, non-recurring expenses of \$51,000, with the company achieving profitability for every month in the quarter. EBITDA performance was against a forecast of \$44,000 for the first quarter. The EBITDA/sales margin of almost 10 per cent reflects the progress MLA has made in reducing its cost base and strengthening its global supply chain.

The result only includes a small contribution from the company's supply and manufacturing agreement with Medivet (as reported to the market 12 July 2010). Revenue from the Medivet partnership is expected to ramp up significantly from the second quarter as sales from distribution agreements recently reached by Medivet in seven new countries start to come on stream.

MLA's Chief Executive Officer Mark Donnison said MLA's improving financial and operational performance is encouraging and the trend in earnings and margin growth is expected to continue. "This is a pleasing start to the year and while the financial performance is gratifying, we are only at the very early stages of our growth.

"MLA is now starting to see the first stage benefits of the investment in our global supply chain – the end result being that we can now supply our customers, both new and existing, with product in a timely and cost effective manner.

"The benefits we are gaining from our global supply chain investment are expected to result in further margin improvement and sales growth as we continue to penetrate new international markets and commercialise new products that are in the pipeline. This has been a critical development for the company and a key platform for continued organic growth."

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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.