



TOWARD A SAFER WAY.

4 August 2008

Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Attention: Marta Kielich, Adviser, Issuers (Sydney)

Dear Marta,

I refer to your letter dated 31 July 2008 and respond to your questions, using your numbering, as follows:

1. The Company has sufficient cash to fund its activities for two more quarters of operations.

A factor which should be taken into account is the positive effect of increasing sales and the acquisition of the medical devices business of TUTA Healthcare Pty Limited as approved by shareholders on 28 March 2008.

Sales revenue (subject to final audit) for the year ended 30 June 2008 was \$4.83 million, an increase of 255% over the year ended 30 June 2007.

Significantly, sales revenue for the quarter ended 30 June 2008 totalled \$1.97 million, reflecting the contribution from the acquisition of the medical devices business of TUTA Healthcare Pty Limited.

This significant increase in sales has resulted in an increase of trade receivables to \$2.09 million which is not reflected in the Company's 30 June 2008 Appendix 4C which is a cash flow report.

2. Yes, the Company does expect, and has budgeted for, further operating cash outflows. The December 2008 quarter is budgeted to result in a small cash outflow as trade receivables begin to be collected on trading terms.

The Company is currently negotiating a bank finance facility against the trade receivables to bridge this short term cash flow requirement and to allow the Company to continue its expansion plans.

3. The Company's actual revenues for the quarter ended 30 June 2008 were marginally better than anticipated. Actual expenses were higher than anticipated due to some abnormal expenses associated with the acquisition of the medical devices business of TUTA Healthcare Pty Limited. After excluding these abnormal items, expenses were lower than anticipated and the Company's EBITDA was higher than budgeted.
4. Refer to 3. above.
5. The Company confirms that it is in compliance with the ASX Listing Rules and, in particular, ASX Listing Rule 3.1.
6. The Company is of the opinion that it remains in compliance with ASX Listing Rule 12.2. The Company has achieved a significant increase in sales revenue for the year ended 30 June 2008 and has budgeted for a further significant increase in sales revenue for the year ending 30 June 2009. Due to the timing of these sales, there has been a significant increase in trade receivables which will reflect in increased cash flows as they are collected on trading terms.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter J. Nightingale', with a stylized, cursive script.

Peter J. Nightingale
Company Secretary

pjn4481



31 July 2008

Peter J. Nightingale
Company Secretary
BMDi TUTA Limited

By Email only

Dear Peter

ASX Limited
ABN 98 008 624 691
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000

PO Box H224
Australia Square
NSW 1215

Telephone 61 2 9227-0656
Facsimile 61 2 9241-7620
Internet <http://www.asx.com.au>
DX 10427 Stock Exchange Sydney

BMDi TUTA Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 June 2008, released to ASX Limited ("ASX") via a Company Announcement on 30 July 2008 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$509,000.
2. Negative net operating cash flows for the quarter of \$710,000.
3. Cash at end of quarter of \$293,000.

In light of the information contained in the Appendix 4C, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, the Company may only have sufficient cash to fund its activities for less than 2 quarters. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. To what extent have the Company's actual revenues and expenses in the quarter, as reported in the Appendix 4C, matched the Company's anticipated revenues and expenses for that reporting period?
4. If the Company's actual revenues and expenses are not substantially in accordance with the Company's anticipated revenues and expenses, when did the Company become aware that its revenues and expenses would not substantially match the anticipated revenues and expenses? You may wish to outline any circumstances that may have had an effect on the Company's revenues and expenses.

5. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
6. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on facsimile number (02) 9241 7620 or by email at marta.kielich@asx.com.au. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. E.S.T.) on Monday, 4 August 2008.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

(sent electronically without signature)

Marta Kielich

Adviser, Issuers (Sydney)