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## ASX/MEDIA RELEASE

ASX: BMI 31 August 2009

# BMDI TUTA DELIVERS 63% REVENUE GROWTH TO \$7.6M FOR FY2009, WELL PLACED FOR FY2010

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- FY2009 revenue up 63% to \$7.61m (2008: \$4.66m).
  - Gross profit up 63% to \$3.0m (2008: \$1.8m).
  - EBITDA turnaround of \$817,000 to (\$95,000)<sup>†</sup>.
  - Renewed and extended four state government health supply contracts.
  - Significant investment in Supply Chain – now well placed for growth.
  - Completed acquisition of Clements – now fully integrated.
  - Well placed for revenue and earnings growth in FY2010.
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Sydney, Australia: Medical products manufacturer and distributor **BMDI TUTA Limited (ASX: BMI)** today reported a significant improvement in financial and operational performance for the financial year ended 30 June 2009. Revenue increased more than 60% to \$7.61 million with strong gains reported across the business. The company recorded a net loss of \$193,000<sup>†</sup>, a strong turnaround from the \$1.5 million loss reported in FY2008.

BMDI TUTA's Managing Director Gary Lewis said the company has undergone a significant transformation during the year, and is now well placed to grow in 2010 and beyond.

"2009 was a year of real progress for BMDI TUTA. We have invested significantly in the business so we can deliver revenue and profit growth in the future. In a challenging market, we managed to increase revenue by more than 60%, completely transform our manufacturing and distribution operations, renew important contracts, and acquire a leading medical business.

"The investment in our Supply Chain was our most important development. We successfully relocated all our manufacturing operations from Thailand and Australia into a new state-of-the-art facility in China, and we have secured all the necessary regulatory approvals and technology transfers to manufacture and supply from our operations there to the global healthcare market.

"As a result of this investment, we now have substantially increased manufacturing capacity and improved product quality. This underpins a number of organic growth opportunities we are pursuing both in Australia and in new international markets.

Mr. Lewis said BMDI TUTA has also successfully renewed and extended four major supply contracts with state government health departments throughout Australia. Contracts have been extended by between one and three years and are for the supply of the company's core Intravenous IV administration sets and sharps collection products.

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<sup>†</sup> Excluding abnormal items including one-off restructure, impairment and capital raising costs.

“Collectively, these renewals and extensions will generate over \$2 million in annual revenue. They are strategically important for us and illustrate the strength of our customer relationships, and the fact that we are a proven and trusted supplier.”

BMDI TUTA has also locked in a number of forward orders for the remainder of calendar 2009 to supply ‘white label’ products to its key customers. “As well as our strong market brands, our position as an OEM manufacturer has grown due to our Supply Chain investment. Key customers are benefiting from this investment, and these forward orders reflect the organic growth that is now coming through the business.

During the year, the company continued to develop its product range and expand its presence with the acquisition of the 100-year old Clements Medical Equipment business. Settlement occurred in June 2009 and the business is now fully integrated into BMDI TUTA’s operations. On an annualised basis, Clements is expected to add \$2 million in revenue and \$300,000 in EBITDA.

“We are very pleased with the performance of Clements and we are now growing its operations. Already we are launching new products with a range of new centrifuges for the laboratory market, and have added new medical oxygen products to the portfolio. Clements has excellent product development capabilities and this enhances BMDI TUTA’s strength as a product innovator.”

## **Outlook**

Mr. Lewis said BMDI TUTA is now well placed to generate significant organic revenue and profit growth in FY2010 as the company capitalises on the investment it has made in its Supply Chain, and benefits from the full contribution of new businesses acquired. The company now has the capacity and capability to pursue international expansion opportunities, and it expects to announce new contracts in the near future.

While organic growth will be a major contributor to revenue in FY2010, the company continues to assess suitable acquisition opportunities to strengthen its market presence and product range.

“We can confidently say that BMDI TUTA now has the foundation in place to grow, and we expect a return to profitability this year. We are very encouraged by the opportunities in the market both domestically and internationally and we have an active pipeline of opportunity.

“We are mindful of our capital structure and in order to fund future growth, we will pursue funding arrangements that will not dilute earnings per share.

“We expect to generate strong organic revenue growth, and this will be balanced by pursuing acquisitions that make an immediate contribution to earnings, strengthen our product range and our portfolio of leading brands. BMDI TUTA is in an excellent position and we are encouraged by the opportunities in front of us,” Mr. Lewis said.

## **For more information contact:**

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*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. 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.*