



## **ASX/MEDIA RELEASE**

ASX: MLA 11<sup>th</sup> January 2011

# **MLA secures landmark OEM agreement with leading global medical device company Pharmatel Fresenius Kabi**

- **Immediate revenue from new NSW Health Department contract**
- **Third OEM agreement secured since July 2010**
- **MLA continues to benefit from investment in global supply chain**
- **Additional OEM agreements actively being pursued**

**Sydney 11th January 2011:** Medical device manufacturer Medical Australia Limited (ASX: MLA) today announced that it has signed a new Original Equipment Manufacturer (OEM) partnership with leading global healthcare company Pharmatel Fresenius Kabi AG ("PFK").

Headquartered in Germany, PFK is a leader in infusion therapy and clinical nutrition. The company employs 21,000 people and has a strong presence in Europe, Latin America, the United States and the Asia-Pacific region.

In Australia and New Zealand, PFK employs over 220 people and was recently awarded a major contract with the New South Wales Department of Health to supply all IV pumps for the state's public hospitals. Roll out of this hardware is well underway. MLA's TUTA product is being sourced by PFK for this contract, with first revenue to be booked Q1 of calendar 2011.

MLA says the agreement was secured after eighteen months of discussion and product reviews by PFK.

This is MLA'S third OEM agreement secured since July 2010 and represents a major organic growth opportunity for the company. PFK selected MLA because of the strength and reliability of its global supply chain, its product quality, and its quality systems.

MLA's Chief Executive Officer Mark Donnison commented: "This OEM partnership represents a major growth platform for MLA. We will start to book revenue immediately through the supply agreement for the New South Wales Department of Health contract, and can comfortably accommodate PFK's demands without any further capital expenditure.

"PFK was attracted to the strength and dependability of MLA's global supply chain, as well as the quality of the TUTA product that we are initially supplying through this agreement. This gives us a major organic growth platform for the TUTA brand that we had not previously forecast.

"PFK has supply agreements for its products in all major international markets. Our immediate focus is successfully delivering on our supply agreement for the New South Wales contract."

Mr Donnison added that MLA is actively pursuing a number of additional OEM agreements which will accelerate organic growth in the current financial year and beyond. MLA will shortly update shareholders on the company's first half revenue performance.

#### **ENDS**

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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.*