



MLA announces acquisition of animal stem cell therapy and healthcare company MediVet for \$10 million

- **Highly complementary businesses providing a global footprint for future expansion**
- **MediVet is a world leader in pioneering unique stem-cell therapy for animal healthcare**
- **Combined business will be the only profitable listed stem-cell technology company in the world**
- **\$10 million acquisition price based on a 50/50 cash and scrip basis**
- **Synergies provide significant growth opportunities and back-end cost savings and efficiencies**

Sydney: 6th June 2013: Medical products and distribution company, Medical Australia Limited (ASX:MLA) is pleased to announce a major step in the company's development, with the proposed acquisition of leading animal health company and stem-cell technology provider MediVet Pty Ltd (MediVet) for a total consideration of AUD \$10 million. An upfront payment of \$5 million cash will be made to the vendors of MediVet, with a further \$5 million worth of MLA shares issued which will remain in escrow (100% for 12 months, 50% for 24 months).

MLA has engaged Corporate Capital Group Inc. of New York as its corporate advisors who will undertake a capital-raising to support the transaction. This process is well advanced with a number of keenly interested parties already engaged.

The final terms of the acquisition will be announced following approval from the Australian Securities Exchange. The transaction is subject to shareholder approval.

Founded in 2008, MediVet is a leader in the animal healthcare market and has developed a range of animal healthcare products which are highly regarded in a number of global markets. The Company is best known for developing the world-first in house regenerative animal stem-cell technology which has been commercialised for the veterinary and equine markets throughout the world.

The technology has been rolled out across 20 countries including the United States, the Middle East, Europe, the United Kingdom, Japan and Australia. MediVet Pty Ltd has a controlling interest in MediVet USA LLC, with 420 veterinarians in the USA using the stem-cell therapy and 12,000 procedures already performed globally. MediVet derives revenue from multiple sources, including the setup of stem-cell facilities, cryopreservation of stem-cells for use in later life, ongoing supply of stem-cell equipment and a range of regenerative medicine products for the animal health market.

MLA and MediVet are highly complementary businesses and there will be a number of synergies achieved through the combination of these businesses. Both companies have been working together for a number of years with MLA being an OEM provider for some of MediVet's products and also having a licensing agreement for the animal stem cell therapy technology in the UK.

Through shared resources and access to capital, the new company emerges on a highly accelerated growth path.

MLA Managing Director, Mark Donnison, said: "This is a company transforming acquisition for MLA, as it creates a unique and profitable human and animal healthcare company with unparalleled capabilities and competitive market advantages. Once the transaction is completed, MLA will have a truly global presence and the financial flexibility to fast-track growth in both the human and animal healthcare markets.

"By combining MediVet's expertise in the animal health market and MLA's brand heritage and supply chain processes, we now have the opportunity to achieve significant cost and scale efficiencies and improved profitability. These synergies deliver further upside potential and position the new business on a path of rapid growth across multiple markets."

Mr. Donnison continued: "Animal stem-cell therapy is a proven technology operating in a fast-growing market, with applications across domestic animal and equine markets with strong margins, allowing for repeat business and future cross-selling opportunities."

Shaneel Khan, MediVet CEO, commented: "This transaction with MLA provides us with the impetus to further grow our leading-edge animal health care offering. This transaction gives us a stronger balance sheet and a corporate framework that will greatly enhance our sales and business development efforts.

"Following this acquisition, we will be able to broaden and deepen the already strong partnership we have with MLA to design and commercialise new products and refine and enhance existing technology."

Mr Donnison added: "Once completed, MLA will be the only profitable listed stem cell technology company in the world and we believe this will be a catalyst for significant investor interest. MLA is well placed to capitalise on the unique opportunities that this transaction delivers."

MLA will shortly be releasing a market announcement regarding an Extraordinary General Meeting to vote on the proposed acquisition.

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ABOUT MEDICAL AUSTRALIA LIMITED

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.

ABOUT MEDIVET PTY LTD

Medivet Pty Ltd is a private Australian company with proprietary ownership technology for regenerative stem cell technology for domestic animals and the equine industry. The company commenced operations in 2008, and is represented in major countries and regions such as Canada, USA, Great Britain, Continental Europe, Australia and the Pacific Region. Medivet Pty Ltd has a 60.5% interest in MediVet America LLC.