



Eastland Medical  
Systems LTD

## ASX Release

### Westcoast Surgical & Medical Supplies UPDATE

Eastland's Board is pleased to provide you with the following update on the activities of Eastland's 100% owned subsidiary Westcoast Surgical & Medical Supplies. (WSMS)

Eastland's subsidiary WSMS has continued to transform itself into a respected player in the rapidly expanding Surgical and Medical Supply market. WSMS has further developed its business model and has reduced its reliance on the high volume low margin markets and increased its focus on both customer service and value adding to higher margin market segments. The strategy is now paying dividends through continued improved performance and improved margins with a 30% increase in revenues and a 26% reduction in operating expenses compared to the previous financial year.

WSMS has streamlined many aspects of its operation including the financial reporting, warehouse systems, customer service procedures and its online ordering system and website. These changes have been welcomed by our customers and suppliers alike and help ensure efficient and effective customer service and satisfaction.

Further improvements are expected over the next few months with the recent Australian Therapeutic Goods Administration (TGA) approval of WSMS first branded product. These products have been developed to industry standards and WSMS own stringent specifications.

John Billingham, WSMS General Manager, said; "The inclusion of the WSMS branded product line will enable WSMS to improve its profitability whilst ensuring our customers received quality products at a very competitive price."

To enable WSMS to take full advantage of both the current changes in the industry and the company's focus, we have also significantly increased our sales force. This increase has been achieved without adding to the company's payroll cost by utilising the staff savings made by the increased efficiency and improved systems and procedures that have been implemented throughout the company, thus allowing WSMS to focus its expenditure in the profit centres of the company.

Westcoast continues to look for further opportunities whilst developing a stronger presence in the national market and furthering growth in key markets within Western Australia.

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