



MLA signs agreement to acquire MediVet in 100% scrip deal to create leading human and animal healthcare company

- **Agreement signed for MLA to acquire MediVet in 100% scrip deal**
- **MLA to issue 36,666,667 shares to MediVet at 30 cents per share for total consideration of \$11 million**
- **Revised terms of transaction reflects improvement in MediVet's balance sheet**

Sydney: 24 September 2013: Medical products and distribution company, Medical Australia Limited (ASX:MLA), is pleased to announce that an agreement has been signed to acquire MediVet Pty Ltd (MediVet) for a total consideration of \$11 million. MLA will issue the vendors of MediVet with 36,666,667 shares at 30 cents per share. Half of the issued shares will remain in escrow for twelve months, with the balance for 24 months.

MLA previously announced on 6 June 2013 that it intended to acquire MediVet for \$10 million in a 50/50 cash and scrip transaction, however this latest agreement has been executed in order to provide a quicker close so immediate business opportunities can be pursued. The acquisition is subject to shareholder approval.

MLA Managing Director, Mark Donnison, said: "This is a company transforming acquisition for MLA, and it creates a unique and profitable human and animal healthcare company with unparalleled capabilities, competitive market advantages and a global footprint.

"Both parties have taken the decision to revise the terms of the transaction following the publishing of the FY12 financials for MediVet, which saw an improvement in the balance sheet and financial position of the company, since the original Heads of Agreement was signed.

"Once the transaction is completed, MLA will look to raise additional working capital to take full advantage of the significant growth opportunities presented by the new entity."

Shaneel Khan, MediVet CEO, commented: "This is a great opportunity for MediVet, and gives us a much larger platform to grow the company. The new agreement demonstrates MediVet's strength and is a great outcome for all parties. We have confidence in the strong performance of the new entity, and this is reflected by the fact that we have agreed to a 100% scrip transaction.

"The two businesses have been working together for some time so much of the integration has already been completed, and our focus now is to complete the acquisition in a timely manner. We look forward to finalising the transaction, which will enable us to further grow our leading-edge animal health care offering."

MLA will seek shareholder approval at the company's Annual General Meeting on 29 November, 2013.

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Background to the transaction

On 6 June 2013, Medical Australia Limited (ASX:MLA) announced 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).

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 many thousands of procedure kits sold to date. 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.

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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 55% interest in Medivet America LLC.