

MLA RAISES \$4 MILLION TO FAST TRACK GROWTH

- **20,000,000 new shares at 20 cents per share issued to experienced health care sector professional investors**
- **Transaction to acquire MediVet now complete**
- **Funds to be used to fast track growth of animal and human healthcare sectors**
- **Integration of both companies already well advanced**

Sydney, 10th December 2013: Animal and human health care company Medical Australia Limited (ASX: MLA), is pleased to announce that it has completed a \$4 million placement at \$0.20 per share with 20,000,000 new Fully Paid Ordinary Shares issued to two strategic investors that have a track record of success investing in the healthcare sector. Windfall (NZ) Trust and Walker Group Holdings have subscribed for 10,000,000 shares each. Walker Group Holdings is a company owned by Mr Lang Walker, an existing 2% shareholder in MLA through an associated entity.

This placement is the final step in completing the acquisition of animal stem cell therapy and regenerative medicine company, MediVet Pty Ltd – a company-transforming transaction for MLA. As reported to shareholders on 24th September 2013, these new funds allow MLA to take full advantage of the significant growth opportunities that MediVet and MLA's traditional business represent.

MLA also confirms that 36,666,667 new Fully Paid Ordinary Shares were issued to the Vendors of MediVet last week. MLA now owns a 60.5% shareholding in MediVet America LLC and 100% of MediVet Pty Ltd which encompasses Canada, USA, Great Britain, Continental Europe, the Middle East, Australia and the Asia Pacific Region.

With the shares issued to MediVet shareholders, and those to new investors, MLA's capital base has increased from 45M shares on issue by a further 57M shares to a total of 102M fully paid ordinary shares on issue.

MLA's Managing Director Mark Donnison commented: "This placement is a strong endorsement of MediVet and its future prospects, and we are delighted to welcome two seasoned healthcare investors to the MLA register. We also welcome the MediVet vendors as major shareholders in MLA. The fact that they have vended MediVet into MLA in an all scrip transaction is a further endorsement of the company and its growth potential.

"MLA now has the financial flexibility from this placement and its expanded revenue base to capitalise on our significant growth prospects in the animal and human healthcare markets. The MediVet animal stem cell technology is available in over 20 countries and this has been achieved with very limited human resources. Our first priority will be to strengthen our presence in these existing markets and achieve greater critical mass, whilst pursuing new markets and new product opportunities. In particular there is scope for significant growth in the United States, where there are over 27,000 veterinary clinics. MediVet's range of regenerative medicine technologies is also growing in acceptance in the equine and horse racing industries which represents another solid growth platform.

"MLA's traditional human healthcare product development and OEM business is also experiencing improved performance and has returned to profitability. We have an active pipeline of new tendering opportunities and we are looking to strengthen our OEM operations. This remains an important part of MLA's business.



“This transaction represents a significant change of thrust for MLA. It is not a simple acquisition, it is a major additional focus for the new entity that should change investors overall view of the company given that now over half of the issued capital in MLA has been as of a result of new shares being issued in association with the MediVet transaction. The regenerative medicine space in the global animal health market is now a significant new focus. This changes the future potential and scope for MLA and in coming together with MediVet we clearly become a very different enlarged company.

“The integration of MLA and MediVet into one company is well advanced with the businesses now operating at one location in Lidcombe, New South Wales. A cost reduction program has commenced with a number of overheads identified, and consolidation of some back office roles and functions already completed. MLA is now well placed for growth with assured profitability and we look forward to updating shareholders on our progress in the coming months.”

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ABOUT MEDICAL AUSTRALIA LIMITED

Medical Australia Limited (ASX: MLA) is a human and animal healthcare 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. Through the acquisition of MediVet Pty Ltd Medical Australia now has proprietary ownership of technology for regenerative medicine including stem cell therapy for domestic animals and the equine industry. Medical Australia's animal health business is now represented in major countries and regions such as Canada, USA, Great Britain, Continental Europe, Australia and the Asia Pacific Region, including a 60.5% interest in MediVet America LLC.