Medical Developments International

22 May 2013

ASX ANNOUNCEMENT

UPDATE

TRADING UPDATE

MVP continues to invest heavily in the future of the business in terms of our European expansion and operation, our soon to be launched US devices business, our international regulatory initiatives and research and development. We expect to see benefits from these initiatives during FY2014 and beyond, especially in the US and Europe. However, there is a time lag between investing in this expansion and delivering sales.

Our Respiratory business continues to grow and our plans to expand that business in the USA and UK (refer below) remain on track as do our efforts to have Penthrox® approved for sale in Europe. While overall sales growth is positive, we don't expect to see the full effect of our FY13 costs until FY14. Accordingly, our profit after tax result for FY2013 is expected to be 10% to 15% below FY2012.

CSIRO SUCCESSFUL COMPLETION OF FIRST MILESTONE

In August 2012 MVP announced it had entered into a research and development program with the CSIRO designed to introduce a new, more efficient, significantly lower manufacturing cost process for the pharmaceutical compound used in Penthrox®. We are delighted to announce the first milestone, which is to manufacture commercial grade methoxyflurane in much larger quantities than at present, has been achieved. This is an important milestone for MVP and, should the program conclude successfully, the result will be that MVP will have a world first, proprietary manufacturing process for methoxyflurane, which will increase manufacturing capacity while significantly reducing our cost of goods sold.

PENTHROX® IN EUROPE

In February 2013 MVP met with the MHRA in London to discuss progress of its Marketing Authorisation Application (MAA) to have Penthrox® approved for sale in the UK and selected European countries including France. The meeting was positive and as a result MVP agreed to complete two additional clinical studies to strengthen its regulatory applications. Both of these trials have commenced and are progressing well. MVP expects the completion of each trial

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during August and will submit its Marketing Authorisation within two months thereafter. Our initial development plan made allowance for one of the trials to be completed post approval. However, MVP have chosen a more conservative route after discussions with the MHRA, and elected to conduct the trial before lodging our MAA. MVP believes the successful completion these trials will significantly improve the quality of the MAA and improve its chances of approval.

PENTHROX® IN NEW ZEALAND

MVP received notification today that Penthrox® has been approved for use in New Zealand hospitals by Pharmac. The indication for use is for patients undergoing a painful procedure with an expected duration of less than one hour.

This is a significant approval for the use of Penthrox® in hospitals and the wider penetration of the New Zealand market.

RESPIRATORY BUSINESS IN EUROPE

MVP's Space Chamber Plus and Space Chamber Compact Asthma devices have been approved by the MHRA for reimbursement in the United Kingdom from 1 April 2013. MVP has engaged a contract sales force of 40 people who are selling our products in the UK from 8 April and we are receiving our first orders. Lloyds and Boots pharmacy chains have agreed to stock our products and we are listed on the General Practitioners, Respiratory Nurses and Hospital buying platforms which will facilitate access to our product.

FDA APPLICATION TO SELL SPACE CHAMBERS INTO THE USA

Our application to sell Space Chambers into the USA is proceeding well. MVP recently completed a comprehensive range of confirmatory trials required by the FDA and the results of these trials are excellent. We expect to receive approval to sell in the USA during Q1FY14 and the company is working towards having the infrastructure and business partners in place to facilitate a launch or our products during H1FY14 or shortly thereafter.

Please contact Mr. John Sharman for further details:

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