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## Medigard expands into the US with manufacturing and distribution deals worth millions.

### HIGHLIGHTS

- Agreements to manufacture and distribute Medigard Blood Collection Device in the US Market
- Four other Medigard devices can also be manufactured and distributed under the agreements
- Potential to deliver to Medigard up to USD 15c per device sold
- Minimum 70 million units for the Blood Collection Device over the five-year term of initial agreement.
- US market consumes 700m Blood Collection Devices per year
- Agreements could conservatively deliver revenues to Medigard across all products of up to \$40m per annum within 5 years
- Medigard is expected to undertake a capital raising to support its US expansion in the coming months.

An innovative Australian medical device company, Medigard has entered into formal manufacturing and distribution agreements that will commercialise its Blood Collection Device in the lucrative American market. The five-year agreements (with an option for a five-year extension) cover Medigard's Blood Collection Device and can extend to its other devices that include retractable safety syringes, intravenous valves and other products.

The agreements provide the US manufacturer (who will remain confidential under the agreement) and the distributor, Outcome Solutions (a sister company of Ventlab Corporation sharing common executive leadership), with an exclusive license to manufacture and distribute in the US and Canada.

Medigard expects initial revenues from the agreements to flow within 18 months. Within 5 years, the deals could deliver up to USD\$40m in annual revenue to Medigard.

Medigard CEO Peter Emery said today: "These two key agreements we have been working towards for some time and are the culmination of months of negotiation, personal visits and the necessary building of key relationships."

Medigard believes that it has superior products to those currently on offer in the US and that they are more price competitive. The company has chosen to focus first on the US market because of its size and legislation that mandates the use of safety devices like Medigard's.

The choice to manufacture in the US was also deliberate.

“We chose to manufacture in the US instead of other places such as China like many of our competitors to ensure quality was not sacrificed,” says Medigard’s Peter Emery.

“Through selecting the right manufacturing partner, we will be able to deliver a price competitive product that is also of the highest quality, which will be of key importance to our success in the US market.”

The formalising of the agreements follow the Heads of Agreement the company signed with the US manufacturer in December last year. Medigard said today the company was very pleased with the arrangements it had negotiated in relation to both distribution and manufacturing.

“There is commercial sensitivity around the identity of the manufacturer and terms of the agreement, but they are renowned for their innovation and technical expertise.”

“They have a dedicated medical devices operation in which they are already making products similar to ours,” said Peter Emery.

“This alliance lets us tap into the manufacturer’s knowledge and expertise. It also gives us additional depth in product design and could potentially expedite production.

“Our distribution partner has a successful and well-established track record in marketing medical products particularly in the anesthesia and respiratory care and critical care markets.

“There they have a significant market share, a team of specialty distributors in key locations around the US, and significantly, they have strong contacts and relationships with the major hospitals, clinics and other end users.

“We are confident they have the experience and knowledge to gain the attention of the market segments to which Medigard products will apply.”

Medigard Chief Executive Officer Peter Emery said both of the agreements were significant milestones for Medigard and would expedite commercialisation of the company’s other products.

“Both of our partners are commercially savvy and experienced operators and we look forward to working closely with them not only on the BCD, but also in development and production of our pipeline of products starting next with our 3mL syringe,” said Emery.

“The relationships we have built with them are now well established and will stand us in good stead as we release our other products and grow the company.”

Both agreements offer a three-way arrangement, with the manufacturer supplying the BCD direct to the distributor and Medigard receiving a royalty payment in the form of a licensing fee as its income of up to USD 15c per device.

To support the agreements and its expansion into the US, Medigard will undertake a capital raising within the next couple of months. “We expect to make an announcement in regard to an additional capital raising in the coming weeks,” said CEO Peter Emery.

In summing up Mr Emery said “This is an exciting next phase for Medigard and it provides the company with a clear path to getting the products on to the market.”

“The strong support for the product from those who have seen it and who will be the ultimate users together with the enthusiasm of both the distributor and manufacturer to do what has to be done will culminate in delivery of the product to a market that needs them and is keen to have them.”

## FOR MORE INFORMATION CONTACT:

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## ABOUT THE MEDIGARD BLOOD COLLECTION DEVICE (BCD)

The Medigard Blood Collection Device (BCD) has a unique design using vacuum to capture the needle after blood collection has been completed.

The Medigard BCD has the potential to change forever the way blood is taken and aims to eliminate needlestick injuries.

In January 2009, the FDA granted approval for Medigard's BCD in the US market. In March 2009, extensive product evaluations in major hospitals confirmed the superiority of the product, its ease of use and efficacy in the clinical settings.

## ABOUT MEDIGARD

Medigard Limited is an Australian listed company providing a range of innovative medical devices to the global marketplace. Medigard focuses on the design, development and commercialisation of safety engineered medical devices.

Medigard's devices are designed to protect healthcare workers and the public against needlestick injuries. Needlestick injuries can infect users with up to 20 blood borne disease including HIV-AIDS and Hepatitis B and C.

The Company is working to produce other safety related medical products and devices. Medigard's expertise lies in the sourcing, design and development of such devices and commercialising them in partnership with international organisations.

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