



Cover Story



Medigard Limited Has Signed a Heads of Agreement with an American Manufacturer and Looks to Sell its Blood Collection Device to the US Market by the End of the Year.

Medigard Limited listed on the ASX in 2004 and ever since has been committed to designing, developing and commercialising safe, innovative safety medical devices on a global scale. Primarily, the Company's medical devices have been designed to eliminate needle stick injuries for healthcare workers. Needle stick injuries can infect people with up to 20 bloodborne diseases, including HIV-AIDS and Hepatitis B and C.

So far, Medigard has developed a number of safety medical devices including a range of retractable syringes, an IV cannula/catheter introducer, an intravenous valve and also a blood collection device which will soon be manufactured in the US.

The blood collection device has a unique design that uses a vacuum to capture the needle after blood collection has been completed. This new concept may change the way blood is taken and has the potential to eliminate needle stick injury.

Medigard announced in December that its blood collection device is closer to being produced, represented by the Company's signed Heads of Agreement with an American medical device manufacturer.

The five year agreement will see the device manufactured in the US under an arrangement that will require a capital contribution from Medigard for tooling and equipment and may include an additional capital contribution from the manufacturer.

Mr. Peter Emery, Chief Executive Officer of Medigard Limited said that the Heads of Agreement has resulted in a strong partnership, "We've identified a great manufacturer and have spent much time talking with this American company about the manufacturing process as well as the distribution side," he told the Australian Investor, "The Heads of Agreement outlines the basic terms of what each party will do. We are mutually happy and Medigard believes the American company will be a long-term partner for the manufacturing of our other medical products."

For Medigard, the US holds its primary market, "The US has legislation in place that promotes safety medical devices. 700 million blood devices are used just in the US - this is around half of the world's usage. And it is a growing market too," Mr. Emery explained, "45% of syringes globally are used in the US. It made sense to choose an American manufacturer for the blood collection device, and perhaps our other devices, as we will be selling a majority of our products here. We've already completed trials for the blood collection device and syringe in the US and the results showed that they like both of the products. This is very encouraging."

Mr. Emery spoke about the advantages of Medigard's medical devices, "Our products are very easy to use. The blood collection device and retractable syringes, which come in 1mL, 3mL, 5mL and 10mL, use a vacuum to retract the needle safely into the product and have no blood aerosoling."

Medigard expect to sign a binding contract with the American manufacturer in the next month and also anticipate announcing a distribution agreement for the US in the coming weeks, "We are currently working on the drafts for a formal agreement with our new American partner. The next step after this will be to raise capital for the manufacturing process. This will be general market capital raising including Medigard shareholders and sophisticated investors as well as US investors. Medigard will then build and validate production and assembly equipment

for the blood collection device over the next six to eight months. By the end of the calendar year, our American manufacturing partner will be making the blood collection device, by which time the product will be available on the market to purchase.

"We have already identified opportunities for some early orders of the blood collection device. This year our distributors will continue to have discussions with major hospitals and pathology laboratories with whom we have already completed successful market evaluation of the blood collection device. These will be the key markets for our products."

Mr. Emery commended the whole Medigard team for the growth of the Company, "We have an expert board and management team at Medigard. Our continued growth will come through our products and also through potential acquisitions and mergers. We have invested most of our money into product development as our small, dedicated team strongly believe in our innovative medical devices."

Looking to the future, Mr. Emery concluded, "Our main priority is to be the best we can in the development and design of safety medical devices. We will continue to set the standard and sign agreements in the US. We hope to have an FDA agreement signed for our retractable syringe in May or June 2010. We will raise capital and hope to have orders for the blood collection device at the end of the year. Our long term aim is to stay in this space and do things that others haven't yet been able achieve."

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