Medical Developments International

MEDICAL DEVELOPMENTS INTERNATIONAL LIMITED
CHAIRMAN'S AND CEO'S PRESENTATION
ANNUAL GENERAL MEETING
3RD NOVEMBER, 2010

CHAIRMAN'S ADDRESS

I said this time last year that if there was no improvement in our performance in the near term then we would re-examine our way of doing business and our organisation structure.

The company reported a Net Profit after Tax of $879,000 for the year ended 30 June 2010. However, long before year end we undertook a process of self examination and changed our approach to accelerate growth.

We now have a new CEO, Finance Manager & Company Secretary and several additional marketing people. We have also changed our approach to quality and regulatory affairs.

As a consequence of these and other changes, the Board of Directors is now confident that the company's strategies for delivering long term growth in profitability are appropriate and importantly, beginning to yield results.

During the year the Company undertook a number of initiatives to further develop the global reach of the pharmaceutical business but also our medical and veterinary equipment businesses. I will leave our CEO, John Sharman to outline some of these and now introduce him to you.

As Chairman and major shareholder I have never been more passionate about the future of the business.

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CEO'S ADDRESS

Period of Change

MVP has undergone a period of significant change over the last 6 months. During that time we have:

- Appointed a new Chief Executive Officer;
- Appointed a new Finance Manager & Company Secretary;
- Appointed a new National Sales & Marketing Manager;
- Increased our sales force;
- Increased our product range;
- Negotiated new key supply agreements with several trading partners;
- Restructured our commercial agreements within the
    - Dental;
    - Cosmetic; and
    - Podiatry industries.
- Restructured our business in New Zealand;
- Redoubled our efforts towards continued cost saving, operating efficiencies and inventory reductions;
- We are finalising the restructure of our business in the UAE and other Gulf States;
- Reinitiated our efforts to register Penthrox for sale with the European Union.

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Highlights in 2010

Whilst we continue to work on these positive changes and delivering the financial benefits associate with them, there were a number of financial and operational highlights recorded during the 2010 financial year.

Financial Highlights

The Financial Highlights achieved during the year were:

- 593% increase in cash reserves held at the end of the financial year to $1.78 million;
- 41% increase in cash generated from operations to $1.81;
- 17% increase in Net Tangible Assets to $5.03 million;
- 13% increase in Earnings Per Share to 1.7 cents per share;
- 9% increase in Net Profit after Tax $0.88 million;
- 8% increase in Earnings Before Interest and Tax to $1.27 million.

MVP is in the enviable position of having a very solid business, strong cash flows and no debt. From this impressive base we intend to pursue growth opportunities which allow MVP to capitalise on the market leading position we hold in the emergency medicine market, locally and in increasing number of markets around the world.

Operational Highlights

The operational highlights achieved during the year were:

- Achieved the registration of Penthrox on the PBS as part of the "Doctors Bag".
- We now have approval to sell Penthrox in 10 countries;
- Our strong focus on improving operating efficiencies and reducing other costs delivered improved operating results;
- Strong improvement in financial position and financial performance;

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- First orders received in Ukraine, Georgia and Azerbaijan;
- Updated submissions made for registration in South East Asia, Central America and Eastern Europe;
- Continued improvements in manufacturing efficiency;
- Completion of five Penthrox® clinical studies;
- Two key Clinical Studies at Peter MacCallum Cancer Centre in Melbourne and Box Hill Hospital set for publication in 2010/11;
- Completion of a new commercial agreement with a major Australian distributor of Veterinary products; and
- Completion of two successful TGA audits in the Devices and Pharmaceutical business.

We continue to pursue registrations for Penthrox® in various markets around the world. In addition, the company has called for tenders to conduct a clinical trial in Europe, designed to achieve Marketing Authorisation for the sale of Penthrox® in the European Union. Successful registration of Penthrox in the European Union will transform the entire company.

MVP has undertaken a number of initiatives to further develop the global reach of its Medical and Veterinary equipment businesses. We have added complimentary products to our existing product range that are saleable into the distribution channels in which we have a leading market presence.

In the annual report we outline details of the execution of this strategy but I would like to highlight certain points in particular.

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MVP expects the following positive results in 2011:

- Continued growth in Penthrox® sales in Australia, New Zealand, the Middle East, Eastern Europe and Central America;
- Registrations of Penthrox® in new countries;
- Continued investment in clinical trials in Australia and offshore to confirm the safety and efficacy of Penthrox and raise market awareness in new channels;
- Commencement of a European-based clinical trial and Marketing Authorisation strategy for the sale of Penthrox in the European Union;
- Development of a wider product offering of medical equipment to capitalise on our market leading position as the largest supplier to Australian Ambulance Services; and
- Continued operational improvements.