



**MEDEC revenue above target with \$8.7 million in first half of 2007 financial year.**

**23 January 2007** –Following several acquisitions to strengthen the roll out of its products in Australia, Singapore and Europe, revenue in the first half of the financial year (FY) has increased from \$4.0 million in 2006 to \$8.7 million in 2007, an increase of 117%. Half yearly revenue is \$1.0 million higher than forecast in Sept. 2006.

MEDEC had allocated \$1.0 million for the 2007 financial year for training of new management and staff, focusing on the integration of the MEDEC Health and Vitality concept into the client service and sales program of the new subsidiaries. Extensive training has taken place in Australia, Singapore and Germany by the MEDEC professional services team.

As expected and forecast, this has affected profitability in the first half of the 2007 FY and MEDEC now forecasts a loss of \$ 700,000 to \$ 800,000 for this first half of the 2007 FY.

The integration of the new subsidiaries has however been progressing well. Additionally, several new ventures will shortly be commencing business, including a Bodycure Health Centre and a Body Contours day spa in Perth, new Body Contours day spas in Kuala Lumpur, Malaysia and in Chennai, India, new retail outlets in Singapore, and a new MEDEC Australia Head Office and showroom in Sydney.

In the first half of the 2007 FY MEDEC has also established sales offices in USA and HK and has now received first orders with a value of \$ 200,000 for treatment tables from the USA.

Due to accelerated integration and establishment of new subsidiaries, MEDEC now expects revenue to increase to \$11.0 million in the second half of the 2007 FY resulting in the total revenue for the 2007 FY of \$19.7 million.

“This interim half yearly revenue result confirms MEDEC’s growth strategy of selling via the acquired franchise outlets” says Josef Plattner, CEO of MEDEC Ltd, “For further growth we are now establishing new health centres in Australia, India and Malaysia and sales offices in USA, Hong Kong and China. Now that we have reached a critical mass we can focus on improving cash flow and profitability.”

Mr. Gordon Getley, the chairman of MEDEC said: “The transition of MEDEC from a research and development company to a marketing company is on track for the 2007 FY. I am confident about the further future growth and profitability of the MEDEC Group of companies.”

**Josef A Plattner**  
**Chief Executive Officer**

**About MEDEC**

MEDEC is an Australian based health care equipment company and is listed on the ASX. The MEDEC group of companies has several product ranges including treatment tables for the wellness industry and the innovative MEDEC wellness products. MEDEC has manufacturing facilities in Australia, Germany and China.

Since its establishment in 2001, the MEDEC group has grown substantially. MEDEC's major market at present is Europe, Asia and Australia with marketing facilities and franchise concepts in the weight management and fitness industry. More than 100 franchise outlets managed by 4 marketing subsidiaries are expected to take over the application, sales and promotion of the MEDEC product range by the end of the 2007 FY.

MEDEC operates showrooms in all Australian capital cities as well as in Germany. Sales offices in USA and Hong Kong and 15 international dealerships distribute MEDEC products. The products have been sold to more than 30 countries.

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