

ASX/Media Release



MEDEC acquires a shareholding in the bodycure health care franchise

17. 05. 2006 – Perth based health care equipment company MEDEC Limited [ASX: MAA] has acquired a 25.1% shareholding in bodycur GmbH of Germany and a 60 % shareholding in bodycure International of Hong Kong.

In total MEDEC will invest \$1.0 million in acquiring shares in the bodycure business and funding and supporting two international bodycure training centres.

bodycur operates 35 Health Centers in Germany on a franchise basis, offering a unique concept of food and weight management. Additionally to providing advice and coaching for healthy, nutritional and well tasting food designed by one of Germany's well known chef's some 25 German top restaurants offer bodycure's nutrition as part of their menu, allowing bodycure clients to also eat out in style while maintaining their diet objectives.

In 2005 MEDEC has launched its Hight Tech metabolic assessment device, which is ideally suited to give personalised advice regarding what type and balance of food to eat and in what quantity. The Biograph Calorie-Fit provides information of how different people metabolise the food which they eat into energy and how this energy is provided for the challenges of life. This is of interest to every person but particularly for people which want to loose weight and improve body texture at the same time. The MEDEC Health Center also supplies MEDEC's space age bio-stimulation and detoxification devices. MEDEC clients benefit from a higher metabolic rate, better fat burning capabilities giving more energy, better self healing and more quality of life.

bodycur has now adopted the MEDEC Health Center concept within it's franchise system gradually introducing the MEDEC Health Center concept to it's 35 franchisees and to it's 15,000 clients per year. Between July 2005 and April 2006 bodycur has first successfully integrated the MEDEC concept in 2 of their German training centres. A further 10 centres are now being equipped with MEDEC technology. Hardware leasing and software licensing are provided by MEDEC and bodycure. An online training program will shortly be launched in collaboration with RMIT university of Melbourne, Australias oldest and largest university.

"By using the MEDEC technology bodycur becomes the first German weight management Company which uses diagnostic instruments in giving personal nutritional advice"; says Mr. Frank Boerner, the founder and managing director of the bodycure Franchise System. "This will further strengthen bodycure's role as one of the leading weight management systems in Germany.

bodycure Hong Kong has started to promote the bodycure franchise concept internationally, already negotiating National Master Franchises for Singapore, Malaysia, Thailand, Hong Kong, China, South Korea and the Philippines. A bodycure training center will be established and operated by MEDEC's subsidiary company Body Contours in Singapore. bodycure International is managed by Mr. Frank Welsch-Lehmann who also operates one of bodycure's most successful therapy centres near Frankfurt in Germany and has received recognition by the prestigious 2005 German Franchise Entrepreneur's Award.

"A professional and well established franchise concept makes bodycure an ideal corporation partner for providing MEDEC products and technology to the public," said Mr Josef Plattner, CEO of MEDEC Ltd. MEDEC provides bodycure with scientific technology and bodycure has the experience how to roll out a sustainable Franchise Marketing system"

"In the new financial year commencing in July 2006 we expect to increase the roll out of new bodycure centers from presently one new centre per month in Germany to a total 2 new centres per month internationally"; says Frank Welsch-Lehmann, the CEO of bodycure International.

Further progress has also been made to introduce the MEDEC technology to fitness industry, where MEDEC technology can be used to design an individual training program and to maximise fat burning. With this MEDEC's projection for the supply of new diagnostic equipment has increased to 250 units per year.

For further information visit www.medec.com.au , www.bodycure.hk, www.bodycontours.com and www.caloriefit.info. or inquire at marion@medec.com.au or

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About MEDEC

MEDEC is an Australian based health care equipment company that was listed on the ASX in October 2003. The MEDEC group of companies has several product ranges including the award winning Athlegen brand, which is Australia's market leader in treatment tables for the wellness industry and the innovative MEDEC wellness products. The recently launched MEDEC Calorie-fit expands the product range to weight management and fitness. Manufacturing facilities are established in Australia, Germany and China.

Since its establishment in 2001, the MEDEC group has grown substantially. MEDEC's major market at present is Europe with marketing facilities and joint ventures with 2 franchise companies in the weight management and fitness industry. More than 100 franchise outlets are expected to take over the application, sales and promotion of the MEDEC product range in the next 18 months.

MEDEC / Athlegen operate showrooms in all Australian capital cities as well as in Germany. 15 international distributors display MEDEC products in showrooms to the wellness and health industry. The products have been sold to more than 30 countries.

The focus of market expansion is presently on Europe, South East Asia, China and USA.

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