21st February 2014

HALF-YEAR REPORT

Pursuant to listing rule 4.2A, please find following Medical Developments International's Consolidated Half-Year Report and associated results announcement, which should be read in conjunction with the most recent annual financial report.

Andrew Manhire
Company Secretary

Medical Developments International Limited ABN 14 106 340 667
7/56 Smith Road Springvale Victoria 3171 Australia **Postal Address** PO Box 21 Sandown Village Victoria 3171 Australia
Telephone +61 3 9547 1888 **Fax** +61 3 9547 0262 **Web** www.medicaldev.com

WELL POSITIONED FOR THE FUTURE

The six months ended 31 December 2013 were challenging in that our respiratory division suffered three independent negative impacts. These were GlaxoSmithKline cancelling its contract to buy Space Chambers, the deferral of a very significant order to our New Zealand partner and the merger of two of our important trading partners, EBOS and Symbion, in Australia. As a result, we took immediate action to reduce costs and develop alternative channels to market. We expect the second half year to show a significant improvement in our Respiratory Business and our business as a whole in terms of delivering profits.

We have made excellent progress in the drug registration approval process for Penthrox® in Europe. Our regulatory dossier and Marketing Authorisation Application was submitted and accepted by the MHRA in November 2013. In January, 2014 we received our first round of questions from the MHRA and we are preparing detailed responses. If registration is given, Penthrox® will be approved for sale in the United Kingdom, France, Belgium and Ireland. The Board views this as a potential company-making opportunity, not only in those four countries, but in others that will be influenced by the dossier and approval.

The approval of our Space Chamber Plus® range of respiratory devices in the USA by the FDA in November 2013 was a significant achievement. We have added our range of respiratory masks to our USA approved products and we are in detailed discussions with a number of potential partners who have the capability to generate meaningful sales into the USA in the next 12 months.

KEY ACHIEVEMENTS FOR H1 FY14 ARE SUMMARISED AS FOLLOWS:

PENTHROX®

- → **Completed our Regulatory Dossier which will be used to achieve the approval of Penthrox® for sale in markets in various countries around the world.**
- → **Lodged our Marketing Authorisation Application ('MAA') with the Medicines and Healthcare products Regulatory Agency ('MHRA') in the United Kingdom in November 2013.**
- → **Appointed advisors to locate suitable business partners for Penthrox® in Europe and progressing licensing talks with interested partners in Europe.**
- → **Engaged regulatory advisors for Penthrox® in the USA.**
- → **Submitted a regulatory application to have Penthrox® approved for sale in Israel.**
- → **Progressed regulatory applications for sale of Penthrox® in Russia and in other countries.**
- → **Penthrox® approved for reimbursement in New Zealand.**
- → **Appointed New Zealand distribution partner.**
- → **Good progress in developing new Penthrox® products for our markets domestically and overseas.**
- → **New 1.5ml Penthrox® product specifically for our Dental and GP markets expected to be launched in coming months.**

RESPIRATORY MEDICAL DEVICES

- → **The USA Food & Drug Administration approved our range of Space Chamber Plus® devices to be sold in the USA.**
- → **Received approval from National Health Service ('NHS') to reimburse the cost of six additional Space Chamber Plus® Combination (with masks) products in the UK.**
- → **Completed independent trials in North America on Space Chamber Plus® range.**
- → **Appointment of Medel Group S.p.A as our exclusive distribution in Italy.**

KEY ACHIEVEMENTS FOR H1 FY14 ARE SUMMARISED AS FOLLOWS:

OTHER

- **Successfully completed 2nd Stage of the CSIRO Penthrox manufacturing project and commenced work on the final phase of the project to deliver significant cost reductions.**
- **Claimed R&D Tax Incentive concession of $266,000.**
- **In January 2014, the final tranche of shares acquired by the CEO pursuant to his Long Term Incentive Program ('LTIP') were released from escrow. All shares purchased pursuant to the LTIP are now free from escrow and can be sold subject to Remuneration Committee approval. Mr. Sharman owns 769,230 shares.**
- **During the period the Company invested $1.2 million on developing its Regulatory Dossier, the Marketing Authorisation in Europe, the CSIRO project and product development. $761,000 was paid in dividends.**

FURTHER INFORMATION

Please don't hesitate to contact either:

Mr John Sharman
Chief Executive Officer

+61 3 9547 1888

Mr David Williams
Chairman

+61 414 383 593

Medical Developments International

ABN 14 106 340 667

Consolidated Half-Year Report (Appendix 4D)

Financial Half-Year Ended 31 December 2013

(Previous corresponding period: Half-year ended 31 December 2012)

Medical Developments International Limited ABN 14 106 340 667
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Telephone +61 3 9547 1888 **Fax** +61 3 9547 0262 **Web** www.medicaldev.com

Results for Announcement to the Market

The following information is provided in accordance with ASX Listing Rule 4.2C.3

	Half-year ended 31 Dec 2013 $000	Half-year ended 31 Dec 2012 $000	Percentage increase/ (decrease)
Revenue From Ordinary Activities	4,538	6,482	(30.0%)
Earnings before Interest and Tax	210	1,951	(89.2%)
Net Profit After Tax	426	1,444	(70.5%)
Cash and Cash Equivalents	1,088	2,129	(48.9%)
Basic EPS	0.7	2.6	(73.1%)

Dividends

The Board of Directors declared a Final Dividend of 2 cents per share fully franked in respect of the year ended 30 June 2013 which was paid on 11 October 2013.

The Board of Directors have not declared an interim dividend in respect of the half-year ended 31 December 2013.

Dividend Reinvestment Plan

MVP issued 304,440 shares at $1.27 per share on 11 October 2013 as part of its Dividend Reinvestment Plan.

For a brief explanation of the figures above refer to the review of operations attached.

Medical Developments International

Consolidated Half-Year Report for the Half-Year Ended 31 December 2013

Contents

Medical Developments International

Directors' Report

The directors of Medical Developments International Limited ("MDI") herewith submit the financial report of Medical Developments International Limited and its subsidiary (the Group) for the half-year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half year are:
Mr D J Williams (Non-Executive Chairman)
Mr R M Johnston
Mr A D McCallum
Dr H F Oxer
Mr M Van Ryn
Mr L Hoare
The above named directors held office during and since the end of the half-year except for:
Mr L Hoare – appointed 27 September 2013

Review of Operations

A detailed review of the operations of the company during the half-year and the results of these operations is set out in the accompanying results announcement.

Auditor's Declaration of Independence

The auditor's independence declaration under s.307C in relation to the review is included on page 4.

Rounding Off of Amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors.

David Williams
Chairman
Melbourne, 21 February 2014

Deloitte.

Deloitte Touche Tohmatsu
ABN. 74 490 121 060

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The Board of Directors
Medical Developments International Limited
7/56 Smith Road
SPRINGVALE VIC 3171

21 February 2014

Dear Board Members

Medical Developments International Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Medical Developments International Limited.

As lead audit partner for the review of the financial statements of Medical Developments International Limited for the half year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu

Chris Biermann
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the Members of Medical Developments International Limited

We have reviewed the accompanying half-year financial report of Medical Developments International Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2013, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Medical Developments International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Medical Developments International Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Deloitte.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Medical Developments International Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chris Biermann
Partner
Chartered Accountants
Melbourne, 21 February 2014

Directors' Declaration

The directors declare that:

a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

David Williams
Chairman
Melbourne, 21 February 2014

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2013

	Half-year ended	
	31 Dec 2013 $'000	31 Dec 2012 $'000
Revenue from sale of goods	4,538	6,482
Cost of sales	(1,574)	(1,817)
Gross Profit	2,964	4,665
Other income	21	46
Distribution expenses	(242)	(248)
Marketing expenses	(915)	(971)
Occupancy expenses	(194)	(146)
Administration expenses	(813)	(774)
Regulatory and registration expenses	(421)	(344)
Other expenses	(256)	(235)
Profit before income tax expense	144	1,993
Income tax benefit/(expense)	282	(549)
Profit for the period	426	1,444
Items that may be reclassified subsequently to profit or loss, net of income tax		
Exchange differences on translating foreign operations	(31)	4
Total Comprehensive Income for the period	395	1,448
Profit attributable to:		
Owners of the parent	426	1,444
Total Comprehensive Income attributable to:		
Owners of the parent	395	1,448
Earnings per Share:		
Basic (cents per share)	0.7	2.6
Diluted (cents per share)	0.7	2.6

Notes to the financial statements are included on pages 12-16

Medical Developments International

Condensed Consolidated Statement of Financial Position

As at 31 December 2013

	31 Dec 2013 $'000	30 Jun 2013 $'000	
Current Assets			
Cash and cash equivalents	1,088	768	
Trade and other receivables	1,618	2,342	
Inventories	1,649	1,357	(i)
Current tax assets	516	297	
Other	176	118	
Total Current Assets	5,047	4,882	
Non-Current Assets			
Plant and equipment	1,159	1,026	
Goodwill	7,368	7,368	
Other intangible assets	7,467	6,942	
Total Non-Current Assets	15,994	15,336	
Total Assets	21,041	20,218	
Current Liabilities			
Trade and other payables	812	1,630	
Provisions	143	201	
Borrowings	606	1,356	
Current tax liabilities	-	-	
Total Current Liabilities	1,561	3,187	
Non-Current Liabilities			
Deferred tax liabilities	972	835	(i)
Provisions	67	61	
Borrowings	2,760	88	
Other	318	318	
Total Non-Current Liabilities	4,117	1,302	
Total Liabilities	5,678	4,489	
Net Assets	15,363	15,729	
Equity			
Issued capital	10,946	10,559	
Reserves	(44)	(13)	
Retained earnings	4,461	5,183	(i)
Total Equity	15,363	15,729	

(i) The June 2013 comparative for Inventories, Deferred Tax Liabilities and Retained Earnings balances have been re-stated by $41,000, $26,000 and $15,000 respectively in order to correct a prior period error. The error related to a consolidation elimination adjustment for unrealised profits on the sale of inventories.

Notes to the financial statements are included on pages 12-16

Condensed Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2013

	Half-year ended 31 December 2013					
	Issued capital $'000	Retained earnings $'000	Employee equity settled benefits reserve $'000	Foreign Currency Translation Reserve $'000	Total $'000	
Opening balance at 1 July 2013	10,559	5,183	-	(13)	15,729	(i)
Profit for the period	-	426	-	-	426	
Other Comprehensive Income, net of income tax	-	-	-	(31)	(31)	
Total Comprehensive Income	-	426	-	(31)	395	
Share Based Payment	-	-	-	-	-	
Dividends Reinvested	387	(387)	-	-	-	
Dividends Paid	-	(761)	-	-	(761)	
Closing balance at 31 December 2013	10,946	4,461	-	(44)	15,363	

	Half-year ended 31 December 2012				
	Issued capital $'000	Retained earnings $'000	Employee equity settled benefits reserve $'000	Foreign Currency Translation Reserve $'000	Total $'000
Opening balance at 1 July 2012	9,354	6,712	103	-	16,169
Profit for the period	-	1,444	-	-	1,444
Other Comprehensive Income, net of income tax	-	-	-	4	4
Total Comprehensive Income	-	1,444	-	4	1,448
Share Based Payment	128	-	3	-	131
Dividends Reinvested	566	(566)	-	-	-
Dividends Paid	-	(1,105)	-	-	(1,105)
Closing balance at 31 December 2012	10,049	6,485	106	4	16,644

(i) The opening balance at 1 July 2013 of Retained Earnings has been re-stated by $15,000 in order to correct a prior period error. The error related to a consolidation elimination adjustment for unrealised profits on the sale of inventories.

Notes to the financial statements are included on pages 12-16

Medical Developments International

Condensed Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2013

	Half-year ended 31 Dec 2013 $'000 Inflows (Outflows)	Half-year ended 31 Dec 2012 $'000 Inflows (Outflows)
Cash flows from operating activities		
Receipts from customers	5,320	6,744
Payments to suppliers and employees	(5,091)	(4,917)
Interest received	7	30
Other income	-	9
Interest paid	(57)	-
Income tax refund/(paid)	209	(756)
Net cash provided by operating activities	388	1,110
Cash flows from investing activities		
Payment for plant and equipment	(190)	(317)
Payments for other intangible assets	(1,008)	(1,175)
Net cash used in investing activities	(1,198)	(1,492)
Cash flows from financing activities		
Cash received from share issue	-	128
Dividends paid	(761)	(1,105)
Proceeds from borrowing	1,922	-
Net cash provided by / (used) in financing activities	1,161	(977)
Net increase/(decrease) in cash held	351	(1,359)
Cash at the beginning of the half-year	768	3,483
Effects of exchange rate changes on the balance of cash held in foreign currencies	(31)	5
Cash at the end of half-year	1,088	2,129

Notes to the financial statements are included on pages 12-16

Notes to the Condensed Consolidated Financial Statements

For the Half-Year Ended 31 December 2013

1. Significant accounting policies

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'". The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2013 annual financial report for the financial year ended 30 June 2013, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
- AASB 2012-5 'Amendments to Australia Accounting Standards arising from Annual Improvements 2009-2011 Cycle'

- AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'

Impact of the application of AASB 10
AASB 10 replaces the parts of AASB 127 'Consolidated and Separate Financial Statements' that deal with consolidated financial statements and Interpretation 112 'Consolidation – Special Purpose Entities'. AASB 10 changes the definition of control such that an investor controls an investee when a) it has power over an investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee, and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in AASB 10 that deals with whether or not an investor that owns less than 50 per cent of the voting rights in an investee has control over the investee is relevant to the Group.

Specifically, the Group's 100 per cent ownership interest in Medical Developments UK Limited, which is a private company not listed on the stock exchange in the United Kingdom. The Group's 100 per cent interest in Medical Developments UK Limited gives the Group the same percentage of the voting rights. The Group's 100 per cent interest in Medical Developments UK Limited was acquired in May 2012 and there has been no change in the Group's ownership since then.

The directors of the Company made an assessment as the date of the initial application of AASB 10 (i.e 1 July 2013) as to whether or not the Group has control over Medical Developments UK Limited in accordance with the new definition of control and the related guidance set out in AASB 10. The directors concluded that it has had control over Medical Developments UK Limited since the incorporation in May 2012 on the basis of the Group's absolute size of holding in Medical Developments UK Limited. Therefore, in accordance with the requirements of AASB 10, Medical Developments UK Limited has been a subsidiary of the company since May 2012.

There has been no material impact on the financial statements from the application of AASB 10.

Impact of the application of AASB 12
AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 has resulted in more extensive disclosure in the consolidated financial statements. However this did not result in any changes to the half year financial report.

Impact of the application of AASB 13
The Group has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASBs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 'Share-based Payment', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by AASB 13 for the 2012 comparative period, the application of AASB 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

There has been no material impact on the financial statements from the application of AASB 13.

Impact of the application of AASB 119

In the current year, the Group has applied AASB 119 (as revised in 2011) 'Employee Benefits' and the related consequential amendments for the first time.

AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of AASB 119 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of AASB 119 are replaced with a 'net interest' amount under AASB 119 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have not had an impact on the amounts recognised in profit or loss and other comprehensive income in prior years. In addition, AASB 119 (as revised in 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

Specific transitional provisions are applicable to first-time application of AASB 119 (as revised in 2011). The Group has applied the relevant transitional provisions. There has been no material impact on the financial statements from the application of AASB 119.

2. Segment information

Products and services within each business segment

For management purposes, the company is organised into three business units – pharmaceuticals, medical devices and veterinary products. These units are the basis on which the company reports its primary segment information. The principal products and services of each of these divisions are as follows:

- Pharmaceuticals – the sale of Penthrox® primarily within Australia and New Zealand, and some sales in Europe, the Middle East and North America
- Medical Devices – the sale of medical devices, particularly the Space Chamber and Breath-Alert Peak-Flow meters, primarily within Australia and New Zealand, and some sales in Asia, Europe, the Middle East and North America
- Veterinary Products – the sale of veterinary products worldwide

Segment revenues and results

	Pharmaceuticals		Medical Devices		Veterinary		Unallocated		Total		
	Half-year ended		Half-year ended		Half-year ended		Half-year ended		Half-year ended		
	31 Dec 2013 $'000	31 Dec 2012 $'000	31 Dec 2013 $'000	31 Dec 2012 $'000	31 Dec 2013 $'000	31 Dec 2012 $'000	31 Dec 2013 $'000	31 Dec 2012 $'000	31 Dec 2013 $'000	31 Dec 2012 $'000	
Revenues:											
External sales	2,591	3,450	1,725	2,856	222	176			4,538	6,482	
Other income							14	4	14	4	
Total revenue									**4,552**	**6,486**	
Results:											
Profit before interest, income tax, depreciation & amortisation	**1,041**	**1,765**	**1**	**955**	**125**	**99**	**(858)**	**(817)**	**309**	**2,002**	(i)
Depreciation & Amortisation	(44)	(22)	(8)	(3)	(3)	(1)	(44)	(25)	(99)	(51)	
Profit before interest and tax	**997**	**1,743**	**(7)**	**952**	**122**	**98**	**(902)**	**(842)**	**210**	**1,951**	(i)
Net interest							(66)	42	(66)	42	
Profit before income tax							**(968)**	**(800)**	**144**	**1,993**	
Income tax expense							282	(549)	282	(549)	
Net profit for the period from continuing operations							(686)	(1,349)	**426**	**1,444**	

	Pharmaceuticals		Medical Devices		Veterinary		Unallocated		Total		
	31 Dec 2013 $'000	30 Jun 2013 $'000	31 Dec 2013 $'000	30 Jun 2013 $'000	31 Dec 2013 $'000	30 Jun 2013 $'000	31 Dec 2013 $'000	30 Jun 2013 $'000	31 Dec 2013 $'000	30 Jun 2013 $'000	
Assets and Liabilities											
Assets	13,245	13,145	4,885	4,751	842	807	2,070	1,515	21,041	20,218	(ii)
Liabilities	-	-	-	-	-	-	5,678	4,489	5,678	4,489	(ii)
Other Segment Information											
Acquisition of segment assets	746	2,802	52	77	22	33	(3)	209	817	3,121	

(i) As a result of a change in management reporting used by the Chief Operating Decision Maker, certain expenses have been re-allocated in this note to provide a more accurate result by segment. As a result, comparative balances have been re-stated to provide a consistent approach for ease of comparison.

(ii) The June 2013 comparative Assets and Liabilities balances have been re-stated by $41,000 and $26,000 respectively in order to correct a prior period error. The error related to a consolidation elimination adjustment for unrealised profits on the sale of inventories.

3. Dividends

During the period, Medical Developments International Limited made the following dividend payments:

	Half-year ended 31 Dec 2013		Half-year ended 31 Dec 2012	
	cents per share	$'000	cents per share	$'000
Recognised amounts				
Fully paid ordinary shares				
Final dividend paid	2.0	761	3.0	1,105
Final dividend reinvested	2.0	387	3.0	566
		1,148		1,671

No other dividends were paid during the half year.

4. Borrowings

During the half-year, the Group obtained an increase in their existing bank loan facility from $2,550,000 to $3,950,000. The loan bears interest at variable market rates and is repayable within five years. The loan includes interest-only payments until 31 May 2014, then principal and interest payments thereafter. The proceeds of the loan have been used to fund budgeted capital expenditure.

5. Subsequent events

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future years.

6. Contingencies and commitments

There have been no significant changes to contingent liabilities, contingent assets or commitments since 30 June 2013.