

**MEDICAL DEVELOPMENTS INTERNATIONAL LIMITED
CHAIRMAN'S AND CEO'S PRESENTATION
ANNUAL GENERAL MEETING
4TH NOVEMBER, 2009**

CHAIRMAN'S ADDRESS

The Board is acutely aware that our share price is significantly down at a time when the index is significantly up. We are also aware that some valued shareholders have voted with their feet and are no longer shareholders of the Company.

Notwithstanding, we continue to believe our business strategy is the right one and that we are building a base for the future. To many of our peers we are in an enviable position: we have an established product in the market; no debt; no cash burn and profits. However, some shareholders have pointed out that we are spending significantly more on staff and consultants but this has not resulted in the expected quantum leap in profit. These observations are more or less correct.

We are making similar predictions for the future of the business here today. While we believe we are poised for a quantum increase in revenue and profits, if they do not eventuate in the near term we will re-examine the effectiveness of our expenditure and our business strategy. We will not hide behind the excuse that "the market does not understand us."

CEO'S ADDRESS

MDI reported sales and profit margins comparable to those achieved in 2008. The 2009 result was impacted by a one-off provision of \$434K relating to a 2008 sale of stock to Saudi Arabia. When normalised, the NPAT for 2009 would have been greater than 2008.

In 2009, MDI grew the business base by investing heavily in marketing and overseas product registrations to secure a platform for future growth.

The financial fruits of these activities will be captured in coming years. In the meantime, the growth strategy for MDI remains the same: build the sales of our products in new medical applications and enter into new geographic markets.

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

Highlights in 2009 include:

- Sales growth of Pentrox in New Zealand and the United Arab Emirates;
- Registration and first sales in four Eastern European countries;
- Updated submissions made for registration in five countries in South East Asia and Eastern Europe;

Six clinical studies and/or reviews were completed in various settings including the Bone Marrow Biopsy study at the Peter MacCallum Cancer Institute in Melbourne;

- US Veterinary registration for Methoxyflurane and first sales under the new brand name Anafane;
- Improvements in our manufacturing efficiency;
- A significant Asthma tender was awarded in October 2008 and MDI formed an alliance with the Australian subsidiary of a European pharmaceutical company for the supply of MDI's Space Chamber; and

- Two TGA audits of our Devices and Pharmaceutical businesses were successfully completed.

However, there were a number of setbacks in 2009, namely:

- The restriction of registration conditions for Pentrox in Saudi Arabia; and
- The delay in the reimbursement listing of Pentrox in General Practice for the Doctor's bag section of the Pharmaceutical Benefits Scheme.

MDI expects the following positive results in 2010:

- A positive decision on the reimbursement listing of Pentrox in General Practice, and an extension of the use of Pentrox into Hospitals and General Practice in Australia;
- Continued sales growth in New Zealand and the United Arab Emirates;
- First sales into four Eastern European countries and launches into new countries in Asia, Middle East and Eastern Europe;
- Continued expansion of our registration program in other countries;
- The expansion of MDI's Clinical program in Emergency medicine, Radiology, Gastroenterology and Gynaecology;
- Sales growth of Methoxyflurane (Anafane) in the US Veterinary market; and
- Increased sales of our Asthma Range of Products into new countries.