

ABN 64 055 747 941

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Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Management Restructure and Cost Reductions

Your new Board of Healthcare solutions company MediVac Limited [ASX:MDV] would like to thank all shareholders for the support they have shown toward Medivac through what has been a difficult period for shareholders, but we firmly believe that our future strategy and restructuring plans will deliver strong growth and profitability for our company.

The Board has commenced the corporate restructure of the business that was outlined at the AGM. Paul McPherson has decided to step down from his role as Executive Chairman effective immediately and the board has resolved to appoint Kieran Honour as his replacement. The Board sincerely thanks Paul for his stewardship of the Medivac business especially over the past six months or so in the lead up to the AGM and the successful acquisition of the Republica Capital business. Paul will move to a non executive role.

Following a transition period to hand over his existing responsibilities, Paul will immediately focus on the sale process of Sunnywipes and Diakyne. Paul's knowledge of these two businesses will enable a smooth and efficient sale with a focus on delivering the best possible commercial result for shareholders, given the current market. Paul will also retain responsibility for the continuing sales and marketing activities of the MetaMizer machine developed for the safe handling and remediation of waste including clinical and quarantine.

The new Board, with its different skill sets and business experience, will bring a laser focus to the broadened strategic direction of the business, particularly in relation to the added involvement in the financial services sector, whilst at the same time eliminating losses and pursuing profitable opportunities in the health care sector. Both these businesses have strong growth potential both here in Australia and in the Asia Pacific region. We aim to be a profitable niche player in both of these sectors.

We have all made a significant investment in Medivac and your Board will seek to maximize the return on our investments to the benefit of all our shareholders. In the short term, we will focus on reducing costs, reducing our debt and divesting those businesses that are not able to deliver improved performance under our new blueprint and mantra of low cost and low capital intensive cash-flow.

Our short term focus will be reducing the fixed costs within the business. These are mostly staff costs, with a particular focus on management costs. Most of the fixed costs can be out-sourced and given revenue levels this will deliver significant savings. We will also relocated the office/warehouse and sub-lease the Kings Park premises on current commercial terms. Based on current market prices, this will significantly reduce rental costs.

The Board size has been reduced to four members from five, further reducing administration costs, and this will enable us to make decisions more efficiently and promptly. The board realizes the urgency of bringing the company to profitability. Our focus will be on the business units that deliver the greatest returns.

Moving forward, the proceeds of the sale of the Diakyne and SunnyWipes assets will go to debt reduction, marketing the MetaMizer product and expanding the Republica Capital investment portfolio to deliver strong returns.

We invite shareholders and the broader market to follow our progress and our new commitment to action.

For and on behalf of the Board

Mal Lucas-Smith
Company Secretary

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