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Letter From the Chairman

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Introduction From the Chairman

As MediPurpose™ completes its 16th year in business, I am pleased to present my annual MediPurpose report for fiscal year 2014, ended 30 June 2014.

The company's Annual General Meeting will be held on 29 December 2014 in the United States. I encourage all interested shareholders to attend.

SurgiLance™ Safety Lancets

First introduced in 1999, the [SurgiLance™ Safety Lancet](#) remains MediPurpose's flagship product.

The safety lancet market remains highly competitive in North America. Therefore, we have been working to grow SurgiLance sales outside the U.S. in Europe and Latin America. Sales of SurgiLance outside North America has grown from only 3% of total SurgiLance sales in FY2006 to 19% in FY2014. To accelerate our internationalization efforts, [we signed a sales and marketing agreement with IVDEC in June 2014](#). IVDEC is a U.K.-based medical device consultancy that is providing marketing and sales support for MediPurpose's medical product portfolio in EMEA/LA (Europe, the Middle East, Asia, Australia and Africa).



The safety lancet is now a commodity product in many countries. To compete in this mature market, we are evaluating several options to introduce a lower-priced safety lancet with comparable quality. Despite the need to contain costs, we continue to keep a diligent, careful eye on the quality of our SurgiLance safety lancet. I am very pleased to report that, for the last eight years, [we have received an average of only one complaint per three million SurgiLance safety lancets sold](#).

babyLance™ Safety Heelsticks

We launched the all-new [babyLance™ Safety Heelstick](#) in August 2012. Three exclusive U.S. distributors specializing in the neonatal market helped us introduce babyLance into the U.S. market. Several hospitals have adopted the new babyLance since the launch.

Our exclusive distributors in Austria and Netherlands have also converted a large number of hospitals in their countries where we are now the dominant supplier. Their users are very happy with the new babyLance.



Sales of babyLance increased by 83% in FY2014 over sales in FY2013. For FY2015, we will be expanding our distribution channels in the U.S. and Europe to better serve the market.

MediPlus™ Advanced Wound Care

The [MediPlus™ Advanced Wound Care](#) product line was introduced in 2011.

Through our MediPlus™ Advanced Wound Care products brand, we are now able to offer our customers a high-quality, cost-effective and comprehensive portfolio of advanced wound care dressings, including thin films, hydrocolloids, foams and alginates, as well as a range of antimicrobial silver foam products. [We also launched new silicone foam products in early 2014.](#)



New Business Development (NBD)

Our NBD team's demonstrated ability to source products, implement development projects required to release products under U.S. FDA and ISO guidelines, and obtain HCPCS reimbursement codes is of significant value.

Following the launch of babyLance, we started development on another safety medical device, which we hope to launch in the first half of 2015.

Marketing and Sales

In April 2014, we merged the customer service and sales teams to provide better service to our customers. The reorganized team now consists of three Key Account Managers (KAM)—Cheryl Channell, Patricia Vendetti and Mindy Rodriguez—headed by [our new VP of Sales, Reggie Carr](#).

To guide our marketing efforts, we will have dedicated product managers for each of our products: Derek Rudnak (Advanced Wound Care), Adeline Yi (babyLance) and Cheryl Yi (SurgiLance).

Along with continuing to engage in best practices for inbound marketing, we are also refining our analytics and lead nurturing activities—particularly with Google Analytics and our NetSuite CRM (customer relationship management).

Operations

We have migrated our Quality Management System (QMS) documentation to a new cloud-based system, QT9.

This system will improve our capability to keep up to date with the ongoing QMS documentation as well with new quality and regulatory requirements from the U.S. FDA and ISO.

Looking to the Future

We are committed to developing innovative and safe medical products and bringing quality products to the world healthcare market.

However, our end users have many competitive choices. We therefore need to better understand our loyal customers so that we can anticipate and meet their needs.

Patrick Yi
MediPurpose™ Founder/CEO