

MEDISAFE ADDS
ISOPRENE SURGICAL

INDONESIA'S
RISING COSTS

MEDISAFE =
MARGMA + MEDICA

GLOVEBUZZ

MAY 2014 EDITION

- + **GLOVE PLANT 5**
commences operations
- + **MALAYSIAN GAS PRICES**
increase 20%
- + **medisafe-tech.com**
relaunches

Medisafe Technologies

Perfect Fit. Perfect Feel.

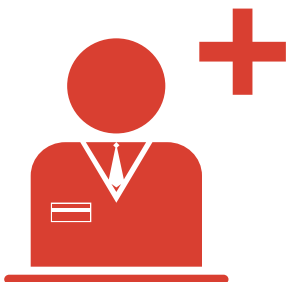
Safeguarding Lives. One Glove at a Time.™

Surgical Portfolio Expands with **ISOPRENE** addition



With the addition of Isoprene, Medisafe now has four different synthetic surgical SKU's on offer to meet a variety of price points and end-user needs.

Please be sure to get in touch with your Surgical Sales Specialist for additional information.



Medisafe is pleased to confirm that the Isoprene surgical polymer is available for commercial sale. The Isoprene glove (Product Code: IR-SG-130) joins our line of Chloroprene surgical gloves to provide for a comprehensive synthetic surgical offering.

Isoprene is fast becoming the polymer of choice for clinicians in latex-free environments given its latex-comparable features as desired by surgeons and operating theater clinicians. The Isoprene glove is ideal for general, orthopedic and gynecological procedures.

In addition, Medisafe's Isoprene surgical glove features the Company's proprietary anatomical formers for enhanced fit, low modulus and high tensile strength. This combination allows for maximum comfort and dexterity.

The Isoprene glove is finished with a polymer coating which allows for damp donning, and which also allows the glove to be used as an underglove or overglove when double-gloving.

The glove is US FDA 510(k) cleared and CE-marked, complies with EN 455 parts 1-3 and passes ASTM F1671 Resistance to Viral Penetration. To reduce potential Type IV chemical allergies, the glove is manufactured without DPG and Thiurams with non-detectable residual chemical and accelerator levels.

In addition, the glove has been tested for Permeation by Chemotherapy Drugs using the rigid ASTM D6978-05 standards for extra protection when handling chemotherapeutic drugs (pending USFDA clearance for chemotherapy claim).

All testing results are available upon request.

Medisafe Receives Kosher & Halal Certifications

Medisafe facilities and products have received Kosher and Halal certifications from two of the leading certifying bodies, Badatz Igud Rabbonim, Manchester, UK and the Indonesian Council of Ulama, Jakarta, respectively.

Attaining the Kosher certification means that all inputs, process chemicals, procedures and machinery have been audited and certified to ensure that the gloves produced by Medisafe are safe to use for the Jewish faith, and to cater to procedures used in the preparation of kosher food.

Similarly, attaining the Halal certification has meant that all inputs, process chemicals, procedures and machinery have been audited and certified to ensure that the gloves produced by Medisafe are safe to use for the Muslim faith, and to cater to procedures used in the preparation of Muslim food. This is a particularly attractive selling point for those that cater their disposable glove strategies to the Middle Eastern markets.

All Medisafe products may now carry the Kosher & Halal certification symbols on packaging signifying compliance with either Kosher or Halal law, creating a superior marketing message for distributors focused on supplying to the food service industry.



Contact your Medisafe Sales Specialist for more information on applying these symbols to your packaging.

OPERATIONAL UPDATES



Medisafe Earns Green Industry Distinction

Medisafe is one of only 69 Indonesian companies to recently earn a Green Industry Award given by Ministry of Industry for exhibiting environmental friendliness in utilizing natural resources. This is a highly prestigious award that requires strict compliance with stringent environmental standards. Medisafe representatives were called to the capital city of Jakarta to receive their award and be recognized.

The Green Industry Award assessment is based on several aspects, including production process efficiency, use of materials, energy, water, process technology, products, human resources and work environment. Minister of Industry and Trade, MS Hidayat, stated Indonesian companies need to apply the principles of reduce, recycle, and recovery in the production process. This award continues a long tradition by Medisafe to safeguard and preserve our environment.

Medisafe has long been a leader in the use of biomass as a green replacement for fossil fuels, with over 98% of our energy needs covered by renewable energy sources such as palm shells. Waste heat from our boilers runs our HVAC system and chillers and an on-site water treatment plant ensures our effluents are safe for discharge without harm to the environment or our community. Our efforts today have resulted in Medisafe being one of the disposable glove industry's lowest emitter of carbon hazards.

Medisafe Commissions State-of-the-Art Glove Plant



April 2014 marked the rollout of Glove Plant (GP) 5, Medisafe's newest glove production facility. The expansion project is being celebrated for its state-of-the-art automation and technology backbone that will make it the most modern and automated disposable glove facility in the industry today.

By June 2014, when the final phase of GP 5 will be completed, Medisafe's capacity will increase to over 2.3 billion gloves per annum, positioning us as the largest synthetic Indonesian glove manufacturer, and the second largest overall.

Notes Medisafe Chairman Vikram Hora, "GP 5 sets a new standard in the industry for glove line production. From concept to roll-out, we have completely redefined the process of glove production, with integrated technology and smart regulation built into a dipping line process like it has never been done before. Moreover, with GP 5, our technology integration has extended well beyond advances in on-line processes, to linking the entire supply chain of our affiliated systems."

Hora continues "We have one of the most advanced ERP systems in the industry, and are pleased with the fact that we have fully leveraged its capabilities in information control, retrieval and data analytics while designing GP 5."

Medan is a short 40 minute flight from Kuala Lumpur. We invite you to come and visit us to see the world's most advanced glove lines.

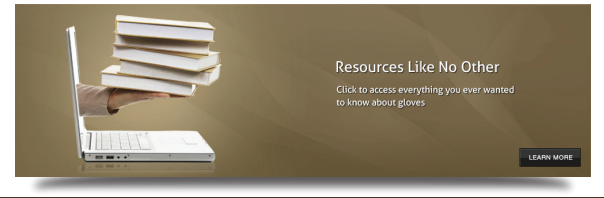
Medisafe Website Sports New Look



www.medisafe-tech.com

Having gone live on April 1, the totally revamped and upgraded Medisafe website sports a brand new look along with many site enhancements to provide you fast and easy access to information on our industry, clinical education, key resource links and everything to know about Medisafe and our products.

Easy to navigate and content rich, we hope to make your website experience with us even better.



These are just a few of the many new features you will find:

- OUR PRODUCTS**
View comprehensive product information and specifications, learn more about key features and benefits, what glove is right for the task and much more
- KNOWLEDGE CENTER**
Discover leading clinical whitepapers, how-to guides, regulatory standards and more, for both you and your customers
- INDUSTRY RESOURCES**
Links to many of the valuable resource sites at your fingertips
- INDUSTRY NEWS**
Visit to stay current on the latest news and current happenings in our ever dynamic industry



We hope that you will enjoy browsing our new site, finding more options and information each time. Let us know what you think by passing on feedback through the "Contact Us" page or through your Sales Specialist.

Local School Benefits From Medisafe Computer Donations



Alwasliyah School teachers accept computer systems from Bapak Raju and Gurdip



Local school children love the new computers

Local Medan school children will be able to learn computer skills first hand on the four computer systems Medisafe donated to Alwasliyah School, Medan. This donation allows the school's children to learn valuable skills early in their education that can lead to greater opportunities for them in the future.

Medisafe is committed to the ongoing support of local schools and communities so that the children of our region have an opportunity to learn in a nurturing environment and prosper educationally.

Electricity Hikes Affect Malaysian Manufacturers



Tenaga Nasional Bhd's (TNB), Malaysia's national utility company, implemented on January 1, 2014 an electricity tariff increase of nearly 17% to all industrial participants.

While the full impact of the double digit price hike on Malaysia's manufacturers is unknown, the Malaysian Rubber Glove Manufacturers Association (MARGMA) stated the electricity tariff review will increase production costs significantly for glove manufacturers, predicting rises of between US\$0.20 and US\$0.60 per thousand, depending on the type of equipment used.

The Federation of Malaysian Manufacturers (FMM) foresees further difficulties for industries already facing rising costs from the full implementation of the minimum wage and minimum retirement age.

The organization goes on to state "There is also the impending increase in other utility pricing and various other proposals in the pipeline such as unemployment insurance, environmental cess and an increase in renewable energy fund contributions, all of which would again increase the cost of doing business significantly."

Malaysia

Indonesia

Malaysia Unexpectedly Raises Gas Prices by Almost 20%



On Friday, April 11, 2014, Gas Malaysia Berhad announced that it would raise gas prices across Malaysia. The extent of the increase ranges from 13% to 20%, based on the tariff category of each business. Malaysian glove manufacturers were particularly hard hit by this announcement given they fall into the highest tariff category, meaning that they face an increase of nearly 20%. Moreover, the increase will become effective on May 1, 2014, leaving glove manufacturers less than two weeks to react.

The increase in gas comes on the back of a 17% increase in electricity costs that Malaysian glove manufacturers had to face effective January 1, 2014, as well as, more recently, significant water-rationing measures in Central Malaysia due to limited rainfall. The water rationing measures have resulted in glove manufacturers in Central Malaysia having to purchase water at up to 10 times the normal rate and / or having to shut down their production for days at a time due to insufficient access to water.

In an article dated April 16, 2014, The Edge, a leading Malaysian daily, MARGMA President Lim Kwee Shyan said the natural gas hike effective May 1 would raise production costs significantly for rubber glove manufacturers. Lim notes "Whilst we understand the move, we are concerned that the announced quantum is too high and is a sudden and big burden to us now." The association said the gas price adjustment should have been gradual and pre-announced.

Indonesia Not Immune From Rising Costs



Indonesia has not been immune to increases seen in worker wages and utilities in neighboring Malaysia, which have prompted similar increases throughout many of Indonesia's provinces, including North Sumatra, home of Medisafe's Medan operations.

In January 2014, the North Sumatra provincial administration increased the provincial wage by 14% relative to levels seen in 2013, affecting nearly 85% of Medisafe's labor force. In addition, electricity prices have risen 14% during 2013 through quarterly hikes. In mid-2013, petrol prices increased 44% and diesel prices increased by 22% affecting not only Medisafe but also its suppliers and vendors, which had a multiplier effect on Medisafe's cost base.

Although the effects of these wage and utility increases have been challenging, Medisafe has focused on heightened efficiency, increased automation, and the enhanced integration of technology to mitigate the impact and continue to offer price-competitive solutions to our valued customers.

Medisafe To Exhibit At Margma & Medica 2014



Medisafe will be exhibiting for the first time at the 7th IRGCE 2014 organized by MARGMA on the dates of September 2-4, at the Kuala Lumpur Convention Center. We invite you to visit us at Booth # 60/53 West Wing to preview our comprehensive line of Nitrile, Chloroprene and Isoprene gloves in Exam and Surgical format as well as meet our Management and Sales teams.

In addition, Medisafe will be exhibiting for the first time at MEDICA 2014, on the dates of November 12-15. MEDICA is the world's largest trade show for the medical sector. With 115,000 square meters of floor space, 4,500 exhibitors from 70 countries, 17 exhibitor halls, 5 exhibition areas and numerous forums and congresses, it is the place to see and be seen for anybody in the field of healthcare and medicine. Please stay tuned for booth information.

For more information, click on either of the links.

[MARGMA](#)

[MEDICA](#)

Malaysia GSP Benefit Ends. Landed Cost into Europe Increases By 2.7%

On January 1, 2014, the European Union's Generalized Scheme of Preferences (GSP) was amended. Under the amended policy, Malaysia will no longer be the beneficiary of preferential treatment and will be excluded from the maximum 2.7% duty reduction on exports to the EU and Turkey going forward.

This action was in accordance with the EC's desire to bolster developing countries by making it easier for them to do business within the EU. Malaysia was removed as a beneficiary after classification by the World Bank as a high or upper middle income economy for the most recent three years.

For importers of gloves to Europe, this means a 2.7% increase in costs on all Malaysian gloves. As an example, on a case of \$25.00, this means an increase of almost \$0.70 to importers on a landed cost basis! While Malaysia has lost beneficiary status, Indonesia remains on the list of developing countries protected by the GSP and receives the full benefit of the USP scheme.



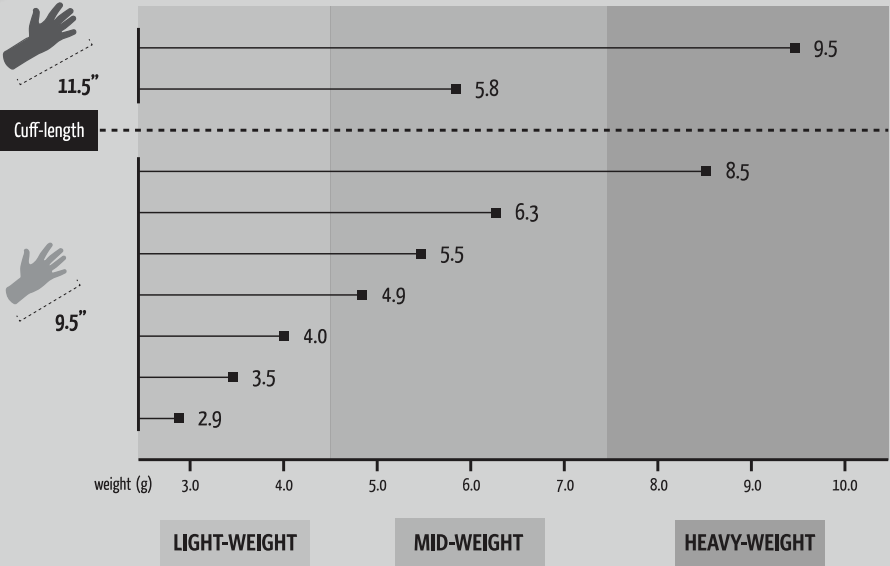
For those customers that are focused on European end-markets and are currently buying from Malaysian manufacturers, please reach out to your Sales Specialist to determine how best a sourcing strategy from Medisafe could lower your overall costs and make you more competitive.

PORTFOLIO SUMMARY

NITRILE EXAM

SPECIAL APPLICATIONS
*EMOLLIENTS Aloe Vera, Vitamin E
FLAVORS Bubble Gum, Strawberry, Apple, Mint
FINISHES Damp Don, Double Don

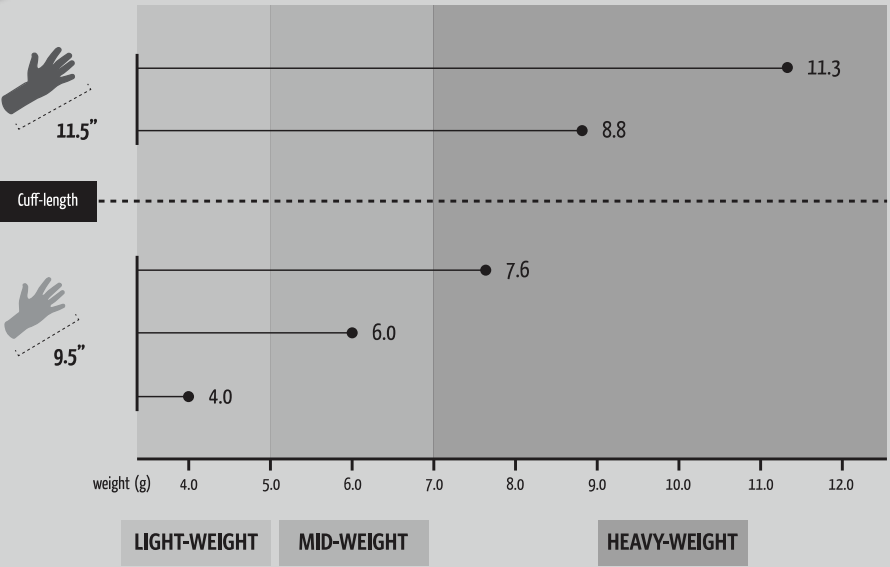
*Note:
Emollient applications are restricted to specific customers due to existing IP arrangements with them



CHLOROPRENE EXAM

SPECIAL APPLICATIONS
*EMOLLIENTS Aloe Vera, Vitamin E
FLAVORS Bubble Gum, Strawberry, Apple, Mint
FINISHES Damp Don, Double Don

*Note:
Emollient applications are restricted to specific customers due to existing IP arrangements with them



SURGICAL

SPECIAL APPLICATIONS
FINISHES Damp Don, Double Don

