

Friday 21 February 2014

Company Announcement

Pro Medicus Limited – Interim Results

Key points:

- **First-half NPAT of \$0.2M – increase of \$0.83M over underlying result from operations for previous corresponding period**
- **Revenue \$6.07M – 4.4% higher than for previous corresponding period**
- **Bulk of US contract revenue to come in the 2nd half**
- **Cash reserves of \$17.84M at 31 December 2013**
- **Company remains debt-free**
- **Interim dividend - 1c per share fully franked**

Leading e-health company Pro Medicus Limited [ASX: PME] today announced a first-half after-tax profit of \$0.2M for the six months to the end of December 2013 – an increase of \$0.83M compared with the underlying result from operations (as defined by net profit after tax minus one-off contributions) during the same period last year.

This was achieved by increased revenue of 4.4% to \$6.07M and a reduction in operating costs for the period.

In the six months to 31 December 2013, Pro Medicus continued to make progress in North America, winning a five-year US\$4.0M agreement with VISN23, a large regional Veterans Affairs network in the USA. The VISN23 network, one of 21 Veteran Integrated Service Networks within the Department of Veterans Affairs, serves more than 400,000 enrolled veterans in the Mid West. Revenue from this contract will begin in the second half of the financial year.

During the period Pro Medicus also successfully implemented the first vRad installation, with transaction-based revenue from the contract commencing at the time of installation. vRad (Virtual

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Pro Medicus Limited
450 Swan Street Richmond
Victoria 3121 Australia
T +61 3 9429 8800
F +61 3 9429 9455
promedicus.com

Radiologic), based in Minneapolis, Minnesota, USA, is the country's largest radiology group and telemedicine platform. vRad's more than 450 radiologists serve over 2,000 radiology groups, hospitals and health systems, reading in excess of 7 million studies annually.

Commenting on the contribution from the US contracts, Dr Sam Hupert, Pro Medicus' CEO, said "As anticipated, revenue from the vRad contract commenced in November so had a limited impact on the first half. The Company however is expecting a stronger second half with revenue from the VISN 23 contract scheduled to commence in the March timeframe as well as having the full impact of 6 months of vRad revenue."

Pro Medicus continued its significant investment in research and development, both in Australia and overseas. "This has led to a number of enhancements to the existing product lines, as well as further progress with the company's new technology RIS platform, which continued to be rolled out to new sites during the half year," Dr Hupert said.

Promedicus.net, the company's e-health offering, also performed well throughout the period despite increasing competition.

The company's cash reserves remained high, with a balance of \$17.84M at the end of December 2013. It is estimated that approximately \$4.0M of this will be used to pay tax on the profit of the Amira sale, leaving the company with cash reserves of around \$14.0M. The company remains debt-free.

The Pro Medicus board announced an interim dividend of 1.0c per share fully franked.

"We are very pleased with the progress the company is making particularly in the US," said Dr Hupert. "We are looking to build on our presence in this, the world's largest market where opportunities exist for us within the large teaching hospitals and health networks as well as the remote reading and imaging center markets."

For further information:

Dr Sam Hupert
Chief Executive Officer
Pro Medicus Limited
Ph: +61 3 9429 8800

Media:
Richard Allen
Oxygen Financial Public Relations
Ph: +61 3 9915 6341

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450 Swan Street Richmond
Victoria 3121 Australia
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F +61 3 9429 9455
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About Pro Medicus Limited:

Pro Medicus Limited [ASX: PME] is Australia's leading medical IT and e-health provider. Founded in 1983, the company provides a full range of integrated software products and services to individual, corporate and public health providers. More than 26,000 doctors are now connected to the company's e-health service, promedicus.net. In late January 2009 the company announced the purchase of Visage Imaging, a leader in advanced 3D visualization technology. As a result of the Visage acquisition, Pro Medicus now has a suite of leading-edge 3-dimensional Picture Archiving and Communication System (PACS) and advanced visualisation products which, combined with its Practice Management (RIS) and e-health solutions, constitutes one of the most comprehensive "end-to-end" solutions for the radiology profession. Pro Medicus employs more than 70 people and has offices in Melbourne, Berlin and San Diego

www.promedicus.com.au

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