

ParagonCare

8th January 2015

Australian Securities Exchange
Company Announcements Office

LR INSTRUMENTS - ACQUISITION FINAL PAYMENT

Paragon Care Ltd (ASX: PGC) “the company” is pleased to announce that it has made the final payment to the vendor of LR Instruments Pty Ltd, Mr Lionel Richards after the business exceeded its performance condition.

LR Instruments and Richards Medical were acquired by Paragon Care on the 1st of January 2014 for the total consideration of \$5.3m. As agreed at the time, \$800,000 of the acquisition consideration would be deferred and become payable after 12 months, subject to the acquired business meeting pre-agreed gross profit targets in the first full year of Paragon Care’s ownership. The company is pleased to report that for the 12 months ended 31st December 2014, the gross profit performance target was exceeded by the business, triggering the final deferred conditional payment to Mr Richards. This amount was already provided for in the company accounts as part of the total \$5.3m acquisition price.

The company will also announce its 2nd quarter cashflow performance to the ASX later this month and the full half year result for the period ended 31st December 2014 will be announced in mid/late February 2015.

Commenting on recent operating performance Paragon Care’s Managing Director Mr Mark Simari said, “Based on preliminary financial information, earnings for the first half of the year will be significantly higher than the prior period and will be consistent with the company’s pro-forma FY15 expectations. In addition, the business continues to generate strong and stable cashflows, with operating cashflow in the second quarter expected to exceed the first quarter’s strong result. As we move into the second half of the year the sales pipeline looks very strong which will underpin Paragon Care’s ongoing organic growth while we continue to look at complementary acquisitions.”

Matthew Parker
Company Secretary

About Paragon Care:

Paragon Care Limited (ASX: PGC) is one of Australia’s leading providers of integrated services to Australia’s health and aged care markets. These are high growth markets driven by the ageing of the population, continuously rising consumer expectations and increasing government spending. Paragon Care has seven operating businesses: Axishealth, Iona Medical, Volker Australia, Rapini, GM Medical, Richards Medical, LR Instruments and Scanmedics who combined supply durable medical equipment, consumable medical products and medical devices to hospitals, medical centres and aged care facilities.

For further information please contact Mark Simari, Managing Director (1300 369 559)

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