Medical Developments International

20th February 2015

HALF-YEAR REPORT

Pursuant to listing rule 4.2A, please find following Medical Developments International's Consolidated Half-Year Report and associated results announcement, which should be read in conjunction with the most recent annual financial report.

Mark Edwards
Company Secretary

Medical Developments International Limited ABN 14 106 340 667
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CHAIRMAN'S AND CEO'S REPORT

AN EXCITING FUTURE

Half-year Key Performance Highlights

TOTAL SALES

22% ↑

UP ON PRIOR PERIOD

EARNINGS BEFORE INTEREST AND TAX

397% ↑

UP ON PRIOR PERIOD

NET PROFIT AFTER TAX

72% ↑

UP ON PRIOR PERIOD

Strong Cash and Financial Position

SIGNIFICANT REDUCTION IN DEBT POSITION

57% ↓

DOWN ON 30 JUNE 2014

CASH FLOWS FROM OPERATING ACTIVITIES

325% ↑

UP ON PRIOR PERIOD

The underlying profit does not include one-off Licence or Upfront payments received during the period from our marketing partners.

Penthrox®

All segments of our Penthrox business performed strongly and sales of Penthrox **grew 39%** compared to H1FY14. Sales to our Ambulance business **grew** by **18%** and sales to Hospitals and General Practitioners **grew 52%**. Sales for our Dental business **grew 233%** which is the result of our new business partner expanding our presence in this market.

Internationally we made our first sales to South Africa which we expect will be a significant market for Penthrox. Sales in the Middle East **grew 108%** and sales in New Zealand **grew 50%**. Our Eastern European business underperformed as a result of political unrest in the region.

We expect the second half of the year to show ongoing improvement.

Respiratory Devices

Sales of our respiratory devices rebounded strongly in H1FY15 and **grew 29%**. Sales into the Australian market **grew 19%** and sales to our New Zealand business **grew 66%**. Sales into Europe grew strongly and our business in that region is developing.

During the period we established an office in North America. We expect to see meaningful sales growth in Europe and North America.

We expect the second half of the year to show ongoing improvement.

Medical Devices and Vet

Sales of our Vet equipment is flat and sales of other Medical Devices have **declined** by **54%** mainly due to a large one off order of more than $250,000 in H1FY14. We expect this performance to improve in the second half of FY15.

CHAIRMAN'S AND CEO'S REPORT

Penthrox® Developments

In January 2015 MVP received positive feedback from the Medicine and Healthcare products Regulatory Agency ('MHRA') to market and sell its inhaled analgesic product 'Penthrox®' in the United Kingdom, and by extension to France, Belgium and Ireland via the Decentralised Procedure.

The MHRA stated that based on its review of the data on quality, safety and efficacy of Penthrox, it *'considers that the application for Penthrox in the treatment of pain relief by self-administration to conscious patients with trauma and associated pain is approvable provided that some listed outstanding points are satisfactorily addressed'.* The outstanding points are a combination of labelling, training, administrative, quality, clinical and non-clinical matters which are already being addressed. MVP is confident it can address all the points in the coming weeks. The result should be that MVP's marketing partner in the United Kingdom and Ireland can make sales into those markets in calendar 2015 and perhaps before 30 June 2015.

We have submitted our Regulatory Dossier for approval to sell Penthrox in Israel, Singapore, Saudi Arabia and Russia and we are finalising applications in Hungary, Mexico, Malaysia and Hong Kong which we hope will be lodged in the next few months. We have agreed terms with marketing partners in all these regions (excluding Malaysia where negotiations continue).

MVP is in discussion with a number of potential business partners in various countries in Europe and elsewhere and we are hopeful we can agree terms and conclude negotiations in the coming months.

Clinical Developments

A study being undertaken at Royal Adelaide Hospital and which we expect to be complete in the coming months aims to demonstrate that the use of Penthrox does not impair a patient's ability to drive or operate machinery.

A trial in Singapore, which is comparing the benefits of I.M. Tramadol v Penthrox in an Ambulance setting, is progressing well. Interim results are very positive for Penthrox and we expect this trial will be completed towards the end of 2015.

We are developing three additional clinical trials in 2015 which will support our marketing efforts in Europe and elsewhere.

Once we have achieved approval to sell Penthrox in our target European countries we will shift our regulatory focus to executing our regulatory strategy in the USA. This will include a Phase III Pivotal trial to facilitate approval to sell Penthrox in the USA. That work will commence over the coming months.

KEY ACHIEVEMENTS FOR H1 FY15 ARE SUMMARISED AS FOLLOWS:

PENTHROX®

- Strong Sales growth for Penthrox in Australia.
- First sales of Penthrox in South Africa.
- Positive feedback from the MHRA regarding European Regulatory Approval.
- Regulatory submissions made in multiple countries.
- Appointed Galen Ltd as distribution partner in UK & Ireland and received upfront payments.
- Strong sales growth in Dental market.
- Strong sales growth to Australian General Practitioners & Hospitals markets.
- Strong sales growth in New Zealand.
- Strong sales growth in the Middle East.
- Progress in product development.

RESPIRATORY MEDICAL DEVICES

- Strong rebound in Australian Respiratory Device sales.
- Established North American office.
- Established additional distribution channels in Europe.
- Appointed PSUK as the exclusive distributor of MDI's range of respiratory devices for the UK.
- Significant sales growth in New Zealand.
- Strong sales growth from international markets including Europe and Canada.
- New product lines approved for sale in Australia, Asia and Europe (USA pending).

OTHER

- Ongoing improvement in manufacturing costs and efficiencies.
- Strong improvement in cash generated from operating activities.
- Significant reduction in new debt position.
- Continued investment in new product development.
- Continued investment in clinical development programs and trials.

Product Development

Our CSIRO manufacturing project is making good progress. We expect to complete this project during FY15 and when successfully completed, it will revolutionise our manufacturing process and transform the cost base for Penthrox. In addition to valuable intellectual property, this project will create ongoing options for innovation and growth which previously did not exist.

Elsewhere in our business we continue to invest heavily in product development and a new range of market leading Respiratory Devices has recently been approved for sale in Asia, Europe and Australia. We have submitted our application to sell our new range of products to the FDA (in the United States) and we expect approval before the end of this financial year.

Conclusion

Our ambition is to make Penthrox a main stream analgesic of choice around the world and our Respiratory Devices business leader in its field.

Penthrox is a category leading drug in Australia and we expect it can dominate many of the trauma and minor surgical procedure markets around the world. With the completion of our Regulatory Dossier, a number of licensing deals successfully concluded and with the successful completion of our CSIRO manufacturing project, we believe we are working toward a rerating of the company to be a worldwide pharmaceutical company.

We would like to thank our staff for their efforts throughout the period.

Further Information:

Mr John Sharman
Chief Executive Officer

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Mr David Williams
Chairman

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ABN 14 106 340 667

Consolidated Half-Year Report (Appendix 4D)

Financial Half-Year Ended 31 December 2014

(Previous corresponding period: Half-year ended 31 December 2013)

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Results for Announcement to the Market

The following information is provided in accordance with ASX Listing Rule 4.2C.3

	Half-year ended 31 Dec 2014 $000	Half-year ended 31 Dec 2013 $000	Percentage increase/ (decrease)
Revenue From Ordinary Activities	5,501	4,538	21.2%
Earnings before Interest and Tax	1,044	210	397.1%
Net Profit After Tax	731	426	71.6%
Cash and Cash Equivalents	595	1,088	(45.3%)
Basic EPS	1.27	0.74	71.6%

Dividends

The Board of Directors have not declared an interim dividend in respect of the half-year ended 31 December 2014.

For a brief explanation of the figures above refer to the review of operations attached.

Consolidated Half-Year Report for the Half-Year Ended 31 December 2014

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Directors' Report

The directors of Medical Developments International Limited ("MDI") herewith submit the financial report of Medical Developments International Limited and its subsidiary (the Group) for the half-year ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half year are:

- Mr D J Williams (Non-Executive Chairman)
- Mr R M Johnston
- Mr A D McCallum
- Dr H F Oxer
- Mr L Hoare
- Mr P Powell
- Mr M Van Ryn

The above named directors held office during and since the end of the half-year except for:

- Mr P Powell – appointed 17 December 2014.
- Mr M Van Ryn – resigned on 28 July 2014.

Review of Operations

A detailed review of the operations of the company during the half-year and the results of these operations is set out in the accompanying results announcement.

Auditor's Declaration of Independence

The auditor's independence declaration under s.307C in relation to the review is included on page 4.

Rounding Off of Amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors.

David Williams
Chairman
Melbourne, 20 February 2015

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The Board of Directors
Medical Developments International Limited
7/56 Smith Road
SPRINGVALE VIC 3171

20 February 2015

Dear Board Members

Medical Developments International Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Medical Developments International Limited.

As lead audit partner for the review of the financial statements of Medical Developments International Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

Samuel Vorwerg
Partner
Chartered Accountants

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Independent Auditor's Review Report to the Members of Medical Developments International Limited

We have reviewed the accompanying half-year financial report of Medical Developments International Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2014, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Medical Developments International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Medical Developments International Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Medical Developments International Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

Samuel Vorwerg
Partner
Chartered Accountants
Melbourne, 20 February 2015

Directors' Declaration

The directors declare that:

a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

David Williams
Chairman
Melbourne, 20 February 2015

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2014

	Half-year ended	
	31 Dec 2014 $'000	31 Dec 2013 $'000
Revenue from sale of goods	5,501	4,538
Cost of sales	(1,547)	(1,574)
Gross Profit	3,954	2,964
Other income	16	21
Distribution expenses	(289)	(242)
Marketing expenses	(857)	(915)
Occupancy expenses	(190)	(194)
Administration expenses	(945)	(813)
Regulatory and registration expenses	(431)	(421)
Other expenses	(265)	(256)
Profit before income tax expense	993	144
Income tax benefit/(expense)	(262)	282
Profit for the period	731	426
Items that may be reclassified subsequently to profit or loss, net of income tax		
Exchange differences on translating foreign operations	24	(31)
Total Comprehensive Income for the period	755	395
Profit attributable to:		
Owners of the parent	731	426
Total Comprehensive Income attributable to:		
Owners of the parent	755	395
Earnings per Share:		
Basic (cents per share)	1.3	0.7
Diluted (cents per share)	1.3	0.7

Notes to the financial statements are included on pages 12-16

Condensed Consolidated Statement of Financial Position
As at 31 December 2014

	31 Dec 2014 $'000	30 Jun 2014 $'000
Current Assets		
Cash and cash equivalents	595	1,659
Trade and other receivables	1,630	1,808
Inventories	1,578	1,446
Current tax assets	295	512
Other	188	153
Total Current Assets	4,286	5,578
Non-Current Assets		
Plant and equipment	1,399	1,125
Deferred tax asset	104	104
Goodwill	7,368	7,368
Other intangible assets	8,638	8,385
Total Non-Current Assets	17,509	16,982
Total Assets	21,795	22,560
Current Liabilities		
Trade and other payables	855	1,092
Provisions	151	180
Borrowings	601	3,089
Current tax liabilities	-	-
Total Current Liabilities	1,607	4,361
Non-Current Liabilities		
Deferred tax liabilities	1,600	1,414
Provisions	96	70
Borrowings	978	573
Other	935	318
Total Non-Current Liabilities	3,609	2,375
Total Liabilities	5,216	6,736
Net Assets	16,579	15,824
Equity		
Issued capital	10,946	10,946
Reserves	(9)	(33)
Retained earnings	5,642	4,911
Total Equity	16,579	15,824

Notes to the financial statements are included on pages 12-16

Condensed Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2014

	Half-year ended 31 December 2014			
	Issued capital $'000	Retained earnings $'000	Foreign Currency Translation Reserve $'000	Total $'000
Opening balance at 1 July 2014	10,946	4,911	(33)	15,824
Profit for the period	-	731	-	731
Exchange differences on translation of foreign operations	-	-	24	24
Total Comprehensive Income	-	731	24	755
Dividends Paid	-	-	-	-
Closing balance at 31 December 2014	10,946	5,642	(9)	16,579

	Half-year ended 31 December 2013			
	Issued capital $'000	Retained earnings $'000	Foreign Currency Translation Reserve $'000	Total $'000
Opening balance at 1 July 2013	10,559	5,183	(13)	15,729
Profit for the period	-	426	-	426
Exchange differences on translation of foreign operations	-	-	(31)	(31)
Total Comprehensive Income	-	426	(31)	395
Dividends Reinvested	387	(387)	-	-
Dividends Paid	-	(761)	-	(761)
Closing balance at 31 December 2013	10,946	4,461	(44)	15,363

Notes to the financial statements are included on pages 12-16

Condensed Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2014

	Half-year ended 31 Dec 2014 $'000	Half-year ended 31 Dec 2013 $'000
Cash flows from operating activities		
Receipts from customers	6,263	5,320
Payments to suppliers and employees	(4,710)	(5,091)
Interest received	-	7
Interest paid	(30)	(57)
Income tax refund/(paid)	140	209
Net cash provided by operating activities	1,663	388
Cash flows from investing activities		
Payment for plant and equipment	(308)	(190)
Payments for other intangible assets	(348)	(1,008)
Net cash used in investing activities	(656)	(1,198)
Cash flows from financing activities		
Dividends paid	-	(761)
Payments for hire purchase	(22)	-
Repayment of borrowings	(2,090)	-
Proceeds from borrowing	-	1,922
Net cash provided by / (used) in financing activities	(2,112)	1,161
Net increase/(decrease) in cash held	(1,105)	351
Cash at the beginning of the half-year	1,659	768
Effects of exchange rate changes on the balance of cash held in foreign currencies	41	(31)
Cash at the end of half-year	595	1,088

Notes to the financial statements are included on pages 12-16

Notes to the Condensed Consolidated Financial Statements

For the Half-Year Ended 31 December 2014

1. Significant accounting policies

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
- Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards'

Impact of the application of AASB 1031 'Materiality' (2013)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

The Group has applied the amendments to AASB 132 for the first time in the current year. The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

Impact of the application of AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'

The Group has applied the amendments to AASB 136 for the first time in the current year. The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'.

The application of these amendments does not have any material impact on the disclosures in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete references to AASB 1031, at the same time it makes various editorial corrections to Australian Accounting Standards as well. The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards' Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycle'

The Annual Improvements 2010-2012 Cycle include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The 'Annual Improvements 2011-2013 Cycle' include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.

2. Segment information

Products and services within each business segment

For management purposes, the company is organised into three business units – pharmaceuticals, medical devices and veterinary products. These units are the basis on which the company reports its primary segment information. The principal products and services of each of these divisions are as follows:

- Pharmaceuticals – the sale of Penthrox® primarily within Australia and New Zealand, and some sales in Europe, the Middle East and South America
- Medical Devices – the sale of medical devices, particularly the Space Chamber and Breath-Alert Peak-Flow meters, primarily within Australia and New Zealand, and some sales in Asia, Europe, the Middle East and North America
- Veterinary Products – the sale of veterinary products worldwide

Segment revenues and results

	Pharmaceuticals		Medical Devices		Veterinary		Unallocated		Total	
	Half-year ended		Half-year ended		Half-year ended		Half-year ended		Half-year ended	
	31 Dec 2014 $'000	31 Dec 2013 $'000	31 Dec 2014 $'000	31 Dec 2013 $'000	31 Dec 2014 $'000	31 Dec 2013 $'000	31 Dec 2014 $'000	31 Dec 2013 $'000	31 Dec 2014 $'000	31 Dec 2013 $'000
Revenues:										
External sales	3,593	2,591	1,690	1,725	218	222			5,501	4,538
Other income							16	14	16	14
Total revenue									**5,517**	**4,552**
Results:										
Profit before interest, income tax, depreciation & amortisation	**1,863**	**1,041**	**25**	**1**	**17**	**125**	**(678)**	**(858)**	**1,227**	**309**
Depreciation & Amortisation	(113)	(44)	(22)	(8)	(3)	(3)	(46)	(44)	(183)	(99)
Profit before interest and tax	**1,750**	**997**	**3**	**(7)**	**14**	**122**	**(724)**	**(902)**	**1,044**	**210**
Net interest							(51)	(66)	(51)	(66)
Profit before income tax							**(775)**	**(968)**	**993**	**144**
Income tax expense							(262)	282	(262)	282
Net profit for the period from continuing operations							(1,037)	(686)	**731**	**426**

	Pharmaceuticals		Medical Devices		Veterinary		Unallocated		Total	
	31 Dec 2014 $'000	30 Jun 2014 $'000	31 Dec 2014 $'000	30 Jun 2014 $'000	31 Dec 2014 $'000	30 Jun 2014 $'000	31 Dec 2014 $'000	30 Jun 2014 $'000	31 Dec 2014 $'000	30 Jun 2014 $'000
Assets and Liabilities										
Assets	14,642	13,982	4,945	5,049	816	852	1,394	2,677	21,795	22,560
Liabilities	-	-	-	-	-	-	5,216	6,736	5,216	6,736

	Pharmaceuticals		Medical Devices		Veterinary		Unallocated		Total	
	31 Dec 2014 $'000	31 Dec 2013 $'000	31 Dec 2014 $'000	31 Dec 2013 $'000	31 Dec 2014 $'000	31 Dec 2013 $'000	31 Dec 2014 $'000	31 Dec 2013 $'000	31 Dec 2014 $'000	31 Dec 2013 $'000
Other Segment Information										
Acquisition of segment assets	556	746	57	52	6	22	6	(3)	625	817

Geographical Information	Revenue from external customers 31 Dec 2014 $000's	%	Revenue from external customers 31 Dec 2013 $000's	%
Australia	3,886	70.6%	3,492	77.0%
New Zealand	566	10.3%	510	11.2%
International	1,050	19.1%	536	11.8%
	5,501	100.0%	4,538	100.0%

3. Dividends

During the period, Medical Developments International Limited made the following dividend payments:

	Half-year ended 31 Dec 2014		Half-year ended 31 Dec 2013	
	cents per share	$'000	cents per share	$'000
Recognised amounts				
Fully paid ordinary shares				
Final dividend paid	0.0	-	2.0	761
Final dividend reinvested	0.0	-	2.0	387
		-		1,148

No dividends were paid during the half year.

4. Borrowings

In August 2014, the group renegotiated its Bank Bill Facility and related financial covenants. The refinanced facility remains at $3.950m and expires on 31 August 2016. The loan bears interest at variable market rates and is repayable within five years. The loan requires ongoing principal and interest repayments and also features an offset and redraw facility which has been utilised in the current period.

	31-Dec-14 $'000	30-Jun-14 $'000
Secured - at amortised cost		
Hire Purchase - bottling plant	132	147
Hire Purchase - other plant & equip.	60	66
Bank Bill	938	3,000
Other	449	449
	1,579	3,662
Current	601	3,089
Non-current	978	573
	1,579	3,662

5. Subsequent events

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future years.

6. Contingencies and commitments

There have been no significant changes to contingent liabilities, contingent assets or commitments since 30 June 2014.