

ParagonCare

30th April 2015

Australian Securities Exchange
Company Announcements Office

PARAGON CARE LIMITED (ASX: PGC) APPENDIX 4C – QUARTERLY REPORT

The Directors of Paragon Care (ASX: PGC) are pleased to report another strong cash flow performance for the quarter ended March 31 2015. For the quarter the company generated an operating cashflow surplus of \$1.38m compared to a deficit of \$678,000 in the prior corresponding period last year. Top line growth was the primary driver of this improvement with cash receipts for the current quarter of \$8.09m versus \$4.99m in the prior period.

The trend of strong and stable cashflow generation is further illustrated on a cumulative basis. With 3 quarters of FY15 trading completed operating cashflow was positive \$3.5m compared to negative \$1.3m for the same 9 month period in FY14.

Factors contributing to this pleasing performance include:

- Ongoing strong performances from the existing consumable and medical product ranges. Our strategies for organic growth are starting to deliver consistently improving financial performance driven by ongoing contract wins.
- Successful delivery of a full suite of aged care products for the fit out of the new Australian Unity aged facility in Mornington Victoria
- Continued improvement in working capital management with a focus on improved debtor collections.
- Scanmedics completed its 2nd quarter as part of the Paragon Group with another encouraging performance. The relocation of Scanmedics to upgraded premises in Sydney was completed during the quarter which will facilitate ongoing growth moving forward across the entire Paragon Care business.

PARAGON CARE LIMITED

ABN 76 064 551 426

Unit 1, 56 Norcal Road, Nunawading, Victoria, Australia 3131

Telephone: 1300 369 559 Facsimile: 61 3 8833 7890

www.paragoncare.com.au

The company's cash balance at the end of the March quarter totalled \$3.2m which was approximately the same as at the end of the December quarter. However the current quarter included a final payment to the Vendor of LR Instruments of \$800k after the business exceeded its performance condition in its first full year post acquisition in January 2014. The company also paid a half year dividend amounting to \$338k during the quarter.

Looking forward, Paragon Care maintains its previous earnings guidance of between \$3.5m to \$4.0m EBITDA for FY15 which represents strong growth over the previous year. The company continues to actively pursue value accretive acquisitions that complement the vast array of products and services already offered across Paragon Care's health and aged care platform.

For more information please contact:

Mark Simari

Managing Director

Tel: 1300 369 559

Email: mark@paragoncare.com.au

John Osborne

Company Secretary

About Paragon Care:

Paragon Care Limited (ASX: PGC) has a vision to be 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 eight operating businesses: Axishealth, Iona Medical, Volker Australia, Rapini, GM Medical, LR Instruments, Richards Medical and Scanmedics who combined supply durable medical equipment to hospitals, medical centres and aged care facilities.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

PARAGON CARE LIMITED

ABN

76 064 551 426

Quarter ended ("current quarter")

31 March 2015

STATEMENT OF CASH FLOWS

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers & GST refunds	8,099	20,041
1.2 Payments for		
(a) staff costs	(2,159)	(5,608)
(b) sales and marketing costs	(140)	(394)
(c) corporate costs	(75)	(323)
(d) leased assets	-	-
(e) Other working capital	-	-
(f) Other expenses (incl COGS)	(4,167)	(9,703)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	26
1.5 Interest and other costs of finance paid	(180)	(382)
1.6 Income taxes paid	-	(145)
1.7 Other (Export Grant received)	-	-
Net operating cash flows	1,384	3,512
Cash flows related to investing activities		
1.8 Payment for acquisition of:		
(a) businesses (item 5)	(798)	(6,701)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(241)	(809)
(e) other non-current assets	(67)	(201)
1.9 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	83
(e) other non-current assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – security deposit	-	-
1.13 Net investing cash flows	(1,106)	(7,629)
Total operating and investing cash flows	278	(4,117)

Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	91
1.15	Proceeds from sale of forfeited shares	-
1.16	Proceeds from borrowings	5,542
1.17	Repayment of borrowings	(319)
1.18	Dividends paid	(842)
1.19	Other (Share issue expenses)	-
	Net financing cash flows	4,472
	Net Increase (Decrease) in cash held	355
1.20	Cash at beginning of quarter/year to date	2,820
1.21	Exchange rate adjustments to item 1.20	3,162
1.22	Cash at end of quarter	3,175

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	160
1.24	Aggregate amount of loans to the parties included in item 1.11	Nil

1.25 Explanation necessary for an understanding of the transactions

Director's fees and Consulting fees for the March Quarter 2015.
Rental of Paragon Health Care premises for the March Quarter 2015.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

Not applicable

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Not applicable

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A '000	Amount used \$A'000
3.1	Loan facilities and credit standby arrangements	13,345	12,341
3.2	Credit standby arrangements	4,600	3,741

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	3,175	3,162
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (bank guarantees and terms deposits)	-	-
Total: cash at end of quarter (item 1.22)	3,175	3,162

Acquisitions and disposals of business entities

	Acquisitions (Item 1.8(a)) A'000	Disposals (Item 1.9(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Signed: John Osborne
(Company Secretary)

Date: 30 April 2015

