

Company announcement Pro Medicus Limited interim results

Friday 19 February 2016

HIGHLIGHTS

- **After-tax profit of \$2.94 million – up 82.9%**
- **Revenue of \$14.28 million – up 65.3%**
- **Underlying profit from operations \$2.82 million – up 188.5%**
- **Year-end cash reserves increased to \$16.19 million**
- **Increased interim dividend of 1.5c per share (unfranked)**
- **Continuing strong inroads into North American market, including \$11 million contract with Allegheny Health Network in Pittsburgh area**
- **Large contract signed in Europe**
- **Successfully completed implementation of 3 previously announced contracts**

Leading health imaging company Pro Medicus Limited [ASX: PME] today announced a first half after-tax profit of \$2.94 million for the six months to 31 December 2015 – an increase of \$1.33 million (82.9%) on the previous corresponding period.

Revenue for the six months was \$14.28 million – a 65.3% increase on the previous corresponding period.

Underlying profit from operations was \$2.82 million compared to \$0.98 million for the previous corresponding period – an increase of 188.5%.

The company's cash reserves were \$16.19 million at the end of the period, an increase of \$3.26 million. The company remains debt-free and announced an increased interim dividend of 1.5c per share (unfranked).

During the period the company made several key announcements – including a \$11 million contract with the Allegheny Health Network, a large health system in the Pittsburgh area, and a \$3 million deal with a large hospital network in Germany. These announcements further underlined Pro Medicus' leading position in imaging technology and its gathering acceptance in international health markets.

Dr Sam Hupert, Pro Medicus Chief Executive Officer, said the increase in revenue during the period was largely a result of transactional fees from the implemented contracts beginning to take effect.

"We continue to build on our strong presence in North America, actively pursuing key opportunities both within the enterprise imaging/large teaching hospitals and private imaging centre markets," Dr Hupert said. "Pleasingly, our European business performed strongly during the period, benefiting from the significant sale to a German government hospital in November. We hope this will lead to further contracts in this important market."

Dr Hupert said the company's costs went up during the period, which included several one-off costs which won't be repeated. "Other costs we incurred were simply the result of increased business activity and growth, and were to be expected," he said. "We added staff in the USA to service our new customers, we increased our presence at the Radiological Society of North America (RSNA) and we had higher legal fees as we chased more contracts. We are confident these are prudent investments and that revenue will continue to grow significantly faster than costs."

Pro Medicus has continued its significant investment in research and development, both in Australia and overseas. Promedicus.net, the company's e-health offering, continued to perform well throughout the period despite increasing competition.

Dr Hupert said he was pleased that Pro Medicus continued to win large contracts against significant international opposition, and that these wins were driven by the superior performance and function of the Visage 7 product line and not by cost. "Every large contract we win is further vindication that our imaging solution is world-class," he said. "Further proof of this was the announcement we made last week that the American College of Radiology and the University of Florida will collaborate in using Pro Medicus' Visage 7 imaging technology to assist in training and assessing radiology residents throughout the USA."

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About Pro Medicus Limited:

Pro Medicus Limited [ASX: PME] is a leading imaging IT provider. Founded in 1983, the company provides a full range of radiology IT software and services to hospitals, imaging centres and health care groups worldwide. In late January 2009, the company announced the purchase of Visage Imaging, which has become a global provider of leading edge enterprise imaging solutions, pioneering the best-of-breed, or Deconstructed PACS® enterprise imaging strategy. Visage 7 technology delivers amazingly fast, multi-dimensional images streamed via an intelligent thin-client viewer. The company offers a leading suite of RIS, PACS and e-health solutions constituting one of the most comprehensive end-to-end offerings in radiology. Pro Medicus has global offices in Melbourne, Berlin and San Diego. www.promedicus.com.au