ASX RELEASE

Azure Healthcare Limited announces 2016 full-year results

Melbourne, Australia, August 29 2016 - Azure Healthcare Limited (ASX:AZV) attaches its preliminary report for the 12 months ended 30 June 2016.

Azure highlights:

- Consistent with previous guidance, revenue of $32.023 million compared to $34.950 million for the previous corresponding period.
- Gross profit $15.649 million (48.89%) compared to the previous corresponding period of $18.286 million (52.32%) an adverse variance of $2.637 million due to dual facilities in the USA and Australia and increased raw material costs from a higher US dollar.
- Net loss after tax from continuing operations of $3.651 million compared to net profit after tax of $1.082 million in the previous corresponding period.
- EBIT loss of $3.788 million compared to EBIT profit of $0.2 million in the previous corresponding period.
- Negative operating cashflow of $2.159 million with cash at bank of $1.685 million as at 30 June 2016.
- Provision made for $0.93 million of costs relating to Perth Factory and discontinued inventory.
- Investment in Research and Development (R&D) of $2.9 million as compared to $4.5 million in the previous corresponding period.
- While through the first half of FY17 restructuring costs particularly in respect of the Perth factory will continue, the second half of FY17 is expected to return to profitability.

Tacera Pulse:

- Tacera Pulse rollout continues with sites in the US, Canada and Australia.
- Tacera Pulse contracted subscription revenue is now $0.8 million annualised and growing.
- Targeting RTLS and Mobile app integration roll out by 31 December 2016.

Restructuring Update:

- Management has implemented cost saving measures through the period, which will result in annualised savings in excess of $1 million.
- The Perth factory closure is on track to be completed by this calendar year which will realise annualised cost saving of between $1 million to $1.4 million.
- Increased operating expenses arising from restructuring are expected to reduce in FY17 with the closure of the Perth factory.
- R&D expenditure is reducing post the roll out of Tacera Pulse with annualised spend of 8-10% of revenues.
- Continued sufficient working capital available to fund the planned restructuring and R&D initiatives.

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About Azure Healthcare Limited (ASX:AZV)

Azure Healthcare Limited is an international provider of healthcare communication and clinical workflow management solutions. The company is headquartered in Australia, has subsidiaries in six countries and supports healthcare facilities through our global reseller network which includes growing markets in health, aged care and remand care. Azure Healthcare services markets including Australia, New Zealand, Canada, UK, USA, Asia and the Middle East. For further information please refer to the Company's website www.azurehealthcare.com.au

Azure Healthcare Limited
Appendix 4E - Year End Financial Report
For the Year Ended 30 June 2016
Results for Announcement to the Market

Current Reporting Period - Year Ended 30 June 2016
Previous Reporting Period - Year Ended 30 June 2015

	Change Up/(down)	30 June 2016 $'000	30 June 2015 $'000
Revenue and other income including Interest income	(8.4%)	32,028	34,962
Interest income		5	12
Revenue and other income excluding interest income	**(8.4%)**	**32,023**	**34,950**
Operating expenses	2.6%	(35,177)	(34,273)
Earnings before Interest, tax, depreciation and amortisation (EBITDA)		**(3,149)**	**689**
Depreciation and amortisation expenses		(639)	(489)
Earnings before interest and tax (EBIT)		**(3,788)**	**200**
Interest expense		(87)	(80)
Profit before income tax expense		**(3,875)**	**120**
Income tax benefit		224	962
Net Profit after tax from continuing operations	**(437.4%)**	**(3,651)**	**1,082**
Net Profit after tax from discontinued operations		-	11
Net Profit after tax for the period attributable to members of Azure Healthcare Limited	**(434.0%)**	**(3,651)**	**1,093**
Other comprehensive income:			
Exchange difference arising on translation of foreign operations (movement in equity reserves)		235	5
Total comprehensive income for the period attributable to members of Azure Healthcare Limited	**(411.1%)**	**(3,416)**	**1,098**
Net Tangible Assets per Security (cents per security)		4.83	6.50
Profit per share attributable to the ordinary equity holders of the company (cents per security):			
Continuing Operations (Basic and Diluted)		(1.92)	0.57
Discontinued Operations (Basic and Diluted)		-	0.01
Overall Earnings per Share (Basic and Diluted)		(1.92)	0.58

Record date for determining entitlements to the dividend, (in the case of a trust, distribution) Not Applicable

Dividends (distribution)	**Amount per Security**	**Franked Amount**
Final dividend	n/a	n/a
Previous corresponding period	n/a	n/a

Explanation of the above information:

Please refer to the Directors' Report - Review of Operations for further information on the Company operations over the past 12 months.

Appendix 4E
Preliminary Final Report

For the Year Ended 30 June 2016
(previous corresponding period: Year ended 30 June 2015)

To be read in conjunction with the 30 June 2015 Annual Report.
In compliance with Listing Rule 4.2A

Contents

Directors' Report

Operating Result

The consolidated loss from continuing operations of the Company after providing for income tax amounted to $3.651 million (2015 profit: $1.082 million). For further detail, refer to the Review of Operations below.

Review of Operations

Financial Performance Highlights:

1. Revenue and other income excluding interest income of $32.023 million compared to $34.950 million for the previous corresponding period.
2. Net loss after tax from continuing operations of $3.651 million compared to $1.082 million profit in the previous corresponding period.
3. EBIT loss of $3.788 million compared to EBIT profit of $0.2 million in the previous corresponding period.
4. Loss per share from continuing operations of 1.92 cents compared to earnings per share 0.57 cents in the previous corresponding period.
5. NTA of 4.83 cents per share compared to 6.50 cents per share in the previous corresponding period.
6. Negative operating cashflow of $2.612 million with 30 June 2016 cash at bank of $1.685 million.

The Company is on target to complete its strategic restructuring program by the end of the 2016 calendar year. These initiatives include the transition of its manufacturing operations to the USA and a complete review and rationalisation of products from over 800 to less than 300 items.

The 2016 financial year included the following significant variances and restructuring costs when compared to the previous corresponding period:

• Revenue was marginally above target for the half year ended 31 December 2015 but the Company experienced a recent revenue slowdown relating to complex installation of proudcts in respect of specific sites, translating into a $2.93 million reduction for the 2016 full financial year as compared to the previous corresponding period. The revenue slowdown attributes approximately $1.43 million to the net loss after tax;

* Margin reduction of 3.43% arising from additional costs associated with the complex installation of products in respect of specific sites, the operation of dual manufacturing facilities and increased raw material costs due to a higher US Dollar. The margin reduction attributes approximately $1.12 million to the net loss after tax;

• Provisions for the closure of Perth facility totalling $0.3 million as welll as provision for discontinued product inventory items of $0.6 million; and

• Costs associated with the setup and transfer of manufacturing to Dallas USA of $0.4 million in relocation and recruitment expenses.

Revenue: Revenue and other income excluding interest income decreased by 8.4% to $32.023 million compared to the previous corresponding period of $34.95 million.

Earnings before Interest and Tax (EBIT): Net earnings before interest, tax, depreciation and amortisation, (EBITDA) were ($3.149) million, whilst earnings before interest and tax (EBIT) were ($3.788) million.

Net Profit After Tax (NPAT): Net profit after tax (NPAT) was ($3.651) million compared to $1.093 million in the previous corresponding period. The Azure Group produced earnings of (1.91) cents per share compared to 0.57 cents in the previous corresponding period.

Net Tangible Assets (NTA): Net Tangible assets have decreased from 6.5 cents to 4.83 cents per share.

Final Dividend: The directors have not declared a final dividend, as the Company will continue to focus on short-term working capital requirements for production expansion, Research and Development (R&D) investment, strategic restructuring and Group debt reduction.

Operating expenses: Operating expenses have increased by 7.4% over the prior corresponding period largely due to the increase in provisions explained above. Our R&D investment expenditure decreased from $4.5 million in the 2015 financial year to $2.9 million in the 2016 financial year. Increased employment costs associated with the Perth closure as well as running dual facilities adversely impacted the Employee benefits expense line item by $1.73 million.

Cashflow: During the year the Company generated negative operating cashflow of $2.612 million and finished the year with cash at bank of $1.685 million. The Company believes that it has sufficient funds at this time to execute on its short to medium term strategies and believes that it has sufficient working capital available to fund the planned restructuring and R&D initiatives. Increased working capital for the North American operations included inventory increases of $0.99 million.

Taxation: During the year the Company claimed tax credits for its R&D expenditure, which in turn created an additional deferred tax asset.

Report on operations for the 12 months ended 30 June 2016
The Company spent a large proportion of the year and considerable resources to restructure the business including the transition of manufacturing from Perth to Dallas in the United States and product rationalisation which reduced the number of parts manufactured from over 800 to less than 300. Once completed at the end of the calendar year, these restructuring activities will help streamline order fulfilment, reduce operational costs and simplify regulatory compliance for the Company. The Board is committed to Azure's long-term future and recognise these actions as necessary to allow us to advance our goals of evolving into a clinical workflow management software business.

Board composition
The Board underwent significant change in the 2016 financial year with the appointments of Independent Chairman Mr Graeme Billings and Independent Non Executive Director Mr Brett Burns. These Directors bring a diverse and welcome range of skills to the Azure Board and that these changes were in line with corporate governance best practise and ASX recommendations for a majority of Independent Non Executive Directors.

Research & Development
Expenditure
The Company's expenditure on Research and development (R&D) was $2.9 million compared to $4.5 million in the 2015 financial year. The release of Tacera Pulse during the financial year has enabled less intensive use of R&D resources for the balance of the financial year and is more in line with the Company's target of 8-10% of revenue. Whilst the Company spent $1.5 million in R&D at its existing Melbourne facility to assist and deliver improvements to our existing third generation Tacera Nurse call platform, the Company also spent $1.4 million at a second R&D facility in the USA to facilitate new software related products which will expand the Company's healthcare and clinical workflow solutions. In line with the Company's existing policy, the Company expensed these costs in the 2016 financial accounts.

Product Release
In February 2016, Austco, a wholly owned subsidiary of Azure, officially launched Tacera Pulse - Reports and Dashboards, the first component of the Tacera Pulse subscription based software suite, representing the next generation of Austco's clinical business intelligence solutions.
Austco's Reports and Dashboards empower healthcare organizations to improve operational efficiencies and financial outcomes. Utilizing Pulse's powerful tools, senior healthcare management can monitor call activity, staff response times and other KPIs critical to improving patient care.
Tacera Pulse is a web-based portal designed to operate on any desktop browser, tablet or smartphone. As a cloud-based solution, data can be accessed from anywhere at any time. Improved access to data ensures that the right information is in the right hands when it is needed most. Pulse features an uncluttered, intuitive interface developed with input and feedback from healthcare professionals and industry experts.
Tacera Pulse works seamlessly with existing IT infrastructures and integrates with Austco's nurse call solutions and third party systems while providing the highest level of security.
Tacera Pulse's Reports and Dashboards enables healthcare facilities to work better, faster, and smarter by turning complex data and metrics into visually rich graphs, charts and tables which makes data-driven decision making simple and efficient. Key performance indicators provide healthcare organizations with actionable data needed to increase patient satisfaction, improve staff performance and optimize workflow.

Further innovation is on the way
The 4th generation Tacera Pulse software suite will interface with other on-site healthcare systems including, Real-Time Locating Systems (RTLS), smartphones and tablets, Admissions Discharge Transfer (ADT), patient flow and other patient care devices to support our customers' operational objectives. New tools will directly link the patient to their care provider and bridge the gap between patient needs and staff resources available. This project will progressively role out over the 2016 calendar year and is targeted for completion in the 2017 calendar year.

Production
The Company has largely completed its transition of manufacturing its products in the USA. The rationale for this change is a direct result of increased world awareness for FDA compliant products. The Company is of the view that this trend will continue; in particular as healthcare products expand into clinical workflow and software solutions. The US is the leader in the healthcare innovation field with the remainder of the world tending to adopt US practices. Moreover the Company is engaging the fastest growing market in the United States where a strong presence is required.

Provisions
The Australian business will cease manufacturing on or before December 2016. As such we have provided for the closure of the business including property make good and staff redundancies of $0.4 million. A further provision been made for inventory items which have been identified as products which the Company will discontinue in the near future as a part of the rationalisation of existing products of $0.6 million.

CellGuard divestment
This divestment process is still underway and the Board cannot reasonably ascertain if this activity will conclude in the current financial year. This process continues through an open bid tender process

The future
In 2017 we will focus on the following key objectives and initiatives to improve our business:

I would also like to thank you, our shareholders, for your continued support and patience as we:
* Complete the business restructure including transition of manufacturing facilities and product rationalisation program – due for completion by December 2016:
* Renew focus on quality improvements including FDA and UL compliance
* Streamline manufacturing and operational efficiencies
* Establish a recurring revenue stream based on a subscription based pricing model
* Build strategic partnerships with market-leading healthcare technology companies

During the 2016 financial year the Company has undertaken considerable restructuring initiaties. The benefits of this restructure are expected to be initially realised in the second half of the 2017 financial year and well into the future.

At Azure, we are committed to delivering shareholder value by creating innovative products and solutions while maintaining a methodical approach to investing shareholder capital. With our global presence, strong industry experience and talented staff, I am confident that we are uniquely positioned to take advantage of emerging trends in the healthcare industry which will benefit our business for years to come.

On behalf of the Board of Directors and Executive Management team, I would like thank our hard-working and passionate staff who are committed to delivering exciting products and fantastic customer service. In particular, I would like to take this opportunity to thank our outgoing Australian staff for their dedication and efforts, many of whom have worked tirelessly for many years at our Perth facility.

Finally, I would also like to thank you, our shareholders, for your continued support and patience as we build for the future.

Yours faithfully

Clayton Astles
Chief Executive Officer

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2016

	Note	Consolidated Entity 30 June 2016 $'000	30 June 2015 $'000
Revenue from Continuing Operations		**31,570**	33,497
Other Income		**458**	1,465
Cost of Goods Sold		**(16,374)**	(16,664)
Gross Profit		**15,654**	18,298
Employee Benefits Expense		**(12,563)**	(11,096)
Motor Vehicle Expenses		**(347)**	(326)
Occupancy Expenses		**(935)**	(901)
Depreciation and Amortisation Expenses		**(639)**	(489)
Professional fee		**(1,001)**	(887)
Finance Costs		**(87)**	(80)
Travel Expenses		**(821)**	(1,031)
Insurance		**(270)**	(334)
Staff Recruitment Expense		**(344)**	(279)
Other Expenses		**(1,815)**	(2,302)
Subscriptions		**(51)**	(121)
Provision for obselete stock		**(656)**	(332)
(Loss)/Profit Before Income Tax		**(3,875)**	120
Income Tax Benefit		**224**	962
Net Result for the Year		**(3,651)**	1,082
Profit for Discontinued Operations	**1c**	**-**	11
Net Result for the Year		**(3,651)**	1,093
Other Comprehensive Income			
Exchange Differences on Translation of Foreign Operations		**235**	5
Total Comprehensive (Loss)/Income for the Year		**(3,416)**	1,098

		Cents	**Cents**
Continuing Operations:			
Basic profit per share	**5**	**(1.92)**	0.57
Diluted profit per share	**5**	**(1.92)**	0.57
Discontinued Operations:			
Basic profit per share	**5**	**-**	0.01
Diluted profit per share	**5**	**-**	0.01
Overall Earnings per Share:			
Basic profit per share	**5**	**(1.92)**	0.58
Diluted profit per share	**5**	**(1.92)**	0.58

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
As at 30 June 2016

	Note	Consolidated Entity 30 June 2016 $'000	30 June 2015 $'000
Current Assets			
Cash and Cash Equivalents		**1,685**	3,157
Trade and Other Receivables		**5,803**	5,686
Inventories		**7,919**	6,907
Other Assets		**718**	1,252
Total Current Assets		**16,125**	17,002
Non-Current Assets			
Plant and Equipment		**774**	1,030
Deferred Tax Assets		**2,084**	1,730
Intangible Assets		**3,000**	3,207
Total Non-Current Assets		**5,858**	5,967
Total Assets		**21,983**	22,969
Current Liabilities			
Trade and Other Payables		**6,366**	4,632
Short Term Borrowings		**2,024**	1,331
Current Tax Liabilities		**85**	131
Provisions	**7**	**1,258**	1,226
Total Current Liabilities		**9,733**	7,320
Non-Current Liabilities			
Long Term Borrowings		**8**	13
Provisions	**7**	**72**	99
Total Non-Current Liabilities		**80**	112
Total Liabilities		**9,813**	7,432
Net Assets		**12,170**	15,537
Equity			
Contributed Equity		**35,124**	35,107
Option Reserves		**47**	16
Accumulated Losses		**(22,575)**	(18,925)
Foreign Exchange Reserve		**(426)**	(661)
Total Equity		**12,170**	15,537

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2016

	Consolidated Entity				
	Issued Capital	Accumulated Losses	Foreign Exchange Reserve	Option Reserve	Total Equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2014	35,042	(19,733)	(951)	16	14,374
Profit after income tax expense for the year	-	1,093	-	-	1,093
Other comprehensive income for the year, net of tax	-	-	5	-	5
Total comprehensive income for the year	-	1,093	5	-	1,098
Transactions with equity holders in their capacity as equity holders:					
Share based payments	65	-	-	-	65
Transfer to/from reserves	-	(285)	285	-	-
Balance at 30 Jun 2015	**35,107**	**(18,925)**	**(661)**	**16**	**15,537**
Balance at 1 July 2015	35,107	(18,925)	(661)	16	15,537
Profit after income tax expense for the year	-	(3,651)	-	-	(3,651)
Other comprehensive income for the year, net of tax	-	-	235	-	235
Total comprehensive income for the year	-	(3,651)	235	-	(3,416)
Transactions with equity holders in their capacity as equity holders:					
Issue of Shares	17	-	-	(17)	-
Option Expense	-	-	-	48	48
Balance at 30 Jun 2016	**35,124**	**(22,575)**	**(426)**	**47**	**12,170**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2016

	Note	Consolidated Entity 30 June 2016 $'000	30 June 2015 $'000
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		**31,453**	38,128
Payments to Suppliers		**(33,844)**	(36,557)
Interest Received		**5**	12
Borrowing Costs		**(87)**	(80)
Income Tax Paid		**(139)**	-
	8	**(2,612)**	1,503
Net cash (used in)/provided by continuing operations		**(2,612)**	1,503
Net cash used in discontinued operations		**-**	-
Net Cash Provided by Operating Activities		**(2,612)**	1,503
CASHFLOWS FROM INVESTING ACTIVITIES			
Payments for Acquisition of Fixed Assets		**(217)**	(336)
Proceeds from Liquidations	**1c,6**	**-**	11
		(217)	(325)
Net cash used in continuing operations		**(217)**	(336)
Net cash provided by discontinued operations		**-**	11
Net Cash Used in Investing Activities		**(217)**	(325)
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from Issue of Shares		**-**	65
Proceeds from Borrowings		**694**	21
Payment of Lease and Hire Purchase Liabilities		**(6)**	(6)
		688	80
Net cash Provided by continuing operations		**688**	80
Net cash Provided by discontinued operations		**-**	-
Net Cash Provided by Financing Activities		**688**	80
Net Increase / (Decrease) in Cash Held		**(1,707)**	1,258
Cash and Cash Equivalents at Beginning of Year		**3,157**	1,609
Effects of Exchange Rate Changes in Cash		**235**	290
Cash and Cash Equivalents at End of Year		**1,685**	3,157

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

Note 1. Basis of Preparation

This preliminary financial report covers the consolidated entity consisting of Azure Healthcare Limited and its controlled entities. Azure Healthcare Limited is a listed public company, incorporated and domiciled in Australia. The nature of the operations and principal activities of the consolidated entity are described within Note 3.

(a) Basis of Preparation

This preliminary financial report is intended to provide users with an update on the latest annual financial statements of Azure Healthcare Limited and its controlled entity (the Group). As such, it does not contain all information that represents relatively insignificant changes occurring during the year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2016, together with any public announcements made during the year.

(b) Financial Assets and Liabilities

Financial assets and liabilities of the Group are recognised in the statement of financial position at their fair values in accordance with accounting policies set out in the 30 June 2015 financial report. In all instances the fair value of financial assets and financial liabilities approximate their carrying value.

(c) Summary of the Significant Accounting Policies

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has not had any material impact on the consolidated entity.

(d) Rounding Off of Amounts

The Company is a company of the kind referred to in ASIC legislation instrucment 2016/191, and in accordance with that Class Order amounts in the Directors Report and the Preliminary Financial Report are rounded off to the nearest thousand dollars.

Note 2. Dividends

The company resolved not to declare any dividends in the period ended 30 June 2016.

Note 3. Segment Information

Management has determined the operating segments based upon reports reviewed by the board and executive management that are used to make operational and strategic decisions. The group is organised into one operating division, healthcare, which has four geographic segments. These segments are the basis on which the Group reports its segment information.

Healthcare

The healthcare division focuses on providing electronic communications in healthcare and development of nurse call and care management systems for hospitals, aged care and detention care markets. The healthcare division is further segmented into four geographic regions consisting of North America, Europe, Asia and Australia/New Zealand.

	------------------Healthcare------------------					Eliminations		
	Austco Australia / Sedco / NZ	Austco Asia	Austco Europe	Austco North America	Total	Inter company	Corporate	Group Total
	$'000	$'000	$'000	$'000		$'000	$'000	$'000
30 June 2016								
Revenue	11,536	5,810	1,741	12,937	32,023	-	-	32,023
Revenue - intersegment	6,586	28	-	2,964	9,578	(9,578)	-	-
Interest Revenue	54	1	-	-	55	(50)	-	5
Total Revenue	**18,176**	**5,839**	**1,741**	**15,901**	**41,656**	**(9,628)**	**-**	**32,028**
Adj EBITDA	1,108	44	(118)	(3,550)	(2,517)	(319)	(313)	(3,149)
Depreciation	(197)	(37)	(18)	(136)	(388)	-	(1)	(389)
Amortisation	(251)	-	-	-	(251)	-	-	(251)
EBIT	**660**	**7**	**(136)**	**(3,686)**	**(3,156)**	**(319)**	**(314)**	**(3,789)**
Interest Expense	(10)	(1)	(1)	(53)	(65)	52	(74)	(87)
Income Tax Benefit	225	-	-	(1)	224	-	-	224
NPAT	**875**	**6**	**(137)**	**(3,740)**	**(2,997)**	**(267)**	**(388)**	**(3,651)**
30 June 2015								
Revenue	12,605	5,179	2,391	14,775	34,950	-	-	34,950
Revenue - intersegment	5,527	9	-	2,509	8,045	(8,045)	-	-
Interest Revenue	59	-	1	-	60	(48)	-	12
Total Revenue	**18,191**	**5,188**	**2,392**	**17,284**	**43,055**	**(8,093)**	**-**	**34,962**
Adj EBITDA	(528)	(25)	55	1,062	564	231	(106)	689
Depreciation	(109)	(42)	(27)	(83)	(261)	-	(5)	(266)
Amortisation	(223)	-	-	-	(223)	-	-	(223)
EBIT	**(860)**	**(67)**	**28**	**979**	**80**	**231**	**(111)**	**200**
Interest Expense	(1)	(1)	(1)	(44)	(47)	37	(70)	(80)
Income Tax Benefit	999	-	(10)	2	991	-	(29)	962
NPAT	**138**	**(68)**	**17**	**937**	**1,024**	**268**	**(210)**	**1,082**
Segment Assets								
30/06/15	20,988	2,095	1,393	7,899	32,375	(26,852)	17,870	23,393
30/06/16	21,661	2,774	859	8,417	33,711	(29,962)	18,234	21,983
Segment Liabilities								
30/06/15	6,029	1,510	514	9,632	17,685	(11,135)	1,306	7,856
30/06/16	5,488	2,164	386	13,863	21,901	(14,099)	2,011	9,813

Note 3. Segment Information (continued)

The Board assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes corporate expenses and non-recurring expenditures such as impairment to non-current assets from the operating segments which are disclosed separately.

Results of Segments
Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists.

Inter-segment pricing

Segment revenues, expenses and result include transfers between segments. The prices charged on inter-segment transactions are the same as those charged for similar goods to parties outside of the economic entity at arm's length. These transfers are eliminated on consolidation.

Note 4. Contingent Liabilities and Assets

There has been no changes in contingent liabilities and assets reported since the last annual reporting date.

Note 5. Profit per Share

	30 June 2016 **cents**	**30 June 2015** **cents**
Continuing Operations:		
Basic profit per share	(1.92)	0.57
Diluted profit per share	(1.92)	0.57
Discontinued Operations:		
Basic profit per share	-	0.01
Diluted profit per share	-	0.01
Overall Earnings per Share		
Basic profit per share	(1.92)	0.58
Diluted profit per share	(1.92)	0.58
a) Net Profit/(Loss) used in the calculation of basic and diluted loss per share		
	$'000	**$'000**
Continuing Operations	(3,651)	1,082
Discontinued Operations	-	11
Overall Earnings per Share	(3,651)	1,093
	No.	**No.**
b) Weighted average number of ordinary shares outstanding during	189,711,544	189,648,141

Options that are considered to be potential ordinary shares are excluded from the weighted average number of ordinary shares used in the calculation of basic loss per share. Where dilutive, potential ordinary shares are included in the calculation of diluted loss per share. All the options on issue do not have the effect to dilute the loss per share. Therefore they have been excluded from the calculation of diluted loss per share.

Note 6. Net Tangible Assets

	30 June 2016 **$'000**	**30 June 2015** **$'000**
Net Tangible Assets	9,170	12,330
	No.	**No.**
Shares	189,711,544	189,648,141
	Cents	**Cents**
Net Tangible Assets (cents)	4.83	6.50

Notes to the Consolidated Financial Statements

(continued)

Note 7. Provisions

	30 June 2016 $'000	30 June 2015 $'000
Short Term		
Employee entitlements	1,089	894
Provision for Warranty	94	332
Provision for make good	75	-
	1,258	1,226
Long Term		
Employee entitlements	72	99
	72	99

Note 8. Operating Cashflow Information

Operating cashflows were negative $2.612 million for the 12 months ended 30 June 2016 compared to the previous corresponding period of positive $1.503 million. Cashflow from investing activities were negative $0.217 million whilst cash flow from financing activities increased by $0.688 million due to increased debt funding.

Note 9. Events Subsequent to Reporting Date

There were no Subsequent Events to report as at 29/8/16.

Note 10. Information on Audit

The consolidated financial report of Azure Healthcare Ltd is in the process of being audited. An Annual Financial Report containing the audit report will be provided in due course.