

Appendix 4D and Interim Half Year Financial Report
Period Ended 30 September 2015

Medtech Global Limited
ABN 70 009 203 203

Contents	Page
Company Directory	2
Results for Announcement to the Market	3
Directors' Report	4
Auditor's Independence Declaration	7
Interim Condensed Statement of Profit or Loss and Other Comprehensive Income	8
Interim Condensed Statement of Financial Position	9
Interim Condensed Statement of Changes in Equity	10
Interim Condensed Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	19
Independent Auditor's Review Report	20

This half year financial report provided to the ASX under listing rule 4.2A is to be read in conjunction with the financial report for the year ended 31 March 2015.

Corporate Directory

Directors

Mr Vino Ramayah (CEO, Executive Chairman)

Mr Ross Tanner (Executive Director)

Mr Russell Clarke (Non- Executive Director)

Mr Darryl Stuart (Non-Executive Director)

Mr Michael Gaylard (Non-Executive Director)

Company Secretary

Mr Michael Gaylard

Registered Office

Level 2

180 Albert Road

South Melbourne

VIC 3205

Australia

Telephone: (03) 9690 8666

Facsimile: (03) 9690 8010

Website: www.medtechglobal.com

Share Registry

Advanced Share Registry

110 Stirling Highway

Nedlands

WA 6009

Australia

Telephone: (08) 9389 8033

Facsimile: (08) 9389 7871

Medtech Global Limited shares are listed on the Australian Stock Exchange (ASX) and trade with the symbol MDG.

Appendix 4D Results for Announcement to the Market

Extracts from this report for announcement to the market:

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

		%	A\$'000
Revenue for the half year	Decrease	1.5 to	9,566
Earnings before interest, impairment of intangibles, depreciation, amortization and tax	Decrease	105 to	(73)
Loss for the half year from ordinary activities after tax attributable to members	Increase	636% to	(1,150)
Comprehensive Loss for the half year attributable to members	Increase	1347% to	(1,158)

1.1. LOSS PER SHARE

Basic loss per share for the half year was AUD 1.25 cents (2014 half year: Loss per share AUD 0.16 cents).

The weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share was 100,248,061.

1.2. DIVIDEND PER SHARE

The directors do not recommend the payment of a dividend.

2. NET TANGIBLE ASSETS PER ORDINARY SHARE

	30 September 2015 A\$	30 September 2014 A\$
Net Tangible Asset / (Liability) Per Ordinary Share (NTA / (NTL) backing)	0.55 Cents	0.012 Cents
Record date for determining entitlements to the dividend (in the case of a trust, distribution)	N/A	N/A

3. DETAILS OF CONTROLLED ENTITIES

All entities within the Group - except Medtech Global USA, LLC and ConSova Corporation - are 100% owned by the parent company, Medtech Global Ltd as at 30 September 2015.

- Medtech Holdings USA, Inc. has an 85% interest in Medtech Global USA, LLC.
- Medtech Holdings USA, Inc. has a 50.1% interest in ConSova Corporation. **(Refer Note 11 – ‘Events Subsequent To Reporting Date’ for change in the interest in Consova Corporation after the reporting date)**

Additional information of these half year results are located in the Directors' Report.

This half year report is to be read in conjunction with the annual financial report for the year ended 31 March 2015.

Directors' Report

Directors

The directors of Medtech Global Limited, the consolidated entity, submit herewith the financial report for the half year ended 30 September 2015. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names and particulars of the directors of the company at any time during or since the end of the half year are:

Name	Details
Mr Vinogopal Ramayah	Appointed Executive Chairman and Executive Director on 25 September 2006
Mr Ross Tanner	Appointed Non-Executive Director on 15 August 2011. Non-Executive Director until 28th February 2015 and Executive Director thereafter
Mr Russell Clarke	Appointed Executive Director on 25 September 2006 and resigned from Executive role effective 30 September 2014 but remains as Non-Executive Director
Mr Darryl Stuart	Appointed Non-Executive Director on 1 September 2009
Mr Michael Gaylard	Appointed Non-Executive Director on 21 April 2011

Principal Activities

The principal activities of the consolidated entity during the period were the development and sale by way of sub-licence of healthcare technologies worldwide.

Operating Result

- The comparative period for this half year financial report is the six months ended 30 September 2014.
- The consolidated net loss attributable to owners of the parent entity for the half year was \$ 1,150K (2014: Loss \$156K).
- Compared to the previous half year period, there is a \$ 144K (1.5%) decrease in revenue (\$9,566K in 2015 against \$9,710K in 2014). New Zealand revenue grew by \$ 1,001K while Australia and USA have dropped by \$990K and \$155K respectively.
- Earnings before interest, impairment of intangibles, depreciation, amortization and tax (EBIDTA) of \$ (73K) for the half year has decreased by \$ 1,594K compared to the previous half year. The reduction in EBIDTA is mainly due to the drop in one off revenue in Australia and losses in ConSova Corporation. These have resulted in losses at the consolidated level.
- Cash flows from operating activities of \$ (98K) for the current half year is \$ 520K lower compared to cash flows from the previous half year.

Review of Operations

Medtech is making good progress with its various initiatives.

New Zealand

The last six months has seen a continued increase in the implementation of Medtech's Evolution PMS platform. Feedback from customers has been very favourable and the interest in moving to this new application continues to grow. Usage of the ManageMyHealth suite of products is also growing, and one PHO (primary health organization) in New Zealand is now actively promoting the mobile telephone application of MMH to doctors' practices. The Ministry of Health has also been actively promoting the benefits of patient portals (such as that provided by ManageMyHealth) during the year, to increase take-up.

Australia

In Australia we have achieved milestone 5 of the Market Validation Programme and are tracking to the agreed timelines. The MVP is a clinical trial of Chronic Heart Failure (CHF) patients which started in early January 2015 for Peninsula Health in Victoria. The programme utilises a combination of Medtech's ManageMyHealth, ViteIMed (telehealth) and MD Analyze products to provide a comprehensive clinical solution for CHF patients and providers.

We also recently launched Medtech Evolution in Australia and the initial focus of the roll-out will be targeted at our existing customer base.

United States of America

Our focus in the USA remains on establishing referencability through our continuing pilot programs. We have amended the telehealth solution that we had initially provided with a more robust and integrated platform comprising of our ManageMyHealth and Vitelmed products.

ConSova Corporation, our subsidiary in the USA, has been performing under budget. ConSova Corporation has well established relationships with large US healthcare organisations like Kaiser Permanente and Cigna. It also provides solutions and services in respect to health benefits management to major employers some of whom are Fortune 500 companies. The Medtech Group will leverage these relationships to promote ManageMyHealth products which have been trialled and customised for the US market. This offers an opportunity to expand the Group's activities in the US to provide an exciting platform for growth in the largest healthcare market in the world.

India

We believe in the strategy that we have adopted in India and continue to see it as a significant and important market for our growth strategy. We remain optimistic for this market and continue with the strategy of digitisation of health records as a first step to gaining a relationship with the customer. We currently service over 15 hospitals in India which include some of the largest healthcare groups in India.

Dividends

No dividend has been paid or declared since the start of the financial year, and the directors do not recommend a payment of a dividend in respect of the half year ended 30 September 2015.

Events Subsequent To Reporting Date

Medtech Holdings USA Inc a wholly owned subsidiary of Medtech Global Limited has on the 31st October purchased all the minority shareholders' interests in Consova Corporation and in so doing has 100% ownership of US based ConSova Corporation.

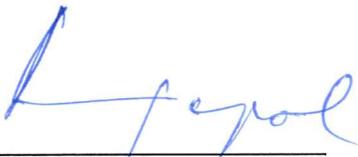
Auditor's Independence Declaration

The external auditor's independence declaration in relation to the review of the half year is set out on page 7 of this report.

Rounding 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 financial report are rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors:



Vinogopal Ramayah
Executive Chairman

Melbourne, 23 November 2015

Level 22 MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

Postal Address:
GPO Box 1615
Sydney NSW 2001
Australia

Tel: +61 2 9221 2099
Fax: +61 2 92231762

www.pitcher.com.au
partners@pitcher-nsw.com.au

Pitcher Partners is an association of independent firms
Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Medtech Global Limited

In relation to the independent auditor's review for the half year ended 30 September 2015, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



R M SHANLEY
Partner

PITCHER PARTNERS
Sydney
23 November 2015

Interim Condensed Statement of Profit or Loss and Other Comprehensive Income for the half year ended 30 September 2015

	<i>Consolidated</i>	
	30-Sep-15	30-Sep-14
	\$'000	\$'000
Revenue	9,546	9,700
Other revenue	20	10
Total Revenue	9,566	9,710
Other Income –Research & development tax benefit	-	357
Cost of Sales	(542)	(402)
Finance costs	(37)	(21)
Consulting fees	(1,857)	(1,796)
Impairment of Intangibles	(24)	-
Depreciation expense	(229)	(240)
Amortisation of Intangibles	(1,331)	(1,291)
Reversal of impairment on receivables	35	(63)
Employee benefits expense	(4,355)	(3,883)
Management fee to related party	(772)	(566)
Travelling expenses	(304)	(200)
Occupancy costs	(313)	(371)
IT support expenses	(353)	(221)
Telecommunication costs	(289)	(200)
Legal and statutory costs	(492)	(314)
Printing, stationery and postage costs	(103)	(240)
Foreign currency gain / (loss)	34	(39)
Other expenses	(317)	(241)
Profit / (loss) before income tax expense	(1,683)	(21)
Income tax (expense) / credit	431	(137)
Net profit / (loss) for the period	(1,252)	(158)
Other comprehensive income		
Foreign currency translation gain / (loss)	(8)	76
Total comprehensive income / (loss) net of tax	(1,260)	(82)
Net profit / (loss) attributable to owners of the parent	(1,150)	(156)
Non-controlling interest	(102)	(2)
	(1,252)	(158)
Total comprehensive income / (loss) attributable to:		
- Owners of the parent	(1,158)	(80)
- Non-controlling interest	(102)	(2)
	(1,260)	(82)
Basic and diluted profit / (loss) per share (cents per share)	(1.25)	(0.16)

The accompanying notes form part of these financial statements.

Interim Condensed Statement of Financial Position as at 30 September 2015

	30-Sep-15 A\$'000	31-March-15 A\$'000
CURRENT ASSETS		
Cash and cash equivalents	961	1,247
Trade and other receivables	3,037	2,600
Inventories	6	5
Income tax receivable	210	290
Other current assets	508	251
TOTAL CURRENT ASSETS	4,722	4,393
NON-CURRENT ASSETS		
Property, plant & equipment	1,022	1,187
Deferred tax assets	1,464	811
Intangible assets	4,189	5,436
TOTAL NON-CURRENT ASSETS	6,675	7,434
TOTAL ASSETS	11,397	11,827
CURRENT LIABILITIES		
Trade and other payables	2,996	3,014
Deferred revenue	1,555	1,109
Interest bearing loans and borrowings	663	573
Provisions	754	458
TOTAL CURRENT LIABILITIES	5,968	5,154
NON-CURRENT LIABILITIES		
Deferred tax liabilities	312	186
Interest bearing loans and borrowings	327	433
Other non-current liabilities	51	55
TOTAL NON-CURRENT LIABILITIES	690	674
TOTAL LIABILITIES	6,658	5,828
NET ASSETS	4,739	5,999
EQUITY		
Contributed equity	48,929	48,929
Accumulated losses	(44,372)	(43,222)
Foreign currency translation reserve(FCTR)	(9)	(1)
Parent interest	4,548	5,706
Non-controlling Interest	191	293
TOTAL EQUITY	4,739	5,999

The accompanying notes form part of these financial statements.

Interim Condensed Statement of Changes in Equity as at 30 September 2015

	Ordinary Share Capital \$'000	Accumulated Losses \$'000	FCTR ¹ \$'000	Owners Of The Parent \$'000	NCI ² \$'000	Total Equity \$'000
BALANCE AT 1 APRIL 2015	48,929	(43,222)	(1)	5,706	293	5,999
Net Profit / (Loss) for the period	-	(1,150)	-	(1,150)	(102)	(1,252)
Other comprehensive income	-	-	(8)	(8)	-	(8)
Total comprehensive income	-	(1,150)	(8)	(1,158)	(102)	(1,260)
BALANCE AT 30 SEPTEMBER 2015	48,929	(44,372)	(9)	4,548	191	4,739

	Ordinary Share Capital \$'000	Accumulated Losses \$'000	FCTR ¹ \$'000	Owners Of The Parent \$'000	NCI ² \$'000	Total Equity \$'000
BALANCE AT 1 APRIL 2014	48,929	(41,447)	(250)	7,232	517	7,749
Net Profit / (Loss) for the year	-	(156)	-	(156)	(2)	(158)
Other comprehensive income	-	-	76	76	-	76
Total comprehensive income	-	(156)	76	(80)	(2)	(82)
BALANCE AT 30 SEPTEMBER 2014	48,929	(41,603)	(174)	7,152	515	7,667

¹ Foreign Currency Translation Reserve

² Non-Controlling Interest

The accompanying notes form part of these financial statements.

Interim Condensed Statement of Cash Flows for the half year ended 30 September 2015

	Consolidated	
	30-Sep-15	30-Sep-14
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	10,501	10,177
Payments to suppliers and employees	(10,649)	(9,590)
Interest received	9	8
Finance costs	(28)	(5)
Income tax paid	69	(168)
Net operating cash flows	(98)	422
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(106)	(642)
Purchase of intangible assets	(71)	(112)
Net Investing cash flows	(177)	(754)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	208	1,053
Repayment of borrowings	(70)	(170)
Payments for acquisition of business	(149)	(62)
Net financing cash flows	(11)	821
Net increase/(decrease)in cash held	(286)	489
Cash at the beginning of the financial year	1,247	1,785
Cash and cash equivalents at the end of the financial year	961	2,274

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the half year ended 30 September 2015

1. Summary of Significant Accounting Policies

1.1. Corporate Information

The interim condensed consolidated financial report of Medtech Global Limited for the half year ended 30 September 2015 was authorised for issue in accordance with a resolution of the directors on 23 November 2015.

This general purpose half year financial report has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations Act 2001. Medtech Global Limited is a company incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

This report is to be read in conjunction with any public announcements made by Medtech Global Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Australian Stock Exchange Listing Rules.

The following is a summary of material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

1.2. Basis of Preparation & Accounting Policies

This general purpose half year financial report has been prepared in accordance with the Accounting Standard AASB 134 "Interim Financial Reporting", the *Corporations Act 2001*, and ASX listing rule 4.2A. The accounting policies applied in preparing the half year financial report are consistent with those adopted for previous periods, but the half year report does not include all the notes of the type usually included in an annual financial report. Therefore, this half year report cannot be expected to provide a full understanding of the financial performance, financial position, and financing and investing activities of the Group as that of the full financial report.

It is recommended that this financial report be read in conjunction with the Group's financial report for the year ended 31 March 2015 and any public announcements made by Medtech Global Limited during the half year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001* and ASX listing rules.

The same accounting policies and methods of computation have been applied in this interim financial report as compared with the most recent annual financial report.

1.3. New Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2015, except for the adoption of new standards and interpretations noted below:

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2014-1 Part A - Annual Improvements 2010–2012 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010–2012 Cycle	<p>AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) <i>Annual Improvements to IFRSs 2010–2012 Cycle</i> and <i>Annual Improvements to IFRSs 2011–2013 Cycle</i>.</p> <p>Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items:</p> <ul style="list-style-type: none"> ▶ AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ▶ AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ▶ AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ▶ AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ▶ AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed. 	1 July 2014	1 April 2015

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2014-1 Part A - Annual Improvements 2011–2013 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2011– 2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: <ul style="list-style-type: none"> ▶ AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. ▶ AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3. 	1 July 2014	1 April 2015

Adoption of these standards did not have any material effect on the financial position or performance of the Group. The Group has not elected to adopt early any other standard, interpretation or amendment that has been issued but is not yet effective.

2. Intangible Assets

During the half year ended 30 September 2015, amortisation and impairment of goodwill, customer relations and evolution development expenses amounted to \$ 1,355K (2014: \$1,291K).

3. Unearned Revenue

Unearned revenue includes revenue against which services are yet to be rendered. In accordance with the revenue recognition policy, they will remain unrecognised until the relevant milestones are reached.

4. Contingencies & Capital Commitments

The directors are not aware of any contingent liabilities or contingent assets, or capital commitments as at the date of this report.

5. Changes in the Composition of the Consolidated Entity

All entities within the Medtech Global Ltd Group - except Medtech Global USA, LLC and ConSova Corporation - remain 100% owned by Medtech Global Ltd. As at the date of this report, Medtech Holdings USA, Inc. (a 100% Medtech Global Ltd-owned entity) owns 85% (2014: 85%) of Medtech Global USA, LLC and 50.1% (2014:50.1%) of ConSova Corporation. **(Refer Note 11 – ‘Events Subsequent To Reporting Date’ for change in the interest in Consova Corporation after the reporting date).**

6. Related Party Disclosures

Arrangements with related parties continue to be in place. For details of these arrangements, please refer to the annual financial report of Medtech Global Limited for the year ended 31 March 2015.

7. Segment Results

Industrial Segments:

The economic entity operated primarily in the software development and licensing sector.

Geographical segments:

The consolidated entity operates in three main geographical areas: Australia, New Zealand and the United States of America. These segments operate primarily in software development and licensing of healthcare and e-Business Solutions and the USA segment operates in health care containment services.

Half Year Ended 30 September 2015:	AUSTRALIA A\$'000	NZ & OTHERS A\$'000	USA A\$'000	INTER-SEG ELIMINATION A\$'000	TOTAL A\$'000
Sales to external customers	1,302	6,293	1,951	-	9,546
Interest income	1	10	-	-	11
Other revenue	-	-	9	-	9
Total segment revenue	1,303	6,303	1,960	-	9,566
Segment EBITDA	266	284	(552)	(71)	(73)
Impairment and amortisation	(1,247)	-	(108)	-	(1,355)
Depreciation	(25)	(164)	(40)	-	(229)
Interest income	1	10	-	-	11
Interest expense	-	(21)	(16)	-	(37)
Income tax (expense)/ credit	73	(37)	381	14	431
Segment net profit / (loss) after tax	(932)	72	(335)	(57)	(1,252)
Segment Assets	6,162	4,819	2,462	(2,046)	11,397
Segment Liabilities	(2,353)	(2,693)	(3,658)	2,046	(6,658)

Half Year Ended 30 September 2014:	AUSTRALIA	NZ & OTHERS	USA	INTER-SEG ELIMINATION	TOTAL
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Sales to external customers	2,288	5,297	2,115	-	9,700
Interest income	5	5	-	-	10
Total segment revenue	2,293	5,302	2,115	-	9,710
Other Income –Research & Development tax benefit	357	-	-	-	357
Segment EBITDA	1,179	220	122	-	1,521
Depreciation, Impairment and amortisation	(582)	(166)	(62)	(721)	(1,531)
Interest income	5	5	-	-	10
Interest expense	-	(13)	(8)	-	(21)
Income tax (expense)/ credit	(79)	(42)	(16)	-	(137)
Segment net profit / (loss) after tax	523	4	36	(721)	(158)
Segment Assets	19,690	4,226	2,418	(11,541)	14,793
Segment Liabilities	(2,966)	(1,772)	(1,707)	(681)	(7,126)

Notes to and forming part of the segment information

Accounting policies

- Segment information is prepared in conformity with the accounting policies of the entity and Accounting Standard AASB 8 Operating Segments. EBITDA is the segment profit measure.
- Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis.
- Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment and goodwill and other intangible assets, net of related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage.
- Segment liabilities consist primarily of trade and other creditors, employee benefits and provision for service warranties. Segment assets and liabilities do not include income taxes.

Accounting policies

The Group has a number of customers to which it provides products and services. No single external customer's transactions amount to 10% or more of revenue.

8. Borrowings

	Consolidated	
	30-Sep-15 \$'000	31-Mar-15 \$'000
Borrowings from BNZ	474	586
Bank Overdraft	516	260
Vendor finance on ConSova Corporation	-	160
	990	1,006
Short term (payable within 12 months)	663	573
Long term (payable after 12 months)	327	433
	990	1,006

- The carrying amount of the Group's current and non-current borrowings is approximate to their fair values.
- The BNZ funding arrangements are secured under a General Security Agreement and perfected security interest over the IT infrastructure equipment of Medtech Limited funded through BNZ and an unlimited Guarantee provided by Medtech Global Limited
- The unused facilities as at 30 September 2015 include an overdraft facility of \$ 454K from BNZ, customised loan facility of \$ 908K from BNZ and a line of credit of \$ 201K from Great Western Bank, USA. Interest rates are dependent on rates applicable at the time of drawdown.

9. Business Combination

There were no new business combinations for the half year ended 30 September 2015.

10. Significant Accounting Estimates and Judgements

Estimates and judgements are based on past performance and management's expectation for the future. The Group makes certain estimates and assumptions concerning the future, which, by definition, will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events which could have a material impact on the assets and liabilities in the next financial year are discussed below:

a. Estimated impairment of goodwill / intangibles

Goodwill and intangible assets are allocated to cash-generating units (CGU's) according to applicable business operations. The recoverable amount of a CGU is based on value-in-use calculations. These calculations are based on projected cash flows approved by management covering a period not exceeding five years. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future.

b. Development costs of Evolution

The majority of development costs included as intangible assets in the statement of financial position relates to Evolution. Evolution has successfully completed beta testing phase and has been released to market. The Group has started amortising Evolution over 3 years from 1st April 2014. This period of 3 years is determined by management based on its past experience and market conditions for companies in the software industry.

c. Development costs of internally developed software at Consova

Development costs capitalised during the year represents development costs of internally developed software at Consova. This software will help to reduce operating costs through operational efficiency, reduction of processing time and have a potential to increase revenue. The group follows the policy of amortising these intangibles over 3 years from the date when they were put to use. This period of 3 years is determined by management based on its past experience and market conditions for companies in the software industry.

d. Estimation of useful lives of intangible assets

The determination of useful lives of finite life intangible assets is based upon the period over which the finite life intangible asset is expected to generate cash flows. Given the current trend, impairment charge recorded in FY14 and dynamics of the market and technology environment, the Board believed that the estimate of useful life used for the amortisation needed to be changed. As a result, the amortisation period for customer relationships and software development costs changed to 3 years during the previous year.

e. Revenue recognition on software development and installation contracts

Revenue from software contracts is recognised when milestones and / or specific deliverables are met. The milestones and / or specific deliverables generally mirror the software development life cycle. Management exercises judgement in matching the software development life cycle as closely as possible to clients' requirements.

f. Income taxes

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

11. Events Subsequent To Reporting Date

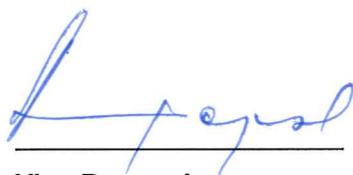
Medtech Holdings USA Inc a wholly owned subsidiary of Medtech Global Limited has on the 31st October 2015 purchased all the minority shareholders' interests in Consova Corporation and in so doing has 100% ownership of US based ConSova Corporation.

Directors' Declaration

In the directors' opinion:

- a) The financial statements and notes set out on pages 8 to 19 are in accordance with the *Corporations Act 2001* including:
 - i. giving a true and fair view of the company and of the consolidated entity's financial position as at 30 September 2015 and its performance for the half year ended on that date; and
 - ii. complying with *AASB 134 Interim Financial Statements* and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Vino Ramayah
Executive Chairman

Melbourne, 23 November 2015

Level 22 MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

Postal Address:
GPO Box 1615
Sydney NSW 2001
Australia

Tel: +61 2 9221 2099
Fax: +61 2 92231762

www.pitcher.com.au
partners@pitcher-nsw.com.au

Pitcher Partners is an association of independent firms
Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MEDTECH GLOBAL LIMITED

We have reviewed the accompanying half-year financial report of Medtech Global Limited, which comprises the consolidated statement of financial position as at 30 September 2015, and the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Medtech Global Limited 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 control as the directors determine is necessary to enable the preparation of the half-year 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 30 September 2015 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 Medtech Global 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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 Medtech Global 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 30 September 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard *AASB 134 Interim Financial Reporting and Corporations Regulations 2001*.



R M SHANLEY
Partner

23 November 2015



PITCHER PARTNERS
Sydney