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ASX/Media Release

Record Profit for Pro Medicus

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Financial Highlights

- Record after tax profit of $6.1 million, up 11% on previous year
- Record revenue of $11.6 million, up 9.9%
- Profit before tax of $8.6 million. Average margin of 75.4%
- $2.3 million revenue from North America while Australian revenue grew by 9.2%
- Final dividend of 2 cents per share fully franked
- Special dividend of 1 cent per share fully franked
- Total dividend for the year a record 5.5 cents per share (up 16%)
- Strong balance sheet – debt free with cash reserves of $11.4 million (after paying previous record dividend of 4.75 cents)
- Increased market liquidity following partial sell down by founders

Business Highlights

- US Agfa deal running to plan. After achieving clinical validation in August 2005, the combined Pro Medicus/Agfa offering is now being used by a growing number of sites across the US, which forms a strong base for future growth.
- Strong base also developing in Canada. Pro Medicus digital technology installed in 25 AltaPACS sites in Alberta and now large Ontario practice signed to use Agfa/Pro Medicus offering.
- Take-up of digital integration software in the Australian private radiology market continues with several new sites, including landmark Sydney site.
- Continued steady growth of promedicus.net, the company's e-health offering. Over 22,000 doctors are now registered to use the network, which carried almost 3 million transactions for the year, an increase of 8.3%.
- Further overseas potential through exclusive software supply deal with Ascent Health in the UK.

Leading medical IT and e-health company, Pro Medicus Limited (ASX:PME), today announced a record net profit after tax of $6.1 million for the year ending June 30, 2006, an increase of 11.3% on the previous year.

Revenue increased to a record $11.6 million, including $2.3 million from the company's rapidly developing activities in North America. The Australian business continued to perform strongly with revenues up 9.2% on the previous year.

The company is debt free with cash reserves at June 30 of $11.4 million and has declared a final dividend of 2 cents per share and a special dividend of 1 cent per share both of which are fully franked. The total dividend for the year is 5.5 cents, up 16% on the previous year.

"This has been another very strong year for Pro Medicus" said Dr Sam Hupert, Pro Medicus CEO. "Both our revenue and profit are at all-time highs. Our Australian business continues to perform strongly and our Agfa North American contract is on track. In addition to the Agfa contract and AltaPACS in Canada we now also have another potential growth position on the other side of the Atlantic through our UK contract with Ascent Health."

Outlook

<u>Australia</u>

Digital imaging

Pro Medicus now has 25 sites using its digital integration technology and is the clear market leader in the private radiology market. Further sites are expected to come on line during 2006/07 as more practices look to avail themselves of the compelling efficiency and clinical benefits that this technology has been shown to deliver.

e-health

Over 22,000 Australian doctors now use the company's e-health network promedicus.net to carry transactions such as radiology results. The company is now focusing on promoting the system more widely to the 16,500 registered specialist doctors in Australia, the vast majority of whom still send their clinical letters in hard copy via the mail.

<u>Canada</u>

All 25 sites in the AltaPACS radiology group were upgraded to the latest version (version 6) of the Pro Medicus Practice Management software. This enhanced version was developed for the US market and has since been implemented in Australia as well as Canada.

This new version will enable AltaPACS, which has qualified for funding from the Alberta Government's CA$189M digital radiology grant, to rollout digital imaging across all of its sites in the coming financial year. This will provide further opportunities for Pro Medicus within the AltaPACS group and potentially to other practices in Alberta as heavy Government expenditure on medical IT is predicted be a major growth driver in this market over the next few years.

Agfa North American Contract

This contract is running to plan with the US version of the product now successfully installed in a number of sites in the major Imaging Centre markets across the country. These sites form an excellent network of reference sites to drive further growth. Feedback from users has been positive with the product seen as a differentiator due to its strong practice management focus.

In order to capitalise on this opportunity, Agfa has assembled a specialised team with significant experience in the Imaging Centre market to solely focus on this opportunity. Having undergone an intensive Pro Medicus knowledge transfer program, the team has now developed the internal capability to sell, train, and install the Pro Medicus offering in North America. This will enable Pro Medicus to leverage Agfa's significant presence in the US to address a market of this size.

Market penetration is expected to accelerate throughout 2006/07, with increased momentum building in the second half as sales to radiology practices in the US peak in December following the RSNA, a major international radiology conference. Support revenue from the original installations is also anticipated to commence towards the end of the second half as warranties from the original sales are rolled into support contracts.

As part of the Agfa North American deal the company now has its digital imaging technology being installed into a seven-site practice in Ontario. Recent changes to radiologist remuneration in Ontario are expected to lead to more opportunities in the Imaging Centre market making this high profile practice a valuable reference site.

Other Overseas Markets

In May the company announced a strategic relationship with Health Inventures in the US and its UK subsidiary Ascent Health to exclusively use Pro Medicus technology to develop digital radiology practices. The agreement has already resulted in a US based sale in Greeley, Colorado, however the planned installation in Waterford Ireland will not proceed as Health Inventures have elected not to take equity in that project. Consequently, Ascent have indicated that Oxford UK project will increase in size and is proceeding to its construction plan with revenue to Pro Medicus expected around the late 2007/early 2008 timeframe.

The company will continue to explore new overseas opportunities for its technology in 2006/07, including segments of the North American health sector not covered by the Agfa agreement as well as opportunities for the suite of Pro Medicus products in other markets.

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About Pro Medicus

Pro Medicus Limited [ASX: PME] is Australia's leading medical IT and e-health provider. Founded in 1983, the company provides a full range of integrated software products and services to individual, corporate and public health providers. Over 22,000 doctors are now connected to the company's e-health service, promedicus.net, with the number of transactions across the network between GPs and specialists growing strongly. A key growth area for the company is the adoption of its digital technology by radiology providers as they move away from analogue systems. An increasing number of Australian practices are taking up Pro Medicus' digital technology and the company is now also making substantial inroads into the North American market. In late 2004, the company signed a watershed three-year $10 million deal with Agfa to exclusively license the Pro Medicus Practice Management and digital radiology software products for the large and rapidly growing private imaging centre market in the US and Canada. It subsequently announced a $2.6 million contract with a large Canadian radiology group. Pro Medicus has also entered an agreement to supply its digital integration software to the UK radiology sites of Ascent Health and the US sites of Ascent's parent company Health Inventures.

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