

Friday 11 February 2011

## Pro Medicus Limited – Preliminary Interim Results

- Profit before interest and tax \$0.865 million – decrease of 44.2%
- Revenue \$7.6 million – decrease of 11.1%
- Cash reserves \$3.1 million – post Visage acquisition
- Company remains debt-free
- New RIS technology platform released in February 2011

This is a preliminary announcement in relation to the financial results for the six months ended 31 December 2010. The company will release the full audited results later this month.

Leading e-health company Pro Medicus [ASX: PME] today announced an unaudited first-half pre-tax profit of \$865,000 for the six months to the end of December 2010 – 44% lower than for the same period last year.

Profit was based on total consolidated income for the six-month period of \$7.569 million, compared to \$8.513 million for the same period last year – a decrease of 11.1%.

Dr Sam Hupert, CEO of Pro Medicus, said the company was significantly impacted by the strong Australian dollar, significant R&D costs and the effects of slower than expected spending in overseas markets particularly the US. "The foreign exchange effect on our profit was a drop in excess of \$100,000," he said. "In this period we didn't make any major new sales although we made significant investments in R&D whilst bearing substantial startup costs relating to the introduction of new technology but have yet to see the upside from this, particularly in the US."

Pro Medicus continues to invest in new product development and will release its new RIS technology platform later this month.

Cash on hand at the end of the period was \$3.1 million. The company's balance sheet is strong enough to fund any necessary expansion. "We have adequate balance sheet strength to fund the business in the near term," Dr Hupert said. "We do not expect large increases in our fixed costs

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however should significant large sales be made we would expect additional related staffing costs to be self funded by such projects”.

In terms of outlook for the company, Dr Hupert said: “We believe we will start seeing a return to better results within the next 6 to 12 months as we increase sales our new suite of products. The hard work of building an international company and product set is largely done and we now have a state of the art product set poised to address the recovering markets in the three continents we address.”

**For further information:**

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**About Pro Medicus Limited**

About Pro Medicus Limited: 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. More than 26,000 doctors are now connected to the company's e-health service, promedicus.net, with the number of transactions across the network between general practitioners and specialists growing accordingly. 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 North America 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 which was completed in 2005. In 2007 and 2008 Pro Medicus achieved the predicted growth in the take up of its digital integration in the Australian private market, steady growth in its e-health offering, as well as recording ongoing growth in its export sales. In late January 2009 the company announced the purchase of Visage Imaging, a leader in advanced 3D visualization technology based in Carlsbad, California.

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