

Pro Medicus acquires Visage Imaging – Leaders in Advanced Digital Imaging

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Australia's leading medical IT and e-health provider Pro Medicus Limited [ASX: PME] today announced it has acquired Visage Imaging, a leader in digital imaging and advanced 3D visualisation technology based in Carlsbad California. The purchase is the culmination of a year's research into merger and acquisition opportunities for Pro Medicus.

Visage Imaging, formerly the life sciences subsidiary of the NASDAQ-listed Mercury Computer Systems, Inc, has a strong position established in the USA and Europe with some 1,200 clients using its health-related visualisation technologies. The products have been marketed either directly through the Visage brand or via OEM (original equipment manufacturer) third-party channels.

David Chambers, Pro Medicus Chief Executive Officer, said: "Visage is a fantastic opportunity for us, given its product set is extremely complementary to ours. In addition to having a web-based PACS (digital imaging) offering which our own radiology information system (RIS) product links into, Visage is a market leader in advanced visualisation, which allows CT and MRI images to be reconstructed in 3D and 4D. This is the next wave in medical digital imaging technology."

A number of specialist areas that have been revolutionized by advanced visualisation include cardiology, where it provides 3D reconstruction of coronary arteries from high definition CT images. Previously, the only way to assess this was via angiography – an invasive procedure that requires hospitalisation. Other specialist areas in which the technology is applicable includes virtual colonography and advanced areas of neuro-radiology and oncology.

According to business research firm Frost and Sullivan the market for advanced visualisation in the United States alone is expected to reach over USD \$1.4 billion by 2013.

"Another big advantage of the Visage product in this space is its use of thin-client distribution technology, which means 3D images can be accessed on virtually any PC without requiring the enormous amounts of computer and network memory that most current systems require. Visage is one of only two companies that currently have this technology commercialised," said Mr Chambers.



3D Cardiac Images

The acquisition allows Pro Medicus to extend its range of products to the market, including RIS, Practice Analysis, PACS, Advanced Visualisation and results distribution. It will also enable Pro Medicus to expand its footprint to cover Australia, USA, Canada, Europe and parts of the Middle East.

“Post merger we’ll have arguably the largest product footprint in the marketplace; we will be able to provide a solution from scheduling and billing to PACS and its distribution through to advanced 3D visualisation,” Mr. Chambers said: “Visage also has bases in North America and Europe so our geographic footprint will also increase enormously.”

The acquisition will not involve any capital raising and will be funded from the company’s cash reserves as will any operational costs in the integration period. The acquisition is expected to become earnings per share accretive in the 2010 financial year

“We were able to secure this business at a time when asset prices have collapsed, far more so than anyone would have predicted even six months ago and have done so without the need to raise additional capital. I believe this vindicates our decision as a Board to maintain a conservative, debt-free balance sheet with significant cash reserves. The current economic climate has if anything worked to our advantage,” Mr. Chambers said

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About Visage Imaging

Visage Imaging is a leading provider of scalable enterprise-wide advanced visualization and image distribution solutions for clinical and preclinical imaging. Targeted at hospitals and imaging centers of any size, solutions based on Visage Imaging's 3D Thin Client PACS offer an optimized, integrated workflow for all primary interpretation, post-processing, and image review tasks within and beyond radiology, via LAN or WAN as well as over the Internet. Moreover, Visage Imaging's 3D thin client technology can be integrated into an existing PACS in order to improve workflow and reading performance, especially for large data volumes.

www.visageimaging.com

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 has 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. **www.promedicus.com.au**