Medical Developments International

18th February 2016

HALF-YEAR REPORT

Pursuant to listing rule 4.2A, please find following Medical Developments International's Consolidated Half-Year Report and associated results announcement, which should be read in conjunction with the most recent annual financial report.

Mark Edwards
Company Secretary

Medical Developments International Limited ABN 14 106 340 667
4 Caribbean Drive Scoresby Victoria 3179 Australia **Postal Address** PO Box 9004 Scoresby Victoria 3179 Australia
Telephone +61 3 9547 1888 **Fax** +61 3 9547 0262 **Web** www.medicaldev.com

Chairman's and CEO's Report

Half-year Key Performance Highlights

TOTAL REVENUE

9%

UP ON PRIOR PERIOD

CASH & CASH EQUIVALENTS

$9.552m

AT 31 DECEMBER 2015

GROSS PROFIT

13%

UP ON PRIOR PERIOD

- REGULATORY APPROVAL AND FIRST SALES IN THE UK/EU
- SIGNED MAJOR DISTRIBUTION DEAL WITH MUNDIPHARMA
- FDA APPROVAL OF RANGE OF ANTISTATIC RESPIRATORY DEVICES IN THE USA

The Future of MVP

Our ambition is to make Penthrox® a mainstream analgesic of choice around the world and our Respiratory Devices global leaders in their field.

MVP has invested heavily in the development of Penthrox® and our Respiratory business and we have achieved registrations for Penthrox® in UK, Ireland, Belgium, Singapore, South Africa and elsewhere. Our portfolio of potential new markets for Penthrox® including the USA and the rest of Europe is expanding rapidly as are the future opportunities for our Respiratory business.

Whilst our half year results have been effected by a number of 'one off' expenses, the future prospects for our business is outstanding.

Penthrox® Developments

The first half of FY16 delivered further progress in terms of the globalisation of Penthrox®. MVP obtained approvals in the United Kingdom, Belgium, Ireland and Singapore and we expect the national phase of the approval process in France to be completed soon. MVP is already selling product to Galen for the UK and Irish markets, with our first sales in the UK achieved in January. We expect Mundipharma will make its first sales into the French and Belgium markets during 2016.

MVP is working with Mundipharma to submit another Marketing Authorisation Application (MAA) to have Penthrox® approved for sale in an additional (circa) 25 countries within the European Union. Our agreed timeline for submission of this MAA is Q4FY16. We expect these approvals to be achieved and sales to commence during FY17. Initial indications from Mundipharma are once approvals for the rest of Europe are achieved, peak sales of Penthrox® units may approach 10 million units per annum.

USA

MVP has requested a meeting with the United States Food and Drug Administration and expects that meeting to be in April 2016. Initial feedback from our regulatory advisors in the

United States is encouraging. Ultimately, if MVP is able to satisfy the FDA's requirements and achieve the registration of Penthrox® for sale in the USA we expect favourable market conditions because of the well documented push by the FDA and others against the use of narcotics for pain relief.

Rest of the World

MVP continues to negotiate with interested parties from around the world in terms of registering and selling Penthrox®. There remains a number of key markets which are drawing strong interest. We are confident new distribution deals and registrations will be achieved in due course.

Clinical Developments

We continue to invest heavily in the development of Penthrox® and our clinical study activities include:

- A Phase IV Post Approval Safety Study in the UK;
- A Phase III Pivotal study in children;
- The publication of an Occupational Exposure Study; and
- A Phase IV Post Approval Safety Study in Europe to track the satisfactory administration of Penthrox®.

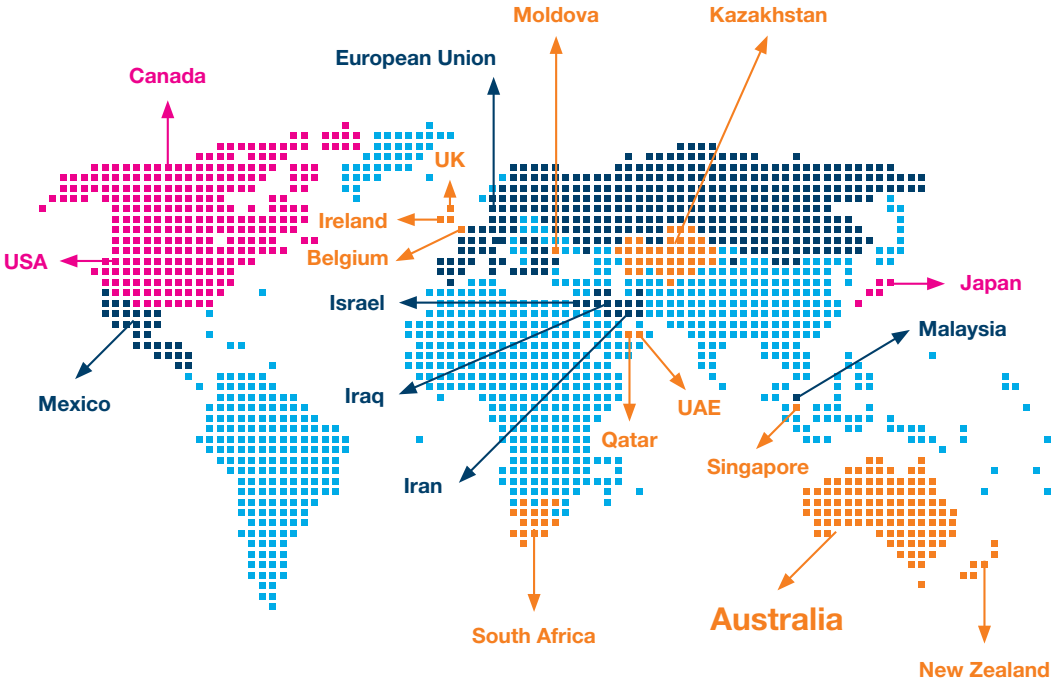
These studies will extend the body of safety and efficacy data on Penthrox® in adults and children and enable MVP to leverage the outcome of these studies in the proposed New Drug Application (NDA) to the USA and registrations elsewhere in the world. In addition to these initiatives Mundipharma is interested to undertake a number of studies designed to extend the use of Penthrox® for new indications throughout Europe including for 'Minor Surgical Procedures' which will have the effect of greatly broadening the use of Penthrox®.

Product Development

Our new Methoxyflurane manufacturing project with the CSIRO is expected to be completed in the next few months along with the construction of our new purpose built, state of the art manufacturing facility in Scoresby. The new manufacturing process and facility will have the capacity to manufacture 25 million units of Penthrox® per annum and will transform the cost base for Penthrox®. This is enough units to satisfy the expected demand for all the countries who are now registered and for those countries expected to be registered in the near future including the remainder of Europe, Mexico and parts of Asia.

Elsewhere in our business we continue to invest heavily in product development including a new range of Penthrox® Inhaler devices. We have filed four Patent Applications to cover these devices.

Global Penthrox® Strategy



Key

Current key Penthrox® markets | Pending Registrations / emerging markets | Future

Key Achievements

Penthrox®

- Regulatory approval and first sales of Penthrox® in the UK and Europe.
- Approval in Singapore.
- Signed major distribution deal with Mundipharma (received circa AUD$10 million in upfront payments).
- Received 2nd milestone payment from Galen (circa AUD$1 million).
- Strong sales growth for Penthrox® into Australian General Practitioners & Hospitals markets.
- Penthrox® sales up 10%.
- Ambulance sales up 18%.
- 5 Patent Applications.

Respiratory Medical Devices

- FDA approval of range of anti-static respiratory devices in USA.
- Acquisition of Australia's biggest brand of respiratory devices, Breath-A-Tech.
- Signed first distribution deals with North American partners.
- Strong sales growth in UK and Europe.

Other

- Overall sales revenue up 9%.
- Gross profit up 13%.
- $9.5 million cash in bank.
- Improved manufacturing margins.
- Moved into new premises, with a new manufacturing facility to be completed in 2016.
- Continued investment in new product development.
- Continued investment in clinical development programs, trials and registrations in new markets.

FY16 Half Year Financial Result

During the period MVP invested in new premises, our new manufacturing processes and facility, patents, legal advice and fees relating to commercial agreements including Mundipharma and in building our team of people for the future.

MVP has received further substantial upfront and milestone payments during the current half year totalling approximately $10.9m, in addition to the upfront payment of approximately $0.7m received in FY15. For accounting purposes these payments are deferred and amortised into the income statement over the term of the agreement to which the payments relate (typically ranging from 5 -10 years).

We have incurred a number of 'one off' costs relating to the future growth of our business (including a $300K unrealised foreign exchange loss) which have negatively impacted our reported earnings for the half year but we are confident these investments will deliver significant long term sustainable growth for our company.

Our half year result has delivered revenue **growth** of **9%** and a **gross profit growth** of **13%**. Net profit after tax was **68% below** prior year and was impacted by four factors:

- A significant 'one off' legal expense incurred in relation to the License, Development and Commercialisation Agreement with Mundipharma;
- A significant 'one off' unrealised currency loss of approximately $300k incurred as a result of a large USD cash holding as at 31 December 2015. Note that during January 2016, MVP converted US$5m into Australian dollars, resulting in a full reversal of the unrealised loss;
- A significant 'one off' relocation cost associated with moving our head office and components of the manufacturing operations to our new Scoresby based site;
- The loss of the contract to supply respiratory devices to Pharmac in New Zealand. MVP chose not to meet the pricing requirements of Pharmac and reduce its gross margin to an unacceptable level. Subsequently MVP was not chosen to renew its contract.

The combined impact of these four items reduced Net Profit Before Tax by circa $750K. H2FY16 is expected to deliver a considerable improvement in sales and profits. However the full effects of Penthrox® sales into the UK, EU, South Africa and Singapore and Respiratory sales into the US, Canada and the EU will not be fully seen until FY17.

Dividend

The Board of Directors have declared a fully franked interim dividend of 2 cents per share to the holders of fully paid ordinary shares as at the record date of 4 March 2016, to be paid to shareholders on 8 April 2016.

Penthrox®

Our Penthrox® business performed strongly and sales of Penthrox® **grew 10%** compared to H1FY15. Sales to our Ambulance business **grew** by **18%** and sales to Hospitals/ General Practitioners and our Wholesale Distributor network **grew 35%**.

Internationally we made our first sales to our partner Galen who launched Penthrox® in the UK on the 25 January 2016. We expect the UK and Ireland to be a significant growth market for Penthrox®. We have a number of large orders from Galen to fill in H2FY16 for both the UK and Ireland and we expect the second half of the year to show significant sales growth.

Respiratory Devices

Sales of our respiratory devices were below H1FY15, **falling 18%**. After adjusting for the non-renewal of the New Zealand contract, the remaining Respiratory Device business **grew 10%**. Our European respiratory business continues to build on its recent success and **grew 134%**.

MVP recently announced that it completed the acquisition of Breath-A-Tech in Australia. Breath-A-Tech is the leading brand of asthma space chambers in the Australian pharmacy and hospital markets and will reinforce MVP as market leader in Australia. We expect annual sales from the Breath-A-Tech acquisition to grow sales for our global respiratory business by 40% in its first full year.

The acquisition of Breath-A-Tech adds momentum to MVP's global growth strategy, and in particular, our recent success in North America where a number of Distribution Agreements have been entered into over the last few months. Our first sale from these new agreements will be achieved in February 2016.

We expect our respiratory business to show significant growth in sales and profitability during H2FY16 and particularly during FY17 when the full benefits of our acquisition and new North American partnerships will be delivered.

Conclusion

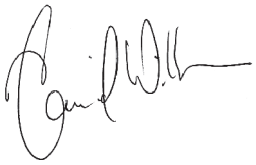
Penthrox® is a category leading drug in Australia and we expect it can dominate many of the trauma and minor surgical procedure markets around the world. With the completion of our Regulatory Dossier, a number of licensing deals successfully concluded and with the successful completion of our CSIRO manufacturing project, we believe we are working toward a rerating of the company to be a worldwide pharmaceutical company.

Our global Respiratory Device business is showing great promise. We have received our first sales order from one of our new North American distributors which we will deliver this month. We expect significant sales growth from our respiratory business in the months and years ahead especially in North America and the EU.

Further Information:

MR JOHN SHARMAN
CHIEF EXECUTIVE OFFICER

+61 3 9547 1888



MR DAVID WILLIAMS
CHAIRMAN

+61 414 383 593

Medical Developments International

ABN 14 106 340 667

Consolidated Half-Year Report (Appendix 4D)

Financial Half-Year Ended 31 December 2015

(Previous corresponding period: Half-year ended 31 December 2014)

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Medical Developments International

Results for Announcement to the Market

The following information is provided in accordance with ASX Listing Rule 4.2C.3

	Half-year ended 31 Dec 2015 $000	Half-year ended 31 Dec 2014 $000	Percentage increase/ (decrease)
Revenue From Ordinary Activities	5,991	5,501	8.9%
Earnings before Interest and Tax	318	1,044	(69.5%)
Net Profit After Tax	236	731	(67.7%)
Cash and Cash Equivalents	9,552	595	1,505.4%
Basic EPS (cents)	0.41	1.27	(67.8%)
Net Tangible Asset Per Share (cents)	0.3	0.1	200%

Dividends

The Board of Directors have declared a fully franked interim dividend of 2 cents per share to the holders of fully paid ordinary shares as at the record date of 4 March 2016 to be paid to shareholders on 8 April 2016.

MVP intends to implement a Dividend Reinvestment Plan which will allow shareholders to use the proceeds from the Interim Dividend to purchase MVP shares at the volume weighted average price of all of the company's full paid shares sold on the ASX during the 10 trading days immediately before the record date (no discount applied).

The following is the timetable in relation to the Interim Dividend:

Key Dates	**Event**
18 February 2016	Declaration of Interim Dividend
4 March 2016	Record Date for eligible shareholders to receive dividend
24 March 2016	Date for shareholders to elect to participate in Dividend Reinvestment Plan
8 April 2016	Payment Date

For a brief explanation of the figures above refer to the review of operations attached.

Medical Developments International

Consolidated Half-Year Report for the Half-Year Ended 31 December 2015

Contents

Directors' Report

The directors of Medical Developments International Limited ("MDI") herewith submit the financial report of Medical Developments International Limited and its subsidiary (the Group) for the half-year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half year are:

- Mr D J Williams (Non-Executive Chairman)
- Mr R M Johnston
- Mr A D McCallum
- Dr H F Oxer
- Mr L Hoare
- Mr P Powell

Review of Operations

A detailed review of the operations of the company during the half-year and the results of these operations is set out in the accompanying results announcement.

Auditor's Declaration of Independence

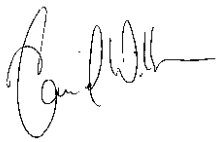
The auditor's independence declaration under s.307C in relation to the review is included on page 4.

Rounding Off 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 half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors.



David Williams
Chairman
Melbourne, 18 February 2016

Deloitte Touche Tohmatsu
ABN. 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
www.deloitte.com.au

The Board of Directors
Medical Developments International Limited
4 Caribbean Avenue
SCORESBY VIC 3179

18 February 2016

Dear Board Members

Medical Developments International Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Medical Developments International Limited.

As lead audit partner for the review of the financial statements of Medical Developments International Limited for the half year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

Samuel Vorwerg
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN. 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
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Independent Auditor's Review Report to the members of Medical Developments International Limited

We have reviewed the accompanying half-year financial report of Medical Developments International Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2015, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 15.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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 internal control as the directors determine is necessary to enable the preparation of the half-year financial 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 31 December 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 Medical Developments International 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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Medical Developments International Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Deloitte.

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 Medical Developments International 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 31 December 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 the *Corporations Regulations 2001*.

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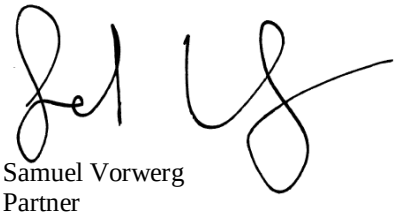


Samuel Vorwerg
Partner
Chartered Accountants
Melbourne, 18 February 2016

Directors' Declaration

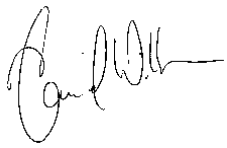
The directors declare that:

a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



David Williams
Chairman
Melbourne, 18 February 2016

Medical Developments International

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2015

	Half-year ended	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Revenue	5,991	5,501
Cost of sales	(1,538)	(1,547)
Gross Profit	4,453	3,954
Other income	-	16
Distribution expenses	(397)	(289)
Marketing expenses	(815)	(785)
Occupancy expenses	(246)	(190)
Administration expenses	(1,619)	(1,053)
Regulatory and registration expenses	(608)	(395)
Finance Expenses	(17)	(51)
Other expenses	(450)	(214)
Profit before income tax expense	301	993
Income tax expense	(65)	(262)
Profit for the period	236	731
Items that may be reclassified subsequently to profit or loss, net of income tax		
Exchange differences on translating foreign operations	(7)	24
Total Comprehensive Income for the period	229	755
Profit attributable to:		
Owners of the parent	236	731
Total Comprehensive Income attributable to:		
Owners of the parent	229	755
Earnings per Share:		
Basic (cents per share)	0.41	1.27
Diluted (cents per share)	0.41	1.27

Notes to the financial statements are included on pages 12-15

Medical Developments International

Condensed Consolidated Statement of Financial Position

As at 31 December 2015

	31 Dec 2015 $'000	30 Jun 2015 $'000
Current Assets		
Cash and cash equivalents	9,552	954
Trade and other receivables	2,023	1,819
Inventories	2,098	1,887
Other	281	175
Total Current Assets	13,954	4,835
Non-Current Assets		
Plant and equipment	1,881	1,522
Deferred tax asset	1,141	143
Goodwill	7,368	7,368
Other intangible assets	10,117	9,120
Total Non-Current Assets	20,507	18,153
Total Assets	34,461	22,988
Current Liabilities		
Trade and other payables	1,279	1,231
Provisions	174	215
Borrowings	432	92
Current tax liabilities	2,988	294
Total Current Liabilities	4,873	1,832
Non-Current Liabilities		
Deferred tax liabilities	-	1,703
Provisions	97	93
Borrowings	455	1,019
Other	11,398	934
Total Non-Current Liabilities	11,950	3,749
Total Liabilities	16,823	5,581
Net Assets	17,638	17,407
Equity		
Issued capital	10,946	10,946
Reserves	16	21
Retained earnings	6,676	6,440
Total Equity	17,638	17,407

Notes to the financial statements are included on pages 12-15

Medical Developments International

Condensed Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2015

	Half-year ended 31 December 2015			
	Issued capital $'000	Retained earnings $'000	Foreign Currency Translation Reserve $'000	Total $'000
Opening balance at 1 July 2015	10,946	6,440	21	17,407
Profit for the period	-	236	-	236
Exchange differences on translation of foreign operations	-	-	(5)	(5)
Total Comprehensive Income	-	236	(5)	231
Dividends Paid	-	-	-	-
Closing balance at 31 December 2015	10,946	6,676	16	17,638

	Half-year ended 31 December 2014			
	Issued capital $'000	Retained earnings $'000	Foreign Currency Translation Reserve $'000	Total $'000
Opening balance at 1 July 2014	10,946	4,911	(33)	15,824
Profit for the period	-	731	-	731
Exchange differences on translation of foreign operations	-	-	24	24
Total Comprehensive Income	-	731	24	755
Dividends Paid	-	-	-	-
Closing balance at 31 December 2014	10,946	5,642	(9)	16,579

Notes to the financial statements are included on pages 12-15

Medical Developments International

Condensed Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2015

	Half-year ended 31 Dec 2015 $'000	Half-year ended 31 Dec 2014 $'000
Cash flows from operating activities		
Receipts from customers	5,414	6,263
Payments to suppliers and employees	(5,153)	(4,710)
Milestone and Upfront Payments	10,858	-
Interest paid	(14)	(30)
Income tax refund/(paid)	(75)	140
Net cash provided by operating activities	11,030	1,663
Cash flows from investing activities		
Payment for plant and equipment	(529)	(308)
Payments for other intangible assets	(1,334)	(348)
Net cash used in investing activities	(1,863)	(656)
Cash flows from financing activities		
Payments for hire purchase	(24)	(22)
Repayment of borrowings	(200)	(2,090)
Net cash provided by / (used) in financing activities	(224)	(2,112)
Net increase/(decrease) in cash held	8,943	(1,105)
Cash at the beginning of the half-year	954	1,659
Effects of exchange rate changes on the balance of cash held in foreign currencies	(345)	41
Cash at the end of half-year	9,552	595

Notes to the financial statements are included on pages 12-15

Notes to the Condensed Consolidated Financial Statements

For the Half-Year Ended 31 December 2015

1. Significant accounting policies

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the financial year ended 30 June 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'

<u>Impact of the application of AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'</u>

Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations.

The adoption of amending Standards does not have any impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

2. Segment information

Products and services within each business segment

For management purposes, the company is organised into three business units – pharmaceuticals, medical devices and veterinary products. These units are the basis on which the company reports its primary segment information. The principal products and services of each of these divisions are as follows:

- Pharmaceuticals – the sale of Penthrox® primarily within Australia and New Zealand, and some sales in the UK, Europe and the Middle East
- Medical Devices – the sale of medical devices, particularly the Space Chamber and Breath-Alert Peak-Flow meters, primarily within Australia and New Zealand, and some sales in Asia, Europe, the Middle East and North America
- Veterinary Products – the sale of veterinary products worldwide

Segment revenues and results

	Pharmaceuticals		Medical Devices		Veterinary		Unallocated		Total	
	Half-year ended		Half-year ended		Half-year ended		Half-year ended		Half-year ended	
	31 Dec 2015 $'000	31 Dec 2014 $'000	31 Dec 2015 $'000	31 Dec 2014 $'000	31 Dec 2015 $'000	31 Dec 2014 $'000	31 Dec 2015 $'000	31 Dec 2014 $'000	31 Dec 2015 $'000	31 Dec 2014 $'000
Revenues:										
External sales	3,938	3,593	1,395	1,690	265	218			5,598	5,501
Milestone and License revenue	393								393	-
Other income							-	16	-	16
Total revenue									**5,991**	**5,517**
Results:										
Profit before interest, income tax, depreciation & amortisation	**2,245**	**1,863**	**(285)**	**25**	**96**	**17**	**(1,268)**	**(678)**	**788**	**1,227**
Depreciation & Amortisation	(371)	(113)	(42)	(22)	(8)	(3)	(50)	(46)	(470)	(183)
Profit before interest and tax	**1,874**	**1,750**	**(327)**	**3**	**88**	**14**	**(1,318)**	**(724)**	**318**	**1,044**
Net interest							(17)	(51)	(17)	(51)
Profit before income tax							**(1,334)**	**(775)**	**301**	**993**
Income tax expense							(65)	(262)	(65)	(262)
Net profit for the period from continuing operations							(1,399)	(1,037)	**236**	**731**

	Pharmaceuticals		Medical Devices		Veterinary		Unallocated		Total	
	31 Dec 2015 $'000	30 June 2015 $'000	31 Dec 2015 $'000	30 June 2015 $'000	31 Dec 2015 $'000	30 June 2015 $'000	31 Dec 2015 $'000	30 June 2015 $'000	31 Dec 2015 $'000	30 June 2015 $'000
Assets and Liabilities										
Assets	16,856	15,504	5,188	5,162	899	859	11,518	1,463	34,461	22,988
Liabilities	-	-	-	-	-	-	16,823	5,581	16,823	5,581

	Pharmaceuticals		Medical Devices		Veterinary		Unallocated		Total	
	31 Dec 2015 $'000	31 Dec 2014 $'000	31 Dec 2015 $'000	31 Dec 2014 $'000	31 Dec 2015 $'000	31 Dec 2014 $'000	31 Dec 2015 $'000	31 Dec 2014 $'000	31 Dec 2015 $'000	31 Dec 2014 $'000
Other Segment Information										
Acquisition of segment assets	1,983	556	62	57	12	6	323	6	2,380	625

Geographical Information	Revenue from external customers 31 Dec 2015 $000's	%	Revenue from external customers 31 Dec 2014 $000's	%
Australia	4,202	75.1%	3,886	70.6%
New Zealand	119	2.1%	566	10.3%
International	1,277	22.8%	1,050	19.1%
	5,598	100.0%	5,501	100.0%

3. Dividends

No dividends were paid during the half year or comparative period. Refer also to note 7 below.

4. Borrowings

The group has an available Bank Bill Facility of $3.38m as at 31 December 2015 that expires on 31 August 2016. The loan bears interest at variable market rates and requires ongoing principal and interest repayments. The loan also features an offset and redraw facility which has been utilised in the current period.

	31-Dec-15 $'000	30-Jun-15 $'000
Secured - at amortised cost		
Hire Purchase - bottling plant	98	115
Hire Purchase - other plant & equip.	45	52
Bank Bill	338	538
Other	406	406
	887	1,111
Current	432	92
Non-current	455	1,019
	887	1,111

5. Tax

	31-Dec-15 $'000	30-Jun-15 $'000
Deferred tax asset	1,141	143
Deferred tax liability	-	(1,703)
Net Deferred Tax Asset/(Liability)	1,141	(1,560)

MVP has received substantial upfront payments during the current half year and for tax purposes these are deemed as assessable on a cash received basis. This has resulted in the historical net deferred tax liability shifting to that of a net deferred tax asset, whilst a tax liability also arises.

6. Non-Current Liabilities - Other

	31-Dec-15 $'000	30-Jun-15 $'000
Other	11,398	934

MVP has received further substantial upfront and milestone payments during the current half year totalling approximately $10.9m, in addition to the upfront payment of approximately $0.7m received in FY15. For accounting purposes these payments are deferred and amortised into the income statement over the term of the agreement to which the payments relate. As at 31 December 2015 approximately $11.09m remains unamortised and has been classified as a non-current liability (other).

7. Subsequent events

On 5 February 2016, Medical Developments International Limited completed its acquisition of the respiratory business of Avita Medical Limited. The total consideration paid was $2.47m comprising $2.03m cash and an issue of 117,894 MVP shares valued at $0.44m. MVP is expected to finalise the accounting associated with the acquisition by 30 June 2016. There have been no acquisition-related costs incurred in the profit and loss for the half-year.

On the 18th February 2016 the Board of Directors declared a fully franked interim dividend of 2 cents per share to the holders of fully paid ordinary shares as at the record date of 4 March 2016, to be paid to the shareholders on the 8 April 2016. This dividend has not been included as a liability in these financial statements.

There has not been any other matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future years.

8. Contingencies and commitments

There have been no significant changes to contingent liabilities, contingent assets or commitments since 30 June 2015.