

ASX Release

SUDA LTD APPENDIX 4C FOR FOURTH QUARTER FY2014

- Receipts from customers in FY2014 increased 100% to \$9.4 million vs. \$4.7 million in FY2013
- Net operating cash loss in FY2014 was \$2.9 million vs. \$1.6 million in FY2013
- Net cash as at 30 June 2014 was \$4.0 million

PERTH, AUSTRALIA - 24 July 2014: SUDA LTD (ASX: SUD) today released its Appendix 4C quarterly report for the consolidated Group for the fourth quarter of FY2014.

The receipts from customers for the 12 months to 30 June 2014 (FY2014) doubled to \$9.4 million compared to \$4.7 million in FY2013. This growth was driven by the strong performance of SUDA's fully owned subsidiary, Westcoast Surgical and Medical Supplies (Westcoast).

Westcoast has five business units: preferred supplier to a Federal Government funded organisation, Aged Care, Hospitals, Allied Health and Mining. Westcoast secured its contract with the Federal Government funded organisation for the supply of pharmaceuticals, consumables, equipment and vaccines in August 2013. Hence, this revenue stream has been an important driver in FY2014.

Westcoast launched the Lille branded continence management products in April 2014 which has boosted its Aged Care business. In addition, the roll out of Westcoast's novel wound healing gauze, HemoStyp[®], is progressing with the prospect of new revenue streams from the Defence Forces; the State and Federal Police; the ambulance services; hospitals and other WA-based and national groups.

In the fourth quarter of FY2014, Westcoast established a warehouse in Brisbane for distribution on the East coast. This new market for Westcoast could increase annual revenue by \$3 – 4 million. This expansion was triggered by three of Westcoast's existing national clients, including the Federal Government funded organisation, who encouraged the company to supply them on the East coast.

The net operating cash loss for the Group in FY2014 was \$2.9 million compared to \$1.6 million in FY2013. The higher expenditure associated with the loss in FY2014 reflects increased investment in SUDA's core OroMist drug delivery technology and also in higher inventory levels at Westcoast.

The Group ended the fourth quarter with net cash of \$4.0 million. In July 2014, SUDA received gross proceeds of \$1.4 million from the placement of 28.2 million Options, exercisable at 5 cents, which expired on 30 June 2014. Convertible notes with a value of \$482,000, maturing on 30 June 2014, were converted into 24.1 million Ordinary Shares during the fourth quarter of FY2014. In addition, in July 2014 SUDA announced that it had terminated a funding agreement with Bergen Global Opportunity Fund, LP (Bergen) by mutual consent of both parties. As part of the termination, Bergen advanced SUDA a final tranche amount of \$100,000 by way of a prepayment to SUDA for the purchase of shares.

As a result of these transactions, SUDA's Shares In Issue has increased to 978.5 million Shares and the Group's pro-forma FY2014 year-end cash position was approximately \$5.4 million.

SUDA LTD's Chief Executive Officer, Stephen Carter, said: "We are delighted by the financial performance of the Group in FY2014. Westcoast has grown strongly in FY2014 and has established new revenue drivers for FY2015. Importantly, Westcoast is making a valuable contribution to the financial sustainability of the Group. We have ended the year with a strong balance sheet, which will support our continued investment in the OroMist drug delivery platform and the achievement of our business development goals. We look forward to reporting further progress over the coming months."



Further information:
STEPHEN CARTER
CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR
SUDA LTD
Tel: +61 8 6142 5555
sjcarter@sudaltd.com.au

NOTES TO EDITORS:

About SUDA LTD

SUDA LTD (ASX: SUD) is a drug delivery company focused on oro-mucosal administration, headquartered in Perth, Western Australia. The Company is developing low-risk oral sprays, utilising its novel OroMist technology to reformulate existing off-patent pharmaceuticals. The many potential benefits of administering drugs through the oral mucosa (ie: cheeks, tongue, gums and palate) include ease of use, lower dosage, reduced side effects and faster response time. SUDA's most advanced product is a novel sub-lingual treatment, ArTiMist™, for severe malaria in children. In a Phase III trial, ArTiMist™ was shown to be superior to intravenous quinine. Other development stage products include oral sprays for the treatment of migraine headache, chemotherapy-induced nausea and vomiting and erectile dysfunction. For more information, visit www.sudaltd.com.au

About WESTCOAST

Westcoast Surgical and Medical Supplies Pty Ltd is a fully owned subsidiary of SUDA LTD. Westcoast provides medical supplies to West Australian leading hospitals, aged care facilities, pharmacies, mining companies and other healthcare providers. Westcoast is also the exclusive distributor of a unique wound healing gauze, HemoStyp®, in Australia, New Zealand, New Guinea and the Pacific Islands. For more information, visit www.westcoastsurgical.com.au

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

SUDA LTD

ABN

35 090 987 250

Quarter ended ("current quarter")

30th June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date
	\$A'000	12 Months \$A'000
1.1 Receipts from customers	1,257	9,385
1.2 Payments for (a) staff costs	(496)	(1,541)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	(4)	(17)
(e) other working capital	(1,892)	(10,673)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	47
1.5 Interest and other costs of finance paid	(53)	(109)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(1,171)	(2,908)

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

		Current quarter	Year to date 12 Months
		\$A'000	\$A'000
1.8	Net operating cash flows (carried forward)	(1,171)	(2,908)
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	(75)	(1,519)
	(d) physical non-current assets	(69)	(203)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	(144)	(1,722)
1.14	Total operating and investing cash flows	(1,315)	(4,630)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	175	6,360
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	1,900
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other (capital raising fees)	-	(438)
	Net financing cash flows	175	7,822
	Net increase (decrease) in cash held	(1,140)	3,192
1.21	Cash at beginning of quarter/year to date	5,124	780
1.22	Exchange rate adjustments to item 1.20	-	12
1.23	Cash at end of quarter	3,984	3,984

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	156
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil

1.26 Explanation necessary for an understanding of the transactions

Payment of Salary and Directors' Fees for the quarter ended 30th June 2014

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the period \$482,000 convertible notes, with a maturity date of 30 June 2014, were converted into ordinary shares.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	4,050	2,200

Note: As announced on 10 December 2012, Suda Ltd entered into a funding agreement with the Bergen Global Opportunity Fund that will provide up to \$7.6m over 2 years. The facility has been paused for a period of up to 6 months as announced on 9 December 2013.

The funding agreement, with an available amount of \$3.6m, was terminated in July 2014.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	484	1,124
4.2 Deposits at call	3,500	4,000
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	3,984	5,124

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 24 July 2014

Print name: Managing Director
Stephen Carter

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.