



ABN 23 089 310 421

ASX Preliminary Final Report for the year ended 30 June 2011

Lodged with the ASX under Listing Rule 4.3A

This report is to be read in conjunction with any public announcements made by CathRx Ltd during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 (Cth).

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Reporting period: Year ended 30 June 2011
(Previous corresponding period: Year ended 30 June 2010)

Results for Announcement to the Market

Key Information	Current Period	Previous Corresponding Period	% Change Increase/ (Decrease)	Amount Increase/ (Decrease)
Revenue and other income from ordinary activities	\$777,728	\$755,724	2.9%	22,004
Profit (loss) from ordinary activities after tax attributable to members	(\$8,947,978)	(\$10,556,907)	15.2%	\$1,608,929
Net profit (loss) attributable to members	(\$8,947,978)	(\$10,556,907)	15.2%	\$1,608,929

CathRx Ltd does not propose to pay a dividend for the financial year ended 30 June 2011.

Other Appendix 4E Information

	30 June 2011	30 June 2010
Net Tangible Assets per Share	\$0.05	\$0.11

Commentary on results for the period (Appendix 4E item 14)

Operating and Financial Review

Review and results of operations

During the financial year ended 30 June 2011, the Company focused its activities on developing its second generation of cardiac catheters designed to maximize re-manufacturability and progressed towards a technology deal. At the date of this report, the Company remains in negotiations with potential partners for exclusive rights to the Company's technology platform.

Following the completion of an Entitlement Offer in April 2010, the Company's Placement was completed on 2 July 2010 with the issue and allotment of 1,061,502 new fully paid ordinary shares, raising \$169,840. The funds allowed the Company to focus its activities on the re-processable medical devices market, expand its range of re-processable catheter devices, enhance the modular manufacturing platform and fund general working capital expenses.

In March 2011, the Company received CE Marking for its first generation irrigated ablation catheter coupled with the Company's patented variable deflectable stylet. The irrigated ablation catheter is the first catheter in the Company's therapeutic catheter range designed for use in the treatment of cardiac arrhythmias.

On 13 September 2010, the Company announced the appointment of Dr Colin Adam and Dr Michael Hirshorn as non-executive directors and the retirement of Mr Andrew Denver.

Statement of Comprehensive Profit or Loss

FOR THE YEAR ENDED 30 JUNE 2011

	<i>Year ended 30 June 2011</i>	<i>Year ended 30 June 2010</i>
	\$	\$
Continuing Operations		
Sale of goods	24,622	478,508
Revenue	24,622	478,508
Cost of sales	19,569	395,497
Gross Profit	5,053	83,011
Other revenue	466,888	277,216
Other income	286,218	-
Expenses		
Research and development	(6,516,001)	(6,715,333)
Sales and marketing	(710,424)	(1,303,529)
Administration costs	(2,479,712)	(2,898,272)
	(9,706,137)	(10,917,134)
Loss before income tax expense	(8,947,978)	(10,556,907)
Income tax expense	-	-
Net loss from continuing operations after income tax expense	(8,947,978)	(10,556,907)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	(8,947,978)	(10,556,907)
Loss per share (cents per share)		
-Basic	(6.2) cents	(13.7) cents
-Diluted	(6.2) cents	(13.7) cents

Research and development

The research and development costs reflect patenting costs, product development and product testing, clinical trial, lab consumables and prototype components.

Sales and marketing

Sales and marketing costs have decreased with the revision of the Company's commercialisation strategy which was revised last financial year.

General administration

During the financial year ended 30 June 2011, administration costs reduced compared to the prior year due to the amended business strategy and subsequent restructure of the Company which occurred early in the 2010 calendar year. The 30 June 2011 financial year sees the full impact of this restructure.

Operating results

The Company's operating loss after income tax for the year ended 30 June 2011 was \$8,947,978 (2010: operating loss of \$10,556,907).

The Company ended the financial year with \$4,758,761 in cash at bank and term deposits. In the year ended 30 June 2011, the net cash flows used in operating activities were \$6,712,130 compared with \$10,113,005 for the year ended 30 June 2010.

Statement of Financial Position

AS AT 30 JUNE 2011

	<i>As at</i> <i>30 June 2011</i> \$	<i>As at</i> <i>30 June 2010</i> \$
ASSETS		
Current assets		
Cash and cash equivalents	4,758,761	11,446,145
Trade and other receivables	180,484	337,507
Inventories	982,235	1,343,407
Other current assets	110,388	245,229
Total current assets	6,031,868	13,372,288
Non-current assets		
Property, plant and equipment	2,778,243	3,672,074
Intangible assets	618,739	811,791
Other non-current assets	412,077	412,077
Total non-current assets	3,809,059	4,895,942
TOTAL ASSETS	9,840,927	18,268,230
LIABILITIES		
Current liabilities		
Trade and other payables	1,219,811	1,210,632
Provisions	149,000	149,000
Interest bearing liabilities	6,805	5,982
Total current liabilities	1,375,616	1,365,614
Non-current liabilities		
Interest bearing liabilities	10,441	17,246
Provisions	253,519	230,552
Total current liabilities	263,960	247,798
TOTAL LIABILITIES	1,639,576	1,613,412
NET ASSETS	8,201,351	16,654,818
EQUITY		
Contributed equity	59,429,233	59,211,122
Other reserves	2,368,990	2,092,590
Accumulated losses	(53,596,872)	(44,648,894)
TOTAL EQUITY	8,201,351	16,654,818

Cash and cash equivalents

On 2 July 2010, the Company completed its Placement with the issue and allotment of 1,061,502 new fully paid ordinary shares, raising \$169,840.

The funds have been used to focus its activities on the re-processable medical devices market, expand its range of re-processable catheter devices, enhance the modular manufacturing platform and fund general working capital expenses.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2011

	<i>Year ended 30 June 2011</i>	<i>Year ended 30 June 2010</i>
	\$	\$
Cash flows from operating activities		
Receipts from customers	177,819	295,718
Payments to suppliers and employees (inclusive of GST)	(7,649,665)	(10,684,015)
Receipt of government grants	286,218	-
Receipt of other income (inclusive of GST)	32,139	52,865
Interest received	441,359	222,427
Net cash flows used in operating activities	(6,712,130)	(10,113,005)
Cash flows from investing activities		
Purchase of property, plant and equipment	(164,561)	(206,076)
Purchase of intangibles	(8,850)	(19,173)
Net cash flows used in investing activities	(173,411)	(225,249)
Cash flows from financing activities		
Payment of finance lease liabilities	(19,954)	(8,226)
Proceeds from issue of shares	169,840	15,464,424
Cost of offer	-	(601,319)
Proceeds from exercise of options	48,271	-
Net cash flows from financing activities	198,157	14,854,879
Net increase/(decrease) in cash and cash equivalents	(6,687,384)	4,516,625
Cash and cash equivalents at beginning of year	11,446,145	6,929,520
Cash and cash equivalents at end of year	4,758,761	11,446,145

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2011

	<i>Contributed Equity</i>	<i>Accumulated Losses</i>	<i>Other Reserves</i>	<i>Total</i>
	\$	\$	\$	\$
At 1 July 2009	44,410,387	(34,091,987)	1,934,147	12,252,547
Loss for the year	-	(10,556,907)	-	(10,556,907)
Total comprehensive income for the year	-	(10,556,907)	-	(10,556,907)
Equity Transactions:				
Cost of share-based payments	-	-	158,443	158,443
Proceeds from issue of shares	15,464,424	-	-	15,464,424
Cost of offer	(701,681)	-	-	(701,681)
Employee share plan - share issue	37,992	-	-	37,992
At 30 June 2010	59,211,122	(44,648,894)	2,092,590	16,654,818
At 1 July 2010	59,211,122	(44,648,894)	2,092,590	16,654,818
Loss for the year	-	(8,947,978)	-	(8,947,978)
Total comprehensive income for the year	-	(8,947,978)	-	(8,947,978)
Equity Transactions:				
Cost of share-based payments	-	-	276,400	276,400
Proceeds from issue of shares	169,840	-	-	169,840
Cost of offer	-	-	-	-
Proceeds from exercise of options	48,271	-	-	48,271
At 30 June 2011	59,429,233	(53,596,872)	2,368,990	8,201,351

Status of audit (Appendix 4E items 15 to 17)

This preliminary final report is based on accounts which are unaudited. The Company considers that the unaudited accounts are unlikely to change materially or be subject to any material qualification.

Final audited accounts will be made available when the Company lodges its complete Directors' and Financial Reports.