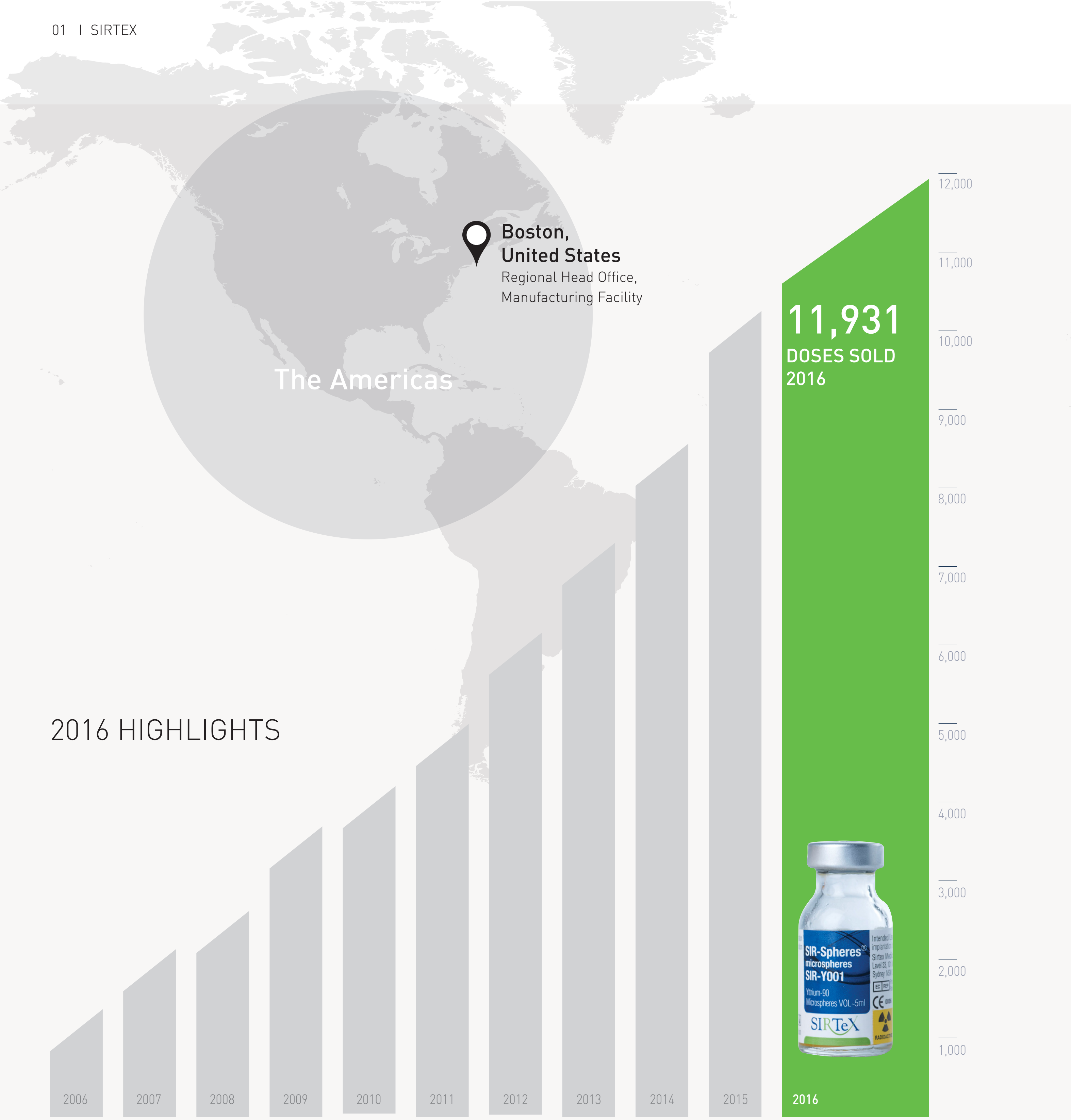
ANNUAL REPORT

2016



2016 HIGHLIGHTS

CONTENTS

DOSE SALES	REVENUE	NET PROFIT AFTER TAX
11,931	$232.5m	$53.6m
+16.4%	+32.0%	+32.8%

ABOUT SIRTEX

Sirtex Medical Limited is an Australian-based global healthcare business working to improve outcomes for people with cancer.

Our lead product is a targeted radiation therapy known as SIR-Spheres® Y-90 resin microspheres. It is available in more than 40 countries, within over 1,000 certified hospitals to treat patients with inoperable liver cancer.

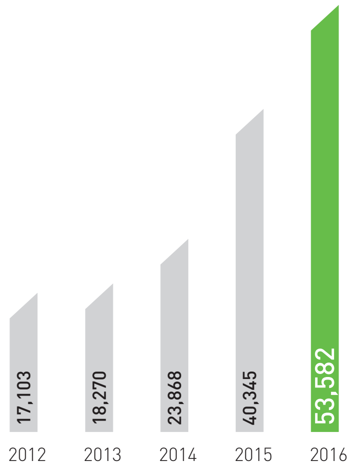
Our business revolves around helping medical professionals understand and use our product to improve clinical outcomes and the quality of life for people with liver cancer. At the same time, we work closely with government and private payers to ensure our patients receive the appropriate reimbursement for our product.

We are challenging established practices and developing innovative new therapies that promise to improve the health and lives of many people suffering from cancer or other diseases.

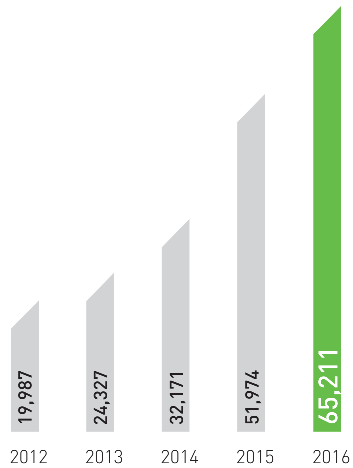
Our ongoing success is based on a commitment to serving our customers, professionalism, continuous improvement and innovation.

2016 FINANCIAL SUMMARY

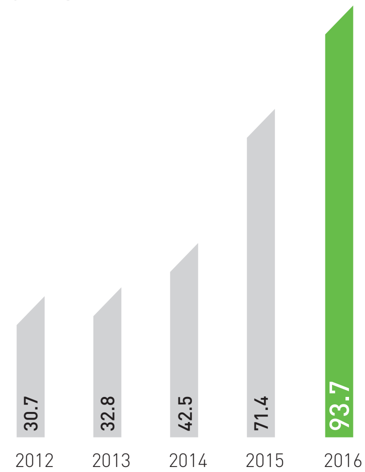
PROFIT AFTER TAX
$'000



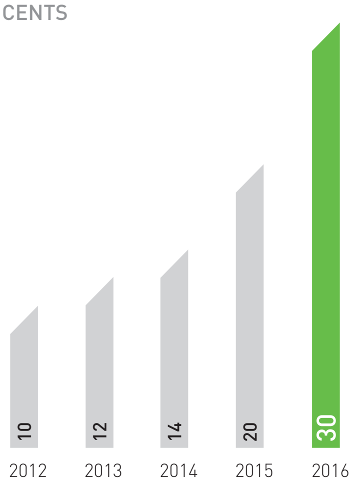
OPERATING CASH FLOW
$'000



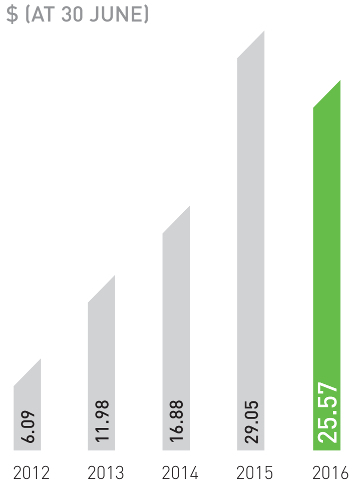
EARNINGS PER SHARE
CENTS



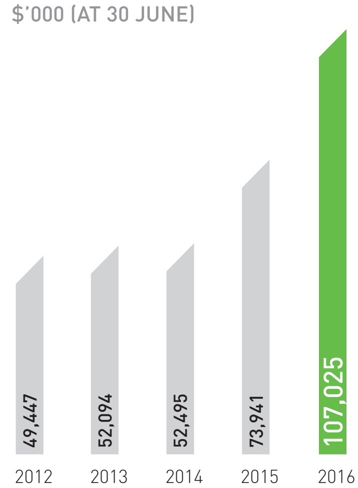
DIVIDENDS PER SHARE
CENTS



SHARE PRICE
$ (AT 30 JUNE)

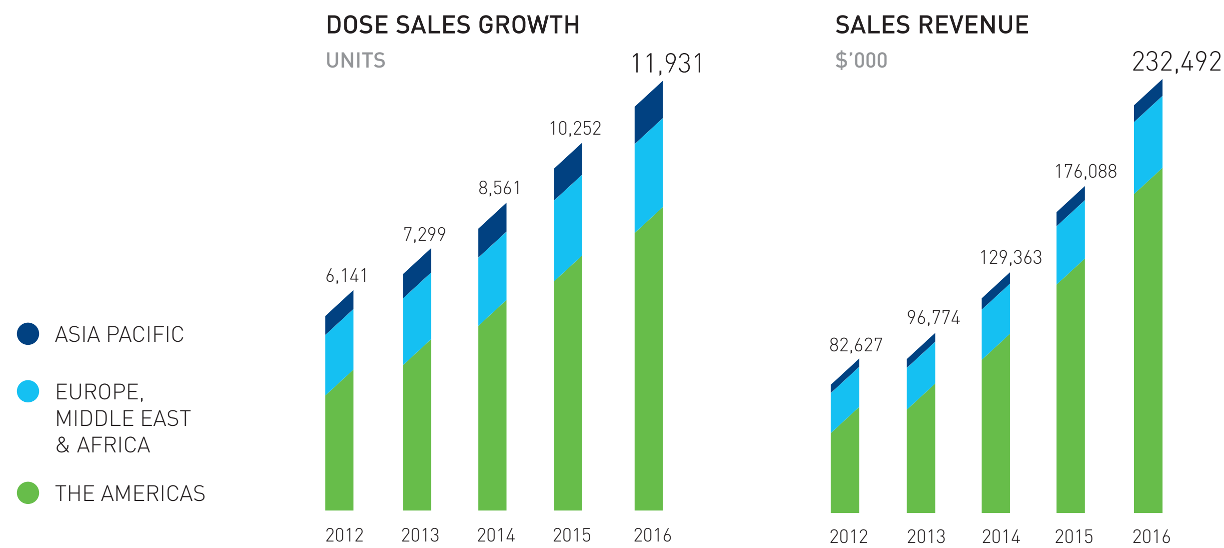


CASH ON HAND
$'000 (AT 30 JUNE)

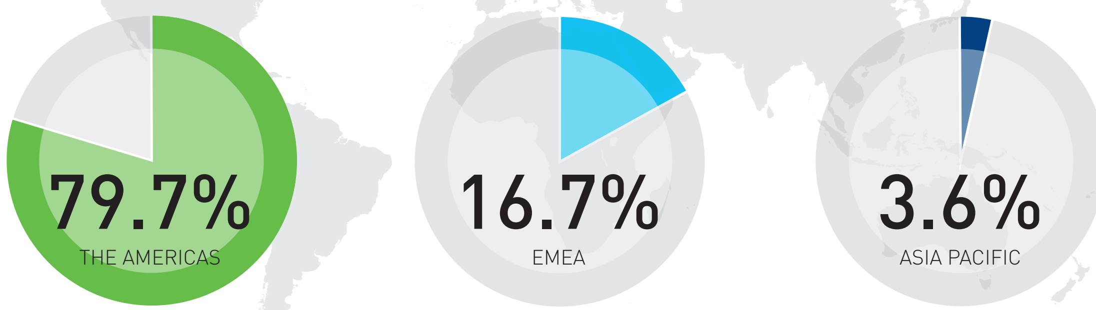


FIVE YEAR SUMMARY	2012	2013	2014	2015	2016
Dose sales (units)	6,141	7,299	8,561	10,252	**11,931**
$'000					
Sales revenue	82,627	96,774	129,363	176,088	**232,492**
Net profit before tax	22,118	24,507	31,110	52,768	**69,998**
Net profit after tax	17,103	18,270	23,868	40,345	**53,582**
R&D investment*	5,723	6,615	7,981	8,641	**10,835**
Clinical investment*	12,243	15,872	22,168	20,473	**20,631**
Capital investment	1,092	3,685	6,187	1,692	**1,718**
Total assets at 30 June	96,656	117,766	148,710	201,476	**261,717**
Total equity at 30 June	73,548	87,684	107,583	144,636	**193,504**
Net tangible assets at 30 June	57,314	59,762	60,219	76,609	**110,683**
Earnings per share (cents)	30.7	32.8	42.5	71.4	**93.7**

*Includes both capitalised and expensed items; clinical investment additionally excludes SIRFLOX amortisation expense



REGIONAL SPLIT OF SALES REVENUE



Sales revenue in The Americas up 35.4% on the prior period

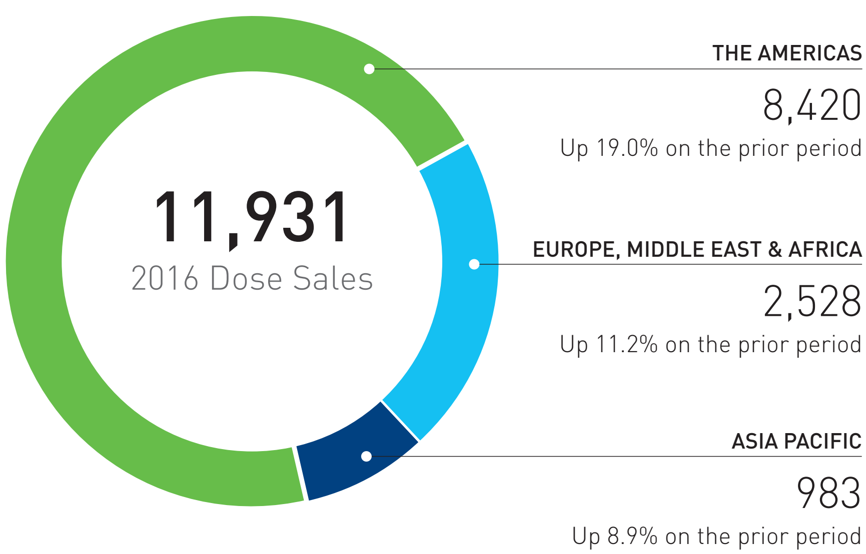
(Up 18.9% on constant currency basis)

Sales revenue in EMEA up 20.0% on the prior period

(Up 13.2% on constant currency basis)

Sales revenue in APAC up 20.9% on the prior period

(Up 16.7% on constant currency basis)



CHAIRMAN'S REPORT

RICHARD HILL
CHAIRMAN

On behalf of the Sirtex Board and management, I take great pleasure in presenting the 2016 Annual Report. Our market execution strategies and investment into multiple, large scale clinical studies will continue to drive our growth now and into the future. Given the large global market available for SIR-Spheres® Y-90 resin microspheres, it is important that we continue to invest ahead of the curve to fully capitalise on this unique opportunity. The interventional oncology space is rapidly progressing towards being considered as a fourth pillar of cancer care, alongside long-standing surgical, radiotherapy and chemotherapy-based approaches. Sirtex remains a global leader in this dynamic, growing specialty.

Throughout the year, we continued to expand our geographic footprint of treatment centres, received new regulatory clearances and added new country-specific reimbursement. We completed patient recruitment for our two remaining large clinical studies, SORAMIC and SIR*ve*NIB, which is a major achievement. We continued to build awareness on our SIRFLOX data and now have the benefit of the study outcomes being published in a high impact scientific journal, which occurred in February. Additionally, we added new talent including at Board and senior management levels.

We have not wavered from the commitment we made under our *2020Vision* strategy to build long term, sustainable growth for our investors and other stakeholders.

2016 FINANCIAL PERFORMANCE

Sirtex delivered another record year of sales and profits. The Company reported SIR-Spheres microspheres dose sales of 11,931, representing growth of 16.4 per cent over the prior corresponding period. The primary driver of the strong dose sales performance during the year was the Americas region, which delivered outstanding dose sales growth of 19.0 per cent over the prior corresponding period.

Total product revenue was $232.5 million, up 32.0 per cent on the prior period. Earnings before interest, tax, depreciation and amortisation (EBITDA) was $74.3 million, up 39.6 per cent, profit before tax was up 32.7 per cent to $70.0 million and net profit after tax was $53.6 million, up 32.8 per cent on last year. This financial year, we recognised a full 12 months of SIRFLOX clinical study amortisation of $3.0 million.

Cash from operations was $65.2 million, up 25.5 per cent on the previous year with net cash flow of $33.1 million recorded.

FINANCIAL POSITION

Sirtex ended the financial year in a very strong financial position with cash and cash equivalents of $107.0 million. The Company has no debt. The strength of Sirtex's balance sheet provides the financial flexibility required to drive long term growth by purusing opportunities as they arise.

DIVIDENDS

The Board of Directors is committed to the payment of dividends to our shareholders. The Directors have approved a partially franked final dividend of 30.0 cents per share for the 2016 financial year, up 50.0 per cent over the prior period. This represents a dividend payout ratio of 32.0 per cent on reported earnings per share. The record date for the dividend is 28th September 2016 and the payment date is 19th October 2016. Inclusive of the 2016 financial year dividend payment to be made on 19th October 2016, Sirtex will have returned to shareholders a total of $52.9 million in dividends since 2011.

DIRECTOR AND BOARD ACTIVITIES

The Board works diligently to ensure the Sirtex global management team has the expertise, capability and resources to execute on their global growth initiatives both now and into the future.

In September, the Board welcomed Dr Katherine Woodthorpe as an independent Non-Executive Director of the Company. Dr Woodthorpe has an outstanding track record of achievement across multiple industries, including the medical devices sector and is a valuable addition to the Board. Dr Woodthorpe serves as Chairperson of the Risk, Health and Safety Committee, and is a member of the Audit Committee and the Remuneration Committee.

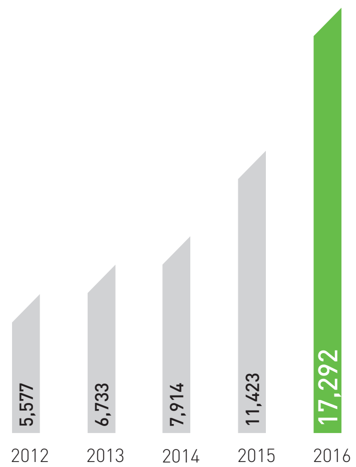
CORPORATE GOVERNANCE & REMUNERATION

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Sirtex Medical Limited and its controlled entities ('the Group') have adopted a corporate governance framework and practices to ensure they meet the interests of shareholders.

The Group complies with the Australian Securities Exchange Corporate Governance Principles and Recommendations 3rd Edition (the 'ASX Principles'). Our Corporate Governance Statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless

SHAREHOLDER DIVIDENDS DECLARED

$'000



"Sirtex ended the financial year in a very strong financial position with cash and cash equivalents of $107.0 million. The Company has no debt. Such a strong balance sheet provides the financial flexibility for the business to pursue opportunities as they arise to drive long term growth."

otherwise stated, were in place for the full reporting period.

Sirtex's Codes and Policies are a key element of our corporate responsibility and govern the way our Directors and employees work. During the year we updated our website to ensure that all Sirtex's Corporate Governance policies and procedures are available to shareholders and other stakeholders in a single, easy-to-read format within the Investors section of our website.

Additionally, we published our Anti-Bribery, Anti-Corruption Policy during the year, and updated our Diversity Policy. Following the release of Guidance Note 8 from the ASX relating to continuous disclosure obligations by listed entities, we also updated our Corporate Communications and Continuous Disclosure Policy to reflect a number of the updated recommendations proposed by the ASX.

Sirtex's remuneration levels, structure and processes are designed to reflect high ethical standards, the laws of the countries in which the executives are employed, and that all staff are treated fairly. During the year, we updated the remuneration pages within the Investors section of our website to include all charters, policies, procedures and rules that relate to Executive and Non-Executive remuneration at Sirtex. We actively encourage investors with any questions or comments regarding the Company's remuneration structure and processes to contact us directly via the website.

OUR PEOPLE

With a global workforce of 279 talented individuals across 20 countries, it is not hard to imagine the knowledge, passion, innovation and expertise our employees bring to the organisation each day. The Board recognises and congratulates all staff members for their efforts in helping to shape Sirtex into a global leader in the emerging field of interventional oncology.

Sirtex continues to benefit as an organisation with a diverse workforce. At the end of the 2016 financial year, women represented 47 per cent of the total number of employees globally. Sirtex continues to encourage diversity across the business in order to build on identifiable individual strengths within a professional development framework. This is a key focus of our Growing with Sirtex program.

As a business, it is important to have a long term strategic focus like the *2020Vision*. With such a clear and concise articulation of our long term goals and growth objectives under this strategy, we believe every employee understands his or her role and importance in helping us to realise this vision.

A RESPONSIBLE CORPORATE CITIZEN

Sirtex recognises the importance of corporate responsibility, and remains committed to conducting business ethically while contributing to the social, environmental and economic wellbeing in those locations in which we operate. We are committed to being a responsible member of the international business community, and acknowledge that our operational integrity and reputation are crucial to our success.

The Company assists its employees to become active supporters of worthwhile causes and participate in community programs outside the workplace. During the year, Sirtex made charitable contributions of $0.4 million, representing 0.7 per cent of our FY16 net profit after tax. This is consistent with our global healthcare peers.

OUTLOOK

Sirtex remains a long term growth proposition by virtue of a significantly under-penetrated market for our innovative SIR-Spheres microspheres product and the growing clinical acceptance of our product for both primary and secondary cancers of the liver. These factors, coupled with continued geographic expansion and new government reimbursement, will continue to underpin our dose sales growth and profitability.

It has never been a more exciting time to be at Sirtex. With recruitment now complete in all of our major clinical studies, we eagerly await the reporting of these results, which are anticipated to become progressively available over the next two years.

RICHARD HILL
CHAIRMAN

CHIEF EXECUTIVE OFFICER'S REPORT

GILMAN WONG
CEO

NET PROFIT AFTER TAX

+32.8%

REVENUE GROWTH

+32.0%

DOSE SALES GROWTH

+16.4%

Our mission is to improve the lives of the many people suffering from cancer or other diseases through the development of innovative new therapies. Our 2016 progress is testament to this foundation belief, which I would now like to outline in more detail. I am pleased to report another record year in dose sales and profits for Sirtex Medical. Our SIR-Spheres® Y-90 resin microspheres business continues to perform strongly. This was underpinned by the Americas, which delivered outstanding dose sales growth of 19.0 per cent and now represents 70.6 per cent of our global mix by volume and 79.7 per cent by revenue. Dose sales in EMEA grew 11.2 per cent. This was a pleasing result despite some timing issues associated with achieving new government reimbursement in several important jurisdictions and a generally tighter reimbursement environment in some existing markets. Dose sales in APAC grew 8.9 per cent, including a very strong performance in Australia, where dose sales grew close to 20 per cent.

The field of interventional oncology is moving very rapidly. Our goal, and that of our interventional oncology peers, is to update the current cancer treatment medical paradigm of surgery, chemotherapy and radiotherapy to include a fourth pillar of interventional oncology. Innovative products such as SIR-Spheres microspheres that have robust clinical evidence of safety and benefit are at the leading edge of changes in the practice of cancer medicine. The journey is still in its early stages, with our 2016 dose sales implying approximately 2 per cent penetration of the addressable market for our product, which we estimate at 488,000 patients annually.

CONTINUED STRONG PROGRESS

In 2016 we saw global dose sales increase 16.4 per cent over the prior year. Revenue growth outpaced dose sales growth reflecting the translation effect of a weaker Australian dollar versus the US dollar and Euro over the period. Our net profit after tax rose 32.8 per cent to $53.6 million.

Sirtex delivered a number of important milestones in the 2016 financial year:

- Record dose sales of 11,931, up 16.4 per cent on 2015
- Record revenues of $232.5 million, up 32.0 per cent
- Earnings before interest, tax, depreciation and amortisation ('EBITDA') growth of 39.6 per cent to $74.3 million
- Earnings per share of 93.7 cents, up 31.3 per cent
- Dividend per share of 30.0 cents, up 50.0 per cent on the previous year
- Operating cash flow of $65.2 million, up 25.5 per cent
- Publication of the SIRFLOX clinical results in the prestigious *Journal of Clinical Oncology*
- Completion of patient recruitment in the SORAMIC clinical study
- Completion of patient recruitment in the SIR*ve*NIB clinical study
- Completion of patient recruitment in the RESIRT pilot study
- Reimbursement granted in the Netherlands and South Africa
- Regulatory clearance in Canada
- Appointment of a new CEO for the Americas region, effective 1st July 2016

ELEVATION INTO THE S&P / ASX 100 INDEX

In December, Sirtex was included in the S&P / ASX 100 Index, which represents the ASX top 100 companies by float-adjusted market capitalisation, and accounts for approximately 74 per cent of the Australian equity market. Inclusion in this Index has led to significantly more enquiries from domestic and international institutional investors, and has broadened equity research on the Company, with several new analysts initiating research coverage in 2016. We look forward to further diversifying our share register and welcoming new investors to the Company over the coming years.

SIRFLOX STUDY PUBLISHED

In February, we were delighted to announce the publication of the SIRFLOX study in the prestigious peer-reviewed *Journal of Clinical Oncology* (JCO), the official journal of the American Society of Clinical Oncology (ASCO). SIRFLOX was published as a Rapid Communication. The scientific importance of the study was also highlighted by the JCO via its online early release alert to its more than 26,000 subscribers. Here it described the Rapid Communication as required reading, with the paper fast-tracked and considered practice-changing. The JCO is consistently rated in the top 1 per cent of all journals, as measured by impact factor.

The interest this publication generated throughout the medical oncology community has been significant. SIRFLOX was the most read Original Report in the month of March according to the JCO. It was also the second most read Original Report for May, highlighting the enduring nature of the study publication. The education and awareness building continues each and every day. We were also pleased to see the SIRFLOX study included in the Best of JCO: 2016 Annual Meeting Edition.

In June this year at the ASCO Annual Meeting in Chicago, Professor Volker Heinemann, European Principal Investigator on the SIRFLOX study, from the University of Munich, presented additional Depth of Response (DpR) data from the study. He presented the data again at the World Congress on Gastrointestinal Cancer (WCGIC) in Barcelona. DpR has recently been proposed as a measure of efficacy that predicts the long-term treatment outcome for metastatic colorectal cancer (mCRC).

The authors concluded that addition of SIR-Spheres microspheres to standard chemotherapy significantly increased hepatic DpR and that Progression-Free Survival (PFS) was greatest in patients with a baseline tumour burden > 12 per cent, whereas the impact on the Complete Response (CR) rate was greater where tumour burden was < 12 per cent.

PATIENT RECRUITMENT COMPLETED FOR ALL MAJOR CLINICAL STUDIES

While completing large randomised controlled studies in the interventional oncology space can be challenging, our talented and motivated clinical team has ensured that all of our major clinical studies completed recruitment in a timely manner. This is a wonderful achievement. We committed approximately $60 million over five years to run six important clinical studies, across two important disease indications; mCRC and hepatocellular carcinoma, also known as primary liver cancer, or HCC.

If the results are positive, all studies will generate the necessary Level 1 evidence required to elevate the use of SIR-Spheres microspheres from a last resort or salvage option to a first resort or first-line option for clinicians to consider. In total, approximately 2,340 patients have been recruited onto these studies, with around 1,100 patients in our first-line mCRC studies SIRFLOX, FOXFIRE and FOXFIRE Global and approximately 1,240 across our three HCC studies SARAH, SORAMIC and SIR*ve*NIB.

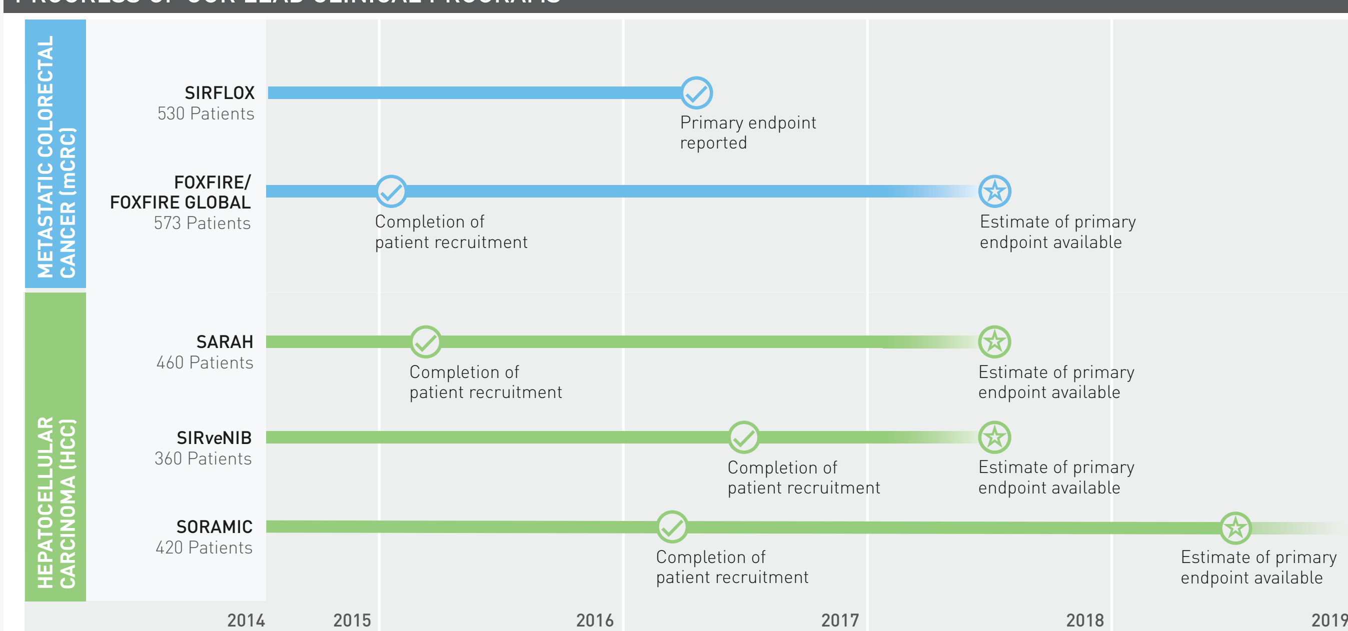
In March, the SORAMIC study completed recruitment, with 420 patients recruited into the palliative (SIR-Spheres microspheres) arm of the study. This study is comparing the combination of sorafenib (Nexavar®, Bayer HealthCare Pharmaceuticals, Germany) and SIR-Spheres microspheres compared to sorafenib alone in advanced HCC.

This is the largest interventional oncology study ever undertaken with SIR-Spheres microspheres in combination with the only current standard of care in HCC. Study results are anticipated some time in calendar year 2018.

In June, the SIR*ve*NIB study completed recruitment. The SIR*ve*NIB study is designed to examine the efficacy and safety of SIR-Spheres microspheres compared to sorafenib in a predominately Asian population suffering from advanced HCC. SIR*ve*NIB is the largest Asia-Pacific study to directly compare SIR-Spheres microspheres and sorafenib, and indeed is the largest randomised study conducted on sorafenib in the region. The study recruited over 360 patients.

Results of the SIR*ve*NIB study are anticipated in the first half of calendar year 2017, along with the SARAH study.

PROGRESS OF OUR LEAD CLINICAL PROGRAMS



Sirtex at the 2016 American Society of Clinical Oncology (ASCO) Annual Meeting in Chicago.

In addition, Sirtex continues to support a wide range of smaller studies, and I encourage investors to read about all our current studies via our website.

One such smaller study is our RESIRT kidney cancer pilot study. RESIRT completed patient recruitment in April, with 21 patients treated with progressively higher doses of SIR-Spheres microspheres. Initial results from the study are expected in the fourth quarter of calendar year 2016.

NEW CEO OF THE AMERICAS

We were delighted to appoint Mr Kevin Richardson to the role of CEO of the Americas, after Mr Michael Mangano elected to resign from the CEO position at the end of the 2016 financial year. We thank Mike for all his dedication and hard work over the last six years at Sirtex. Having been responsible for overall sales, market development, customer service and health economics at Sirtex in the US for the past six years, Kevin was an obvious and highly qualified choice for the role. Prior to joining Sirtex Medical, Kevin held Senior Director roles in sales and marketing at St. Jude Medical and was a Global Marketing Director at Boston Scientific.

In November, our Chief Executive of Asia Pacific departed, with the Chief Executive of our EMEA region, Mr Nigel Lange assuming overall management responsibility for the region, in addition to EMEA. Prior to filling the position we wish to further develop our entry strategies into Japan and China, whereby a suitable candidate with an appropriate skill set will be appointed. There were no other key management personnel changes made during the year.

DRIVING REIMBURSEMENT GLOBALLY

Despite reimbursement in some markets taking longer than anticipated, we made excellent progress on our strategy to ensure as many patients as possible are treated with our product. Reimbursement is a key factor in the execution of this strategy. In January, we saw the Centers for Medicare and Medicaid Services (CMS) in the United States (US) increase the reimbursement available for SIR-Spheres microspheres by 2.8 per cent to marginally above our selling price, which supports our current pricing structures in that market. In March, we were granted government reimbursement in the Netherlands for patients with colorectal liver metastases who have failed or are intolerant to chemotherapy. This is a high priced market, and no volume-based limits have been imposed. In May, we received reimbursement coverage from a large South African private insurer, for treating all forms of inoperable liver cancers. This insurer has a greater than 50 per cent share of the private health insurance market, representing over 2.6 million covered lives.

In Canada, existing reimbursement is available for radioembolisation treatments such as SIR-Spheres microspheres.

In April, the UK National Institute for Health and Care Excellence (NICE) issued a new Medtech Innovation Briefing (MIB), stating that National Health Service (NHS) doctors and commissioners may consider SIR-Spheres microspheres as an alternative to standard drug or chemoembolization therapy in the treatment of patients with inoperable hepatocellular carcinoma (HCC). This should see additional HCC patients receiving SIR-Spheres microspheres in the UK market.

OUTCOME FOCUSED OPERATIONS

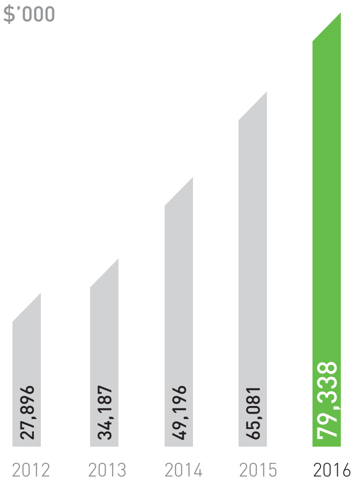
We continued to invest in our core capabilities throughout the year as they relate to sales and marketing, regulatory and quality assurance, medical and administration.

Sales and marketing, our largest expenditure item, was up 21.9 per cent on the prior year to $79.3 million, or 34.1 per cent of sales. Our major focus was on expanding our sales and marketing infrastructure following the release of the SIRFLOX results in June 2015 at ASCO. This was a particular focus in the US, where we materially expanded our sales force to capitalise on the interest from medical oncologists following the release of the SIRFLOX clinical data, and interventional radiologists seeking to establish a SIR-Spheres microspheres practice within their hospital.

Since the publication of the SIRFLOX results in the *Journal of Clinical Oncology* in February and the growth evident in the US

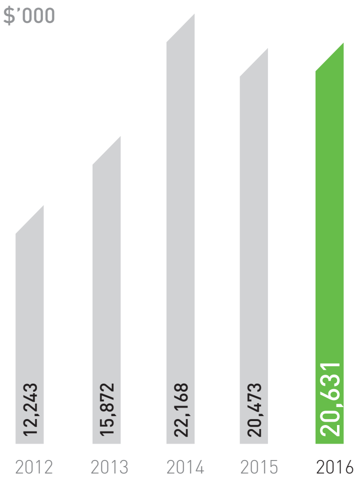
INVESTMENT IN SALES & MARKETING

$'000



INVESTMENT IN CLINICAL STUDIES*

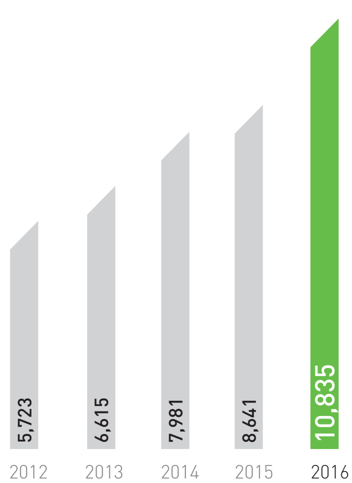
$'000



Excluding SIRFLOX amortisation expense.

INVESTMENT IN R&D

$'000



Sirtex's new Frankfurt, Germany manufacturing facility.

market, we are further investing into our sales and marketing infrastructure in this important region.

As we increase our manufacturing capability, expand into new markets, complete and report our clinical studies and pursue new treatment indications, our regulatory and quality assurance function needs to keep pace with the increased demands posed by government regulators, customers and patients. Regulatory and quality assurance expenses were up 20.6 per cent to $3.9 million.

We were pleased to receive regulatory approval in Canada during the period, which opens up an important new market for Sirtex in the coming years. In South America, we currently supply doses in Argentina and Brazil. These markets are still at an early stage of adoption, and have significant growth potential.

Medical expenditure grew 36.4 per cent to $6.4 million during the year to support the many clinicians globally who use, or seek to use our innovative product. As the line of enquiry has accelerated following the SIRFLOX results, we have had to add capability to this important function, as ultimately it leads to more clinicians referring patients to SIR-Spheres microspheres. During the year we also launched the RESIN liver tumour patient registry in the US. This registry is aims to recruit over 500 patients per annum with both primary and secondary (metastatic) liver cancer.

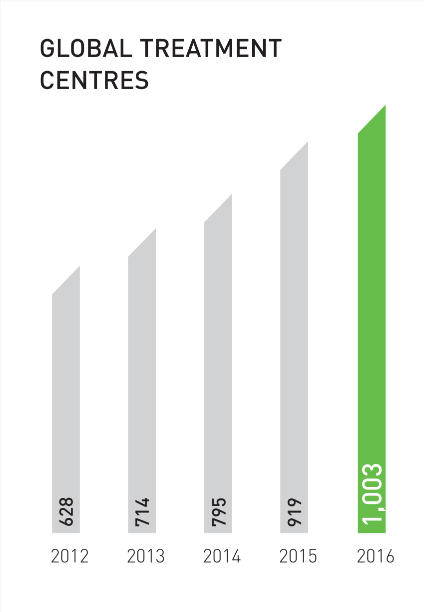
Sirtex now has a global team of 279 people across 20 countries, representing growth of approximately 13 per cent over the prior period. Reflecting our innovative, supportive and inclusive culture at Sirtex is our high retention rate, with approximately 33 per cent of our workforce having achieved five years' service. We continue to experience relatively low staff turnover rates.

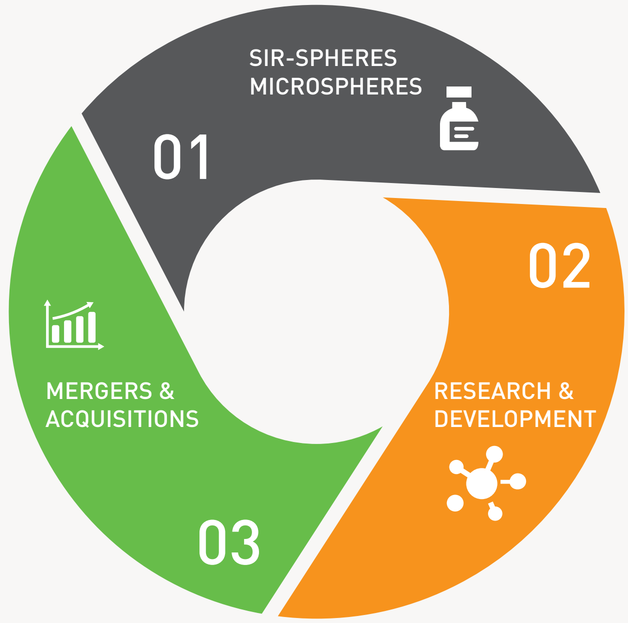
MANUFACTURING AND SUPPLY CHAIN

Sirtex has manufacturing capabilities in Singapore as well as Boston, USA and shortly in Frankfurt, Germany. These facilities are close to major transport hubs, allowing our product to be efficiently dispatched across the Americas, EMEA and Asia Pacific.

Given the very short half-life of SIR-Spheres microspheres (64.1 hours), we have invested significant time and resources over the years to optimise the supply of this valuable asset, to over 1,000 treatment centres globally.

Our success to date highlights our ability to meet the demands of a strongly growing market, while also maintaining and even expanding our gross margins. It is important to note that during the 2016 financial year, over 95 per cent of commercial doses sold reached the patient/hospital within a 30 minute window of the time stipulated.





Our Frankfurt facility has experienced some building work delays owing to design changes required by local government authorities. As a result, we were unable to supply commercial doses from this plant as planned during the latter part of the 2016 financial year. Once the requisite regulatory clearances have been achieved, we will commence commercial supply, which is anticipated during the first half of the 2017 financial year.

The Frankfurt facility will supply the EMEA region, but as is the case for our manufacturing facilities in the US and Singapore, any one site can supply commercial doses across the globe in the event of an unforeseen manufacturing shut-down.

INFORMATION TECHNOLOGY

Our global technology team successfully completed the implementation of SAP, now our primary Enterprise Resource Planning (ERP) solution, which went live throughout the organisation during the year. I am pleased to report that the anticipated efficiency gains in managing our supply chain, administration, sales and customer management have materialised through the use of this new platform.

Phase 2 of the implementation will involve integrating our three manufacturing sites in the US, Singapore and Germany. This will drive further efficiency gains for the organisation.

During the year significant improvements in content for our public website were made, allowing for simple and transparent communication with investors, clinicians and patients.

RESEARCH AND DEVELOPMENT

Research and Development (R&D) at Sirtex remains a core pillar of our *2020Vision* strategy. During the reporting period our R&D expenses were $8.7 million, up 50.4 per cent on the prior period, and represented 3.7 per cent of sales.

Our investment in R&D is contingent on the delivery of meaningful pre-specified milestones, which ensures appropriate cost controls are in place. Our collaborations with The Australian National University, University of Sydney, Peter MacCallum Cancer Institute and National Cancer Centre of Singapore continues and we have made good progress during the year. During FY16 we had expected to be in a position to provide investors with an update on our new technologies, this will now occur prior to the end of the 2016 calendar year.

2020VISION STRATEGY

The *2020Vision* articulates our longer term strategies at Sirtex, with the principal goal of delivering on our growth objectives by focusing our efforts across three core pillars.

The first pillar seeks to fully exploit the long term growth opportunity of our existing SIR-Spheres microspheres product. This is a multi-faceted strategy that encompasses growing the current 'salvage' market opportunity by investing in sales, marketing and reimbursement infrastructure to build awareness, increase adoption and expand reimbursement coverage by government and private payers. In parallel, the investment we have made into clinical studies will expand its use in existing primary and secondary liver cancer markets, notably mCRC and HCC, if the studies deliver positive findings. In total, we have penetrated just 2 per cent of the total addressable annual opportunity for SIR-Spheres microspheres, so there is much still to be done. We are also examining its use in other cancers outside the liver, such as the kidneys. We are very pleased with our progress under this pillar, with all of our major clinical studies completing recruitment during 2016. We now await the final results from these studies, which will progressively occur over the next two years.

The second pillar is aimed at evolving the current SIR-Spheres microspheres platform and developing new technologies, which include developments in carbon cage nanoparticles, coated nanoparticles, radioprotector and other technologies. As mentioned, we continue to make progress across all programs and are moving closer to commencing clinical studies.

The third pillar is focused on potential merger and acquisition activities. We continue to seek out opportunities for our business where we can leverage our key capabilities and infrastructure across new products, technologies or businesses to provide even higher levels of growth and returns for shareholders into the future.

We will continue to update shareholders as we progress each of the three pillars under the *2020Vision*.

REGIONAL UPDATE

REGION	DOSE SALES	REVENUE
THE AMERICAS	**8,420** up 19.0%	**$185.2M** up 35.4%
EUROPE, MIDDLE EAST, AFRICA	**2,528** up 11.2%	**$38.9M** up 20.0%
ASIA PACIFIC	**983** up 8.9%	**$8.4M** up 20.9%

SOLID REGIONAL GROWTH DELIVERED, DESPITE GLOBAL ECONOMIC HEADWINDS.

Sirtex's continued investment in the business, which has resulted in geographic expansion, treatment centre expansion, higher rates of clinical adoption, new regulatory clearances and expanded reimbursement, has seen the business deliver another solid overall performance this year.

THE AMERICAS

PERFORMANCE

DOSE SALES: Up 19.0% to 8,420

REVENUE: Up 35.4% to $185.2 million (up 18.9% on constant currency basis)

YEAR IN REVIEW

The Americas achieved another year of strong dose sales and revenue growth. This was driven by the continued expansion in the number of centres certified to use SIR-Spheres microspheres, a focus on increasing the utilisation of our product within existing centres, the expansion of our sales force targeting both medical oncologists and interventional radiologists following the results of the SIRFLOX study, and finally a concerted focus on building awareness and increasing patient referrals amongst medical professionals. We have also expanded the infrastructure necessary to support continued growth in key areas such as reimbursement, customer service and marketing. At the end of the financial year, the number of hospitals certified in the use of SIR-Spheres microspheres across the region had grown by 14.4 per cent to 564 treatment sites.

Several structural changes in our key US market were also beneficial. In November, The Centers for Medicare and Medicaid Services (CMS) increased the reimbursement of SIR-Spheres microspheres by 2.8 per cent for the 2016 calendar year, to slightly above our selling price. In December, the US government suspended the 2.3 per cent US Medical Device Excise Tax for two years, which represented a tax on our US product revenues.

In addition, we achieved regulatory clearance for SIR-Spheres microspheres in Canada in the month of April. This allows Sirtex to supply our product as a Class III medical device for the treatment of patients with advanced inoperable liver cancer in the Canadian market. This market is expected to positively contribute to our dose sales mix in the 2017 financial year.

The depreciation of the Australian dollar relative to the US dollar provided a material tailwind to our revenue growth, which significantly outpaced our dose sales growth, despite our US pricing remaining stable over the same period.

As part of our strategy to build awareness and interest following from the SIRFLOX results, the Sirtex Americas team had a major presence at a number of important conferences throughout the year including the Clinical Interventional Oncology (CIO) meeting, the Society for Interventional Radiology (SIR) meeting, the World Congress on Interventional Oncology (WCIO), the American Society of Clinical Oncology – Gastrointestinal (ASCO-GI) meeting and the ASCO annual meeting. Such meetings provide the opportunity to directly engage with a large number of clinicians, and help to build consensus among Key Opinion Leaders.

EUROPE, MIDDLE EAST, AFRICA

PERFORMANCE

DOSE SALES: Up 11.2% to 2,528

REVENUE: Up 20.0% to $38.9 million (up 13.2% on constant currency basis)

YEAR IN REVIEW

Across the EMEA region, we recorded double digit growth in our more established Western European markets of Germany, Belgium and the UK. However, growth in several jurisdictions was impacted by a general tightening in reimbursement, or the geopolitical situation, while anticipated new government reimbursement decisions were announced later in the year than originally anticipated. Revenue growth outpaced dose sales growth principally due to the positive impact of the Australian dollar depreciation against the Euro, coupled with a greater percentage of dose sales recorded in higher priced markets. At the end of the financial year, the number of hospitals certified in the use of SIR-Spheres microspheres across the region had grown by 5.2 per cent to 306 treatment sites.

The EMEA sales and marketing team focused on a number of key priority areas over the year, including a continuation of educating and awareness building among clinicians following on from the SIRFLOX study results, expanding geographic coverage, building endorsement from key government bodies and obtaining new reimbursement.

Our focus on reimbursement showed tangible benefits throughout the year, with new reimbursement achieved in a number of countries. In March, we were granted government reimbursement in the Netherlands for patients with colorectal liver metastases who have failed or are intolerant to chemotherapy. In May, we received reimbursement coverage from a leading South African private insurer, for treating all forms of inoperable liver cancers. This insurer has a greater than 50 per cent share of the private health insurance market, representing over 2.6 million covered lives.

In April, the UK National Institute for Health and Care Excellence (NICE) issued a new Medtech Innovation Briefing (MIB), stating that National Health Service (NHS) doctors and commissioners may consider SIR-Spheres microspheres as an alternative to standard drug or chemoembolization therapy in the treatment of patients with inoperable hepatocellular carcinoma (HCC). Over time, we believe such a comprehensive review of our product encompassed in the MIB will lead to additional HCC patients receiving SIR-Spheres microspheres.

Throughout the year, our sales and marketing team focused on a number of key conferences including the European Neuroendocrine Tumour Society (ENETS), the Global Embolization Symposium & Technologies (GEST) meeting, and the 18th World Congress on Gastrointestinal Cancer (WCGIC). The EMEA team also worked alongside our US colleagues at the major global meetings, namely SIR, ASCO and ASCO-GI meeting.

ASIA PACIFIC

PERFORMANCE

DOSE SALES: Up 8.9% to 983

REVENUE: Up 20.9% to $8.4 million (up 16.7% on constant currency basis)

YEAR IN REVIEW

Regional dose sales during the year reflected a very strong double digit growth contribution from our key Australian market, and good growth achieved by several key Asian countries including Taiwan and Singapore. However, Asian growth was impacted by supply disruptions in several Asian markets, including South Korea. We have since resumed supply into the South Korean market with a new distribution partner. At the end of the financial year, the number of hospitals certified in the use of SIR-Spheres microspheres across the region remained steady at 133 treatment sites.

In September, Associate Professor Peter Gibbs presented an Australian mCRC patient registry analysis of SIR-Spheres microspheres use in first-line mCRC treatment at the Australasian Gastro-Intestinal Trial Group (AGITG) annual meeting. Although retrospective in nature, the analysis showed a statistically significant Overall Survival benefit of five months was observed in the SIR-Spheres plus chemotherapy arm versus the chemotherapy alone arm, despite no statistically significant difference in overall Progression-Free Survival (PFS) shown between the two arms.

Excellent progress has been made in our market development strategy, following on from the SIRFLOX results, as we seek to build awareness and educate clinicians on the significance of the study across the region. We hosted a number of important workshops and masterclasses for clinicians and other medical professionals throughout the year, which were well received. Additional investment in our Australian sales and marketing team was made during the year, reflecting the solid growth delivered and continued progress achieved with the medical oncology referral community.

Our sales and marketing team also attended a number of important scientific conferences during the year, including The Liver Transplant Symposium – Singapore, ESMO Asia conference – Singapore, The Liver Week – Korea, AGITG – Sydney and the major global meetings ASCO and ASCO-GI.

We continue to explore our entry strategies for both China and Japan. Both markets are attractive, long term opportunities for the APAC region. China represents approximately 50 per cent of the annual incidence of HCC, while Japan is the second largest medical device market globally behind the US, with generally high pricing and a well-established government reimbursement environment upon regulatory clearance.

LOOKING AHEAD

Our long term strategies, as encompassed by the *2020Vision* will help ensure Sirtex is positioned to achieve long term growth and build shareholder value. We have made progress under each of the pillars in 2016. Of particular note, we are especially proud to have completed recruitment in all our major clinical studies, and the continuation of our treatment centre roll out, globally.

Our market position remains strong and highly defendable, but we must continue to invest in the business to remain ahead of the curve, and fully exploit the long term growth potential the interventional oncology market represents.

This financial year will be punctuated with a number of clinical studies reporting scientific findings. Irrespective of what the results from these studies show, whether positive, indifferent or negative, it is important to recognise our core 'salvage' business will be largely unaffected by such study outcomes and will continue to show solid growth in 2017.

In conclusion, 2017 is shaping up as a very exciting year for Sirtex, and we look forward to keeping you, our investors, abreast of our progress throughout the year as we continue to deliver on our long term growth plans.

GILMAN E WONG

CHIEF EXECUTIVE OFFICER

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

At Sirtex, we hold in high regard our Environmental, Social and Governance (ESG) responsibilities through open and transparent disclosure to our key stakeholders including customers, shareholders and the communities in which we operate. Our approach to ESG issues reflects the risks and opportunities inherent in the manner by which we conduct our business and our specific areas of focus.

VALUING WORKPLACE HEALTH, SAFETY AND THE ENVIRONMENT

Sirtex is committed to providing a safe and healthy working environment as set out in the Health, Safety and Environment Policy for all persons in the workplace, including employees, contractors and visitors, and to minimising our environmental footprint, regardless of the location. This is achieved by management and employees working together to identify, assess and suitably control hazards that may cause injury and/or illness and may adversely impact the environment. During the year, only a single Lost Time Injury (LTI) was recorded across our entire global workforce, which is testament to the focus the organisation devotes on workplace safety.

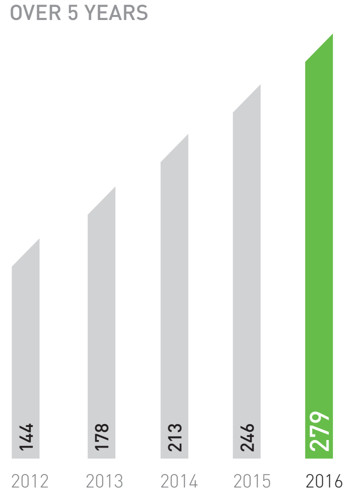
WORKFORCE STATISTICS

47% Women represented in the Sirtex workforce

13% Growth in employee numbers in 2016

EMPLOYEE NUMBERS GLOBALLY

OVER 5 YEARS



We continue to comply with all relevant legislation, standards and other requirements to which our organisation subscribes. Our Economic, Environmental and Social Sustainability Report details Sirtex's exposure to, and management of, risks associated with material exposure to these items.

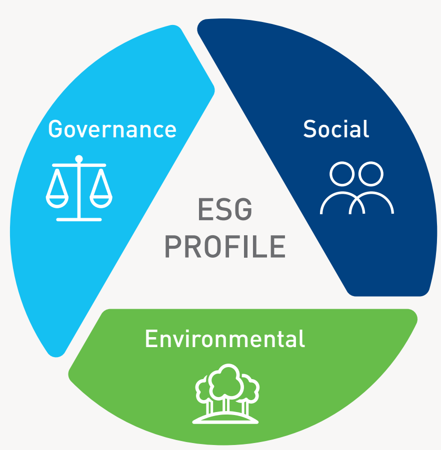
As Sirtex produces a radioactive medical product, the Company has been extremely diligent in the design of its production facilities, the equipment used and controls put in place so as to mitigate risks and comply with all relevant safety standards. Sirtex operations are not subject to significant environmental regulation under the law of any of the jurisdictions in which it operates.

Sirtex offices strive to be energy efficient and environmentally friendly. Our global headquarters, situated in North Sydney, is in a building awarded a 5 Star Green Star rating, a 5 Star NABERS Energy Rating (Base Building) and a 3.5 NABERS Water Rating. The building in which Sirtex's European headquarters is housed has been awarded the gold certificate of the German society of sustainable building.

We actively encourage reporting and investigation of all safety and environmental incidents and hazardous conditions, so as to formulate plans for corrective action to prevent recurrence and improve our systems.

World Safety Day 2016 was commemorated across all Sirtex sites globally during April. The focus of this UN-sponsored day was on workplace stress, which is acknowledged as a growing issue in many workplaces around the world.

Several new healthy and safety initiatives were commenced during the year. We developed and implemented an internal Health, Safety and Environment audit program with the first audit taking place in May at our Wilmington facility outside of Boston. The program will continue to be rolled out during the 2017 financial year and will see each factory and office site audited at least annually.



Our Travelling for Business e-learning program was developed in recognition of the fact that Sirtex employees travel around the globe supporting our customers, patients and business. The major focus of the program is to ensure our staff know how to travel safely and securely.

Sirtex pays careful consideration to the environmental impact of its acitvities. The business has undertaken a review of its processes for the use and disposal of chemicals across its sites to ensure that it is able to meet the requirements of the Globally Harmonised System for the Classification and Labelling of Chemicals, and disposal of its waste chemicals in an environmentally-responsible manner. To reduce the environmental impact of our packaging materials, we plan to introduce 100% recyclable carboard inserts to replace packing peanuts, allowing for a higher rate of recycling by our end customers. This is expected to commence in the 2017 financial year.

OUR PEOPLE

We are proud of the culture we have built and the values we hold as an organisation.

We are strong believers in our people, and the expertise they bring to Sirtex Medical. We seek to develop a collegiate workplace, which actively fosters idea generation and innovation across all levels of the business.

Our strong financial results delivered this year are testament to the continued dedication of our global workforce. During the year, the number of employees grew by 13 per cent to 279, with women representing 47 per cent of the Sirtex workforce.

To manage the growth in Sirtex's workforce effectively, our dedicated global team of human resources professionals continue to deploy our comprehensive People Strategy. This encompasses a broad program of engagement to identify and recruit talented individuals to the business, while ensuring alignment with our core vales and beliefs from the employee induction program.

Our employee engagement programs continue to show great success. Growing with Sirtex is a series of integrated activity streams, which aim to methodically build a team of highly skilled and capable individuals, who will continue to develop with Sirtex, enabling the continued growth of the business and the delivery of our *2020Vision* strategy. Our Onboarding, Professional Development Framework (PDF)

Diverse workplace: An inclusive environment cultivates different knowledge, experiences, innovation and creative thinking.

and Continuing Professional Development Programs (CPDP) have commenced their implementation phase. A further two activity streams will commence in the 2017 financial year.

During the year, our employee base in the Americas expanded significantly. This reflected a concerted sales and marketing increase, following the presentation of our SIRFLOX data at ASCO in June. The Americas now consitutes 41 per cent of our total workforce.

Our workforce operates across nine key functional areas of the business, with 48 per cent of our employees engaged within a sales and marketing function at Sirtex.

A COMMITMENT TO DIVERSITY

'Sirtex is committed to developing a culture of diversity and recognises the benefits that arise from embracing all available talent. We believe a diverse workforce is one of the keys to achieving long term business growth and sustainability.

We have three key objectives relating to diversity. Specifically, we provide updated online training to all current and new staff on our Economic, Environmental and Social Sustainability Report and Diversity Policy. Secondly, we aim to include at least one female candidate in the short list of applicants for every management role. Our target is to increase female participation across all levels of management from 36 per cent to 40 per cent over three to five years. As at 30 June 2016, our female participation rate was 47 per cent up from 43 per cent in the 2015 financial year.

In 2016 we launched the Leadership and Management Development Program. Part of this extensive program is to identify females who should participate in the program with a target of 40 per cent of the participating population being women. This is in addition to the Growing with Sirtex career development program introduced in 2015.

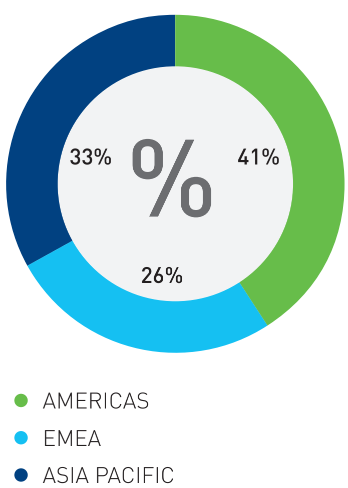
Growing with Sirtex has been designed to foster a continuous cycle of planning, feedback and review to support and strengthen all employee performance and personal growth in line with Sirtex goals and its overall vision.

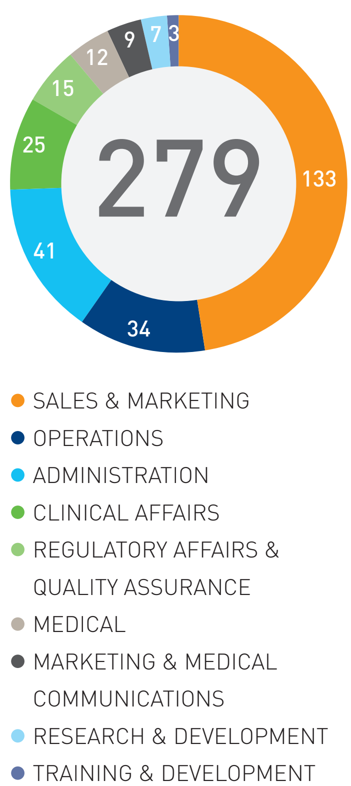
Finally we continually seek to improve our approach to flexible working to make it more accessible and culturally acceptable for all employees.

SIRTEX IN THE COMMUNITY

We play an active role in the medical, scientific, patient and research communities

WORKFORCE DISTRIBUTION AND FUNCTION





whom we collaborate with worldwide.

Sirtex is an active supporter of efforts to raise money, support and awareness for scientific and medical research innovation in the community. We support emerging and established researchers dedicated to developing advanced new interventional therapies. Our focus in this area is on translational research and the practical application of new technologies, innovation and insights.

We continue to fund the Sirtex Professorial Chair at the Australian National University in Canberra. Sirtex has been a major sponsor of the New South Wales Premier's Awards for Outstanding Cancer Research over a number of years, which recognises and celebrates excellence and innovation in cancer research.

A CULTURE OF GIVING

During the 2016 financial year, Sirtex made charitable donations of $0.4 million , equivalent to 0.7 per cent of profit after tax. This is consistent with our healthcare peers.

The Company assists its employees to become active supporters of worthwhile causes and participate in community programs outside the workplace.

Sirtex is committed to supporting volunteer groups who help patients and their families around the world. One of our high-profile partnerships is our collaboration with the international group YES Beat Liver Tumors.

YES advocates worldwide to increase funding for research and provides support and information for people with liver tumours.

At our Americas National Sales Meeting in Kauai, Hawaii we raised in excess of US$37,000 for YES through a 5km fun run, which included a direct contribution from Sirtex Medical, Inc.

In October our highly motivated 'Sirtex DeLivers' cycling team participated in the second year of The Ride to Conquer Cancer supporting the Chris O'Brien Lifehouse. Over two years, we have raised in excess of $85,000 for this wonderful cause.

GOVERNANCE

The Board is committed to achieving and demonstrating the highest standards of corporate governance. Sirtex's key governance principles and practices are outlined in our Corporate Governance Statement for the 2016 financial year, which is available on our website at: **http://www.sirtex.com/au/investors/company-overview/corporate-governance/**

In addition, we have provided all of our Board and Committee charters, along with 12 separate Codes and Policies, to ensure stakeholders have complete visibility as it relates to our corporate responsibility, how we govern the way our Directors and employees operate, and how Sirtex seeks to build and maintain a strong reputation for integrity in our business practices. These are available at **http://www.sirtex.com/au/investors/company-overview/**

Community support: We play an active role in the medical, scientific, patient and research communities with whom we collaborate worldwide.

NSW Premier's Awards for Excellence in Cancer Research: Sirtex is a supporter of the NSW Premier's Awards for Outstanding Cancer Research. Pictured here from left is Dr Steve Jones, Sirtex's Global Head of R&D with the winner of the 2015 Excellence in Translational Cancer Research award Dr Geoffrey McCowage from the Sydney Children's Hospitals Network.

Ride to Conquer Cancer 2015: In October 2015 several staff from Sirtex in Sydney set off on a two-day 200 km ride to raise funds for the Chris O'Brien Lifehouse, a world-class not-for-profit integrated cancer treatment centre and hospital in Sydney. Pictured here are members of the team preparing to head off on their ride.

BOARD OF DIRECTORS AND COMPANY SECRETARY

Richard Hill

Chairman (Non-Executive)

BA, LLB (Sydney), LLM (London)

Experience and Expertise

Mr Hill was appointed a Director in September 2004 and Chairman in August 2006. He previously held senior executive positions with HSBC Investment Bank in Hong Kong and New York and has extensive experience in international M&A and capital raising. He was a founding partner of Hill Young & Associates, a corporate advisory firm. He is also an attorney of the New York State Bar.

Responsibilities

Member of the Audit Committee, the Risk, Health and Safety Committee and the Remuneration Committee

Years with Sirtex

12 years

Dr John Eady

Deputy Chairman (Non-Executive)

BSc (Hons), PhD, FTSE

Experience and Expertise

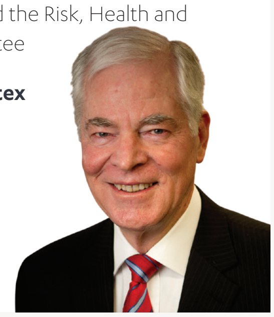
Dr Eady was appointed a Director in March 2005. He spent most of his career in a range of senior executive positions with CRA/Rio Tinto and Pacific Dunlop, in Australia and overseas. He has broad Board experience with start-up and established companies, and with government bodies. Dr Eady is a Fellow of the Academy of Technological Sciences and Engineering and consults extensively on business leadership and improvement.

Responsibilities

Chairman of the Remuneration Committee, member of the Audit Committee and the Risk, Health and Safety Committee

Years with Sirtex

11 years



Dr Katherine Woodthorpe

Director (Non-Executive)

BSc (Hons), PhD, FAICD

Experience and Expertise

Dr Woodthorpe was appointed a Director in September 2015. Dr Woodthorpe was the Chief Executive of AVCAL, the Australian Private Equity and Venture Capital Association for seven years. She has an outstanding track record of achievement across multiple industries, including within the medical devices sector and is a valuable addition to the Board.

Responsibilities

Chairperson of the Risk, Health and Safety Committee, member of the Audit Committee and the Remuneration Committee

Years with Sirtex

9 months

Grant Boyce

Director (Non-Executive)

CA, BCom

Experience and Expertise

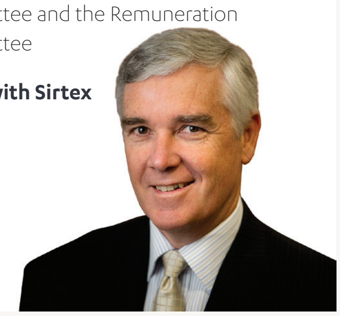
Mr Boyce was appointed a Director in December 2002. He is a Chartered Accountant with his own practice and was previously a partner with Ernst and Young where he worked in their Perth and New York offices. During that time Mr Boyce worked advising multiple clients including ASX listed entities. He was a board member and Chairman of the West Australian Institute of Sport for over 10 years.

Responsibilities

Chairman of the Audit Committee, member of the Risk, Health and Safety Committee and the Remuneration Committee

Years with Sirtex

14 years



Gilman Wong

Executive Director and Chief Executive Officer

Experience and Expertise

Mr Wong was appointed Chief Executive Officer in May 2005 and Director in June 2005. Mr Wong previously held CEO and senior executive positions in the commercial and industry sector including 10 years with Email Limited. He has a strong planning and sales and marketing background.

Responsibilities

Daily management decisions and implementation of the Company's strategic plans.

Years with Sirtex

11 years

Darren Smith

Chief Financial Officer and Company Secretary

Experience and Expertise

Mr Smith was appointed company secretary in July 2008 and Chief Financial Officer in February 2009. Mr Smith previously held CFO and senior executive finance and general management positions in a number of international, Australian listed and private companies. Mr Smith holds an MBA from the AGSM, is a fellow of CPA Australia and an AICD member.

Responsibilities

Mr Smith has overall responsibility for the Finance function of the group including IT and Human Resources.

Years with Sirtex

8 years

KEY MANAGEMENT PERSONNEL

Michael Mangano – Chief Executive Americas *

Experience and Expertise

Mr Mangano joined Sirtex in January 2010, after 15 years of experience in the medical device industry with Boston Scientific where he had numerous management positions both within the US and internationally.

Responsibilities

Mr Mangano is based in our regional office in the greater Boston area and responsible for the development and execution of the strategic direction of Sales and Marketing in North, Central and Latin America.

Years with Sirtex

6 years

** Resigned effective 30th June 2016*

Nigel Lange – Chief Executive EMEA (acting Chief Executive APAC as of 5th November 2015)

Experience and Expertise

Mr Lange joined Sirtex US in 2002, then set up Sirtex operations in Europe. Before joining Sirtex, Mr Lange held senior roles at Nordion Inc (NYSE:NDZ) and has over 20 years of experience in the healthcare industry.

Responsibilities

Mr Lange is based in our regional office in Bonn, Germany, where he is responsible for the development and execution of the strategic direction of sales and marketing in Europe as well as the Middle East and Africa, a region which for Sirtex comprises a total of 20 countries with direct sales and distributor sales models.

Years with Sirtex

14 years

Dr David N Cade – Chief Medical Officer

Experience and Expertise

Dr Cade joined Sirtex in 2003 and has served as the Chief Medical Officer since 2007. He previously held the positions of U.S. Medical Director based in New York, USA, from 2005 to 2007, and European Medical Director based in Bonn, Germany, from 2003 to 2005.

Dr Cade is a medical graduate of Monash University and holds an MBA from the Melbourne Business School and the ESADE Business School in Barcelona, Spain. He is a Graduate of the Australian Institute of Company Directors. Prior to joining Sirtex, Dr Cade worked at management consultancy Booz & Company.

Responsibilities

Dr Cade has responsibility for all medical affairs of the group, and is based in the Sydney head office.

Years with Sirtex

13 years

Robert Hardie – Global Head of Operations

Experience and Expertise

Mr Hardie joined Sirtex in June 2006 and was appointed Global Head of Operations in October 2006. Mr Hardie previously held senior engineering and management positions in various industry sectors, and has a strong engineering, manufacturing, production planning and logistics background.

Responsibilities

Mr Hardie has overall responsibility for global operations including manufacturing, supply chain management and logistics. Mr Hardie is based in the Sydney head office.

Years with Sirtex

10 years

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FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

SIRTEX MEDICAL LIMITED
CONSOLIDATED ENTITY
ABN 35 078 166 122

CONTENTS

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The Directors of Sirtex Medical Ltd present their report, together with the financial statements of the consolidated entity, being Sirtex Medical Ltd and its controlled entities ('the Group') for the year ended 30 June 2016.

DIRECTORS

The Directors of Sirtex Medical Ltd during the financial year and until the date of this report are Mr R Hill, Dr J Eady, Mr G Boyce, Dr K Woodthorpe and Mr G Wong. Details of the Directors, including their skills, experience, and expertise, are set out below.

Richard Hill – Chairman (Non-Executive)
BA, LLB (Sydney), LLM (London)

Experience and Expertise
Mr Hill was appointed a director in September 2004 and Chairman in August 2006. He previously held senior executive positions with HSBC Investment Bank in Hong Kong and New York and has extensive experience in international M&A and capital raising. He was a founding partner of Hill Young & Associates, a corporate advisory firm. He is also an attorney of the New York State Bar.

Directorships held in other listed entities during the last three years
Calliden Group Limited – Chairman (appointed April 2000, resigned December 2014)
BlackWall Property Funds – Chairman (appointed July 2008)

Special Responsibilities
Member of the Audit Committee, the Health, Risk and Safety Committee and the Remuneration Committee

Interest in Shares and Options
9,617 ordinary shares in Sirtex Medical Ltd

Dr John Eady – Deputy Chairman (Non-Executive)
BSc (Hons), PhD, FTSE

Experience and Expertise
Dr Eady was appointed a Director in March 2005. He spent most of his career in a range of senior executive positions with CRA/Rio Tinto and Pacific Dunlop, in Australia and overseas. He has broad Board experience with start-up and established companies, and with government bodies. Dr Eady is a Fellow of the Academy of Technological Sciences and Engineering and consults extensively on business leadership and improvement.

Directorships held in other listed entities during the last three years
Nil

Special Responsibilities
Chairman of the Remuneration Committee and Member of the Audit Committee and the Health, Risk and Safety Committee

Interest in Shares and Options
9,137 ordinary shares in Sirtex Medical Ltd

Grant Boyce – Director (Non-Executive)
CA, BCom

Experience and Expertise
Mr Boyce was appointed a director in December 2002. He is a Chartered Accountant with his own practice and was previously a partner with Ernst and Young where he worked in their Perth and New York offices. During that time Mr Boyce worked advising muliple clients including ASX listed entities. He was board member and Chairman of the West Australian Institute of Sport for over 10 years.

Directorships held in other listed entities during the last three years
Nil

Special Responsibilities
Chairman of the Audit Committee and Member of the Remuneration Committee and the Health, Risk and Safety Committee

Interest in Shares and Options
8,309 ordinary shares in Sirtex Medical Ltd

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

Dr Katherine Woodthorpe – Director (Non-Executive)
BSc (Hons), PhD, FAICD

Experience and Expertise
Dr Woodthorpe was appointed a director in September 2015. Dr Woodthorpe was the Chief Executive of AVCAL, the Australian Private Equity and Venture Capital Association for seven years. She has a deep knowledge of the private equity and the superannuation industry in the financial sector and a strong track record in a broad range of technology orientated industries including healthcare.

Directorships held in other listed entities during the last three years
Nil

Special Responsibilities

Chairman of the Health, Risk and Safety Committee and Member of the Remuneration Committee and the Audit Committee

Interest in Shares and Options
651 ordinary shares in Sirtex Medical Ltd

Gilman Wong – Executive Director and Chief Executive Officer

Experience and Expertise
Mr Wong was appointed Chief Executive Officer in May 2005 and director in June 2005. Mr Wong previously held CEO and senior executive positions in various industries. He has a strong planning, and sales and marketing background.

Directorships held in other listed entities during the last three years
Nil

Interest in Shares and Options
160,000 ordinary shares in Sirtex Medical Ltd
233,930 Executive Performance Rights

COMPANY SECRETARY

Darren Smith – Company Secretary and Chief Financial Officer
MBA, BBus, FCPA

Experience and Expertise
Mr Smith was appointed Company Secretary in July 2008 and Chief Financial Officer in February 2009. Mr Smith previously held CFO and senior executive finance and general management positions in a number of international, Australian listed and private companies. Mr Smith holds an MBA from the Australian Graduate School of Management (AGSM), The University of New South Wales, a Bachelor of Business from the University of Western Sydney, and is a Fellow of CPA Australia and a member of AICD.

Interest in Shares and Options
30,000 ordinary shares in Sirtex Medical Ltd
56,010 Executive Performance Rights

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

	Board of Directors		Remuneration Committee		Audit Committee		Risk, Health and Safety Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
R Hill (Chairman)	13	12	6	6	8	7	2	1
Dr J Eady	13	13	6	6	8	8	2	2
G Boyce	13	12	6	6	8	8	2	2
Dr K Woodthorpe	10	10	5	5	6	6	2	2
G Wong	13	13	-	-	-	-	-	-

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

PRINCIPAL ACTIVITIES

Sirtex Medical Ltd and its controlled entities ('Group') form a medical device group whose primary objective is to manufacture and to distribute effective liver cancer treatments utilising small particle technology to approved markets in Asia-Pacific, Europe, Middle East and Africa, and North and South America.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The Group's main product SIR-Spheres microspheres is a targeted radioactive treatment for liver cancer. The treatment is called Selective Internal Radiation Therapy (SIRT) and consists of a minimally invasive surgical procedure performed by an interventional radiologist. The SIR-Spheres microspheres lodge in the small blood vessels of the tumour where they destroy it from the inside over a short period while sparing the surrounding healthy tissue. During the year, the Group sold 11,931 doses worldwide representing approximately 2 per cent of the addressable market.

Dose sales for the year increased by 16.4 per cent over the previous financial year. The Americas (North and Latin America) market with 8,420 doses achieved growth of 19.0 per cent, the Europe, Middle East and Africa (EMEA) market with 2,528 doses achieved growth of 11.2 per cent, and Asia Pacific (APAC) recorded 983 dose sales, representing growth of 8.9 per cent. The number of treatment centres certified to use SIR-Spheres microspheres now exceeds 1,000 globally.

Sales revenue reached $232,491,500 for the financial year ended 30 June 2016, an increase of 32.0 per cent over last financial year ($176,087,520). The higher sales revenue growth compared to volume growth was driven by positive foreign currency fluctuations as the Australian dollar depreciated against the US dollar and Euro during the year.

Profit before tax has increased 32.7 per cent to $69,998,039 for the year ended 30 June 2016 (2015: $52,768,232), and profit after tax has increased by 32.8 per cent to $53,582,392 (2015: $40,344,738).

Earnings per share for the year ended 30 June 2016 have increased to $0.937 (2015: $0.714). During the year, a fully franked dividend of $0.20 (2015: $0.14) per share has been paid in respect of the previous financial year.

Net assets for the Group increased by 33.8 per cent to $193,503,996 (2015: $144,635,697), mainly due to the investment of $19,196,227 (2015: $21,462,126) in intangible assets and an increase in cash and short-term deposits of $33,084,007 (2015: $21,446,091).

A significant part of the Group's clinical activities is focused on major post-marketing clinical studies. Consistent with last year, expenses for these studies have been capitalised as they continue to satisfy the recognition criteria of AASB 138 Intangible Assets. Additions to capitalised costs incurred for these trials as well as for two smaller development projects during the financial year ended 30 June 2016 represent a total of $15,085,427 compared to $17,800,798 for the previous financial year. One of the major clinical trials was completed during the prior financial year. An amortisation expense of $3,007,416 (2015: $250,618) relating to the SIRFLOX trial has been recognised in the Consolidated Statement of Profit and Loss for the year.

DIVIDENDS

An ordinary dividend of 20 cents per share was declared for the financial year ended 30 June 2015 and paid during the financial year ended 30 June 2016 (2015: 14 cents).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the financial year there were no significant changes in the state of affairs of the Group other than that referred to in the financial statements or notes thereto.

LIKELY DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Group's strategy focuses on promoting and developing SIR-Spheres microspheres to become a worldwide standard of care for patients with primary and secondary forms of liver cancer, representing a market estimated at over 488,000 patients per year. The Group's 2016 financial year dose sales imply that approximately 2 per cent of this annual market has been penetrated.

In order to achieve this goal, the Group continues to expand its sales and marketing, regulatory and medical function. In total, 48 per cent of the Group's workforce is engaged in a sales and marketing role, to help build the awareness and use of SIR-Spheres microspheres by the global medical community.

Major randomised clinical studies are required to provide the necessary Level 1 evidence of benefit, which has been a considerable focus for the Group's clinical operations team. During the financial year ended 30 June 2016, the Group released a high impact scientific publication from one of its five studies. During the year, the Group completed patient recruitment of a further two major clinical studies. As a result, the at the end of the financial year the Group had completed patient recruitment across all five of its major clinical studies. Additionally, Sirtex completed recruitment in a pilot clinical study examining the effects of SIR-Spheres microspheres in kidney cancer patients; the first time a human clinical study has been conducted for this disease with our product.

To prepare for future demand for SIR-Spheres microspheres following the release of the results, the Group has continued to expand its manufacturing capabilities. An additional manufacturing facility in Frankfurt, Germany is anticipated to commence manufacturing commercial doses during the first half of the 2017 financial year.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The Group has been successful in gaining regulatory clearances for SIR-Spheres microspheres in key global markets. They include North America, Argentina, Brazil, the European Union, Israel and various Middle East and African markets, Australia, New Zealand, Singapore, Hong Kong, Taiwan and various other Asian markets. During the year, the Group received regulatory clearance in Canada. Sirtex is working towards gaining regulatory clearances in other major markets such as Japan and China for its SIR-Spheres microspheres product to continue its geographic growth. The Group was also successful in expanding government and private sector reimbursement for SIR-Spheres microspheres during the financial year, with reimbursement granted in the Netherlands and South Africa. Expanded reimbursement coverage helps ensure as many patients as possible who suffer from liver cancer can receive SIR-Spheres microspheres.

During the financial year, the Group invested an additional $4,108,913, included in intangible asset work-in-progress, in its integrated software application in order to bring greater efficiencies to our collection, storage and use of business information to empower our manufacturing, clinical and marketing teams, streamline our administrative procedures and further improve our competitiveness. In addition, significant investments have been made in human resources, with a further increase in staff numbers by 13% from 246 at the end of last financial year to 279 at the end of this financial year.

ENVIRONMENTAL REGULATIONS

The Group is not subject to significant environmental regulation under the law of any of the jurisdictions the Group is operating in.

UNISSUED SHARES

Executive Performance rights on issue at year end

As at 30 June 2016, the unissued shares of Sirtex Medical Ltd under Executive Performance Rights are as follows:

Grant date	Date of Vesting	Exercise Price $	Number under Rights
26 November 2013	30 June 2016	nil	443,000
23 September 2014	30 June 2017	nil	281,320
1 September 2015	30 June 2018	nil	96,244
27 October 2015	30 June 2018	nil	45,930
4 February 2016	30 June 2018	nil	61,900

Rights holders do not have any rights to participate in any issue of shares or other interests in the Company or any other entity. For further details on rights issued as remuneration, refer to the Remuneration Report.

Directors' rights on issue at year end

As at 30 June 2016, there were no unissued shares of Sirtex Medical Ltd under Non-Executive Directors Rights.

Share options on issue at year end or exercised during the year

During the year ended 30 June 2016, there were no ordinary shares of Sirtex Medical Ltd issued on the exercise of options. No share options have been issued during the year, and no share options are outstanding at 30 June 2016.

Directors' interests

The relevant interest of each Director in the share capital of the Company, as notified by the Directors to the ASX in accordance with section 205G (1) of the *Corporations Act 2001*, as at 30 June 2016 is as follows:

	2016 Ordinary Shares	2016 Rights	2015 Ordinary Shares	2015 Rights
R Hill	9,617	-	1,974	2,959
Dr J Eady	9,137	-	6,234	1,850
G Boyce	8,309	-	5,987	1,480
Dr K Woodthorpe	651	-	-	-
G Wong	160,000	233,930	100,000	328,000

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company Secretary and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

EVENTS AFTER REPORTING DATE

On 20 July 2016, a total of 443,000 Executive Performance Rights issued on 26 November 2013 vested, having exceeded the performance target. As at the date of this report, a total of 443,000 of these performance rights have been exercised and issued as ordinary shares of Sirtex Medical Ltd.

Since the end of the year, the Directors have declared a partially franked dividend of 30 cents per share to be paid on 19 October 2016 (2015: 20 cents per share). The record date for the dividend is 28 September 2016.

No other matter or circumstance has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

During the year, Grant Thornton, the Company's auditors, performed certain other services in addition to their statutory audit duties.

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that their services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of ethics for Professional Accountants set out by the Accounting Profession Ethical Standards Board.

Details of the amounts paid to the auditors of the Company, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in Note 29 to the Financial Statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 42 of the financial report and forms part of the Directors' report.

ROUNDING OFF OF AMOUNTS

Sirtex Medical Ltd is the type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest $1,000, or in certain cases, to the nearest dollar.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

LETTER FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Dear Shareholder,

I am pleased to present the remuneration report for the financial year ended 30 June 2016, outlining the nature and amount of remuneration for Sirtex's Non-Executive Directors ('NEDs') and other Key Management Personnel ('KMP'), as defined under section 300A of the Corporations Act, 2001 and its associated regulations.

During the past year, our remuneration policies and procedures have evolved further, as Sirtex continued to build foundations for future growth and worked to make an even bigger contribution to patient health outcomes. The aim is to have remuneration policies that enable us to recruit and retain the calibre of executives needed to realise the Company's potential, reflecting market practice and shareholder views.

In order to facilitate transparency and input, the Company has also up-graded its website creating a specific remuneration governance section. It has been designed to make it easier for external stakeholders to review our policies and procedures and provide feedback on the published material and on remuneration or governance generally.

Policies and procedures have been revisited in order to assess their effectiveness and in the context of suggestions raised by shareholders and Proxy Advisors. We also sought formal assessment and input from our independent Remuneration Consultant, the Godfrey Remuneration Group.

Our current total remuneration (TRP) structure for senior executives, which comprises a fixed component and at-risk components customized to reflect regional practice, has proven to be effective, as has our targeted P75 (75th percentile of market practice) TRP positioning. With the P75 target (met where 100% of the at-risk components are awarded) we have been able to recruit quality KMP. The at-risk components are encouraging focus, providing rewards for effort and ensuring that executive TRP reflects shareholder experience.

As preferred by shareholders, the Long-Term Incentive (LTI) component of our executive TRP is core to the remuneration packages. It has grown while the STI component remains largely unchanged, and has been the focus of much of our recent research and review.

So as to ensure that our move from an 'absolute total shareholder return' (TSR) measure to an 'indexed TSR' measure (i-TSR, also called 'market adjusted TSR'), as foreshadowed in last year's Report, does not mean that executives can benefit from LTI awards even if shareholder gains were negative, modifications have been made to the enabling documents to ensure that its intent is clear. For example, Rights will not vest if Sirtex TSR is negative, even if it outperforms the ASX300. In effect, elements of the absolute TSR measure remain as a hurdle to vesting.

The choice of the ASX300 as the comparator index group was also revisited and, as noted in the Company Remuneration web section, was considered appropriate as it includes a wide range of industries and a balance between smaller groups (e.g. ASX 100) that could be influenced excessively by very large companies with fairly steady share prices, and much bigger groups which would include many small and volatile companies. It is our view that the ASX 300 accurately reflects general stock-market sentiment and performance.

Another suggestion made by shareholders was that 4 year LTI performance periods could replace the current 3 year periods. The Godfrey Remuneration Group was asked to investigate this option and found that of the wide range of companies studied "only around 14% have periods longer than 4 years, and 9% have tranches less than 3 years". Godfrey's view is that an important reason behind the 3 year preference is its fit with business planning and implementation cycles, and this is certainly relevant for Sirtex. For this reason the Company has opted at this time to retain the 3 year performance period.

Fee structures for non-executive directors also continue to be reviewed in the context of Board renewal. As disclosed at last year's AGM, the NED's salary sacrifice Rights Plan has been modified to extend the disposal restrictions from the sooner of 7 years after granting or ceasing to be a director, to 15 years or ceasing to be a director. These Rights vest immediately.

The Company believes that it is imperative that its remuneration policies for all KMP match market practice, encourage desired behaviour and are aligned with a culture of care and professionalism. Accordingly, Sirtex strives to have remuneration structures and levels that are data-driven, transparent and benefit from widespread input.

As Chair of the Remuneration Committee, I would like to thank shareholders for their support and helpful comments made during the financial year ended 30 June 2016. I hope that you will continue to support us by voting to adopt this remuneration report at the upcoming Annual General Meeting.

Regards,

Dr John Eady
Chair of the Remuneration Committee

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

Remuneration Report (audited)

CONTENT:

The Remuneration Report, which forms part of the Directors' Report, provides information about the remuneration of the directors of Sirtex Medical Ltd (Sirtex) and other KMP, for the year ended 30 June 2016. It is set out under the following headings:

1. Persons covered by this report
2. Principles used to determine the nature and amount of remuneration
3. Service agreements
4. Performance outcomes and impact on shareholder wealth for the financial year ended 30 June 2016
5. Details of remuneration
6. Additional information

1. PERSONS COVERED BY THIS REPORT

This report covers remuneration arrangements and outcomes for the following KMP:

Non-executive Directors

- Mr Richard Hill, Independent Non-Executive Chairman
- Dr John Eady, Independent Non-Executive Director and Deputy Chairman – Chair of Remuneration Committee
- Mr Grant Boyce, Independent Non-Executive Director – Chair of the Audit Committee
- Dr Katherine Woodthorpe, Independent Non-Executive Director – Chair of the Risk, Health and Safety Committee (appointed 22 September 2015)

Executives

- Mr Gilman Wong, Managing Director & CEO
- Mr Darren Smith, CFO and Company Secretary
- Mr Michael Mangano, President Americas (resigned 30 June 2016)
- Mr Nigel Lange, Chief Executive EMEA, acting Chief Executive Asia Pacific (as of 5 November 2015)
- Dr Burwood Chew, Chief Executive Asia Pacific (departed 5 November 2015)
- Mr Robert Hardie, Global Head of Operations
- Dr David Cade, Chief Medical Officer

Unless otherwise stated, the KMP held their positions throughout the financial year ended 30 June 2016.

2. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

2.1 Remuneration Governance Framework

In order to base its decisions on broadly-based information and views, the Group seeks input from a wide range of sources:

- Remuneration Committee members;
- External remuneration consultants (ERCs);
- Stakeholder groups and shareholders;
- Remuneration Committee peers within Australia;
- Other experts and professionals such as tax advisors and lawyers; and
- Individual KMP to understand roles and complexities.

Care is taken to ensure that interaction with and between these sources regarding Remuneration Committee business is independent, not improperly influenced by personal interests and reflects the current Sirtex circumstances.

2.2 Executive KMP Remuneration Policy and Procedure

The Executive KMP Remuneration Policy and Procedure applies to executives defined as:

- Managing Director – accountable to the Board for the Group's performance and long term planning; and
- Top Strata Direct Reports to the Managing Director – roles that are business unit, functional, or expertise heads.

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The policies and procedures outline the Company's intentions regarding executive remuneration, as well as how remuneration is intended to be structured, benchmarked and adjusted in response to changes in the circumstances of the Group, and in line with good governance. Broadly the policy states that for executive KMP:

- Total remuneration (TRP) comprises Fixed Remuneration and at-risk STI and LTI components so that executive reward reflects performance and shareholder experience.
- The components when put together, are structured so as to achieve a TRP positioned at P75 of the market for equivalent roles in each region, if demanding performance hurdles are achieved. P75 remuneration is the total targeted remuneration (TTR). Internal relativities should be considered to recognise Sirtex's particular organisation design, using 'strata' to map the relationships between roles.
- Appropriate amounts and ratios of the various components are based on extensive and objective market data and regional practice.
- Internal relativities and any special circumstances are considered so as to:
  - Recognise Sirtex's organisational design, and the use of 'strata' to define role complexities and map relationships,
  - Manage TTR within a range so as to allow for individual differences such as the calibre of incumbents and the competency with which they fulfil roles.
- Termination benefits will be in line with local regulations, and in Australia limited to the default amount allowed for under the Corporations Act.

Sirtex policy aims to link executive remuneration to Company performance, with an emphasis on longer-term strategies and the experience of shareholders. The intent is for executive remuneration to be higher when longer term issues are being addressed effectively and the Group is doing well.

Policy Area	Relationship to Company Performance
Fixed Remuneration	As fixed remuneration is based on market practice and data shows that levels increase as market capitalisation increases, amounts reflect Company performance through the impact on share price and resulting market capitalisation.
At-risk components (STI and LTI)	The at-risk components are linked to business levers that drive strategic initiatives or indicators that reflect shareholder experience. STI payments depend on the influence an individual executive has on Group performance. They are based on key performance indicators (KPIs), each having defined targets. While many influencing factors are quantitative, some are more subjective, aimed at assessing personal effectiveness in the context of prevailing circumstances. The STI KPIs are designed generally to drive focus on internal factors, such as dose sales, that can be considered as leading indicators for the external measures used for LTI awards. LTI awards are based on direct measures of Group performance, as reflected in share price growth and the growth in earnings per share.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

2.3 Executive Short-term Incentives STI Plan - Process

- The Short-term Incentive Plan (STI) is an important part of the remuneration offered to Executives as it:
  - Encourages focus on factors that are considered critical over the coming year to meet the Company's purpose and implement its strategies, and
  - Shares Company success with the Executives who contribute through their efforts.
- STI amounts awarded depend on thresholds being exceeded and in accordance with pro-rata scales to stretch levels. The ability to receive P75 TRP depends on meeting defined and demanding targets.
- The responsibility for the ongoing administration of the STI plan rests with the Board. It determines the applicable targets annually and has discretion to vary the Plan Rules or terminate the STI Plan in relation to future periods, but may not reduce earned awards (being amounts already approved by the Board and payable for a completed measurement period) without the consent of the Participant.
- The Clawback policy applies to STI awards.

2.4 Executive Short-term Incentive (STI) Plan – Detail

Aspect	Plan Rules, Offers and Comments
Measurement Period	From 1 July to the following 30 June.
Award Opportunities	Determined each year, and for the financial year ended 30 June 2016 the MD/CEO had a target STI award opportunity equal to 50% of Fixed Remuneration. The other executives who are KMPs had a target award opportunity equal to 35% of Fixed Remuneration.
Key Performance Indicators (KPIs)	The CEO's focusing measures were 'Normalised Group EBITDA' (40% weighting), 'doses sold' (40% weighting) and 'leadership effectiveness' (20% weighting). Those for the other executive KMP were based on two measurement groups, 'Normalised Group EBITDA' (50% weighting) and influencing factors specific to their roles (50% weighting). 'Normalised Group EBITDA' is defined as Group earnings before interest, tax, depreciation and amortisation, excluding exchange rate fluctuations, clinical studies, and Research & Development expenditure. It is a major KPI for all executive KMP as teamwork across the Group and a 'one Company' culture is considered critical for ongoing success. Role-specific influencing indicators included such factors as dose sales, expense control, delivery performance, cost-of-goods sold, audit compliance and to cover project-style work, progress against milestones. Weightings are applied to the KPIs selected to reflect the relative importance of each KPI. These measures were judged by the Board as key levers for Group success. The Board limits the number applicable to any one executive so as to encourage focus on those business levers deemed most important to that role. In the case of qualitative factors, such as leadership development, actual performance is judged by the Board based on a range of inputs, one of which is information from the MD/CEO in relation to his Direct Reports. The award hurdle and scale used in relation to the 'Normalised Group EBITDA' KPIs is:

STI Performance Reward Scale		
Performance Level	Budget Achievement	Percentage of Target STI Payable
<Threshold	<95%	Nil
Threshold	95% >95%, <105%	25% Pro-rata
Target	105% >105%, <110%	100% Pro-rata
Stretch	≥110%	110%

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

Aspect	Plan Rules, Offers and Comments
Cessation of Employment During a Measurement Period	In the event of cessation of employment due to dismissal for cause, all entitlements in relation to the Measurement Period are forfeited. In the event of cessation of employment due to resignation, all entitlements in relation to the Measurement Period are forfeited, unless otherwise determined by the Board. In the event of cessation of employment for other reasons: (a) The STI award opportunity for the Measurement Period will be reduced pro-rata to reflect the portion of the Measurement Period worked, and (b) Performance and STI awards will be determined following the end of the Measurement Period in the normal way although the Board, may accelerate the determination and payment of STI awards in special circumstances.

2.5 Executive Long-term Incentive (LTI) Plan - Process

- The Long-term Incentive Plan (LTI) is a key part of the at-risk component of the remuneration offered to Executives and aims to:
  - Build a sense of ownership and encourage a longer term view, and
  - Share Company success with the executives who contributed through their efforts.
- LTIs offer the greater proportion of at-risk reward with the number of LTI grants awarded to each Executive customised to reflect regional practice.
- Vesting depends on thresholds being exceeded and in accordance with pro-rata scales to stretch levels. As is the case with STIs, the ability to receive P75 TRP depends on meeting defined and demanding targets.
- The responsibility for the ongoing administration of the LTI plan rests with the Board. It determines annually the LTI proportions of TRP, the measures to be used and applicable vesting scales. It has discretion to vary the Plan Rules or terminate the LTI Plan in relation to future periods, but may not reduce granted awards (being grants already approved by the Board and available for vesting at the completion of the measurement period) without the consent of the Participant.
- The Clawback policy applies to LTI awards.
- Non-Executive Directors are excluded from participation.

2.6 Executive Long-term Incentive (LTI) Plan – Detail

Aspect	Plan Rules, Offers and Comments
Measurement Period	The measurement period for the 2016 offers is the three financial years from 1 July 2015 to 30 June 2018.
Award Opportunities	Performance Rights were offered under the Executive Performance Rights (EPR) Plan during the financial year in accordance with the Group's policies and Plan rules. The target LTI value used to calculate grants was equal to 100% of Fixed Remuneration for the MD/CEO, and between 90% and 35% of Fixed Remuneration for other executive KMP (depending on region), calculated by applying the following formula: **Number of Performance Rights = Fixed Remuneration x Target LTI% ÷ Right Value** The Right Value was the volume weighted average share price for the 10 days up to and including 30 June 2015, less assumed dividends over the Measurement Period.

DIRECTORS' REPORT

Aspect	Plan Rules, Offers and Comments
Vesting Scales	Specific performance conditions must be satisfied for Rights to vest.

The performance conditions specified as part of the most recent offers comprise two tranches, with 50% of Rights being subject to an Indexed Total Shareholder Return (i-TSR) vesting measure, and 50% being subject to an EPS Growth vesting measure. With regard to the i-TSR measure, offer documents make it clear that the Board would use its discretion and these Rights would not vest if Sirtex TSR is negative, even if it outperforms the ASX300.

Percentages of grants to vest are to be determined in accordance with the following scales:

TSR Growth Rate Vesting Scale

Indexed TSR	Performance	Number of Rights to Vest
Threshold	100% of ASX300 TSR and greater than 10%	0%
Recognition	Above market average but not reaching target	1% for each 1% above market average (pro-rata)
P75 Target	200% of ASX300 TSR	100% of Target grants (66.7% of Plan grants)
Further Reward	Surpassing target	0.5% for each 1% above target up to 1.5 times entitlement

EPS Vesting Scale

Earnings per Share	Performance	Number of Rights to Vest
Threshold	EPS compound growth of 10%	0%
Recognition	Above threshold but not reaching target	10% for each 1% above threshold (pro-rata)
P75 Target	EPS compound growth of 20%	100% of Target Rights (66.7% of Plan Rights)
Further Reward	Surpassing target	5% for each 1% above target up to 1.5 times entitlement

i-TSR is the cumulative gain for shareholders over a three year period, from growth in the share price and dividends, assuming that dividends are reinvested into the Group's shares, compared to that of the Australian stock-market's ASX300 index. i-TSR has replaced absolute TSR so that gains rewarded are due to Company performance rather than general stock-market movement, but with an implied absolute TSR threshold hurdle.

The selection of two times the average ASX300 growth as the P75 target is based on past performance data that showed that an ASX300 Company performing at the P75 level over recent years outperformed the market average by a factor of about two. Sirtex must match this P75 performance if executive TRP is to match the targeted P75 level.

EPS growth remained as the most appropriate second measure. This measure is intended to give a different perspective on Group performance. Earnings-per-share growth is a method of tracking the ability of the Group to grow profit on a per-share basis. Increasing earnings per share indicates increasing returns on the funds provided by shareholders.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

Aspect	Plan Rules, Offers and Comments
Exercise of Vested Incentive Rights	On vesting, a Performance Right confers an entitlement for the Participant to exercise the Performance Right to the value of an ordinary share (Share) in the Holding Company. On exercise, the EPR Plan Trust (Trustee) subscribes for Shares or acquires Shares on market on behalf of the Participant. Care is taken to manage the tax impact of the EPR Plan on Participants. For overseas Participants, this may involve having a portion of Shares sold to account for withholding tax and/or other amounts payable in respect of the vested Performance Rights. The Trustee holds Shares that it has subscribed for, or acquired on behalf of a Participant, until the Participant directs the Trustee to transfer the Shares to the Participant or sell the Shares and remit the proceeds to the Participant. No amount is payable by Participants to exercise their vested Executive Performance Rights.
Dealing Restrictions on Shares	Shares acquired when vested grants are exercised will be subject to the restrictions set out in the Group's share trading policy, the insider trading provisions of the Corporations Act or any other additional dealing restrictions included in the offer of the Incentive Rights.
Cessation of Employment	In the event of cessation of employment other than due to Special Circumstances, all unvested Performance Rights are forfeited unless otherwise determined by the Board. In the event of cessation of employment due to Special Circumstances, unless otherwise determined by the Board, the number of unvested Performance Rights that will be retained by the Employee will be based on a pro-rata calculation. All other unvested Rights granted in prior years will not lapse, and will continue and, if they become vested at some later time, will be able to be exercised in accordance with their terms.
Change of Control of the Company (Compulsory Acquisition)	In the event of a compulsory acquisition of Shares following a takeover bid or a scheme of arrangement, vested Performance Rights may be exercised and unvested Performance Rights may be exercised by the Participant in the same proportion as the Share price (assessed via 10 day VWAP) has increased since the beginning of the Measurement Period.

2.7 Non-Executive Director's Remuneration Policies and Procedures

- Total NED Remuneration will be managed within the aggregate fee limit (AFL) or fee pool approved by shareholders of the Company.
- NED remuneration practice is governed by formal Board policies whereby NED TRP comprises:
  - Board fees (inclusive of any superannuation, and any applicable fringe benefits tax (FBT));
  - Salary-sacrificed equity grants; and
  - Committee fees.
- Levels are to be based on market data and reviewed annually, with fees plus the amount salary sacrificed targeting P75 practice for companies similar to Sirtex.
  - Board fees are set by reference to the P50 of market practice; and
  - P75 positioning is reached by salary-sacrificing the gap into equity grants. It is recognised that it is not appropriate to provide performance-based incentives to NEDs.
- The Board retains discretion and may alter the proportion of NED remuneration salary sacrificed in order to meet prevailing circumstances.
- Termination benefits are not paid to NEDs.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

2.8 Salary Sacrificed Equity Grants – Non-executive (NED) Director Rights Plan – Detail

Aspect	Plan Rules, Offers and Comments
Purpose	The NED Rights Plan constitutes part of a market-competitive main-board package and aims to align the interests of NEDs further and directly with shareholders. The Plan helps address the preference of many shareholders for NEDs to have significant shareholdings in the Group, without breaching the insider trading provisions of the Corporations Act. The disposal restrictions incorporated in the Plan supports this aim.
Plan Process	Rights offered to NEDs are not subject to performance conditions or any vesting condition. They vest immediately but cannot be exercised until three months after granting. At that time the shares are transferred to each NED, but with a CHESS holding lock. Disposal restrictions stipulate that, except by force of law, exercised shares may not be dealt with until the earlier of ceasing to be a NED of the Group or the elapsing of fifteen years from the grant date. Extreme care has been taken to distinguish the NED Rights Plan from the Executive Rights Plan in order to ensure no conflicts of interest can arise. Only the average weighted share price used to calculate the number of Rights awarded to a NED is in common. It is intended that NED Rights will be satisfied via on-market purchase of Sirtex Shares, rather than by new issues of Shares.
Measurement Period	The Measurement Period is one year from grant.
Grant Value	Grants of Rights were made to NEDs during financial year ended 30 June 2016 with the intended value of the grants being as follows (pro-rated for part of the year where applicable): • $50,000 for the Board Chair, • $31,250 for the Deputy Chair, and • $25,000 for the other NEDs. Grants of NED Rights were calculated by applying the following formula: *Number of NED Rights = Salary sacrifice amount ÷ Right Value* The Right value was the volume weighted average share price of shares traded in the 10 days up to and including 30th June 2015.
Treatment	NEDs will be entitled to receive all dividends. Without the approval of the Board, Rights may not be transferred, mortgaged, charged or otherwise dealt with or encumbered.

3. SERVICE AGREEMENTS

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. Upon termination of a director's appointment, the director will be paid his or her director's fees on a pro-rata basis, to the extent that they are unpaid, up to the date of termination. Unless determined otherwise by the Board, the director will also receive all vested shares held on the date of termination.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

Remuneration and other terms of employment for the executive KMP are also formalised in service agreements. The major provisions of the agreements are set out below. Generally, most contracts with executives may be terminated early by either party with six months' notice, subject to termination payments as detailed below.

		Period of Notice		
Name	Duration of Contract	From Company	From KMP	Termination Payments
Mr G Wong	No fixed term	6 months	6 months	Up to 12 months*
Mr D Smith	No fixed term	6 months	6 months	Up to 12 months*
Mr M Mangano**	No fixed term	6 months	6 months	Up to 12 months*
Mr N Lange	No fixed term	6 months	6 months	Up to 12 months*
Dr B Chew**	No fixed term	6 months	6 months	6 months
Mr R Hardie	No fixed term	6 months	6 months	Up to 12 months*
Dr D Cade	No fixed term	6 months	6 months	Up to 12 months*

*Under the Corporations Act the Termination Benefit Limit is 12 months average salary (last 3 years) unless shareholder approval is obtained.

** Ceased employment during the year.

4. PERFORMANCE OUTCOMES AND IMPACT ON SHAREHOLDER WEALTH FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

4.1 Group Performance

The following outlines the performance of the Group over the 2016 financial year and the previous four financial years:

Date	Revenue	Profit after Tax	Share Price	Change in Share Price	Dividends	Short-term change in Shareholder Value over 1 year (SP increase + dividends)		Long-term change in Shareholder Value over 3 years (SP increase + dividends)	
	$m	$m	$	$	$	$	%	$	%
30-Jun-12	82.6	17.1	6.09	1.19	0.07	1.26	25.71	2.95	88.06
30-Jun-13	96.7	18.3	11.98	5.89	0.10	5.99	98.36	7.32	149.39
30-Jun-14	129.4	23.9	16.88	4.90	0.12	5.02	41.90	12.27	250.41
30-Jun-15	176.1	40.3	29.05	12.17	0.14	12.31	72.93	23.32	382.92
30-Jun-16	232.5	53.6	25.57	(3.48)	0.20	(3.28)	(11.3)	14.05	117.30

The table shows strong Group performance in particular over the last 3 and 5 years in terms of TSR. The Board believes that this level of performance reflects the quality and commitment of its staff and the leadership given, all being enabled by fair and appropriate remunerations structures and packages.

The following table gives an indication of Group performance against the LTI measures:

	EPS			TSR	
Date	12 month EPS	12 month EPS growth	3 year EPS	12 month TSR	3 year TSR
	$	%	%	%	%
30-Jun-12	0.307	49.0	(6.1)	25.7	88.1
30-Jun-13	0.328	6.8	13.9	98.4	149.4
30-Jun-14	0.425	29.6	106.3	41.9	250.4
30-Jun-15	0.714	68.0	132.6	72.9	382.9
30-Jun-16	0.937	31.2	185.6	(11.3)	117.3

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

4.2 Links between Performance and Reward

4.2.1 Short-term incentive

The actual STI to be paid in relation to the 2016 financial year were accrued in the 30 June 2016 accounts. The links between performance and reward is summarised below.

STI Links

Name	Position	Objectives	Contribution to success	Measurement	Percentage of Max STI to be paid
Mr G Wong	Managing Director & CEO	Normalised Group EBITDA (40% weighting) Dose sold (40% weighting) Leadership effectiveness (20% weighting)	The MD/CEO role has primary responsibility for Group earnings (EBITDA) and was asked to focus on increasing dose sales and long-term leadership development as key factors for success at the CEO level in FY16.	Earnings were measured via Normalised Group EBITDA, dose sales by comparison to budget/ plans, and individual effectiveness by NED assessment on defined achievements and capabilities.	69.2%
Mr D Smith Mr M Mangano Mr N Lange Dr B Chew Mr R Hardie Dr D Cade	Stratum 2 Direct Report to MD/ CEO	Normalised Group EBITDA (50% weighting) KPIs and other Influencing Factors (50% weighting)	These executives shared the EBITDA objective with the MD/ CEO to encourage teamwork and the one-company culture. KPIs and other influencing factors for the Regional Heads included regional sales growth, expense control, debtor management and contribution margin. Factors for the other KMPs included where relevant, audit compliance, DIFOT, cost of goods sold, marketing objectives, proctor development, clinical trial recruitment and the achievement of project milestones. Each factor was identified and selected as being a key lever for each role, in order to drive group success for FY16.	Achievement of the earnings objective was as measured for the MD/CEO. KPI and other influencing factors were assessed against qualitative and quantitative objectives set at the beginning of the year in relation to each role, with some Board discretion to take into account relevant circumstances. In this way awards aligned with each individual's contribution to the Group during the year, as assessed by the Board.	Average 81.7%

In relation to the 2015 financial year, the average STI paid was 90% of the available amount, reflecting the very strong financial performance of the Group during that year.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

4.2.2 Long-term incentive

The LTI, being dependent on i-TSR and EPS growth, is strongly related to external indicators of Group performance.

The following table outlines the extent that the LTIs vested in relation to the completion of the 2015 financial year and those that were granted during the 2013 financial year:

Name	Target LTI Value (at grant) $	2013 Grant Number	TSR Achieved	% of Grant Vested	Number Vested
Mr G Wong	350,000	140,000	74.1%	100%	140,000
Mr D Smith	125,000	50,000	74.1%	100%	50,000
Mr M Mangano	125,000	50,000	74.1%	100%	50,000
Mr N Lange	125,000	50,000	74.1%	100%	50,000
Dr B Chew	125,000	50,000	74.1%	100%	50,000
Mr R Hardie	125,000	50,000	74.1%	100%	50,000
Dr D Cade	90,000	36,000	74.1%	100%	36,000
Total	**1,065,000**	**426,000**	**74.1%**	**100%**	**426,000**

5. DETAILS OF REMUNERATION

5.1 Executive Remuneration

The following table outlines the remuneration received or receivable by executives of the Group for the 2016 and 2015 financial years, in accordance with the statutory requirements for disclosure and accounting standards:

	Year	Salary	Other Benefits	Short-term Incentive (STI)**		Short-term Employee Benefits		Retirement Benefits/ Super-annuation	Termination Benefits	Equity-settled Long-term Incentive (LTI)		Total Target Remuner-ation	Change in Accrued Leave
Name		$	$	$	% of TRP	$	% of TRP	$	$	$	% of TRP	$	$
Mr G Wong	2016	875,695	–	314,514	16	1,190,209	61	33,305	–	742,690	38	1,966,204	85,343
	2015	800,217	–	409,500	23	1,209,717	69	18,783	–	519,662	30	1,748,162	43,637
Mr D Smith	2016	452,763	–	133,854	17	586,617	74	31,337	–	174,027	22	791,981	27,029
	2015	413,467	–	139,940	20	553,407	78	18,783	–	138,514	19	710,704	(3,550)
Mr M Mangano*	2016	599,242	70,280	209,735	21	879,257	87	23,944	–	108,090	11	1,011,291	(79,842)
	2015	511,213	54,504	177,186	20	742,903	83	12,922	–	138,514	15	894,339	39,554
Mr N Lange	2016	582,480	39,038	133,782	14	755,301	77	–	–	228,526	23	983,827	(19,340)
	2015	532,750	36,454	97,799	12	667,003	83	–	–	138,514	17	805,517	(1,066)
Dr B Chew*	2016	476,027	16,158	–	–	492,185	82	–	–	108,090	18	600,275	(27,802)
	2015	450,321	38,826	138,918	18	628,065	82	–	–	138,514	18	766,579	5,040
Mr R Hardie	2016	419,335	–	124,563	17	543,898	73	31,165	–	169,476	23	744,539	31,174
	2015	390,717	–	132,580	19	523,297	77	18,783	–	138,514	20	680,594	(18,285)
Dr D Cade	2016	444,751	–	122,638	16	567,389	73	30,249	–	172,770	23	770,408	23,577
	2015	390,717	–	136,160	20	526,877	78	18,783	–	126,183	19	671,843	(6,339)
Total	**2016**	**3,850,293**	**125,476**	**1,039,086**	**15**	**5,014,854**	**73**	**150,000**	**–**	**1,703,669**	**25**	**6,868,525**	**40,139**
	2015	**3,489,402**	**129,784**	**1,232,083**	**20**	**4,851,268**	**77**	**88,054**	**–**	**1,338,415**	**21**	**6,267,223**	**58,990**

* Ceased employment during the year.

** STI figures included in the table represent STI's received or receivable for the financial years presented.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The following table outlines the LTIs granted to executive KMP during the financial year ended 30 June 2016. The LTIs will vest over three years.

Name	Grant date	Number granted	Value per option at grant date	Value of options at grant date	Number vested	Exercise price $	First exercise date	Last exercise date
Mr G Wong	27-Oct-2015	45,930	21.32	979,228	–	–	1-Jul-18	30-Jun-22
Mr D Smith	01-Sep-2015	11,010	20.37	224,274	–	–	1-Jul-18	30-Jun-22
Mr N Lange	01-Sep-2015	20,110	20.37	409,641	–	–	1-Jul-18	30-Jun-22
Mr R Hardie	01-Sep-2015	10,250	20.37	208,793	–	–	1-Jul-18	30-Jun-22
Dr D Cade	01-Sep-2015	10,800	20.37	219,996	–	–	1-Jul-18	30-Jun-22
Total		**98,100**		**2,041,932**	–	–		

5.2 Changes in Securities Held – Executives

The following table outlines the changes in the number of Performance Rights held by executives over the financial year:

Name	Rights held at 1 July 2015		Granted during year		Excercised		Rights Held at 30 June 2016		Vested & Exercisable	
	Number	Value at Grant $	Number	Value at Grant $	Number	Value at Grant $	Number	Value at Grant $	Number	Value at Grant $
Mr G Wong	328,000	1,571,570	45,930	979,228	140,000	350,000	233,930	2,200,798	115,000	532,450
Mr D Smith	95,000	415,120	11,010	224,274	50,000	125,000	56,010	514,394	28,000	129,640
Mr M Mangano*	95,000	415,120	–	–	50,000	125,000	45,000	290,120	28,000	129,640
Mr N Lange	95,000	415,120	20,110	409,641	50,000	125,000	65,110	699,761	28,000	129,640
Dr B Chew*	161,000	557,656	–	–	116,000	267,536	45,000	290,120	28,000	129,640
Mr R Hardie	95,000	415,120	10,250	208,793	50,000	125,000	55,250	498,913	28,000	129,640
Dr D Cade	81,000	380,120	10,800	219,996	36,000	90,000	55,800	510,116	28,000	129,640
Total	**950,000**	**4,169,826**	**98,100**	**2,041,932**	**492,000**	**1,207,536**	**556,100**	**5,004,222**	**283,000**	**1,310,290**

* Ceased employment during the year.

No rights were forfeited during the financial year.

The following table outlines the changes in the number of Shares held by executives over the financial year:

Name	Balance at beginning of year	Granted as remuneration	Issued on exercise of Rights	Disposals	Balance at end of year
Mr G Wong	100,000	–	139,965	(79,965)	160,000
Mr D Smith	33,000	–	49,965	(52,965)	30,000
Mr M Mangano*	–	–	49,965	(49,965)	–
Mr N Lange	–	–	49,965	(49,965)	–
Dr B Chew*	–	–	115,916	(65,942)	49,974
Mr R Hardie	–	–	49,965	(49,965)	–
Dr D Cade	–	–	35,965	(35,965)	–
Total	**133,000**	**–**	**491,706**	**(384,732)**	**239,974**

* Ceased employment during the year.

Conditions attached to Performance Rights issued during the year are included in note 22 in the Financial Report.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

5.3 Non-Executive Director Remuneration

The following table outlines the remuneration received by non-executive directors of the Group during the 2016 and 2015 financial years, in accordance with the statutory requirements for disclosure and accounting standards:

Name	Year	Board Fees $	Committee Fees $	Super-annuation $	Other Benefits $	Equity* $	Total $
Mr R Hill	2016	220,000	–	–	–	69,382	289,382
	2015	210,000	–	–	–	58,494	268,494
Dr J Eady	2016	103,036	20,000	34,464	–	43,384	200,884
	2015	96,595	10,000	34,655	–	36,570	177,820
Mr G Boyce	2016	110,000	20,000	–	–	34,691	164,691
	2015	105,000	10,000	–	–	29,256	144,256
Dr K Woodthorpe	2016	74,321	10,869	–	–	25,591	110,781
	2015	–	–	–	–	–	–
Total	**2016**	**507,357**	**50,869**	**34,464**	**–**	**173,048**	**765,738**
	2015	**411,595**	**20,000**	**34,655**	**–**	**124,320**	**590,570**

*pro-rated from date of grant until 30 June 2016.

5.4 Changes in Securities Held – Non-executive Directors

The following table outlines the changes in the number of NED Rights held by non-executive directors over the financial year:

Name	Rights held at 1 July 2015		Granted during year		Forfeited		Exercised		Rights Held at 30 June 2016	
	Number	Value at Grant $	Number	Value at Grant $	Number	Value at Grant $	Number	Value at Grant $	Number	Value at Grant $
Mr R Hill	2,959	55,333	1,684	66,198	–	–	4,643	121,531	–	–
Dr J Eady	1,850	34,595	1,053	41,393	–	–	2,903	75,988	–	–
Mr G Boyce	1,480	27,676	842	33,099	–	–	2,322	60,775	–	–
Dr K Woodthorpe	–	–	651	25,591	–	–	651	25,591	–	–
Total	**6,289**	**117,604**	**4,230**	**166,281**	**–**	**–**	**10,519**	**283,885**	**–**	**–**

The following table outlines the changes in the number of Shares held by Non-Executive Directors over the financial year:

Name	Balance at beginning of year	Purchased	Issued on exercise of Rights*	Disposals	Balance at end of year
Mr R Hill	1,974	3,000	4,643	–	9,617
Dr J Eady	6,234	–	2,903	–	9,137
Mr G Boyce	5,987	–	2,322	–	8,309
Dr K Woodthorpe	–	–	651	–	651
Total	**14,195**	**3,000**	**10,519**	**–**	**27,714**

*Dealing restrictions apply with shares held in trust until the earlier of ceasing to be a non-executive director of the Group or the lapsing of fifteen years from the grant date.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

5.5 Future KMP Payments

The following table outlines amounts of LTI for executives that have been granted but which have not yet vested or been paid:

Name	Grant date	Total value $	Value expensed in 2015	% of grant	Value expensed in 2016	% of grant
Mr G Wong	28-Aug-12	350,000	123,311	35	–	–
	26-Nov-13	532,450	205,004	39	205,566	39
	23-Sep-14	689,120	191,347	28	249,227	36
	27-Oct-15	979,228	–	–	287,897	29
Mr D Smith	28-Aug-12	125,000	44,040	35	–	–
	26-Nov-13	129,640	49,914	39	50,051	39
	23-Sep-14	160,480	44,560	28	58,039	36
	01-Sep-15	224,274	–	–	65,937	29
Mr M Mangano*	28-Aug-12	125,000	44,040	35	–	–
	26-Nov-13	129,640	49,914	39	50,051	39
	23-Sep-14	160,480	44,560	28	58,039	36
Mr N Lange	28-Aug-12	125,000	44,040	35	–	–
	26-Nov-13	129,640	49,914	39	50,051	39
	23-Sep-14	160,480	44,560	28	58,039	36
	01-Sep-15	409,641	–	–	120,436	29
Dr B Chew*	28-Aug-12	125,000	44,040	35	–	–
	26-Nov-13	129,640	49,914	39	50,051	39
	23-Sep-14	160,480	44,560	28	58,039	36
Mr R Hardie	28-Aug-12	125,000	44,040	35	–	–
	26-Nov-13	129,640	49,914	39	50,051	39
	23-Sep-14	160,480	44,560	28	58,039	36
	01-Sep-15	208,793	–	–	61,386	29
Dr D Cade	28-Aug-12	90,000	31,708	35	–	–
	26-Nov-13	129,640	49,914	39	50,051	39
	23-Sep-14	160,480	44,560	28	58,039	36
	01-Sep-15	219,996	–	–	64,680	29
Total		**6,069,222**	**1,338,414**		**1,703,669**	

* Ceased employment during the year.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The following table outlines amounts for equities for non-executive directors that have been granted but which have not yet vested.

Name	Grant date	Total value $	Value expensed in 2015	% of grant	Value expensed in 2016	% of grant
Mr R Hill	24-Sep-13	27,241	6,344	23	–	–
	22-Jul-14	55,333	52,150	94	3,183	6
	23-Nov-15	66,198	–	–	66,198	100
Dr J Eady	24-Sep-13	17,029	3,966	23	–	–
	22-Jul-14	34,595	32,605	94	1,990	6
	23-Nov-15	41,393	–	–	41,393	100
Mr G Boyce	24-Sep-13	13,621	3,172	23	–	–
	22-Jul-14	27,676	26,084	94	1,592	6
	23-Nov-15	33,099	–	–	33,099	100
Dr K Woodthorpe	24-Sep-13	–	–	–	–	–
	22-Jul-14	–	–	–	–	–
	23-Nov-15	25,591	–	–	25,591	100
Total		**341,776**	**124,321**		**173,046**	

6. ADDITIONAL INFORMATION

6.1 Loans to Key Management Personnel

At 30 June 2016, $1,255,046 (2015: $9,222) was payable to key management personnel.

At 30 June 2016, $1,493 (2015: $12,702) was receivable from key management personnel.

The payable relates to deferred remuneration which is fully secured with a corporate asset and recognised net in the financial statements (2015: withholdings tax on the performance rights granted to Key Management Personnel and expense reimbursements). The payable is long-term in nature and will be paid over a period of 10 years. The receivable relates to expense reimbursement.

The Group does not have an allowance account for receivables relating to outstanding loans and has not recognised any expense for impaired receivables during the reporting period.

There were no individuals with loans above $100,000 during the financial year.

6.2 Transactions with Key Management Personnel

There have been no other transactions with Key Management Personnel or their related entities other than those disclosed in this report.

6.3 External Remuneration Consultant Advice

During the year KMP remuneration recommendations and data were received from the Board-approved, external remuneration consultant.

Godfrey Remuneration Group Pty Limited	$102,400

The Board also received other independent remuneration-related advice during the year.

Godfrey Remuneration Group Pty Limited	Assistance drafting new and up-dating existing remuneration policies and documents; Upgrade to the Remuneration Portal; Review of Remuneration Committee operations.	$20,000

So as to ensure that KMP remuneration recommendations were free from undue influence from the KMP to whom they relate, the Company has policies and procedures governing engagement with external remuneration consultants. The key aspects include:

(a) KMP remuneration recommendations may only be received from consultants who have been approved by the Board. This is a legal requirement. Before such approval is given and before each engagement the Board ensures that the consultant is independent of KMP.

(b) As required by law, KMP remuneration recommendations are only received by non-executive directors, mainly the Chair of the Remuneration Committee.

(c) The policy seeks to ensure that the Board controls any contact by management of Board-approved remuneration consultants and any interactions between management and external remuneration consultants when undertaking work leading to KMP remuneration recommendations.

The Board is satisfied that the KMP remuneration recommendations received were free from undue influence from KMP to whom the recommendations related. It has been closely involved in all dealings with the external remuneration consultants and each KMP remuneration recommendation received during the year was accompanied by a legal declaration from the consultants to the effect that their advice was provided free from undue influence from the KMP to whom the recommendations related.

End of audited remuneration report.

Gilman Wong

Director

24 August 2016

AUDITOR'S INDEPENDENCE DECLARATION

Grant Thornton

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Auditor's Independence Declaration
To the Directors of Sirtex Medical Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Sirtex Medical Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

N J Bradley
Partner - Audit & Assurance

Sydney, 24 August 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 47 to 80, are in accordance with the *Corporations Act 2001* and
   (a) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
   (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the Company and Consolidated Group.
2. the Chief Executive Officer and Chief Financial Officer have each declared, as required by section 295A of the *Corporations Act 2001*, that:
   (a) the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001;*
   (b) the financial statements and notes for the financial year comply with Accounting Standards; and
   (c) the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Gilman Wong
Director

Sydney, 24 August 2016

INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report
To the Members of Sirtex Medical Limited

Report on the financial report

We have audited the accompanying financial report of Sirtex Medical Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

INDEPENDENT AUDITOR'S REPORT

Grant Thornton

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion
In our opinion:

a the financial report of Sirtex Medical Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in pages 27 to 41 of the directors' report for the year ended 30 June 2016. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

INDEPENDENT AUDITOR'S REPORT

GrantThornton

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Sirtex Medical Limited for the year ended 30 June 2016, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

N J Bradley
Partner - Audit & Assurance

Sydney, 24 August 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Consolidated 2016 $'000	2015 $'000
Revenue from the sale of goods	2 (a)	232,492	176,088
Cost of sales		(35,287)	(27,700)
Gross profit		**197,205**	**148,388**
Other revenue	2 (b)	2,229	1,889
Other income	2 (c)	2,099	2,124
Marketing expenses		(79,338)	(65,081)
Research expenses		(8,717)	(5,797)
Regulatory expenses		(1,626)	(1,388)
Quality assurance expenses		(2,232)	(1,810)
Clinical trial expenses		(10,672)	(5,649)
Medical expenses		(6,356)	(4,660)
Administration expenses		(20,915)	(15,248)
Other expenses		(1,679)	-
Profit before income tax		**69,998**	**52,768**
Income tax expense	4	(16,416)	(12,423)
Profit for the year		**53,582**	**40,345**
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation (net of tax) of foreign operations		464	1,193
Total comprehensive income for the year attributable to members of the parent entity		**54,046**	**41,538**

Earnings per share		Cents	Cents
Basic earnings per share	19	93.7	71.4
Diluted earnings per share	19	92.2	69.7
Dividends per Share	20	20.0	14.0

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	Consolidated 2016 $'000	2015 $'000
Assets			
Current Assets			
Cash and cash equivalents	5	21,025	21,941
Other short-term deposits	6	86,000	52,000
Trade and other receivables	7	42,272	35,000
Inventories	8	1,918	1,836
Other financial assets	9	1,687	1,213
Other current assets	10	4,212	3,210
Total - Current Assets		**157,114**	**115,200**
Non-Current Assets			
Property, plant and equipment	12	13,987	13,164
Intangible assets	13	82,821	68,027
Deferred tax assets	11(b)	7,795	5,085
Total - Non-Current Assets		**104,603**	**86,276**
Total Assets		**261,717**	**201,476**
Liabilities			
Current Liabilities			
Trade and other payables	14	28,090	24,290
Current tax liabilities	15(a)	7,239	4,746
Short-term provisions	16(a)	7,009	6,666
Total - Current Liabilities		**42,338**	**35,702**
Non-Current Liabilities			
Long-term provisions	16(b)	1,153	1,104
Deferred tax liabilities	15(b)	24,722	20,034
Total - Non-Current Liabilities		**25,875**	**21,138**
Total Liabilities		**68,213**	**56,840**
Net Assets		**193,504**	**144,636**
Equity			
Issued capital	17	32,684	27,021
Reserves	18	6,656	5,615
Retained earnings		154,164	112,000
Total - Equity		**193,504**	**144,636**

The financial statements should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Ordinary Shares $'000	Share Rights Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Total $'000
Consolidated Entity					
Balance at 30 June 2014	**24,893**	**2,774**	**347**	**79,569**	**107,583**
Foreign currency translation reserve	-	-	1,193	-	1,193
Profit attributable to members of parent entity	-	-	-	40,345	40,345
Total comprehensive income for the year attributable to the members of the parent entity	**-**	**-**	**1,193**	**40,345**	**41,538**
Ordinary shares issued	949	(949)	-	-	-
Deferred tax on performance rights	1,271	-	-	-	1,271
Purchase of Non-Executive Directors' shares on market	(92)	-	-	-	(92)
Contribution to performance reserve	-	2,250	-	-	2,250
Dividends paid or provided for	-	-	-	(7,914)	(7,914)
Total transactions with owners	**2,128**	**1,301**	**-**	**(7,914)**	**(4,485)**
Balance at 30 June 2015	**27,021**	**4,075**	**1,540**	**112,000**	**144,636**
Foreign currency translation reserve	-	-	464	-	464
Profit attributable to members of parent entity	-	-	-	53,582	53,582
Total comprehensive income for the year attributable to the members of the parent entity	**-**	**-**	**464**	**53,582**	**54,046**
Ordinary shares issued	1,839	(1,839)	-	-	-
Rights forfeited	-	(14)	-	14	-
Deferred tax on performance rights	3,777	-	-	-	3,777
Exercise of Non-Executive Directors' rights	341	(341)	-	-	-
Purchase of Non-Executive Directors' shares on market	(294)	-	-	-	(294)
Contribution to performance reserve	-	2,771	-	-	2,771
Dividends paid or provided for	-	-	-	(11,432)	(11,432)
Total transactions with owners	**5,663**	**577**	**-**	**(11,418)**	**(5,178)**
Balance at 30 June 2016	**32,684**	**4,652**	**2,004**	**154,164**	**193,504**

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Consolidated 2016 $'000	2015 $'000
Cash flows from operating activities			
Receipts from customers		225,153	168,926
Payments to suppliers and employees		(153,992)	(116,339)
Interest received		2,184	1,815
Net income tax paid		(8,134)	(2,428)
Net cash provided by operating activities	**5 (b)**	**65,211**	**51,974**
Cash flows from investing activities			
Investment in other short-term deposits		(34,000)	(22,000)
Proceeds from plant and equipment		137	201
Purchase of plant and equipment		(1,718)	(1,692)
Intangible assets		(19,196)	(21,123)
Net cash used by investing activities		**(54,777)**	**(44,614)**
Cash flows from financing activities			
Payment of dividends		(11,432)	(7,914)
Net cash used by financing activities		**(11,432)**	**(7,914)**
Net increase/(decrease) in cash held		**(998)**	**(554)**
Cash and cash equivalents at beginning of financial year		**21,941**	**22,495**
Effect of exchange rate fluctuations on cash held		**82**	**-**
Cash and cash equivalents at end of financial year	**5 (a)**	**21,025**	**21,941**

The financial statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The report includes the consolidated financial statements and notes of Sirtex Medical Ltd and controlled entities. Sirtex Medical Ltd is a for-profit entity for the purpose of preparing the financial statements.

Compliance with Australian Accounting Standards ensures that the financial report of the Group complies with International Financial Reporting Standards (IFRS) in their entirety. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Sirtex Medical Ltd is the Group's Ultimate Parent Company. Sirtex Medical Ltd is a Public Company incorporated and domiciled in Australia.

The consolidated financial statements were approved and authorised for issue by the directors on 24 August 2016.

This financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2016. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. All revenue is stated net of the amount of GST.

Revenue from the sale of goods is recognised when the Group has transferred the significant risks and rewards of ownership to the buyer. Due to different legislative and market environments in the regions where the Group is operating, the date of transfer of risks and rewards is different by region. In the US, this date is on the delivery of goods to the customer, and in all other regions this date is the treatment day of the patient which usually occurs one to two days after the delivery day.

Interest revenue is recognised on an accrual basis using the effective interest method.

(c) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

(d) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant revenue authorities. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are shown inclusive of GST. The net amount of GST recoverable from, or payable to the relevant revenue authorities is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average costs.

(f) Plant and equipment

All assets acquired are initially recorded at their cost of acquisition, being fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Depreciation and amortisation is recognised in accordance with (h) below.

The cost of plant and equipment constructed by the Group includes the cost of material and direct labour, an appropriate proportion of fixed and variable overheads and capitalised interest. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All items of plant and equipment are carried at the lower of cost less accumulated depreciation, amortisation and impairment losses and their recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Intangibles

Intellectual property

The fair value of intellectual property contributed by an equity interest holder to Sirtex Medical Ltd, has been capitalised and recorded at fair value at the time of the contribution. Amortisation is recognised in accordance with (h) below.

Internally generated intangible assets

Expenditure on the research phase of projects are recognised as an expense as incurred.

Development costs and certain clinical trial costs have been capitalised to the extent they satisfy the recognition criteria for internally generated intangible assets.

Following the initial recognition of the capitalised development expenditure, the cost model is applied requiring the assets to be carried at cost less accumulated impairment losses. Amortisation is recognised in accordance with (h) below.

The Group uses its judgment in continually assessing whether development expenditure meet the recognition criteria of an intangible asset.

The carrying value of an intangible asset arising from development costs is tested for impairment annually when the asset is not yet available for use or more frequently when an indicator of impairment arises during the reporting period.

(h) Depreciation and amortisation

Items of plant and equipment, including leasehold assets, and intangible assets are depreciated or amortised on a straight line basis so as to write off the net cost of each asset over its expected useful life.

Plant and equipment and intangible assets other than capitalised development costs are depreciated from the date of acquisition. Capitalised development costs are amortised from the date they are ready for use.

Depreciation and amortisation rates are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future financial periods only.

The depreciation and amortisation rates used for each class of asset are:

Plant and Equipment	
Buildings and Leasehold improvements	5% – 10%
Plant & Equipment	10% – 33.33%
Assets work in progress	0%
Intangible Assets	
Intellectual Property	5% – 12.5%
Internally Generated Intangible Assets	12.5%
Software	33.3%
Assets work in progress	0%

(i) Impairment of plant and equipment and intangible assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term, highly liquid instruments with original maturity of three months or less. Restricted cash assets are shown within other current financial assets.

(k) Financial instruments

Financial instruments are initially measured at fair value on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Foreign currency options entered into to hedge highly probable forecast transactions are accounted for as a derivative. Changes in the fair value of derivatives are recorded in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired.

(l) Employee benefits

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave expected to settle wholly within 12 months of the year end represent present obligations resulting from employees' services provided up to reporting date, calculated as undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on costs, such as workers' compensation insurance and payroll tax. Employee benefits expected to be settled beyond 12 months are carried at the present value of the estimated future cash flows.

Long service leave

The provision for employee benefits to long service leave represents the present value of estimated future cash outflows to be made by the employer resulting from employees' services provided up to reporting date. The provision is calculated using expected future increases in remuneration rates, including related costs, and expected settlement dates based on turnover history, and is discounted using the rates attaching to high quality corporate bonds at reporting date, which most closely match the terms of maturity of the related liabilities.

Post-employment benefit plans

The Group contributes to various employee superannuation plans. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions. Contributions are recongised as an in the period that relevant employee services are rendered.

Share-based payments

The Group provides benefits to certain employees in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares (equity-settled transactions). For this purpose, the Group has an Executive Performance Rights Plan in place.

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value of the rights is determined using a Monte Carlo simulation and the binomial option valuation models.

The cost of the equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award.

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to the share rights reserve. The expense is allocated over the vesting period, based on the best available estimate of the number of share rights expected to vest.

Upon exercise of performance rights, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

Further information can be found in Note 22 to the financial statements.

Deferred compensation benefits

The Group provides deferred compensation benefits to certain employees. The net deferred compensation liability (asset) is recognised taking into account the present value of the liability and the fair value of the corporate assets securing the liability. Any gain or loss in recognised in profit or loss.

(m) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(n) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow of economic resources will be required and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at reporting date. Provisions are discounted to their present value, where the time value of money is material.

No liability is recognised if an outflow of economic resources as a result of a present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

(o) Segment reporting

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of regional markets which have different structures and performance assessment criteria. Operating segments are therefore determined on the same basis. The three regional markets

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

currently serviced by the Group are Asia Pacific, The Americas, and Europe, Middle East and Africa (EMEA). As the Group manufactures and distributes only one product, identical for each of the three regional markets, no further segmentation across products or services is made.

(p) Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits. Equity also includes the Foreign currency translation reserve which comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into AUD.

Retained earnings include all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved prior to the reporting date.

All transactions with owners of the parent entity are recorded separately within equity.

(q) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Sirtex Medical Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2004. The tax consolidated group has entered a tax sharing agreement whereby each Company in the Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the Consolidated Group.

R&D tax credits arising from the recognition of eligible R&D expenditure under the Federal Government's R&D Tax Incentive Scheme are offset against any income tax payable.

(r) Foreign Currency Transactions and Balances

All foreign currency transactions are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate at that date.

Exchange differences arising on the translation of monetary items are recognised in the Consolidated Statement of Profit or Loss. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date
- income and expenses are translated at average exchange rates for the period, and
- retained earnings are translated at the exchange rate prevailing at the date of the transaction

Exchange differences arising on translation of foreign operations are transferred directly to the foreign currency translation reserve in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

(s) Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in the presentation for the current financial year.

(t) Key estimates

Impairment

The Group assesses impairment at each reporting date by

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

evaluating conditions specific to the Group that may lead to impairment of assets. Where impairment exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Impairment assessment of internally generated intangible assets is performed in accordance with AASB 136 Impairment of Assets. For the year ended 30 June 2016, no impairment has been recognised for the clinical trials and development projects which meet the recognition criteria for internally generated intangible assets.

Research and development tax incentive

The Group estimates the research and development tax incentive by reference to the percentage of research and development expenditure that contributed to the prior year research and development tax incentive with consideration to any changes in research and development activities or legislation during the year.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to their fair value of the equity instruments at the date at which they are granted. The fair value is determined with a Monte Carlo simulation and binomial option valuation models using the assumptions detailed in Note 22.

Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make good provision

A provision is made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the expenses or asset, if applicable, and provision.

(u) Rounding of amounts

The Parent Entity has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest $1,000, or in certain cases, the nearest dollar.

(v) Adoption of new and revised accounting standards

A number of new and revised standards and an interpretation became effective for the first time to annual periods beginning on or after 1 July 2015. Information on these new standards is presented below.

AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments)

Part E of AASB 2014-1 makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. Part E also makes amendments to numerous Australian Accounting Standards as a consequence of the introduction of Chapter 6 Hedge Accounting into AASB 9 and to amend reduced disclosure requirements for AASB 7 Financial Instruments: Disclosures and AASB 101 Presentation of Financial Statements.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

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

The Standard completes the AASBs project to remove Australian guidance on materiality from Australian Accounting Standards.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

(w) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

AASB 9 Financial Instruments (applicable for annual reporting periods beginning on or after 1 January 2018):

The standard introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The main changes are:

(a) Financial assets that are debt instruments will be classified based on

  i. the objective of the entity's business model for managing the financial assets; and

  ii. the characteristics of the contractual cash flows.

(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

  i. the change attributable to changes in credit risk are presented in other comprehensive income (OCI); and

  ii. the remaining change is presented in profit or loss.

  If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

  Otherwise, the following requirements have been carried forward unchanged from AASB 139 into AASB 9:

  i. classification and measurement of financial liabilities; and

  ii. de-recognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019

AASB 15 Revenue from Contracts with Customers

AASB 15:

- replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations:
- establishes a new revenue recognition model
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- expands and improves disclosures about revenue

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 16 Leases

AASB 16:

- replaces AASB 117 Leases and some lease-related Interpretations
- requires all leases to be accounted for 'on-balance-sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- requries new and different disclosures about leases

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2020 includes:

- there will be a significant increase in the lease assets and financial liabilities recognised on the balance sheet
- the reported equity will reduce as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities
- EBIT in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in the lease payments for former off balance sheet leases will be presented as part of the fiannce costs rather than being included in operating expenses
- operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 1057 Application of Australian Accounting Standards

In May 2015, the AASB decided to revise Australian Accounting Standards that incorporate IFRSs to minimise Australian-specific wording even further. The AASB noted that IFRSs do not contain application paragraphs that identify the entities and financial reports to which the Standards (and Interpretations) apply. As a result, the AASB decided to move the application paragraphs previously contained in each Australian Accounting Standard (or Interpretation), unchanged, into a new Standard AASB 1057 Application of Australian Accounting Standards.

When this Standard is first adopted for the year ending 30 June 2017, there will be no impact on the financial statements.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e., a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances:

- The intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or
- When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

The amendments:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information
- clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated
- add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position
- clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order
- remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated	
	2016 $'000	2015 $'000
2. REVENUE AND OTHER INCOME		
(a) Revenue from the sale of goods	**232,492**	**176,088**
(b) Other revenue		
Interest income from financial institutions	2,229	1,889
	2,229	**1,889**
(c) Other income		
Realised and unrealised foreign exchange gains	1,900	1,881
Other	199	243
	2,099	**2,124**

	Consolidated	
	2016 $'000	2015 $'000
3. PROFIT FOR THE YEAR		
Profit before income tax includes the following:		
Cost of sales	35,287	27,700
Employee benefits expense		
Superannuation contributions	2,367	1,268
Other employee benefits expenses	66,941	51,839
Depreciation and amortisation of		
Plant and equipment	2,164	1,919
Intangible assets	4,403	460
Operating lease expenses		
Minimum lease payments	2,593	2,406
Other expenses		
Provision for legal settlement	1,389	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated	
	2016 $'000	2015 $'000
4. INCOME TAX EXPENSE		
(a) The components of tax expense comprise:		
Current tax	14,671	8,587
Deferred tax	1,923	3,424
Under/(over) provision in respect of prior years (permanent and timing)	(178)	412
	16,416	**12,423**
(b) Prima facie tax on profit from ordinary actibities before income tax is reconciled to income tax as follows:		
Net profit before tax	69,998	52,768
Prima facie tax payable on profit from ordinary activities before income tax at 30%	20,999	15,830
Add/(less): Tax effect of		
– Non-deductible amortisation	54	54
– Non-deductible expenses	3,411	360
– Non-assessable income	(4,118)	(2,748)
– Over-provision in respect of prior years (permanent)	(307)	(317)
Effect of lower tax rates on overseas income	(3,351)	(580)
Effect of Foreign Currency translation of tax balances	476	(94)
Recognition of tax losses not previously brought to account	(688)	(199)
Eliminations for the tax consolidated group	(60)	117
Income tax attributable to entity	**16,416**	**12,423**
The applicable weighted average effect tax rates are as follows	23.5%	23.5%
(c) Franking account		
Franking account balance	6,206	7,456

Legislation to allow Groups, comprising a parent entity and its Australian resident wholly-owned entities, to elect to consolidate and be treated as a single entity for income tax purposes was substantially enacted on 21 October 2002. This legislation, which includes both mandatory and elective elements, is applicable to the Company. The directors elected for those entities within the consolidated entity that are wholly-owned Australian resident entities to be taxed as single entity from 1 July 2004. The implementation of the tax consolidation system was notified to the Australian Tax Office. The head entity within the tax-consolidated Group for the purposes of the tax consolidation system is Sirtex Medical Ltd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated	
	2016 $'000	2015 $'000
5. CASH AND CASH EQUIVALENTS		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash at bank and on hand	15,025	11,941
Short-term deposits with financial institutions	6,000	10,000
	21,025	**21,941**
Short-term deposits are term deposits with maturity date of less than 90 days. The effective interest rate on short-term deposits was 2.93% (2015: 3.7%). These deposits have an average maturity of 43 days as at 30 June 2016 (2015: 50 days).		
(b) Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	**53,582**	**40,345**
Non-cash flows in profit:		
Depreciation and amortisation	6,567	2,379
Share rights reserve	2,771	2,250
Net foreign exchange differences	(449)	22
Changes in net assets and liabilties		
(Increase)/decrease in assets		
Trade receivables	(8,322)	(8,207)
Inventories	39	(158)
Decrease in current tax assets	-	554
Other current assets	(1,360)	(1,123)
Deferred assets	(2,639)	(1,072)
Increase/(decrease) in liabilities		
Payables	3,650	9,633
Current tax liabilities	2,483	6,017
Short-term provisions	321	(3,392)
Long-term provisions	130	230
Deferred tax liabilities	8,438	4,496
Net cash flow from operating activities	**65,211**	**51,974**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated 2016 $'000	Consolidated 2015 $'000
6. OTHER SHORT-TERM DEPOSITS		
Other short-term deposits with financial institutions	86,000	52,000
	86,000	**52,000**

Other short-term deposits are term deposits with maturity date of more than 90 days and less than 360 days.

The average maturity as at 30 June 2016 of these term deposits is 206 days (2015: 225 days). The effective interest rate on the deposits is 3.09% (2015: 3.42%).

	Consolidated 2016 $'000	Consolidated 2015 $'000
7. TRADE AND OTHER RECEIVABLES		
(a) Trade receivables		
Trade receivables	40,152	33,306
Provision for impairment	(260)	(92)
	39,892	**33,214**
(b) Other receivables		
GST receivables	1,256	717
Other receivables	1,124	1,069
	2,380	**1,786**
	42,272	**35,000**

Receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

Movement in the provision for impairment of receivables is as follows:

	Opening balance $'000	Change for the year $'000	Amounts written off $'000	Closing balance $'000
30 June 2016				
Trade receivables	(92)	(168)	-	(260)
30 June 2015				
Trade receivables	(318)	226	-	(92)

An amount of $260,000 was considered impaired as at 30 June 2016 (2015: $92,000).

Trade receivables past due but not impaired

	Consolidated 2016 $'000	Consolidated 2015 $'000
Less than 30 days overdue	7,644	7,179
30 - 60 days overdue	4,544	2,990
More than 60 days overdue	3,218	3,981
	15,406	**14,150**

Collection history from previous year's supports management's view that receivables less than 180 days overdue are not considered impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

Credit risk

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and shown above.

The class of assets described as Trade and other Receivables is considered to be the main source of credit risk related to the Group. Collateral has been received from certain trade debtors with a history of slow payment in form of a financial guarantee.

	Consolidated	
	2016 $'000	2015 $'000
8. INVENTORIES		
Raw materials - at cost	1,918	1,836
	1,918	**1,836**

	Consolidated	
	2016 $'000	2015 $'000
9. OTHER FINANCIAL ASSETS		
Other current financial assets:		
Security deposits paid	1,687	1,213
	1,687	**1,213**

	Consolidated	
	2016 $'000	2015 $'000
10. OTHER CURRENT ASSETS		
Prepayments	4,212	3,210
	4,212	**3,210**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated	
	2016 $'000	2015 $'000
11. TAX ASSETS		
(a) Current tax assets	-	-
Current tax asset	**-**	**-**
(b) Deferred tax assets		
Tax losses revenue	1,166	415
Timing differences attributable to:		
Fixed Assets	1,053	279
Employee provisions	2,468	2,001
Unrealised foreign exchange losses	268	-
Other*	2,840	2,390
	7,795	**5,085**
*Other includes the following major components:		
Executive Performance rights	1,092	1,141
AMT credit (US)	464	-
Non-amortised patent costs	301	201
The movement in tax losses is as follows:		
Opening balance	415	282
Credit to the statement of profit or loss and other comprehensive income	688	133
Credit to equity	63	-
Closing balance	**1,166**	**415**
The movement in fixed assets is as follows:		
Opening balance	279	181
Credit to the statement of profit or loss and other comprehensive income	774	98
Closing balance	**1,053**	**279**
The movement in employee provisions is as follows:		
Opening balance	2,001	849
Credit to the statement of profit or loss and other comprehensive income	471	1,152
(Debit) to equity	(4)	-
Closing balance	**2,468**	**2,001**
The movement in unrealised FX is as follows:		
Opening balance	-	916
Credit/(debit) to the statement of profit or loss and other comprehensive income	268	(916)
Closing balance	**268**	**-**
The movement in other is as follows:		
Opening balance	2,390	1,785
Credit to the statement of profit or loss and other comprehensive income	397	605
Credit to equity	53	-
Closing balance	**2,840**	**2,390**
The overall movement in the deferred tax account is as follows:		
Opening balance	5,085	4,013
Credit to the statement of profit or loss and other comprehensive income	2,598	1,072
Credit to equity	112	-
Closing balance	**7,795**	**5,085**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated	
	2016 $'000	2015 $'000
12. PROPERTY, PLANT AND EQUIPMENT		
Buildings and leasehold improvements		
At cost	1,348	1,063
Accumulated depreciation	(567)	(472)
Net carrying amount	**781**	**591**
Plant and equipment		
At cost	20,509	16,716
Accumulated depreciation	(9,558)	(6,335)
Net carrying amount	**10,951**	**10,381**
Asset work in progress		
At cost	2,255	2,192
Accumulated depreciation	-	-
Net carrying amount	**2,255**	**2,192**
Total property, plant and equipment		
At cost	24,112	19,971
Accumulated depreciation	(10,125)	(6,807)
Net carrying amount	**13,987**	**13,164**
Movements in carrying amounts		
Buildings and leasehold improvements		
Carrying amount at beginning	591	656
Additions	246	-
Depreciation expense	(56)	(65)
Carrying amount at end	**781**	**591**
Plant and equipment		
Carrying amount at beginning	10,381	6,097
Additions	2,807	777
Transfers	-	5,562
Disposals	(129)	(201)
Depreciation expense	(2,108)	(1,854)
Carrying amount at end	**10,951**	**10,381**
Asset work in progress		
Carrying amount at beginning	2,192	6,839
Additions	71	915
Disposals/Transfers	(8)	(5,562)
Carrying amount at end	**2,255**	**2,192**
Total property, plant and equipment		
Carrying amount at beginning	13,164	13,592
Additions	3,124	1,692
Disposals	(137)	(201)
Depreciation expense	(2,164)	(1,919)
Carrying amount at end	**13,987**	**13,164**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated	
	2016 $'000	2015 $'000
13. INTANGIBLE ASSETS		
Software		
At cost	4,122	818
Accumulated amortisation	(1,723)	(506)
Net carrying amount	**2,399**	**312**
Internally generated intangibles		
At cost	79,411	64,326
Accumulated amortisation	(3,258)	(251)
Net carrying amount	**76,153**	**64,075**
Intellectual property		
At cost	3,607	3,607
Accumulated amortisation	(3,456)	(3,276)
Net carrying amount	**151**	**331**
Asset work in progress		
At cost	4,118	3,309
Accumulated amortisation	-	-
Net carrying amount	**4,118**	**3,309**
Total Intangible assets		
At cost	91,258	72,060
Accumulated amortisation	(8,437)	(4,033)
Net carrying amount	**82,821**	**68,027**
Movements in carrying amounts		
Software		
Carrying amount at beginning	312	3
Transfers	3,303	338
Amortisation expense	(1,216)	(29)
Carrying amount at end	**2,399**	**312**
Internally generated intangibles		
Carrying amount at beginning	64,075	46,525
Additions	15,085	17,801
Amortisation expense	(3,007)	(251)
Carrying amount at end	**76,153**	**64,075**
Intellectual property		
Carrying amount at beginning	331	511
Amortisation expense	(180)	(180)
Carrying amount at end	**151**	**331**
Asset work in progress		
Carrying amount at beginning	3,309	325
Additions	4,112	3,322
Transfers	(3,303)	(338)
Carrying amount at end	**4,118**	**3,309**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated	
	2016 $'000	2015 $'000
13. INTANGIBLE ASSETS (CONTINUED)		
Total intangible assets		
Carrying amount at beginning	68,027	47,364
Additions	19,197	21,123
Amortisation expense	(4,403)	(460)
Carrying amount at end	**82,821**	**68,027**

Recognition of internally generated intangible assets

The Group undertakes clinical and development activities. These have been classified as internally generated intangible assets, in accordance with AASB 138 *Intangible Assets*.

On 1 June 2015, one of the major Phase IV post-marketing clinical trials was completed. Amortisation expense of $3,007,411 was recognised during the year (2015: $250,618). At year end, the remaining useful life on the trial was 83 months.

At year end, the Group had four major Phase IV post-marketing clincial trials and two development projects aimed at improving the use of SIR-Spheres microspheres that were not yet ready for use. The activities satisfy all tests as set out in AASB 138, in particular the technical feasibility of completion and the availability of sufficient financial resources for completion.

Amortisation on the remaining four major Phase IV post-marketing clinical trials and two development projects will be recognised from the date of completion of these activities and calculated over the estimated useful life of these assets which has been assessed at 8 years.

The carrying value of the four major Phase IV post-marketing clinical trials and the two development projects have been tested for impairment as the assets are not yet available for use. The cash-generating unit ('CGU') was determined at a Group level. The recoverable amount of the CGU is based on value-in-use calculations. Those calculations use five year cash flow projections estimated in the currencies in which they will be generated based on actual operating results and the next year's budget. Cash flows beyond the five year forecast period are extrapolated using prudent terminal growth rates as follows: USD 2.1%, EUR 1.3%, GBP 2.0%, SGD 2.2% and AUD 3.1% per annum which is consistent with long-term economic growth rates. The pre-tax discount rate used is as follows: USD 16.9%, EUR 15.9%, GBP 15.8%, SGD 16.8% and AUD 19.0%.

The key assumptions and the approach to determining the value-in-use in the current year are:

Assumption	**How determined**
Discount rate	Based on the weighted average cost of capital reflecting current market assessments of the time value of money and risks specific to the currency in which the cash will be generated.
Sales volume growth rate	Based on five year cash flow projection taking into account historical growth rates and product lifecycle.
Terminal value growth rate	Based on five year cash flow projection taking into account historical growth rates and product lifecycle.

The recoverable amount of the CGU is in excess of the carrying amount and therefore no impairment charge was recognised. The excess of recoverable amount over carrying amount is such that a reasonably possible change in assumptions is unlikely to reduce the recoverable amount below the carrying amount.

	Consolidated	
	2016 $'000	2015 $'000
14. TRADE AND OTHER PAYABLES		
Trade payables	16,296	13,638
Other payables	11,794	10,652
	28,090	**24,290**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated	
	2016 $'000	2015 $'000
15. CURRENT TAX LIABILITIES		
(a) Current tax liabilities		
Current tax liability	7,239	4,746
	7,239	**4,746**
(b) Deferred tax liabilities		
Timing differences attributable to:		
Capitalisation of development expenditure	22,846	19,222
Fixed assets	945	724
Other	931	88
	24,722	**20,034**
The movement in the capitalisation of development expenditure is as follows:		
Opening balance	19,222	13,957
Debit/(credit) to the statement of profit or loss and other comprehensive income	3,624	5,265
Closing balance	**22,846**	**19,222**
The movement in the fixed assets is as follows:		
Opening balance	724	624
Debit/(credit) to the statement of profit or loss and other comprehensive income	220	100
Debit to equity	1	-
Closing balance	**945**	**724**
The movement in other is as follows:		
Opening balance	88	958
(Credit)/debit to the statement of profit or loss and other comprehensive income	833	(870)
Debit to equity	10	-
Closing balance	**931**	**88**
The overall movement in the deferred tax account is as follows:		
Opening balance	20,034	15,538
Debit to the statement of profit or loss and other comprehensive income	4,677	4,495
Debit to equity	11	1
Closing balance	**24,722**	**20,034**

	2016 $'000	2015 $'000
16. PROVISIONS AND ACCRUALS		
(a) Short-term Provisions and Accruals		
Provision for long service leave	463	385
Provision for clinical studies	1,940	3,180
Provision for legal settlement	1,389	-
Miscellaneous provisions	3,217	3,101
	7,009	**6,666**
(b) Long-term Provisions		
Provision for long service leave	671	521
Miscellaneous provisions	482	583
	1,153	**1,104**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	2016 $'000	2015 $'000
16. PROVISIONS AND ACCRUALS (CONTINUED)		
The overall movement in the short-term provision for long service leave account is as follows:		
Opening balance	385	196
Additional provision for the year	106	192
Amounts used during the year	(28)	(3)
Closing balance	**463**	**385**
The overall movement in the short-term provision for clinical studies account is as follows:		
Opening balance	3,180	6,665
Additional provisions for the year	8,228	12,649
Amounts used during the year	(9,468)	(16,134)
Closing balance	**1,940**	**3,180**
The overall movement in the short-term provision for legal settlement account is as follows:		
Opening balance	-	-
Additional provisions for the year	1,389	-
Closing balance	**1,389**	**-**
The overall movement in the short-term miscellaneous provision account is as follows:		
Opening balance	3,101	3,197
Additional provisions for the year	23,506	4,750
Amounts used during the year	(23,390)	(4,846)
Closing balance	**3,217**	**3,101**
The overall movement in the long-term for long service leave provision account is as follows:		
Opening balance	521	574
Additional provisions for the year	163	(53)
Amounts used during the year	(13)	-
Closing balance	**671**	**521**
The overall movement in the long-term miscellaneous provision account is as follows:		
Opening balance	583	300
Additional provisions for the year	-	283
Amounts used during the year	(101)	-
Closing balance	**482**	**583**

Provision for legal settlement is management's best estimate of the liability at year end relating to a dispute that arose in the prior financial year. There is no contingent liability in the current year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated	
	2016 $'000	2015 $'000
17. ISSUED CAPITAL		
Issued capital	28,616	26,436
Share issue costs	(1,258)	(1,258)
Purchase of Non-Executive Directors' share on market	(386)	(92)
Deferred tax on performance rights	5,712	1,935
	32,684	**27,021**
Number of shares issued	57,273,893	56,530,231

	2016		2015	
	No (000)	$'000	No (000)	$'000
Fully paid ordinary shares				
Balance at beginning of the year	56,530	27,021	56,108	24,893
Purchase of Non-Executive Directors' share on market	-	(294)	-	(92)
Issued on exercise of performance rights	744	5,957	422	2,220
Balance at end of the year	**57,274**	**32,684**	**56,530**	**27,021**

A total of 743,662 fully paid ordinary shares have been issued as a result of the exercise of performance rights at an average price of $30.74. The value of $5,957,694 booked to share capital represents the accounting expense previously recognised in relation to the performance rights and deferred tax on the performance rights exercised. Fully paid ordinary shares carry one vote per share and carry the right to dividends. On winding up, ordinary shares participate in dividends and the proceeds, in proportion to the number of shares held. The Company does not have a limited authorised capital and issued shares do not have a par value.

The purchase of Non-Executive Directors' shares on market represent the Restricted Shares that are acquired by the trustee of the NEDs Plan trust in respect of the vested Rights. At the time the shares vest, they are subject to a CHESS holding lock and may not be dealt with until the earlier of ceasing to be a NED of the Group or the elapsing of fifteen years from the grant date. The Restricted Shares were acquired via on-market purchase of Sirtex Shares, rather than by new issues of Shares.

Share options

At reporting date, there were no share options outstanding, and no share option plan was in place.

Share rights

At reporting date, there is an Executive Performance Rights Plan and a Non-Executive Director's Rights Plan in place. Refer to note 22 for further details.

Capital management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. Management effectively manages the Group's capital by assessing the Group's financial risk and adjusting its capital structure in response to changes in these risks and in the market. The responses include the management of debt levels, distributions to shareholders, and share issues.

The company has no debt as at 30 June 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

	Consolidated	
	2016 $'000	2015 $'000
18. RESERVES		
Share Rights Reserve	4,652	4,075
Foreign Currency Translation Reserve	2,004	1,540
	6,656	**5,615**

The Executive Performance Rights Plan and the Non-Executive Director's Right Plan give rise to a share rights reserve. The translation of foreign controlled subsidiaries into the functional currency of the group gives rise to a foreign currency translation reserve.

	Consolidated	
	2016 $	2015 $
19. EARNINGS PER SHARE		
(a) Basic earnings per share		
Profit from continuing operations attributable to equity holders	**53,581,892**	**40,345,232**
Weighted average number of shares used in the calculation of basic earnings per share	57,197,572	56,511,106
Add to number of shares used in the calculation of diluted earnings per share:		
Effect of potential conversion to ordinary shares under the Executive Performance Rights and Non-Executive Directors' Rights Plans (refer to note 22 for further details)	942,027	1,352,605
(b) Diluted earnings per share		
Profit from continuing operations attributable to equity holders	**53,581,892**	**40,345,232**
Weighted average number of shares used in the calculation of diluted earnings per share	58,139,599	57,863,711

	Consolidated	
	2016 $'000	2015 $'000
20. DIVIDENDS		
Distributions paid		
Declared fully franked ordinary dividend of 20 cents (2015: 14 cents) per share franked at the tax rate of 30% (2015: 30%)	11,432	7,914
Balance of franking credit amount at year end adjusted for franking credits arising from payment of provision for income tax	6,206	7,456

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

21. OPERATING SEGMENTS

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of regional markets which have different structures and performance assessment criteria. Operating segments are therefore determined on the same basis. The three regional markets currently serviced by the group are Asia Pacific, Americas and Europe, Middle East and Africa (EMEA).

As the Group manufactures and distributes only one product, identical for each of the three regional markets, no further segmentation across products or services is made.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

An internally determined transfer price is set for all inter-entity sales. This price is re-set annually and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation for the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that received the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Segment revenues

	External Sales		Inter-segment(s)		Total	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Asia Pacific	8,361	6,913	163,751	151,944	172,112	158,857
Americas	185,204	136,738	13,819	11,110	199,023	147,848
EMEA	38,927	32,436	-	11,963	38,927	44,399
Total of all segments					**410,062**	**351,104**
Interest - unallocated					2,229	1,889
Eliminations					(177,570)	(175,016)
Consolidated					**234,721**	**177,977**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

21. OPERATING SEGMENTS (CONTINUED)

The total revenue represented for the Group's operating segments reconcile to the key financial figures as presented in its financial statements as follows:

	2016 $'000	2015 $'000
Revenue from the sale of goods	232,492	176,088
Other segment revenue	2,229	1,889
From other segments	177,570	175,016
Elimination of intersegment revenues	(177,570)	(175,016)
Group revenues	**234,721**	**177,977**

Segment net profit after tax

	2016 $'000	2015 $'000
Asia Pacific	95,397	62,507
Americas	13,547	3,364
EMEA	33,634	6,932
Total of all segments	**142,578**	**72,803**
Eliminations	(72,580)	(20,035)
Profit before income tax expense	**69,998**	**52,768**
Income tax expense	(16,416)	(12,423)
Profit after income tax expense	**53,582**	**40,345**

Segment assets and liabilities

	Assets		Liabilities	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Asia Pacific	273,960	244,707	86,408	100,128
Americas	55,959	44,687	36,100	30,083
EMEA	52,865	26,734	29,998	17,421
Total of all segments	**382,784**	**316,128**	**152,506**	**147,632**
Eliminations	(121,067)	(114,652)	(84,293)	(90,792)
Consolidated	**261,717**	**201,476**	**68,213**	**56,840**

Other segment information

	Asia Pacific		Americas		EMEA	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Acquisition of segment assets						
– Plant and equipment	1,045	553	1,406	166	673	973
– Intangibles	19,197	21,123	-	-	-	-
Depreciation and amortisation of segment assets						
– Plant and equipment	763	1,003	812	519	589	397
– Intangibles	4,403	460	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

21. OPERATING SEGMENTS (CONTINUED)

Major customers

The Group has a number of customers to whom it provides products. No single external customer represents more than 10% of total revenue.

22. SHARE-BASED PAYMENTS

Executive Performance Rights

During the financial year, a total of 204,074 performance rights were granted to executives and senior managers under the Executive Performance Rights Plan, to take up performance rights which may convert into ordinary shares, for nil consideration. The performance rights are exercisable following 30 June 2018. The performance rights hold no voting or dividend rights, and are not transferable.

Performance rights granted to executives and senior management are as follows:

Grant Date	Number
22 February 2011	374,188
23 August 2011	456,000
28 August 2012	687,000
26 November 2013	448,500
23 September 2014	284,720
1 September 2015	96,244
27 October 2015	45,930
4 February 2016	61,900

During the year, a total of 45,930 rights were granted to the Chief Executive Officer, and a total of 185,324 rights to other executives and senior managers of the Group. The performance rights vest after 30 June 2018, and the extent to which vesting occurs, depends on the achievement of performance conditions.

The Board has determined that there will be two performance conditions with equal weight of 50% each, calculated over a three year period from 1 July 2015 to 30 June 2018 (the Measurement Period), namely Indexed Total Shareholder Return (i-TSR) and Earnings per Share (EPS). The percentage of rights vested will be determined as follows:

TSR (% pa compounded)	Vesting (%)
100% of ASX300 TSR and greater than 10%	0%
Above market average but not reaching target	1% for each 1% above market average (pro-rata)
200% of ASX300 TSR	100% of Target grants (66.7% of Plan grants)
Surpassing target	0.5% for each 1% above target up to 1.5 times entitlement

EPS (% pa compounded)	Vesting (%)
EPS compound growth of 10%	0%
Above threshold but not reaching target	10% for each 1% above threshold (pro-rata)
EPS compound growth of 20%	100% of Target Rights (66.7% of Plan Rights)
Surpassing target	5% for each 1% above target up to 1.5 times entitlement

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

22. SHARE-BASED PAYMENTS (CONTINUED)

A summary of the movements of all performance rights issued is as follows:

Grant Date	Vesting Date	Exercise Price	Balance at start of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of year	Vested and exercisable
22-Feb-11	30-Jun-13	-	33,000	-	33,000	-	-	-
23-Aug-11	30-Jun-14	-	33,000	-	33,000	-	-	-
28-Aug-12	30-Jun-15	-	678,500	-	678,500	-	-	-
26-Nov-13	30-Jun-16	-	443,000	-	-	-	443,000	443,000
23-Sep-14	30-Jun-17	-	281,320	-	-	-	281,320	-
01-Sep-15	30-Jun-18	-	-	96,244	-	-	96,244	-
27-Oct-15	30-Jun-18	-	-	45,930	-	-	45,930	-
04-Feb-16	30-Jun-18	-	-	61,900	-	-	61,900	-

The weighted fair value of the performance rights issued during the financial year ended 30 June 2016 has been calculated at $17.83 (2015: $9.44).

The price was calculated by using a Monte Carlo simulation model and binomial option pricing model applying the following inputs:

Exercise price	Nil
Performance rights life	3 years
Expected share price volatility	30%
Expected index volatility	10%
Distribution yield	1.05%
Correlation	12.5%
Risk-free interest rate	2.04%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is the best indicator of future volatility, which may not eventuate. The underlying share price for the rights granted during the year was:

1 September 2015	$33.29
27 October 2015	$34.60
4 February 2016	$36.04

Included in the statement of profit or loss and other comprehensive income is $2,771,860 (2015: $2,249,474) of performance rights plan expense, and relates in full to equity-settled share-based payment transactions.

Non-Executive Directors' Rights

On 23 November 2015, a total of 4,230 rights were granted to Non-Executive Directors under the Non-Executive Directors' Rights Plan to take up rights which may convert into ordinary shares, for nil consideration. The rights will vest three months after grant provided that the Non-Executive Directors continue to be a Director at that time. There are no performance criteria attached to the vesting of the rights. Upon vesting of the rights and conversion into ordinary shares, the shares are transferred to each NED, but with a CHESS holding lock. Disposal restrictions stipulate that, except by force of law, exercised shares may not be dealt with until the earlier of ceasing to be a NED of the Group or the elapsing of fifteen years from the grant date.

Rights granted to Non-Executive Directors are as follows:

Grant Date	Number
24-Sep-13	4,195
22-Jul-14	6,289
23-Nov-15	4,230

A summary of the movements of rights issued is as follows:

Grant Date	Vesting Date	Exercise Price	Balance at start of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of year	Vested and exercisable	Vested and unexercisable
22-Jul-14	22-Jul-15	nil	6,289	-	6,289	-	-	-	-
23-Nov-15	23-Feb-16	nil	-	4,230	4,230	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

23. KEY MANAGEMENT PERSONNEL

Refer to the Remuneration Report in the Report of the Directors for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2016 and 30 June 2015.

The totals of remuneration paid to key management personnel of the Group during the year are as follows:

	2016 $	2015 $
Short-term employee benefits	5,547,004	5,180,394
Post-employment benefits	184,463	122,709
Share-based payment	1,876,717	1,462,735
	7,608,184	**6,765,838**

24. PARENT ENTITY

	2016 $'000	2015 $'000
Assets		
Current assets	127,962	93,831
Non-current assets	30,428	17,377
Total assets	**158,390**	**111,208**
Liabilities		
Current liabilities	27,976	16,564
Non-current liabilities	1,243	584
Total liabilities	**29,219**	**17,148**
Equity		
Issued capital	32,684	26,122
Reserves	(2,032)	1,614
Retained earnings	98,519	66,324
Total Equity	**129,171**	**94,060**
Reserves		
Share rights reserve	874	1,613
Total reserves	**874**	**1,613**
Financial performance		
Profit for the year	43,626	7,086
Total comprehensive income	**43,626**	**7,086**

Financial guarantees

No guarantees have been provided to its wholly-owned subsidiaries by the parent entity.

Contingent liabilities

The parent entity does not have any contingent liability as at 30 June 2016 (2015: $nil).

Contractual commitments

The parent entity has an operating lease commitment for the office lease in Sydney. Refer to note 25 for further details.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

25. COMMITMENTS

Operating Leases

The consolidated entity leases offices in Sydney, Singapore, Germany and in the United States, with no option to purchase the leased assets at the expiry of the leased assets.

Duration and remaining periods for the office leases are as follows:

Location	Lease term	Remaining lease period
Sydney - North Sydney	84 months	49 months
Sydney - St Leonards	60 months	55 months
Singapore	36 months	26 months
Bonn (GER)	98 months	67 months
Frankfurt (GER)	120 months	86 months
Boston (US)	123 months	67 months
London (UK)	24 months	14 months

The consolidated entity also leases various items of plant and equipment in Germany and the United States with lease terms of up to 48 months, and remaining periods of 1 to 58 months.

	Consolidated	
	2016 $'000	2015 $'000
Non-cancellable operating leases		
Not longer than 1 year	3,299	2,299
Longer than 1 year and not longer than 5 years	10,623	7,897
Longer than 5 years	1,865	2,538
	15,787	**12,734**

Research commitments

The consolidated entity has entered into various research and development agreements with Universities and other external research institutions for ongoing research and clinical trials.

Under these agreements, the consolidated entity is committed to providing funds over future periods, payable within one year of $1,469,000 (2015: $920,000). The amount of all outstanding contractual commitments as at 30 June 2016 is $1,981,000 (2015: $920,000).

Clinical Trial commitments

The consolidated entity has entered into various clinical study agreements with Clinical Research Organisations (CRO) and specialist service providers for the management of clinical studies, and with a range of major hospitals for the recruitment of patients into these trials.

Under these agreements, the consolidated entity is committed to providing funds over future periods, payable within one year, of $9,358,000 (2015: $7,107,000). The amount of all outstanding contractual commitments as at 30 June 2016 is $17,574,000 (2015: $20,810,000).

Capital commitments

The consolidated entity has entered into various agreements for property, plant and equipment and intangible assets. Under these agreements, the consolidated entity is committed to providing funds over future periods within one year of $196,000 (2015: $419,000). The amount of all outstanding contractual commitments as at 30 June 2016 is $196,000 (2015: $839,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

26. CONTROLLED ENTITIES

Name of entity	Country of incorporation	Ownership interest 2016 %	2015 %
Parent entity			
Sirtex Medical Ltd	Australia		
Controlled entities			
Sirtex Medical Products Pty Ltd	Australia	100	100
Sirtex Global Pty Ltd	Australia	100	100
Sirtex Technology Pty Ltd	Australia	100	100
Sirtex Sir-Spheres Pty Ltd	Australia	100	100
Sirtex Thermosperes Pty td	Australia	100	100
Sirtex Medical Holdings Inc	USA	100	100
Sirtex Medical Inc	USA	100	100
Sirtex Wilmington LLC	USA	100	100
Sirtex Germany Holding GmbH	Germany	100	100
Sirtex Medical Europe GmbH	Germany	100	100
Sirtex Technology Germany GmbH	Germany	100	100
Sirtex Germany Manufacturing GmbH	Germany	100	100
Sirtex Medical United Kingdom Ltd	United Kingdom	100	100
Sirtex Medical France S.A.R.L.	France	100	-
Sirtex Medical MEA FZE	United Arab Emirates	100	100
Sirtex Singapore Holding Pte Ltd	Singapore	100	100
Sirtex Medical Singapore Pte Ltd	Singapore	100	100
Sirtex Global Singapore Pte Ltd	Singapore	100	100
Sirtex Singapore Manufacturing Pte Ltd	Singapore	100	100
Sirtex Technology Japan KK	Japan	100	100

Sirtex Medical France S.A.R.L. was incorporated on 2 February 2016.

Sirtex Medical Ltd and all its Australian-controlled entities are included in the tax-consolidated group. Sirtex Medical Ltd is the head entity in the tax consolidation group. These entities are taxed as a single entity.

27. RELATED PARTY TRANSACTIONS

(a) Equity interests in related parties

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 26.

(b) Loans and transactions with key management personnel and related entities

At 30 June 2016, $1,255,046 (2015: $9,222) was payable to directors, key management personnel and director related entities.

At 30 June 2016, $1,493 (2015: $12,702) was receivable from directors, key management personnel and director related entities.

The payable relates to deferred remuneration which is fully offset with a corporate asset and recognised net in the financial statements (2015: withholdings tax on the performance rights granted to Key Management Personnel and expense reimbursements). The receivable relates to expense reimbursement.

(c) Transactions with the wholly-owned group

The ultimate parent entity in the wholly-owned group is Sirtex Medical Ltd. During the financial year, Sirtex Medical Ltd paid management fees of $23,213 (2015: $144,228) to entities in the wholly-owned group.

(d) Outstanding balances arising from transactions with the wholly-owned group

The following balances are outstanding at the reporting date in relation to transactions with the wholly-owned group:

Current payables from subsidiaries: $23,932,288 (2015: $12,169,332)

Loans receivable from subsidiaries: $15,317,888 (2015: $14,885,016)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

28. EVENTS AFTER REPORTING DATE

On 20 July 2016, a total of 443,000 Executive Performance Rights issued on 26 November 2013 fully vested, having achieved the performance target. As at the date of this report, a total of 443,000 of these performance rights have been exercised and issued as ordinary shares of Sirtex Medical Ltd.

Since the end of the year, the Directors have declared a partially franked dividend of 30c per share to be paid on 19 October 2016 (2015: 20 cents per share). The record date for the dividend is 28 September 2016.

No other matter or circumstance has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

29. REMUNERATION OF AUDITORS

During the year, the following were paid or were payable for services provided by the auditor of the parent entity, its related party practices and non-related audit firms:

	Consolidated	
	2016 $'000	2015 $'000
Remuneration of the auditor of the parent entity for audit and review of financial reports	164	140
Agreed upon procedures performed for the parent entity	78	34
Remuneration of the auditors of subsidiaries for audit and review of financial reports	159	143

The auditor of Sirtex Medical Ltd and its Australian subsidiaries is Grant Thornton Audit Pty Ltd. The auditor of the German subsidiary is Warth & Klein Grant Thornton AG. The auditor of the US entities is Grant Thornton LLP. The auditor of the Singapore entities is Grant Thornton Advisory Pte Ltd.

30. FINANCIAL RISK MANAGEMENT

The Audit Committee has been delegated responsibility by the Board of Directors for, amongst other issues, monitoring and managing financial risk exposures of the Group. The Audit Committee monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to counter party credit risk, currency risk, and interest rate risk.

The Group's activities expose it to a variety of financial risks, including but not limited to, market risk (currency risk and interest rate risk), credit risk and liquidity risk. The overall risk management strategy seeks to measure and to mitigate these risks, in using different methods measure the different types of risk, and in using derivate instruments to minimise certain risk exposures.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, account receivable and payable, and loans to and from subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial instruments, are as follows:

	Consolidated	
	2016 $'000	2015 $'000
Financial Assets		
Cash and cash equivalents	21,025	21,941
Other short-term deposits	86,000	52,000
Trade and other receivables	42,272	35,000
Other financial assets *	1,687	1,213
	150,984	**110,154**
Financial Liabilities		
Trade and other payables	28,090	24,290
	28,090	**24,290**

* Other financial assets comprise security deposits

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

The carrying amounts of financial assets and financial liabilities recorded in the financial statements represent their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign exchange risk, liquidity risk and credit risk as follows:

(a) Interest rate risk

The Group's exposure to interest rate risk relates to its cash and short-term deposits. The interest rate as at 30 June 2016 on cash was 0.45% (2015: 0.9%) and on short-term deposits 3.08% (2015: 3.46%). All other financial assets and liabilities are non-interest bearing.

Sensitivity analysis

The sensitivity analysis is based on an expected overall volatility of interest rates using market data and forecasts. A change in interest rate of 2% on cash and short-term deposits would result in changes in profit and equity as follows:

	Consolidated	
	2016 $'000	2015 $'000
Change in profit:		
Increase in interest rate by 2%	1,926	1,331
Decrease in interest rate by 2%	(1,926)	(1,331)
Change in equity:		
Increase in interest rate by 2%	1,926	1,331
Decrease in interest rate by 2%	(1,926)	(1,331)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other securities where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amounts of financial assets recorded in the financial statements, net of any provision for impairment, represent the Group's maximum exposure to credit risk without taking into account any collateral or other security obtained.

(c) Liquidity risk

Liquidity risk management requires maintaining sufficient cash and cash equivalents, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are invested in term deposits with short-term maturities.

As at 30 June 2016, the Group had only non-interest bearing financial liabilities with less than 1 year maturity (refer note 14).

(d) Foreign exchange risk

The Group is exposed to foreign exchange risk resulting in fluctuations in the fair value and in future cash flows of its financial instruments due to a movement in foreign exchange rates of currencies other than the Group's measurement currency.

It is the Group's policy that hedging, as a percentage of net foreign exchange rate exposure, be maintained within the limits of the foreign exchange risk management policy.

The Group does not have any currency hedging instruments open at reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis

The sensitivity analysis is based on an expected overall volatility of the relevant currencies, using management's assessment of reasonable fluctuations taking into account movements over the last 6 months and forecasts for the next 12 months. A change in foreign exchange rates of 15% would result in changes in profit and equity as follows:

	Consolidated	
	2016 $'000	2015 $'000
Change in profit:		
Increase of AUD to USD by 15%	(16,840)	(20,511)
Decrease of AUD to USD by 15%	16,840	20,511
Increase of AUD to EUR by 15%	(2,022)	(4,865)
Decrease of AUD to EUR by 15%	2,022	4,865
Change in equity:		
Increase of AUD to USD by 15%	(16,840)	(20,511)
Decrease of AUD to USD by 15%	16,840	20,511
Increase of AUD to EUR by 15%	(2,022)	(4,865)
Decrease of AUD to EUR by 15%	2,022	4,865

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations, denominated in currencies other than the functional currency of the operations. The foreign currency risk in the books of the parent entity is considered immaterial and is therefore not shown.

2016	USD 000	EUR 000	GBP 000	SGD 000	JPY 000	AED 000	AUD 000
Group entity (Functional currency)							
US Entities (USD)	19,096						25,718
European Entities (EUR)		7,463					11,143
UK Entities (GBP)			(66)				(118)
Singapore Entities (SGD)				(467)			(465)
Japanese Entities (JPY)					4,292		56
Middle Eastern Entities (AED)						-	-
Balance Sheet Exposure	**19,096**	**7,463**	**(66)**	**(467)**	**4,292**	**-**	**36,334**

2015	USD 000	EUR 000	GBP 000	SGD 000	JPY 000	AED 000	AUD 000
Group entity (Functional currency)							
US Entities (USD)	17,816						23,198
European Entities (EUR)		4,493					6,543
Singapore Entities (SGD)				1,062			1,027
Japanese Entities (JPY)					3,253		35
Balance Sheet Exposure	**17,816**	**4,493**	**-**	**1,062**	**3,253**	**-**	**30,803**

Foreign Currency Call/Put Options

The Group has no currency option open at reporting date.

ADDITIONAL STOCK EXCHANGE INFORMATION

AS AT 29 JULY 2016

Number of shareholders

57,641,152 fully paid ordinary shares are held by 13,952 individual shareholders. All issued ordinary shares carry one vote per share.

Distribution of shareholders

		Ordinary shares	Holders
1	- 1,000	4,133,738	10,777
1,001	- 5,000	5,977,366	2,723
5,001	- 10,000	1,843,597	243
10,001	- 100,000	4,750,353	178
100,001	and over	40,936,098	31
		57,641,152	**13,952**

Non-marketable parcels - 148 shareholders held less than a marketable parcel of ordinary shares representing 801 ordinary shares.

Substantial shareholders

Ordinary shareholders		Fully Paid
	Number	Percentage
Perpetual Investments	4,342,573	7.53
Goldman Sachs Asset Mgt	3,195,497	5.54

Twenty largest shareholders

Ordinary shareholders		Fully Paid
	Number	Percentage
J P Morgan Nominees Australia Limited	11,449,711	19.86
HSBC Custody Nominees (Australia) Limited	6,589,842	11.43
Citicorp Nominees Pty Limited	6,240,710	10.83
National Nominees Limited	4,711,375	8.17
RBC Investor Services Australia Nominees Pty Limited (PI Pooled A/C)	2,563,277	4.45
BNP Paribas Noms Pty Ltd (DRP)	1,327,191	2.30
UBS Nominees Pty Ltd	1,248,749	2.17
HSBC Custody Nominees (Australia) Limited (A/C 2)	913,255	1.58
BNP Paribas Nominees Pty Ltd (Agency Lending DRP A/C)	775,729	1.35
Australian Foundation Investment Company Limited	460,000	0.80
BNP Paribas Nominees Pty Lts (Agency Lending Collateral)	440,000	0.76
SCJ Pty Ltd (Jermyn Family Account)	400,000	0.69
Bannaby Investments Pty Limited (Bannaby Super Fund A/C)	400,000	0.69
Pacific Custodians Pty Limited (Sirtex Exec Share Tst)	333,824	0.58
National Nominees Limited (N A/C)	309,635	0.54
House of Maister Financial Services	284,491	0.49
City and Westminster Limited	250,000	0.43
Pacific Securities Inc	250,000	0.43
Bannaby Investments Pty Ltd (Bannaby Super Fund A/C)	210,000	0.36
RBC Investor Services Australia Nominees Pty Limited (PIIC A/C)	207,109	0.36
Mr Stephen Craig Jermyn (Jermyn Family S/Fund A/C)	200,000	0.35
AMP Life Limited	199,700	0.35
	39,764,598	**68.97**

COMPANY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2016

COMPANY SECRETARY

Mr Darren Smith

STOCK EXCHANGE LISTING

Australian Stock Exchange Limited
ASX code SRX

SHARE REGISTRAR

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia
Tel: 1300-554-474 (in Australia)
Tel: +61-1300-554-474 (international)

AUDITORS

Grant Thornton Audit Pty Ltd
Level 17, 383 Kent Street
Sydney NSW 2000
Australia

REGISTERED OFFICE

Level 33, 101 Miller Street
North Sydney NSW 2060
Tel: +61-2-9964-8400

PRINCIPAL PLACES OF BUSINESS ARE:

AUSTRALIAN OFFICE

Level 33, 101 Miller Street
North Sydney NSW 2060
Tel: +61-2-9964-8400

UNITED STATES OFFICE

300 Unicorn Park Drive
Woburn, MA 01801 USA
Tel: +1-781-721-3200

EUROPEAN OFFICE

Joseph-Schumpeter-Allee 33
53227 Bonn, Germany
Tel: +49-228-1840-730

SINGAPORE OFFICE

Level 1, 50 Science Park Road
Singapore Science Park II
Singapore 117406
Tel: +65-6308-8370

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 10am
on 25 October 2016 at The Sofitel Sydney Wentworth,
61-101 Phillip Street, Sydney NSW 2000

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