PRIMARY HEALTH CARE LIMITED

Interim FY2011 Results
Six Months Ended 31 December 2010

Investor Presentation 15 February 2011

Income statement

$m	Six months 31 Dec 2010	Six months 31 Dec 2009	Six months 30 June 2010
Trading revenue	**655.7**	655.9	640.9
EBITDA	**152.4**	175.0	156.0
Depreciation & Amortisation	**(40.3)**	(35.2)	(37.7)
Finance costs	**(47.6)**	(37.2)	(40.6)
Income tax	**(8.5)**	(24.9)	(21.2)
One off non-recurring items and minorities	**(35.7)**	(1.1)	(1.1)
Net profit after tax	**20.3**	76.6	55.4
EPS (cents per share)	**4.1**	16.5	11.8

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Dividend

Six months ended 31 December	2010	2009
Interim dividend (cps)	3.0	15.0

- Record Date - 25 March 2011
- Payable - 11 April 2011
- Dividend Reinvestment Plan in place - 1% discount
- Reduced dividend reflects reduced EPS as a result of non-recurring items expense in period

Segment analysis

$m	Six months 31 Dec 2010	Six months 31 Dec 2009	Six months 30 June 2010
Revenue			
Medical Centres	**137.5**	131.8	127.2
Pathology	**364.0**	363.5	357.2
Imaging	**145.1**	147.1	142.0
Health Technology	**24.5**	24.1	22.3
Corporate	**3.0**	3.2	6.6
Intersegment	**(18.4)**	(13.8)	(14.4)
Total	**655.7**	**655.9**	**640.9**
EBITDA			
Medical Centres	**74.4**	73.8	68.6
Pathology	**55.3**	73.4	61.9
Imaging	**21.1**	23.0	19.6
Health Technology	**9.7**	9.7	10.3
Corporate	**(8.2)**	(4.9)	(4.4)
Total	**152.4**	**175.0**	**156.0**

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Medical Centres

	Six months 31 Dec 2010	Six months 31 Dec 2009	Six months 30 June 2010
Trading Revenue	**137.5**	131.8	127.2
EBITDA	**74.4**	73.8	68.6
EBITDA Margin (%)	***54.2***	*56.0*	*53.9*

- GP Patient attendances showed improvement from August – November 2010 after a subdued FY2010 experience
- December 2010 below expectations but January 2011 has tracked to improved August – November 2010 trend
- Revenue growth of 8% over prior six months to 30 June 2010
- One new medical centre opened in period – now 54 large scale medical centres
- Further 2 new centres to be opened by 30 June 2011
- Doctor acquisitions in line with expectations

Pathology

	Six months 31 Dec 2010	Six months 31 Dec 2009	Six months 30 June 2010
Trading Revenue	**364.0**	363.5	357.2
EBITDA	**55.3**	73.4	61.9
EBITDA Margin (%)	***15.2***	*20.2*	*17.3*

- Referrals
  - 4.7% episode growth over prior corresponding period
  - Second quarter showing accelerated growth
  - Market share volume gains
  - Adversely impacted December through current by floods and cyclone
- Revenue
  - Medicare rebate cuts ($45m annually) effective from November 2009 hence only partially reflected in prior corresponding period (31 December 2009) revenue
- Costs
  - Collection centre de-regulation has significantly increased cost base, however improved access for services – future growth

Imaging

	Six months 31 Dec 2010	Six months 31 Dec 2009	Six months 30 June 2010
Trading Revenue	**145.1**	147.1	142.0
EBITDA	**21.1**	23.0	19.6
EBITDA Margin (%)	***14.5***	*15.6*	*13.8*

- EBITDA and EBITDA margin have shown improvements over six month period ended 30 June 2010
- Growth has resumed with 5.5% billings growth over prior corresponding period (excluding closed sites).
- Increasing momentum of radiologists converting from salary to fee for service percentage model
- Leading radiologists recruited and good retention of radiologists
- Continued focus on efficiency, costs and service levels
- Roll-out of reporting technology gaining traction with good radiologist and referrer feedback

Health Technology

	Six months 31 Dec 2010	Six months 31 Dec 2009
Trading Revenue	**24.5**	24.1
EBITDA	**9.7**	9.7
EBITDA Margin (%)	***39.6***	*40.2*

- Software products renewal rates remain high amongst major products, Medical Director, Pracsoft and Blue Chip
- Good performance of software products countered somewhat by continuing soft Pharma advertising and Hospital Applications market

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Corporate

	Six months 31 Dec 2010	Six months 31 Dec 2009	Six months 30 June 2010
Revenue	**3.0**	3.2	6.6
Expenses	**(11.2)**	(8.1)	(11.0)
EBITDA	**(8.2)**	(4.9)	(4.4)

- Costs in line with expectations and six months to 30 June 2010
- Revenues comprise
  - Profit on sale of investments
  - Interest received
  - Dividend from Pan Liquidator
- Settlement proceeds due to Primary from the Pan Recall Class Action in the Federal Court, is due for Court Approval March 2011 and is currently treated as a Contingent Asset only.

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Non–recurring items

$m	Six months 31 Dec 2010
Lease commitments and make good of sites	**14.7**
Redundancies	**9.4**
Legal and other costs	**3.9**
Non-recurring cash items	**28.0**
Assets written off at closed sites	**6.7**
Total non-recurring items	**34.7**

- Reduction of 290 full-time equivalent positions has occurred
- 23 sites in total closed – mainly Queensland Imaging and Clinical Trial sites
- Revenue from closed practices estimated $9m – majority Imaging
- Annual gross cost savings $27m

Operating cash flow

- Conversion of EBITDA into cash flow

Gross operating cash to EBITDA	$m
Cash flow from Operating Activities	**89.1**
Add back:	
- Interest paid	**41.8**
- Net Income Tax paid	**3.8**
- Employee provisions previously provided for now paid	**5.0**
- Non-recurring items provisions paid	**10.6**
Gross Operating cash flow	**150.3**
EBITDA	**152.4**
Ratio of Gross Operating Cash Flow to EBITDA	**98.6%**

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Balance Sheet

As at	31 Dec 2010	30 June 2010	31 Dec 2009
Current Assets (excluding Cash)	163	181	190
Goodwill & Intangibles	3,112	3,075	3,001
Non-Current Assets	438	414	413
Total Assets	**3,713**	**3,670**	**3,604**
Net Debt (Debt less Cash)	1,036	979	969
Other Current Liabilities	178	171	151
Non-Current Liabilities	42	50	38
Total Liabilities	**1,256**	**1,200**	**1,158**
Total Equity	**2,457**	**2,470**	**2,446**

Gearing Ratio (Net Debt/Net Debt + Equity)	**29.7**	**28.4**	**28.4**

Debt Position

$m	31 Dec 2010
Secured Syndicated Facility	**824**
Retail Bond	**153**
Secured Working Capital Facility	**100**
Bi-lateral Facilities	**95**
Total Facilities available	**1,172**
Net Debt at 31 December 2010	**1,036**

- Syndicated, working capital and bi-lateral facility matures December 2012
- Retail Bond maturity September 2015
- Margin currently 3.00% above BBSY on syndicated, working capital and bi-lateral facility
- Cash flow strong 2HFY2011 with reduced dividend and tax payments and improved EBITDA

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Outlook

- Improving revenue profile across the group
  - GP Patient attendance trends have reverted to more normal trends post July 2010
  - Volume growth has returned to Pathology operations post July 2010
  - Imaging operations are now improving
- Cost reduction program has been implemented and full benefits to accrue in FY2012
- EBITDA guidance for FY2011 is $330m-$340m

Important Notice

The information provided in this presentation is based on the ordinary earnings of Primary Health Care Limited (the Company) as disclosed in the Appendix 4D released to the ASX on 15 February 2011. It contains certain forward-looking statements. The words “expect”, “forecast”, “estimate”, “anticipate” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, the Company’s future earnings, financial position and performance are also forward-looking statements which speak only as of the date they are made. Such forward-looking statements are not guarantees of the Company’s future performance and involve risks, uncertainties and other factors which could cause actual results to differ materially from those expressed or implied in such statements including, but not necessarily limited to: regulatory, business, competitive and economic uncertainties and risks.

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