

PRIMARY HEALTH CARE LIMITED
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ASX Limited
Company Announcements Office
Exchange Centre
Level 4, 20 Bridge Street
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MARKET ANNOUNCEMENT
(ASX:PRY)

Completion of Primary Health Care Limited Debt Refinancing

Primary Health Care Limited ("PRY") advises that it has today completed financial close on the refinancing of the Group's syndicated bank debt facility, which was due to mature in December 2012.

The \$1.02bn refinancing provides an extended bank debt maturity profile for Primary as follows:

- A \$770m three year four month non-amortising facility, maturing February 2015;
- A \$100m three year four month revolving working capital facility, maturing February 2015;
- A \$150m five year non-amortising facility, maturing October 2016.

Margins payable on the facility, based on current gearing levels, will be 225bps above BBSY on the three year four month terms maturing February 2015, and 250bps above BBSY on the five year term maturing October 2016. This compares to a current margin of 300bps on all of the expiring facility.

Based on the new facility terms, and with interest rate hedging in place, interest expense for the financial year ending 30 June 2012 ("FY2012") is forecast to be approximately \$83m (\$44m for the six months ending 31 December 2011 and \$39m for the six months ending 30 June 2012).

Amortisation of borrowing costs will be approximately \$14.5mⁱ for FY2012. Unamortised borrowing costs on the expiring facility of approximately \$8.5m will be charged to profit and loss account in the six months ending 31 December 2011 and is included in this forecast \$14.5m charge for FY2012. For financial year ended 30 June 2013 total annual amortisation of borrowing costs is forecast to reduce to approximately \$4.5m.

The refinancing was well supported by existing lenders with the size of the syndicate lending group reduced to 8 banks, reflecting the strong and valued relationships between the company and its banking group.

Yours faithfully



Dr Edmund Bateman
Managing Director

ⁱIncludes total charge on Syndicated Bank Debt and Primary Retail Bond