

PRIMARY HEALTH CARE LIMITED

(ACN 064 530 516)

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25 November 2011

Company Announcements Office
Australian Securities Exchange Limited
Level 4
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Sydney NSW 2000

MARKET ANNOUNCEMENT
(ASX:PRY)

2011 ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

Attached is a copy of the Chairman's prepared address to the 2011 Primary Health Care Limited Annual General Meeting being held in Sydney today, in accordance with ASX Listing Rule 3.13.3.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Yvette Cachia', with a long horizontal line extending to the right.

Yvette Cachia
Company Secretary

**Primary Health Care Limited
Annual General Meeting
25 November 2011**

Ladies and Gentleman

The 2011 Financial ("FY2011") included continued Federal Government funding pressure combined with subdued patient demand and continuing cost increases. However, there have been positive developments with a material improvement in operating performance in the second six months of the financial year. In addition, the five-year pathology funding agreement brings much needed industry certainty.

At the end of the day, Primary, as a low-cost provider of high-quality healthcare services, is better placed in this environment than most, and we are positive about the long-term outlook.

I will ask Dr. Bateman in a moment to provide more detail on FY2011 and the current operating environment. After that, we will move to the formal items on today's agenda and then move straight to questions.

Since becoming Chairman, I have spoken to shareholders about the need to put in place the right mix of people at Board level to drive the company's growth strategy.

Last year, we began that process with the appointment of Dr. Errol Katz and Dr. Paul Jones to the Board. Both are independent directors with a great deal of experience in the industry. They have added considerable rigour to our decision-making.

There is a recommendation before you to re-elect Dr Jones today. As you will have seen from the Notice, his background as a practising GP is invaluable to the Board. I also commend to you Mr. Brian Ball for re-election today. Brian is a long-standing and highly valuable member of the Board.

Since last year's Annual General Meeting we have been focused on the issue of succession planning.

Dr. Bateman has affirmed his commitment to remain as Chief Executive Officer ("CEO") for a further three years to oversee the implementation of the strategic plans developed by each of the business units.

It is a key function of the Board to look beyond the next three years and ensure there is an effective executive development and succession process in place.

During the year, the Nomination and Remuneration Committee engaged Egon Zehnder International to benchmark and identify potential leadership from the senior levels of the business. That process helped the Board to form the view that James Bateman, Andrew Duff and Henry Bateman would each be suitable future internal candidates for the role of CEO.

That brings me to the nomination of James, Henry and Andrew as directors of Primary.

Appointing a Finance Director to the Board is, I think, both prudent and good governance while in respect of both James and Henry, I think it important to note that they are responsible for businesses that each contribute more than 40% to Primary's net profit before tax.

Having potential CEO candidates who run significant businesses appointed to the Board has been tried successfully before. At BHP, Marius Kloppers and two other succession candidates were elected to the Board while running major BHP divisions.

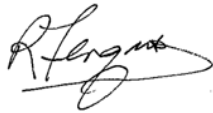
Primary Health Care Limited Annual General Meeting
Chairman's Address to Shareholders

I think, in part, the success of such a strategy is due to the exposure those directors get to issues beyond their executive responsibilities. They also benefit from frequent exposure to non-executive directors and their thinking. That is part of what I hope to achieve in this case at Primary Health Care.

I am pleased to report that we had our first Board meeting with James, Andrew and Henry as directors recently and I can say it was the most rigorous Board meeting by far since I became Chairman. I strongly recommend that you support them for election to the Board.

I should note that having three Executive Directors on the Board does not mean succession planning will be limited to internal candidates. It is our responsibility as a Board to consider both internal and external options and we will manage that process to ensure the best possible candidate available is appointed to succeed Dr. Bateman.

I will now ask Dr. Bateman to address the meeting and following this we will move onto the business and resolution of the meeting.

A handwritten signature in black ink, appearing to read 'R. Ferguson', with a stylized flourish at the end.

Rob Ferguson
Chairman