PRIMARY HEALTH CARE LIMITED
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15 August 2012

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MARKET ANNOUNCEMENT AND MEDIA RELEASE (ASX:PRY)

PRIMARY HEALTH CARE DELIVERS STRONG 2012 PROFIT RESULT

Primary Health Care Limited ("Primary") today announced results for the year to 30 June 2012 (FY 2012). Net Profit After Tax (NPAT) increased by 49%, demonstrating the underlying strength of the business.

Primary's Managing Director, Dr Edmund Bateman, said Primary had delivered a strong result, based on organic growth in each of the divisions and driven by management with operational dedication and focus. "Primary has an excellent healthcare infrastructure footprint, focussed management, and a cost control culture," he said.

"Current industry dynamics and community health needs have Primary well positioned to benefit from continued organic growth. The economic climate continues to favour consolidation of healthcare providers, to the benefit of the Primary model of affordable community health care provision," Dr Bateman said.

Key FY 2012 results highlights are:

- Operating EBITDA up 10% to $351.1m
- NPAT up 49% to $116.6m
- EPS up 47% to 23.3 cents per share
- Final dividend up 20% to 6 cents per share

On a divisional basis, results were universally positive:

- Large-scale Medical Centres EBITDA up 15%
- All Medical Centre EBITDA up 6.5% to $160.0m and margins up 50 basis points to 55.2%
- Pathology EBITDA up 11.6% to $132.4m, and margins increasing to 16.9%
- Imaging EBITDA up 36.9% to $59.4m, and margins increased by 410 basis points to 19.3%
- Health Technology EBITDA increased to $19.9m, and margins up 100 basis points to 40.9%.

The results were also marked by a substantial increase in free cash flow with a net improvement of approximately $100 million over the previous year. A significant development during the year was the refinancing of Primary's debt facility well ahead of its December 2012 maturity. The refinancing provided funding stability with maturity of the two tranches now occurring in February 2015 and October 2016. These improved terms and conditions, combined with interest rate hedging in place for FY2013 through to FY2015 inclusive, will provide a decreasing interest expense.

EBITDA for the year ended 30 June 2013 is expected to be in the range of $370-$380m resulting in EPS growth of 20%-25%.

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