PRIMARY HEALTH CARE LIMITED

Results for Year Ended 30 June 2012

Investor Presentation 15 August 2012

FY 2012 Highlights

PRIMARY HEALTH CARE LIMITED

FY 2012 strong result in line with earnings guidance

- Operating EBITDA up 10% to $351.1m from $318.6m(1) for FY 2011
- NPAT $116.6m up 49% from $78.3m for FY 2011
- EPS growth of 47% to 23.3 cents per share

- Revenue and margin gains in all divisions

- Overall group cash flows improved c. $100m over FY 2011 ($68m increase from operating activities)
- Capital expenditure moderating

- $1.02bn debt successfully refinanced in October 2011 on improved terms

- EPS growth expected to be in the range of 20% - 25% for FY 2013
- EBITDA expected to be in the range of $370m - $380m for FY 2013

(1) 2011 Reported EBITDA was $328.0m which included $9.4m EBITDA relating to net proceeds from litigation.

Financial Summary

PRIMARY HEALTH CARE LIMITED

$m	Year ended 30 June 2012	Year ended 30 June 2011
Revenue	1,392.1	1,322.3
Operating EBITDA (1)	351.1	318.6
Operating EBITDA margin	25.2%	24.1%
Depreciation & amortisation	(85.9)	(82.2)
Finance costs (2)	(96.8)	(97.1)
Income tax	(49.5)	(34.2)
Non-recurring items	-	(34.7)
Net profit before minorities	**118.9**	**79.8**
Minorities	(2.3)	(1.5)
Net profit after tax	**116.6**	**78.3**
EPS (cps)	23.3	15.8
Fully franked final dividend	6.0 cents	5.0 cents

(1) 2011 Reported EBITDA was $328.0m which included $9.4m net proceeds from litigation.
(2) Includes $8.5m charge of unexpired fees upon refinancing of debt facility October 2011.

Segment Analysis

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$m	Year ended 30 June 2012	Year ended 30 June 2011	Six months 31 Dec 2011
Revenue			
Medical Centres	290.0	274.6	144.7
Pathology	785.4	740.1	384.3
Imaging	307.9	285.0	153.1
Health Technology	48.7	48.9	24.6
Corporate	1.2	3.0	0.8
Intersegment	(41.1)	(38.7)	(21.3)
TOTAL	**1,392.1**	**1,312.9**	**686.2**
Operating EBITDA			
Medical Centres	160.0	150.3	79.0
Pathology	132.4	118.7	61.3
Imaging	59.4	43.4	26.9
Health Technology	19.9	19.5	9.5
Corporate (1)	(20.6)	(13.3)	(9.9)
TOTAL	**351.1**	**318.6**	**166.8**

(1) Corporate for year ended 30 June 2011 excludes $9.4m net proceeds from litigation.

Cash Flow

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Strong conversion of EBITDA into cash flow

Gross Operating cash to EBITDA	$m
Cash flow from operating activities	**228.7**
Add back	
- Interest and other finance costs paid	91.5
- Net income tax paid	26.1
- Restructure provisions paid	7.4
Gross Operating cash flow	**353.7**
EBITDA	**351.1**
Ratio of Gross Operating Cash flow to EBITDA	**101%**

Capital Investment

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Continued moderating capital expenditure

$m	FY 2012	FY 2011
Property plant & equipment	79.3	99.1
Business acquisitions	66.0	84.9
Intangibles	26.2	20.4
TOTAL	**171.5**	**204.4**

- Capital expenditure decrease in FY 2012 driven by:
  - Medical Centres: reduced new medical centre openings
  - Pathology: collection centre roll-out moderating
  - Imaging: technology roll-out significantly complete
- Focus on utilising existing substantial footprint without significant capital expenditure on new infrastructure

Medical Centres

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Large-scale medical centre model continues to deliver sustained growth

	FY 2012	FY 2011	2H12	2H11	1H12	1H11
Revenue ($m)	290.0	274.6	145.3	137.1	144.7	137.5
EBITDA ($m)	160.0	150.3	81.0	75.9	79.0	74.4
EBITDA margin (%)	55.2%	54.7%	55.7%	55.3%	54.6%	54.1%

- Revenue growth of 5.6% across all medical centres
- Revenue growth of 12% in large-scale Primary medical centres
- EBITDA growth of 15% in large-scale Primary medical centres
- Margin improvement of 50 bps

Medical Centre Revenue

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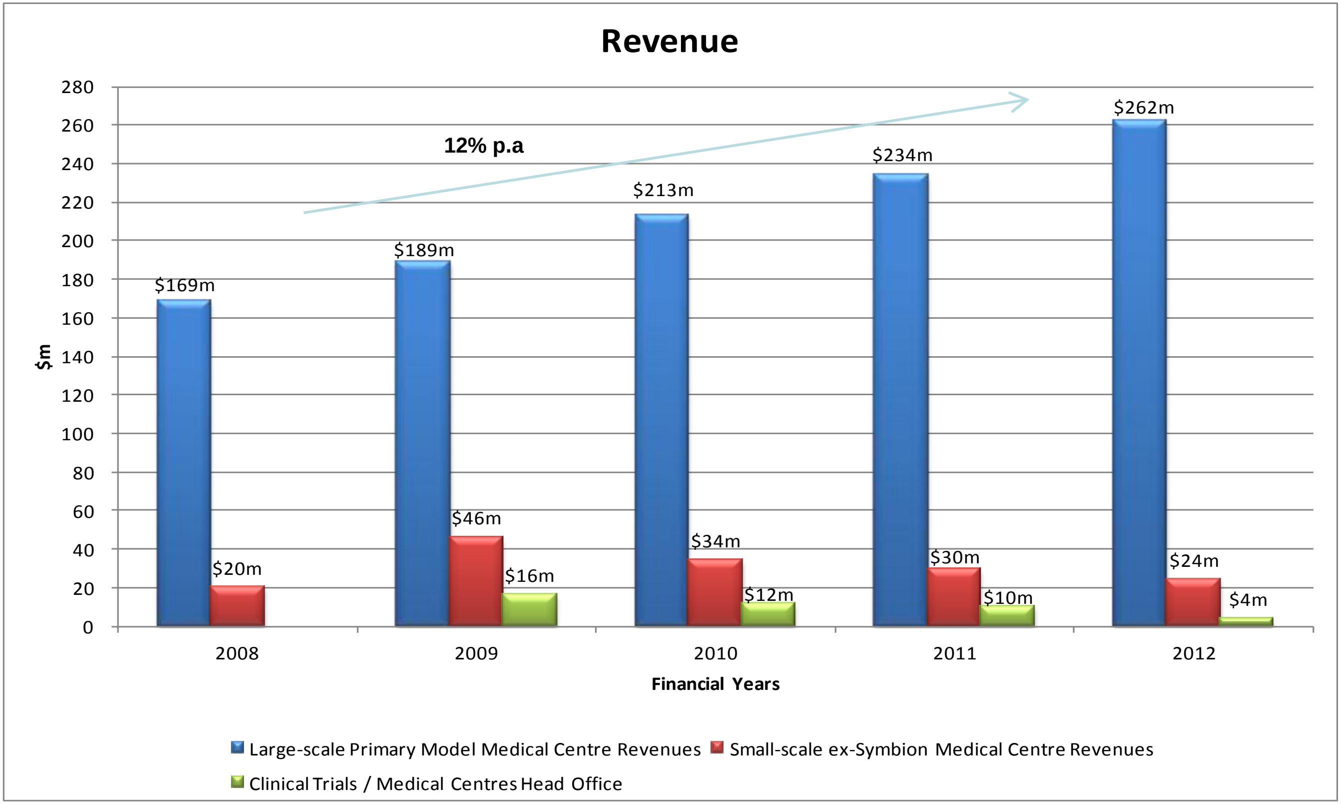
Primary large-scale medical centre revenue has averaged 12% p.a compound growth over 4 years



(1) Symbion was acquired effective 1 March 2008. SYB 2008 Revenue represents 4 months' revenue from Symbion medical centres.

Medical Centre EBITDA

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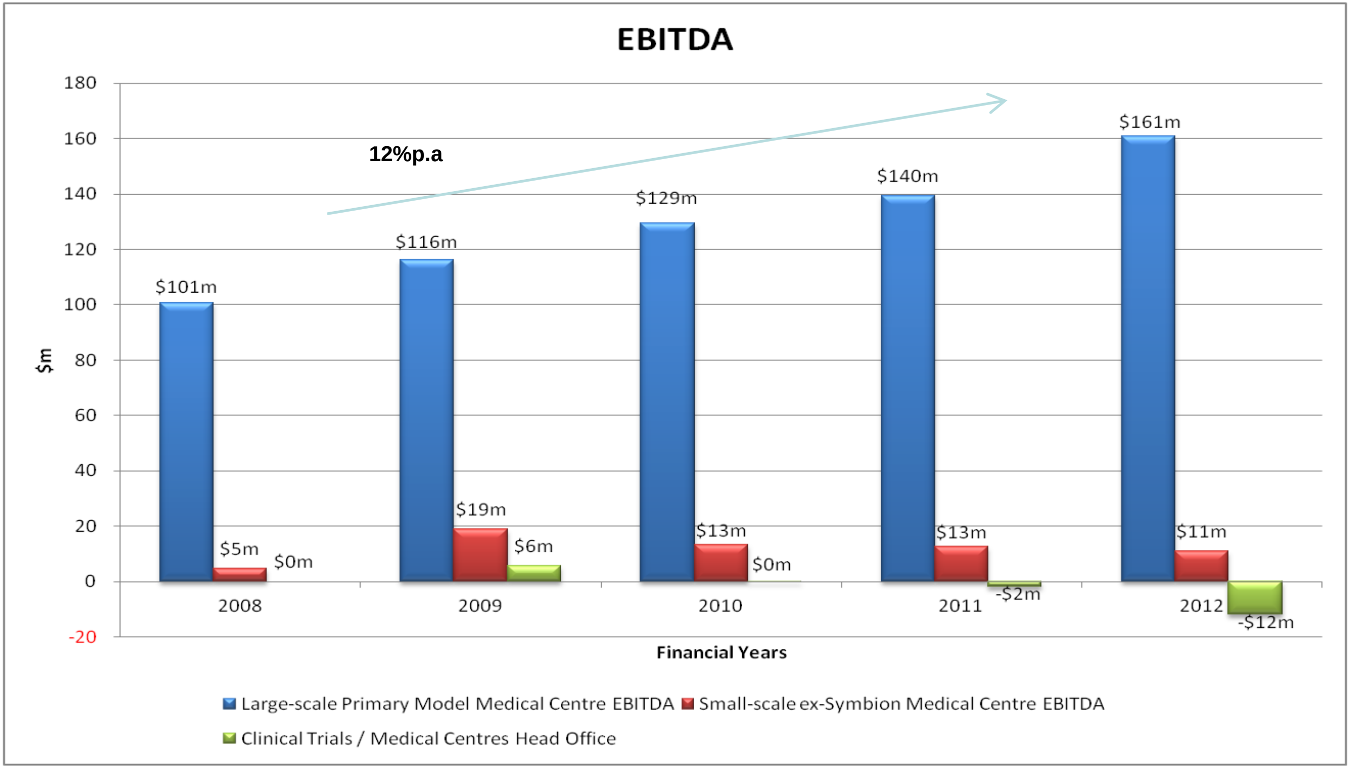
Primary large-scale medical centre EBITDA has averaged 12% p.a compound growth over 4 years



(1) Symbion was acquired effective 1 March 2008. SYB 2008 EBITDA represents 4 months' EBITDA from Symbion medical centres.
(2) 2009 – Primary converted 3 small-scale Symbion medical centres in 2009 to Primary large-scale medical centres. $1.7m full year EBITDA contribution is shown in Primary 2009 results for the purposes of year on year comparison.

Medical Centres

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Medical centre footprint

- One new medical centre opened in FY 2012 and one expected to open in FY 2013
- 76 medical centres now operating of which 57 large-scale model

Practice acquisition and retention

- GPs continue to join the group with 105 GPs commencing during FY 2012
- Acquisition costs remains stable
- Retention rate for GPs for FY 2012 c. 93% for large-scale centres - expected to remain stable

Patient attendances

- Total GP attendance growth of 7% for FY 2012
- 12% attendance growth overall in the 57 large-scale centres
- 4 centres reversed co-payments in 2H FY 2012

Pathology

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Pathology business performing well in an industry with attractive prospects

	FY 2012	FY 2011	2H12	2H11	1H12	1H11
Revenue ($m)	785.4	740.1	401.1	376.1	384.3	364.0
EBITDA ($m)	132.4	118.7	71.1	63.4	61.3	55.3
EBITDA margin (%)	16.9%	16.0%	17.7%	16.9%	16.0%	15.2%

- Organic revenue grew 6.1% over FY 2011
- EBITDA grew $13.7m over FY 2011
- 90 bps improvement in EBITDA margins over FY 2011
- 170 bps improvement in EBITDA margins in second half FY 2012 over first half

Pathology

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- Revenue and episode growth achieved across all business units in all States
  - Non-medicare sector also a contributor to revenue growth
  - Revenue growth all organic (no acquisitions)
  - Industry episode growth continuing to revert to long-term averages, reflecting increasing intensity of usage within each age cohort and ageing population
- Deregulation a driver of cost pressure. In line with projections at time of deregulation:
  - Initial increases in costs associated with deregulation adversely impacted margins from July 2010
  - Over time, costs moderate
- Rate of growth in collection centres slowing across industry with:
  - Slowing in rate of growth of costs associated with collection centres
  - Slowing capital expenditure driven by collection centre roll-out
- Small MOU funding overspend primarily driven by:
  - Policy of deregulation of collection centres
  - Increased patient attendances

Imaging

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Imaging business starting to deliver in line with Primary's strategy

	FY 2012	FY 2011	2H12	2H11	1H12	1H11
Revenue ($m)	307.9	285.0	154.8	139.9	153.1	145.1
EBITDA ($m)	59.4	43.4	32.5	22.3	26.9	21.1
EBITDA margin (%)	19.3%	15.2%	21.0%	15.9%	17.6%	14.5%

- FY 2012 EBITDA and margin improvement reflects:
  - strong organic revenue growth (underlying gross billings up 10.4%)
  - recruitment and conversion of leading radiologists to private practice model of "fee-for-service"
  - focus on cost management
  - significant improvement in IT infrastructure supporting operational improvements
- Capital investment now producing returns
- Improvements to continue in FY 2013

Health Technology

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Good result from a stable business with market leading products

	FY 2012	FY 2011	2H12	2H11	1H12	1H11
Revenue ($m)	48.7	48.9	24.1	24.4	24.6	24.5
EBITDA ($m)	19.9	19.5	10.4	9.8	9.5	9.7
EBITDA margin (%)	40.9%	39.9%	43.2%	40.1%	38.6%	39.6%

- Software products renewal rates remain high among major products ~ Medical Director, PracSoft and Blue Chip
- Government E-Health policy implementation is slow with no benefits to date
- Opportunity to grow the business:
  - Drive outcomes in E-Health
  - New functionality for software to be web-based
  - Enhanced products for new markets (specialists)

Corporate

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Corporate costs and infrastructure well controlled

$m	FY 2012	FY 2011	2H12	2H11	1H12	1H11
Revenue	1.2	12.4	0.4	9.4	0.8	3.0
Expense	(21.8)	(16.3)	(11.1)	(5.1)	(10.7)	(11.2)
EBITDA	(20.6)	(3.9)	(10.7)	4.3	(9.9)	(8.2)

- FY 2011 revenue included $9.4m net litigation and $1.7m liquidator's dividend
- All Pan litigation legacy monies now accounted for
- Expenses expected to continue at levels as per last two half-year reporting periods

Debt Position

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Debt refinancing successfully completed in the year

$m	30 June 2012
Bank and finance debt	924
Cash	(10)
Retail Bonds	152
Net Debt per balance sheet at 30 June 2012	**1,066**

- $1.02bn bank debt refinanced to February 2015 and October 2016 on improved terms
- $100m working capital facility undrawn at 30 June 2012
- Margins can decrease on improvement in gearing ratio
- Primary has two bank facility covenants:

  Gearing Ratio = Net Finance Debt (excluding Retail Bond) / EBITDA

  - Actual ratio at 30 June 2012 is 2.65 (bank covenant < 3.25 times) [1]

  Interest Cover = EBITDA / Net Interest Expense

  - Actual ratio at 30 June 2012 is 4.29 (bank covenant > 3.0 times) [1]

(1) Formula's as per bank facility definitions

Summary

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- **FY 2012 Result**
  - Strong result in line with guidance
  - 10% organic operating EBITDA growth
  - Margin growth in all divisions
  - EPS growth of 47%

- **FY 2013 Outlook**
  - FY 2013 guidance of 20%-25% EPS growth and EBITDA $370m-$380m
  - Attendances/episodes and revenues across the group tracking well
  - Substantial footprint in place with no capacity constraints
  - Strong cost controls supported by low inflation environment

- **Other Opportunities**
  - Consolidation expected to continue
  - Small bolt-on acquisitions possible if appropriately priced

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