

**PRIMARY HEALTH CARE LIMITED**

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**MARKET ANNOUNCEMENT AND MEDIA RELEASE (ASX: PRY)**

**PRIMARY HEALTH CARE DELIVERS A STRONG PROFIT RESULT FOR THE HALF YEAR**

Primary Health Care Limited ("Primary") today announced results for the half year to 31 December 2012 (1H FY2013). Net Profit After Tax (NPAT) increased by 50% from the corresponding period in the previous year, demonstrating the continuing strength of the business.

Primary's Managing Director, Dr Edmund Bateman, said Primary had continued to build on its robust performance in the previous year through organic growth driven by both revenue and margin gains.

"Importantly, Primary has again delivered EBITDA and margin improvements across all major divisions, demonstrating a disciplined and focussed management team," he said.

"Strong underlying demand and a high quality, extensive infrastructure footprint should continue to provide revenue growth, while further benefits from economies of scale and operating efficiencies are expected to result in EPS growth for the year to 30 June 2013 of 20 to 25 per cent," Dr Bateman said.

**Key 1H FY2013 results highlights are:**

- EBITDA up 11.6% to \$186.1m (2011: \$166.8m);
- Net Profit After Tax up 50% to \$69.5m (2011: \$46.3m);
- EPS up 48% to 13.8 cents per share (2011: 9.3cps);
- Margins up across all 3 major divisions;
- 46% improvement in group cash flows from operating activities to \$130.3m;
- Interim dividend up 30% to 6.5 cents per share fully franked (1H FY2012: 5.0 cents).

**Results were positive across all divisions:**

- Medical Centres EBITDA up 9% in the 58 large-scale centres and margins up 80 bps to 55.4% across the division;
- Pathology EBITDA up 13% to \$69.5m, revenue growth of 6.6% and margins up 100 bps to 17.0%;
- Imaging EBITDA up 30% to \$35.0m and margins up 500 bps to 22.6%.

These results were also accompanied by a substantial improvement in free cash flow with a net improvement of 46% over the corresponding period in the previous year. During the half, there was also a 98% conversion of EBITDA into cash. Interest rate hedging in place for FY2013 through to FY2015 inclusive, combined with an improving debt/EBITDA ratio, will continue to reduce interest expense and contribute to EPS growth.

Primary reconfirms its guidance of EBITDA for the year ended 30 June 2013 to be in the range of \$370m to \$380m, resulting in EPS growth of 20 to 25%.

ENDS

**For further information, contact:**

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