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30 October 2013

ASX Limited
Company Announcements Office
Exchange Centre, Level 4
Sydney, NSW 2000

MARKET ANNOUNCEMENT
(ASX:PRY)

**INVESTOR PRESENTATION**

Primary Health Care Limited ("**Primary**") attaches a presentation in relation to its operations in accordance with ASX Listing Rule disclosure obligations, ahead of a Citigroup Australian Investment Conference this morning.

Yours faithfully

**Dr Edmund Bateman**
Managing Director

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AFFORDABLE | ACCESSIBLE | HEALTHCARE

# Providing affordable, accessible healthcare to millions of Australians

For 27 years, Primary has been a catalyst and a leader in providing affordable, accessible healthcare for all Australians

**Medical Centres**

- Bulk-billing, large-scale model provides affordable, accessible healthcare to local communities, whilst maintaining quality

**7.5 million GP visits per annum**

**Pathology**

- Largest footprint of collection centres and laboratories nationally, providing services to one-third of the Australian community

**14.5 million episodes per annum**

**Imaging**

- Operates in over 150 sites across Australia including public and private hospitals, medical centres and community sites

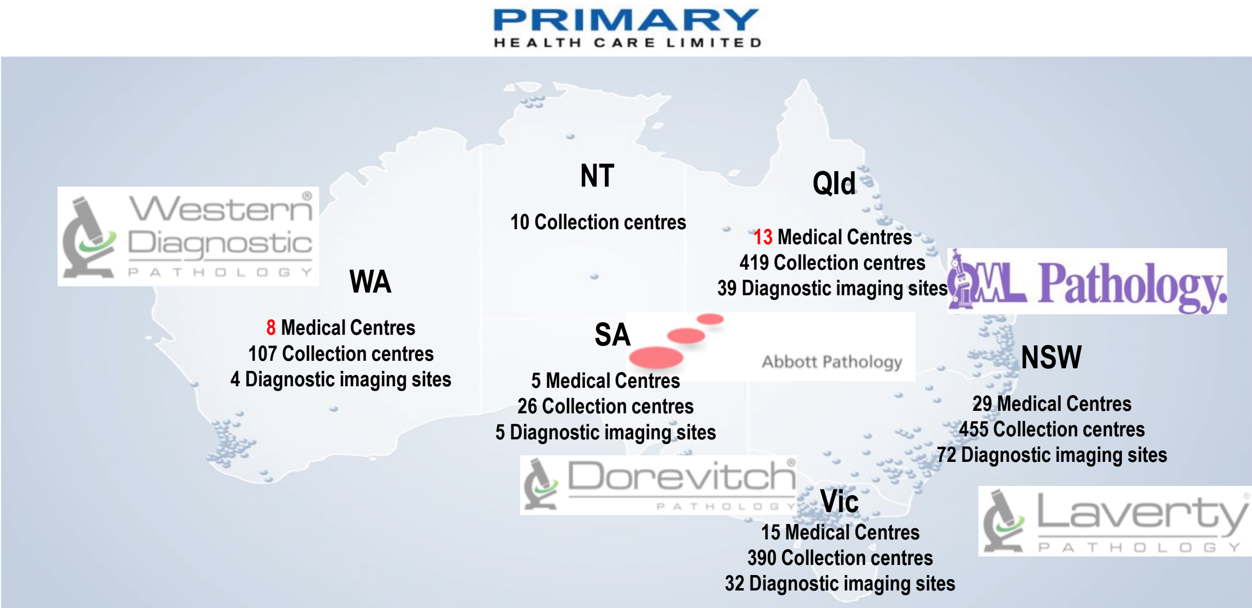
**2.7 million exams per annum**

**Health Technology**

MEDICAL DIRECTOR

- National leader in GP software products and online knowledge resources to hospitals

## National footprint and significant healthcare infra-structure

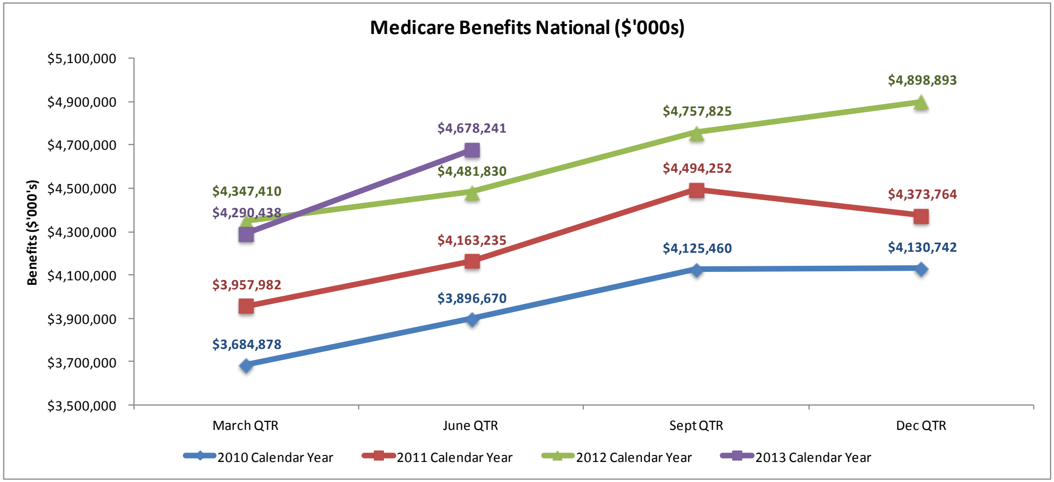



- Provides 6% of total GP care and 23.1% of after hours GP care across all of Australia
- 2nd largest pathology provider in Australia with ~ 1/3 market share (#1 in QLD, VIC, WA)
- 2nd largest diagnostic imaging network in Australia

1. In addition, 2 medical centres ,13 collection centres and 2 imaging sites are located in the ACT

# Total Quarterly Medicare Benefits Spend

- Continuing demand for services driven by:
  - Ageing population
  - Growing population
  - Range of tests and procedures
  - Demand for preventative health and chronic disease management




Source - Medicare

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## Community Benefits

- 72 medical centres in the mainland states and ACT of which 58 are large-scale
- Located in regional areas and remote towns as well as metropolitan cities
- Focus on scale and efficiency allows quality services to remain affordable
- Affordable healthcare is a pre-requisite for good healthcare outcomes
- Model provides a cap on the cost of healthcare to the Australian community
- Extended hours of operation: 7am – 10pm; 365 days a year including public holidays
- General practice, pathology, imaging, pharmacy, dental, specialists and ancillary healthcare under one roof

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## Warringah Mall Medical Centre Re-Development

- Primary's first and largest medical centre (1984) moving to a new upgraded nearby site in November 2013
- Breadth of services offered to be further increased
- Already Primary's largest and most comprehensive centre
- Highlights long term development and potential of every centre

## A Leader in Efficient, Accessible High Quality Pathology Services

- Proven skills in merging and upgrading labs to improve accuracy and efficiency
- Cohesive team of over 150 specialist pathologists led by medical directors in each state
- Major investment in IT to drive service and operational improvements
- All major disciplines provided for - ensuring exceptional resource for referring doctors
- Preferred choice for servicing public hospitals in Australia, improving healthcare affordability
- Hosts/funds more CPD events than any other body

## Second-largest Diagnostic Imaging Network in Australia

- Operated under different brands via Healthcare Imaging Services
- Provides comprehensive services in CT, Ultrasound, MRI, X-Ray, Mammography, Nuclear Medicine, Fluoroscopy, Interventional procedures
- Scale
  - Conducts in excess of 2.7 million examinations per annum
  - Operates in over 150 sites across Australia
  - Operating in Public and Private Hospitals, Community Sites and Medical Centres
  - Proprietary RIS/PACS
- Significant investment in equipment and business over the past 3 years

# Information & Innovation

### Investing in technology

- Largest market share in clinical software for doctors and medical practice management

### World class innovation

- First private provider of PET scanners in public hospital at Wollongong (NSW) and Northern Hospital (Vic)
- Installation of cardiac scanning facilities at Westmead (NSW), Epworth (Vic), and St George (NSW)
- Provision of electronic imaging delivery supported by a 24 hour helpline service for referrers
- www.path-way.com.au – real time results portal for doctors
- Ballarat innovation centre developing world-leading pathology lab information management system
- A significant investment in community care

# Investment in People and Professionals

## Education and training

- Material investment in our accredited Primary Training Institute
- Commencement of an Indigenous Employment Program
- Three full-time clinical educators appointed to provide in-house education and support to our GPs
- Run a complete programme of in-house CPD events and continuing education events for Australian doctors
- Training General Practice Registrars
- Graduate program
- Largest private trainer of pathology registrars

## Gender diversity

- Establishment of “Primary Women”. A networking program and an investment in our female talent pipeline

## University support

- Provide University scholarships to assist students in Medicine and allied health courses

## Supporting Indigenous Health

- Lack of affordability and access leads to poor healthcare outcomes
- Largest private medical centre supporting the second largest indigenous community (Dubbo, NSW)
- Remote community pathology coverage in central Australia from Alice Springs laboratory
- Indigenous employment program

# FY 2013 Financial Summary

### Result highlights

- EBITDA up 9.7% to $385.1m
- EBITA up 11.4% to $323.2m
- Significant margin gains in Medical Centres (80bps), Pathology (80bps), and Imaging (400bps)
- NPAT up 29% to $150.1m
- EPS up 28% to 29.9 cents per share

### Improving cash flows

- 18% improvement in cash flows from operating activities to $269m
- Final dividend up to 11.0 cents per share from 6.0 cents per share

### Outlook

- FY2014 EBITDA of $395m to $410m
- FY2014 EPS growth of 7% to 13%

## Three Year Financial Results

| $m | Year Ended 30 June 2013 | Year Ended 30 June 2012 | Year Ended 30 June 2011 |
|---|---|---|---|
| Revenue | 1,456.3 | 1,392.1 | 1,312.9 |
| EBITDA (1) | 385.1 | 351.1 | 318.6 |
| EBITDA margin | 26.4% | 25.2% | 24.3% |
| Depreciation & Amortisation | (90.7) | (85.9) | (82.2) |
| Finance costs (2) | (76.5) | (96.8) | (97.1) |
| Income tax | (65.9) | (49.5) | (34.2) |
| Non-Recurring Item | - | - | (34.7) |
| **Net profit before minorities** | **152.0** | **118.9** | **79.8** |
| Minorities | (1.9) | (2.3) | (1.5) |
| **Net profit after tax** | **150.1** | **116.6** | **78.3** |
| EPS (cps) | 29.9 | 23.3 | 15.8 |
| Total dividend - fully franked | 17.5 cents | 11.0 cents | 8.0 cents |

(1) FY2011 Reported EBITDA was $328.0m which included $9.4m net proceeds from litigation.
(2) FY2012 Includes $8.5m charge of unexpired fees upon refinancing of debt facility October 2011.

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## Segment Analysis

| $m | Year Ended 30 June 2013 | Year Ended 30 June 2012 | Year Ended 30 June 2011 |
|---|---|---|---|
| **Revenue** | | | |
| Medical Centres | 300.8 | 290.0 | 274.6 |
| Pathology | 836.3 | 785.4 | 740.1 |
| Imaging | 309.6 | 307.9 | 285.0 |
| Health Technology | 37.0 | 35.9 | 36.0 |
| Corporate | 1.6 | 1.2 | 3.0 |
| Intersegment | (29.0) | (28.3) | (25.8) |
| **TOTAL** | **1,456.3** | **1,392.1** | **1,312.9** |

| $m | Year Ended 30 June 2013 | Year Ended 30 June 2012 | Year Ended 30 June 2011 |
|---|---|---|---|
| **EBITDA** | | | |
| Medical Centres | 168.4 | 160.0 | 150.4 |
| Pathology | 147.8 | 132.4 | 118.6 |
| Imaging | 72.0 | 59.4 | 43.4 |
| Health Technology | 20.2 | 19.9 | 19.5 |
| Corporate | (23.3) | (20.6) | (13.3) |
| **TOTAL** | **385.1** | **351.1** | **318.6** |

# Summary

### Pure exposure to Australian healthcare services sector

- Strong underlying demand drivers
- Supported by stable funding, population growth, and ageing population

### Attractive market position

- Primary businesses strategically positioned in the affordable and accessible market
- Strong national brands
- Substantial footprint with no capacity constraints

### Executing against our strategy

- Continued focus on organic growth
- Invest in infra-structure information technology to support our professionals and the business

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