PRIMARY HEALTH CARE LIMITED
(ACN 064 530 516)
LEVEL 1, 30-38 SHORT STREET
LEICHHARDT NSW 2040
TEL: (02) 95613300 FAX: (02) 95613302

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ASX Company Announcements Office
Level 4
20 Bridge Street
Sydney NSW 2000

MARKET ANNOUNCEMENT
(ASX:PRY)

2014 ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

Attached is a copy of the Chairman's prepared address to the 2014 Primary Health Care Limited Annual General Meeting being held in Sydney today, in accordance with ASX Listing Rule 3.13.3.

Yours faithfully

Yvette Cachia
Company Secretary

2014 ANNUAL GENERAL MEETING - CHAIRMAN'S ADDRESS

Dear Shareholders,

During the 2014 financial year, Primary Health Care continued to deliver sound organic revenue gains and Earnings Per Share growth. Highlights of your company's performance included:

- Revenues of $1.52 billion, up 5.8%;
- EBITDA of 399.1 million, up 4.7%; and
- EPS of 32.2 cents per share, up 7.7%.

Your Board's confidence in Primary's performance was underscored by our decision to declare a fully franked full year dividend of 20 cents per share, up 14.3% on last year.

Primary remains focused on growing the profitability of its core businesses and also planning for long-term growth by providing new services where Primary's expertise and scale can help deliver patients additional services and benefits in an affordable and accessible way. Some examples of this are:

- The establishment of Primary IVF – an affordable, accessible in vitro fertilisation service that is bulk billed; and
- Our acquisition of Transport Health – a health insurance business with 5,000 policyholders providing a measured entry point into the broader private health insurance market.

Before going any further, I would like to acknowledge Dr Edmund Bateman's significant contribution in achieving these results during the 2014 financial year. Indeed, on behalf of the Board I would also like to thank Dr Bateman for his vision and tenacity in building Primary Health Care into the business it is today.

Dr Bateman announced his retirement from the role of Managing Director earlier this week. He will retire at the end of January 2015 but will remain a Director on the Board of Primary. His fellow Directors look forward to his continued contribution.

As I reflected on Dr Bateman's achievements this week and the extraordinary history of Primary, it was clear that the purpose of Primary – ***that is, to provide affordable, accessible healthcare for all Australians*** – remains as relevant today as it was some 29 years ago. It is an enduring vision that your Board believes will be equally relevant into the future.

Dr Bateman realised that with the benefits of scale, Primary could deliver better facilities to doctors and their patients. He also realised that by working together and co-locating, Primary practitioners could provide more comprehensive care, and they could operate extended hours, 365 days a year. All Medicare services were bulk billed to ensure affordability and equal access and GPs were supported by a wide variety of ancillary services. At the time, this service was not available outside the hospital emergency department.

I will shortly ask my fellow Director, Mr Brian Ball, to briefly reflect on the early days of Primary and the work of Dr Bateman.

In summary, Primary's business model was a direct response to two things:

- Community need for more affordable services, available at critical times; and
- Practitioner need to establish sustainable, commercial practices with the resources and flexibility to serve all parts of the community.

Today, Primary's model of healthcare remains ever-relevant to doctors and their patients because it was designed, trialled and tweaked by the people at the face of patient care. Your Board believes the Primary model of care will become even more relevant in an environment of continuing consolidation and funding pressures.

As our shareholders are aware, the Board has been undertaking succession planning since 2011 and that work continues. Primary's Nomination and Remuneration Committee has also recently engaged an experienced external consultant to review and assist in the final phase of that planning in light of Dr Bateman's retirement. This process involves the assessment of both internal and external candidates.

While we have not specified a timeframe for decision-making, we will inform the market after undertaking this final phase of review.

Mr Andrew Duff, Primary's Chief Financial Officer, will continue in the role of Acting Managing Director while a final assessment on succession takes place. He is well supported by an experienced executive management team including Mr Henry Bateman in the role of General Manager Medical Centres, and Mr James Bateman in the role of General Manager Pathology and Imaging. I have asked Andrew, Henry and James to provide a brief business update to shareholders today.

Strong fundamentals underpin the growth of the Australian healthcare industry and combined with a well-developed strategy for future growth, we believe your company will continue to grow its market position and deliver shareholder returns.

On behalf of the Board and Management Team, thank you for your continued investment and commitment in Primary.