PRIMARY
HEALTH CARE LIMITED

2016 Annual General Meeting

25 NOVEMBER 2016

ROBERT FERGUSON
CHAIRMAN

FY 2016 HIGHLIGHTS

Group	Underlying		Reported	
$ million	FY16	FY15	FY16	FY15
Revenue	**1,651.0**	1,599.3	1,714.6	1,617.9
NPAT	**104.0**	111.5	74.7	127.5
Dividend cps	**12.0**	20.0	12.0	20.0

Reset strategic direction

- Successful capital recycling program
- Introduction of new GP recruitment packages
- Launch new private billing business
- Reduced debt and strengthened balance sheet

PRIMARY HEALTH CARE LIMITED

BOARD, EXECUTIVE & REMUNERATION

Board

- Completed Board Performance Assessment and developed Skills Matrix

Executive team

- Enhanced team and strengthened functional support

Restructure of remuneration practices

- Appropriate mix of fixed and at risk remuneration
- Appropriate mix of short and long-term incentives
- Fixed remuneration benchmarked to improve alignment
- Specific and measurable performance metrics applied to incentives

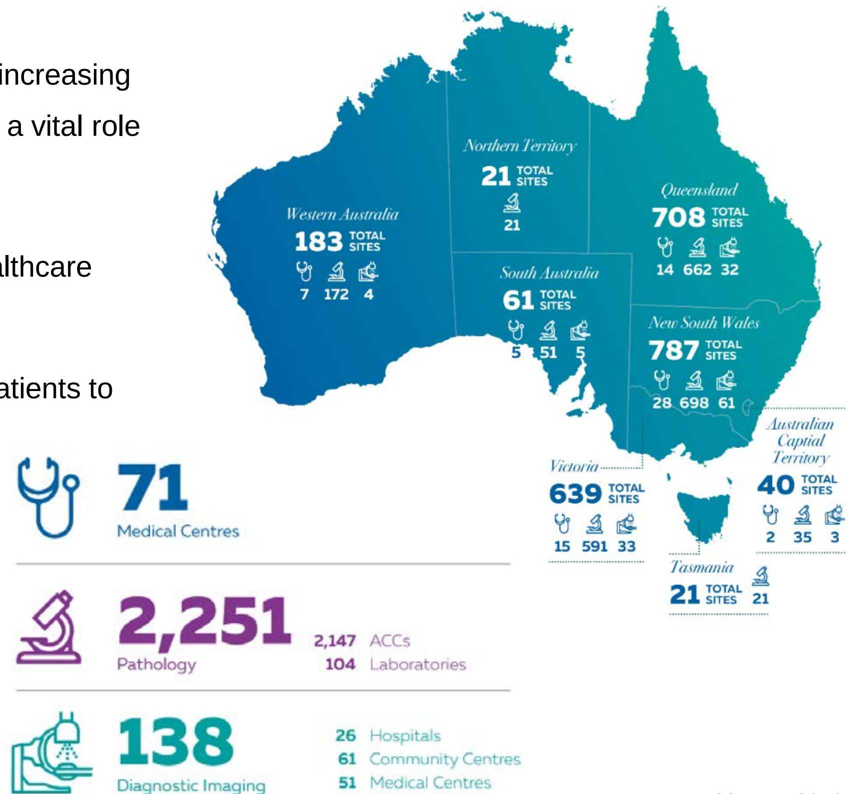
OUTLOOK

Well placed for growth

- Chronic conditions rising, hospital costs increasing
- Primary's multi-disciplinary centres have a vital role to play

Aims and aspirations

- Cement position as a leading quality healthcare provider
- Become a preferred place for healthcare professionals and staff to work and for patients to come for treatment



As at 30 June 2016

PETER GREGG
MANAGING DIRECTOR AND CEO

PRIMARY
HEALTH CARE LIMITED

2016 FINANCIAL HIGHLIGHTS

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Revenue	**1,651.0**	1,599.3	1,714.6	1,617.9
NPAT	**104.0**	111.5	74.7	127.5

- Underlying results in line in challenging market conditions
- Balance sheet review reset foundations
- Reported results reflect significant business changes including balance sheet review and transformation costs partially offset by profit on sales

	FY16	FY15
Net debt $'m	**816**	1,155
Gearing %	**25.2%**	32.4%

- Successful capital recycling program and reduced capex = stronger free cash flow and lower debt on balance sheet

TRANSFORMATION JOURNEY

2015

Mar
- New capabilities HR, Govt Rels, Strategy

Jul
- Bridge Road Imaging opened
- Settlement reached with ATO
- Sold stake in Vision Eye

Aug
- $152 million retail bonds redeemed

Oct
- Opened Varsity Lakes Imaging Centre
- Separation of Imaging and Pathology
- Dean Lewsam appointed GM Imaging

Nov
- Introduced capital-light HCP recruitment models
- Sold Barangaroo
- Melbourne IVF opened

Dec
- Established Property Trust

2016

Jan
- Rolled out employee & HCP engagement initiatives

Feb
- Reset Dividend Policy at 1H16
- Launched Kossard Dermatopathology

Mar
- Sold Medical Director
- Diversified into Private Billing
- Maxine Jaquet appointed GM Private Billing, Dr John Houston GM Bulk Billing

Apr
- Opened consolidated head office

Jun
- Sale & lease back of Imaging equipment
- Sold Transport Health
- Established Clinical Councils
- Debt reduced to $816 million, gearing to 25.2%
- Awarded Northern Beaches Hospital contract

MEDICAL CENTRES – BULK BILLING

Focus on recruitment and retention

- New flexible, capital light contracts for GPs
- Annual retention of GPs up 35%

Learning and development

- Primary Health Care Institute
- Largest private host of Registrars

My Medical Home

- Full suite of services 365 days a year
- Four large scale centres and 1 super centre
- Expanding the offering:
  - Primary Dental, Primary Physio, Primary IVF
  - Specialists, industrial medicine & occupation health, day surgeries, skin clinics, women’s clinics
  - Integrated Care model for chronic care

MEDICAL CENTRES - PRIVATE BILLING

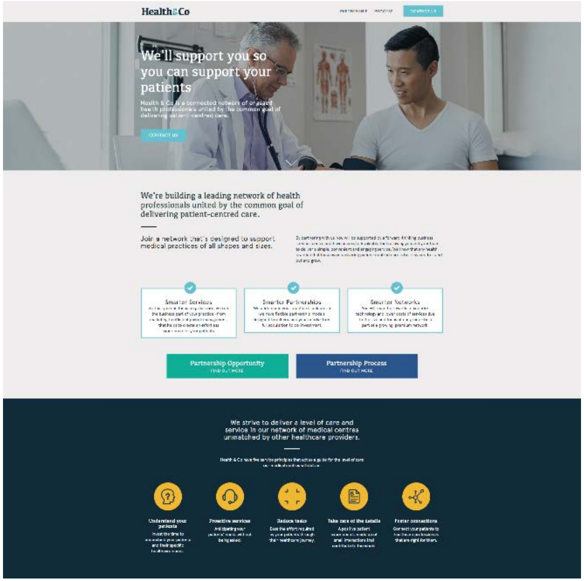
Launch of Health & Co

- New brand
- Access to a different segment of the market
- Leverage Primary's scale and expertise in practice management, business services and property
- Reduce back office administration, improve practice efficiency, enhance patient flow and better support clinicians

Partnership approach

- Active discussions with a number of clinics
- Expect several partnerships signed in FY17
- Greenfields developments

Health&Co



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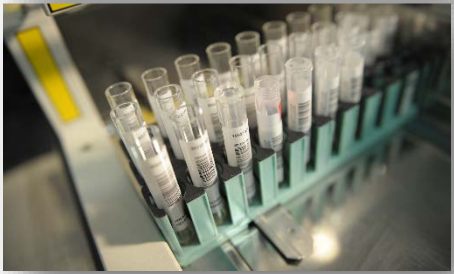
PATHOLOGY

Leading laboratory and pathology operation

- Quality specialists with a range of services
- Kossard dermatopathology laboratory opened in FY16
- Strong profit contributor
- Investing in people and systems
- Discussions advancing in SE Asia where seeking to partner with local operators

Divisional CEO

- Recruitment process nearing completion



IMAGING

Reset cost base for the future

- Improved second half performance
- Supported by labour and site rationalisation

Focused on portfolio realignment

- Hospitals – National Capital / Knox private / NBH
- Fit-for-purpose, high-end imaging centres – Bridge Road / Varsity Lakes / River City
- Selective private billing

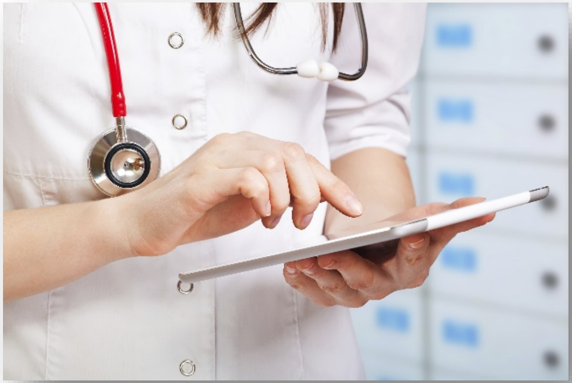
INNOVATION

Major IT investment

- Expanding and replacing key software systems
- Next generation cloud-based clinical and practice management software solutions

Integrated approach to patient information

- Support the portability of patient records
- Help patients proactively manage health outcomes



GOVERNMENT REVIEWS

Policy clarity required

- MBS freeze for GPs
- MBS Review
- Bulk billing incentive cuts in Pathology and Imaging
- Regulation of ACC rents
- Imaging ‘Quality Framework’

Healthcare Home trials

- Seeking to participate via tender process

Private sector

- Adapt to funding environment
- Take the lead in the provision of quality, efficient and integrated care

BUILDING A SUSTAINABLE FUTURE

Underlying drivers

- Strong underlying demand with:
  - Growing population
  - Ageing population
  - Frontline, preventative care is the most effective form of healthcare
- Our large-scale multi-disciplinary medical centres are efficient providers of care

Our aspirations

- Sustainable growth for shareholders
- Good health outcomes for patients
- Employer of choice for healthcare professionals and staff

We expect to exceed our FY16 underlying NPAT performance of $104 million in this financial year

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