

2016 Annual General Meeting

25 NOVEMBER 2016



**ROBERT
FERGUSON
CHAIRMAN**

FY 2016 HIGHLIGHTS

Group	Underlying		Reported	
	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

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

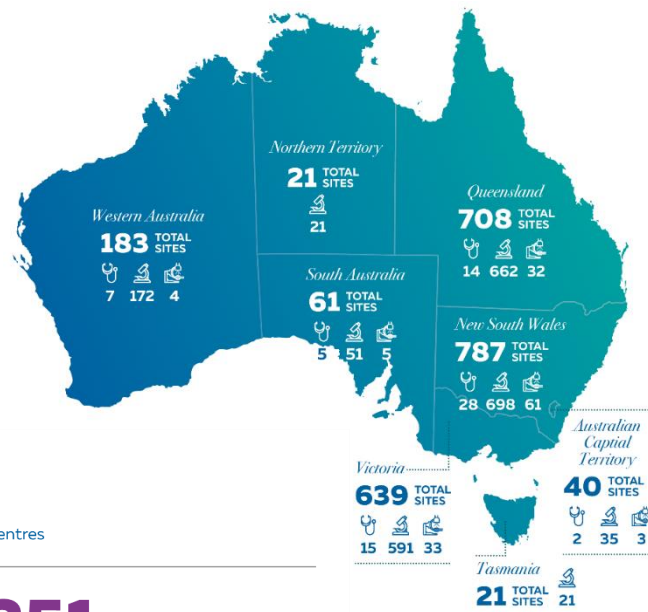
OUTLOOK

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



 **71**
Medical Centres

 **2,251** **2,147** ACCs
Pathology **104** Laboratories

 **138** **26** Hospitals
Diagnostic Imaging **61** Community Centres
51 Medical Centres

As at 30 June 2016



**PETER
GREGG
MANAGING DIRECTOR
AND CEO**

2016 FINANCIAL HIGHLIGHTS

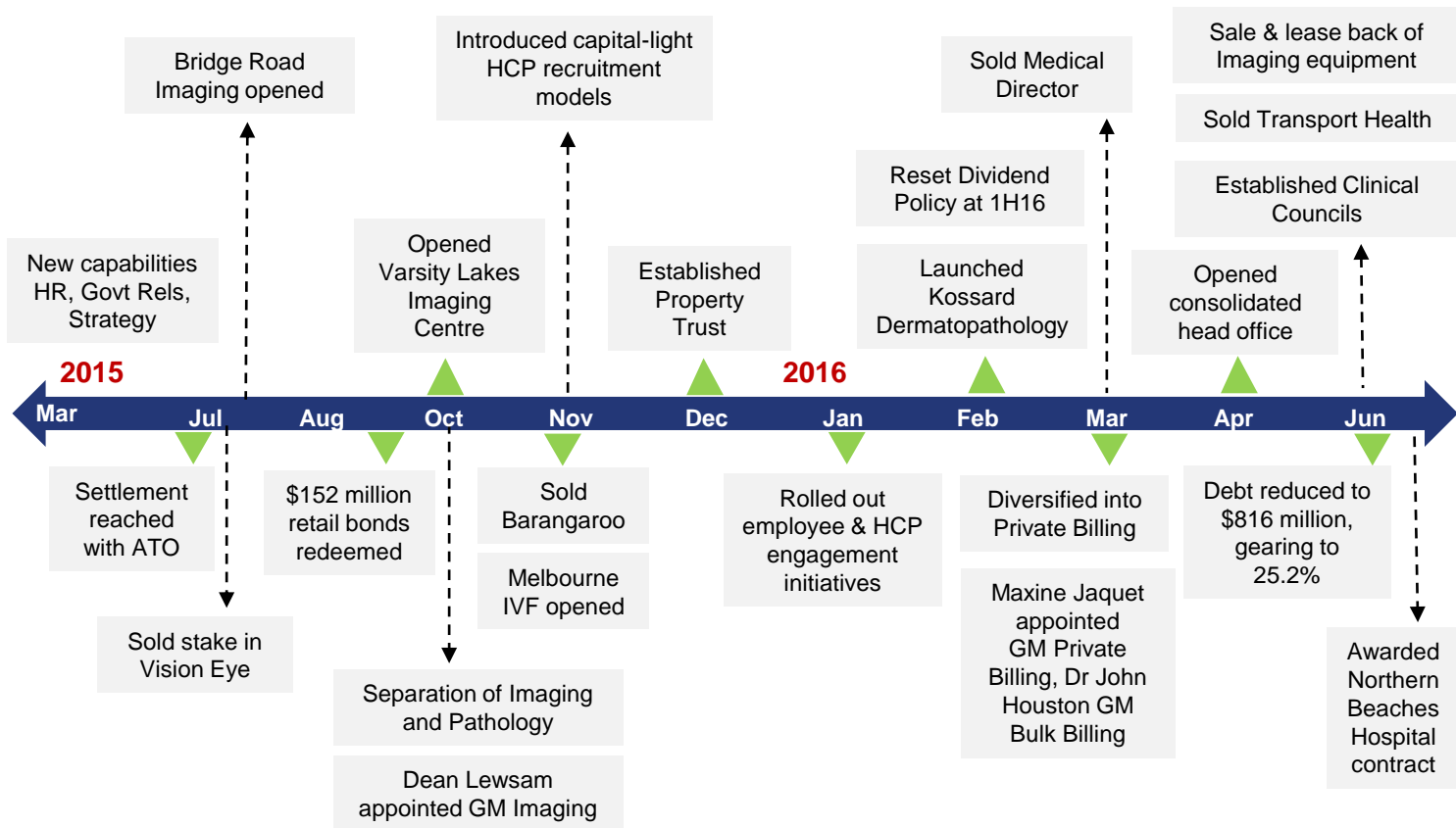
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\$ million				
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- Underlying results in line in challenging market conditions
- Balance sheet review reset foundations
- Reported results reflect significant business changes including balance sheet 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



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

The screenshot shows the Health&Co website. At the top, there's a navigation bar with 'Health&Co', 'Home', 'About Us', and 'Contact Us'. The main content area features a large image of a doctor and a patient. Below the image, there's a headline: "We'll support you so you can support your patients". A sub-headline reads: "Health & Co is a community network of private health professionals united by the common goal of delivering patient-centred care." Below this, there's a paragraph: "We're building a leading network of health professionals united by the common goal of delivering patient-centred care." This is followed by a sub-headline: "Join a network that's designed to support medical practices of all shapes and sizes." There are three columns of text, each with a small icon above it. The first column is titled "Great for Practices" and the second is "Great for Patients". Below these columns are two buttons: "Partnership Opportunity" and "Partnership Process". At the bottom, there's a footer with the text: "We strive to deliver a level of care and service to our network of medical centres, unmet by other healthcare providers." Below this is a row of five icons representing different services: "Outstanding care", "Private services", "Reduce costs", "Take care of the details", and "Every convenience".

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



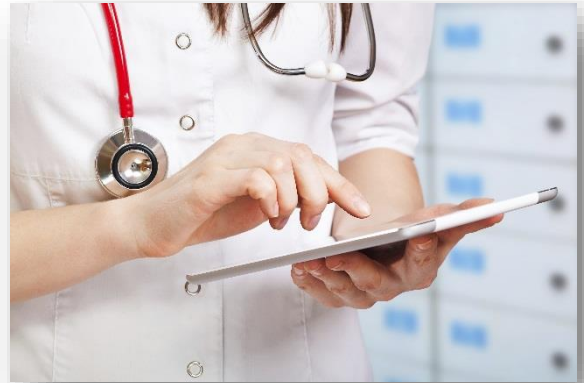
INNOVATION

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



**ROBERT
FERGUSON
CHAIRMAN**

NOTICE OF MEETING

ITEMS OF BUSINESS

HANDSET INSTRUCTIONS - INSERTING YOUR SMARTCARD

The smartcard should be inserted into your handset

If the smartcard is not inserted into your handset please do so now

Make sure the chip at the bottom of the smartcard is inserted and facing you

A welcome message will briefly appear when the card is inserted correctly

You will then be returned to the holding screen where your name will now appear at the top of the display



HANDSET INSTRUCTIONS - CASTING YOUR VOTE

When the poll opens, the handset will display the voting options. Press:

- Button 1 to vote **For** the resolution
- Button 2 to vote **Against** the resolution
- Button 3 to **Abstain** your vote



HANDSET INSTRUCTIONS - CASTING YOUR VOTE

Confirmation that your vote has been received will appear on the screen.

To change your vote, simply enter your new choice (1, 2 or 3) to overwrite your previous selection.

If you wish to cancel your vote, press the 'X' button.



HANDSET INSTRUCTIONS - QUESTIONS

Please put your hand up now if you have any questions about how to vote our staff, will assist you.



ITEMS OF BUSINESS

ITEM 1: RECEIPT OF ANNUAL FINANCIAL REPORT

ITEM 2: ADOPTION OF THE 2016 REMUNERATION REPORT

ITEM 3: TO RE-ELECT DR PAUL JONES AS A DIRECTOR

ITEM 4: TO RE-ELECT DR ERROL KATZ AS A DIRECTOR

ITEM 5: RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

ITEMS OF BUSINESS

ITEM 1: RECEIPT OF ANNUAL FINANCIAL REPORT

ITEM 1: QUESTIONS ON THE ANNUAL FINANCIAL REPORT

Please put your hand up if you have any questions or comments.

Once you have received a microphone, please wait until called upon to speak.

ITEMS OF BUSINESS

ITEM 2:

ADOPTION OF THE 2016 REMUNERATION REPORT

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The instructions given to validly appointed proxies in respect of the resolution are as follows:

For	Against	Abstain	Open-Usable		% of votes cast in favour of the resolution
			Board	Non-Board	
371,529,936	1,876,280	1,105,597	370,173	736,071	99.19

ITEM 2: ADOPTION OF THE 2016 REMUNERATION REPORT

Poll now open

- 1. For**
- 2. Against**
- 3. Abstain**

Please press 1, 2 or 3 using your handset

ITEM 2: ADOPTION OF THE 2016 REMUNERATION REPORT

Poll now closed

ITEMS OF BUSINESS

ITEM 3:

**TO RE-ELECT DR PAUL JONES AS
A DIRECTOR**



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The instructions given to validly appointed proxies in respect of the resolution are as follows:

For	Against	Abstain	Open-Usable		% of votes cast in favour of the resolution
			Board	Non-Board	
364,112,372	9,419,602	11,560,742	573,628	740,296	97.14

ITEM 3: TO RE-ELECT DR PAUL JONES AS A DIRECTOR

Poll now open

- 1. For**
- 2. Against**
- 3. Abstain**

Please press 1, 2 or 3 using your handset

ITEM 3: TO RE-ELECT DR PAUL JONES AS A DIRECTOR

Poll now closed

ITEMS OF BUSINESS

ITEM 4:

**TO RE-ELECT DR ERROL KATZ AS
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For	Against	Abstain	Open-Usable		% of votes cast in favour of the resolution
			Board	Non-Board	
383,720,012	342,481	1,045,794	552,302	736,051	99.58

ITEM 4: TO RE-ELECT DR ERROL KATZ AS A DIRECTOR

Poll now open

- 1. For**
- 2. Against**
- 3. Abstain**

Please press 1, 2 or 3 using your handset

ITEM 4: TO RE-ELECT DR ERROL KATZ AS A DIRECTOR

Poll now closed

ITEMS OF BUSINESS

ITEM 5:

RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

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The instructions given to validly appointed proxies in respect of the resolution are as follows:

For	Against	Abstain	Open-Usable		% of votes cast in favour of the resolution
			Board	Non-Board	
382,941,500	1,099,740	1,181,584	445,765	738,051	99.41

ITEM 5:RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

Poll now open

- 1. For**
- 2. Against**
- 3. Abstain**

Please press 1, 2 or 3 using your handset

ITEM 5: RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

Poll now closed

Closing remarks

Thank you for your attendance