Primary Health Care Ltd

Financial Year Ended
30 June 2006

Results Presentation
8 August 2006

Financial Results : Summary

- EBITDA and EBITA up 31% and 34% over 2005
  - Driven largely by organic revenue growth, medical centre margin gains and contribution by Health Technology

($ Million, except EPS)	2006	*growth*	2005
Revenue	**241.9**	*25%*	**193.7**
EBITDA	**94.5**	*31%*	**72.2**
EBITA	**80.1**	*34%*	**59.9**
NPAT	**47.5**	*26%*	**37.6**
Basic EPS	**39.37**	*16%*	**33.84**

Financial Results : Income Statement

- **Segmental**

- All segments meeting expectations
- Medical centre results after head office costs of $12.2m inc. $2.1m share option expense
- AIFRS adopted effective 1 July 2004 all comparatives adjusted

($ 000s)	2006	2005
Medical centres	69,704	56,345
Pathology	14,004	13,144
Health Technology	9,559	(46)
Investments/other	1,191	2,779
EBITDA	**94,458**	**72,222**
Depreciation	14,397	12,367
EBITA	**80,061**	**59,855**
Intangible amortised	4,856	1,421
EBIT	**75,205**	**58,434**
Interest expense	7,494	5,423
PBT	**67,711**	**53,011**
Tax charge	20,231	15,389
Profit After Tax	**47,480**	**37,622**

Financial Results : Per Share Results

- Reported earnings per share up 16% on prior period to 39.37cps
- Final dividend of 22.0c fully franked (13.0 cents 2005)
- Interim dividend was 20.0c fully franked (12.0 cents 2005)
- Payable 25 September 2006. Record date 8 September 2006
- DRP/BSP discount to be reduced from 2% to 1%

Financial Results: Special Dividend

- Special dividend of 8.0c fully franked
- Payable 30 October 2006. Record date 13 October 2006
- Cash dividend (BSP/DRP do not apply)
- Substantial franking credit balance still available
- Distributable from retained reserves

Financial Results : Balance Sheet

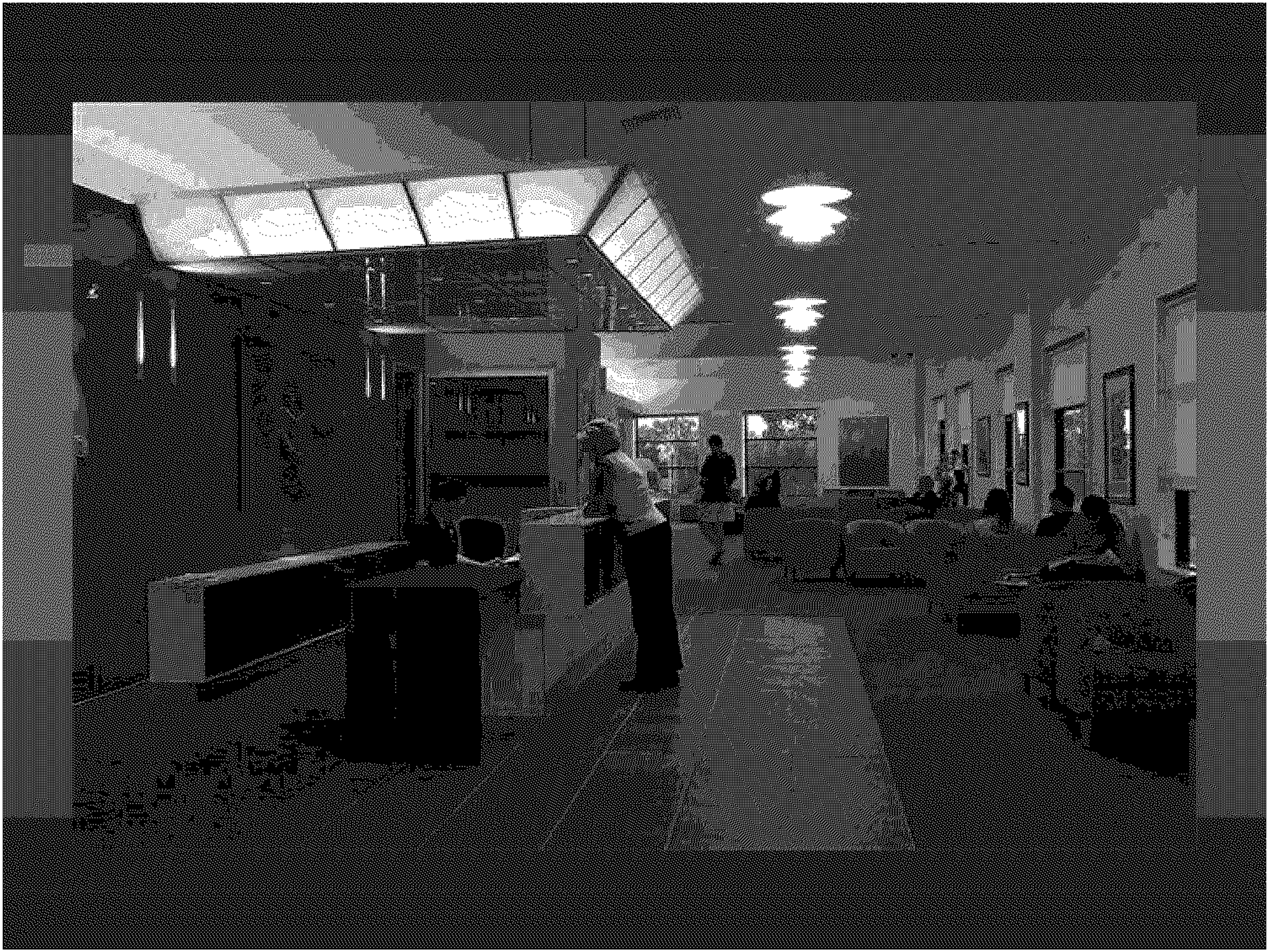
Debt to Equity :

06/06	06/05
31%	25%

EBITDA interest cover:
(assuming 7.00%)

06/06	06/05
11x	12x

	30/06/06	30/06/05
	$m	$m
Receivables	33.4	34.0
Investments	3.5	0.2
Plant and equipment	139.6	107.0
Goodwill/Intangibles	367.2	331.7
Total Assets	**543.7**	**472.9**
Liabilities	29.1	39.0
Net Assets	**514.6**	**433.9**
Debt	122.2	85.7
Equity	392.4	348.2
	514.6	**433.9**



Operations : Medical Centres

- GP patient attendances up 16.6% to 3.44m for the year
- July 2006 GP patient attendances up 20% on prior year
- 7 centres opened in FY 2006 all increasing in line with expectations
- 7 new medical centres opened successfully during period accounted for 6% growth in patient attendances
- Medical Centre revenues to PRY up $24.1m (21%) to $140.8m for the period
- Total of 117 practices contracted for in period for $40m


16/04/2006

Operations : Medical Centres

- Strength of core business
  - EBITDA for all centres up 24%
  - Margins improvement across all centres to 49.5% from 48.3% prior year and 49.0% six months to 31 December 2005
  - After charging share option expense of $2.1m (prior period $1.3m)
  - Same-centre EBITDA growth period on period
    Oldest 8 centres opened pre 30 June 2000 at 7.6%
    3 Centres opened FY 2005 contributed $6.8m EBITDA
  - Recurrent capital expenditure continues at historic levels

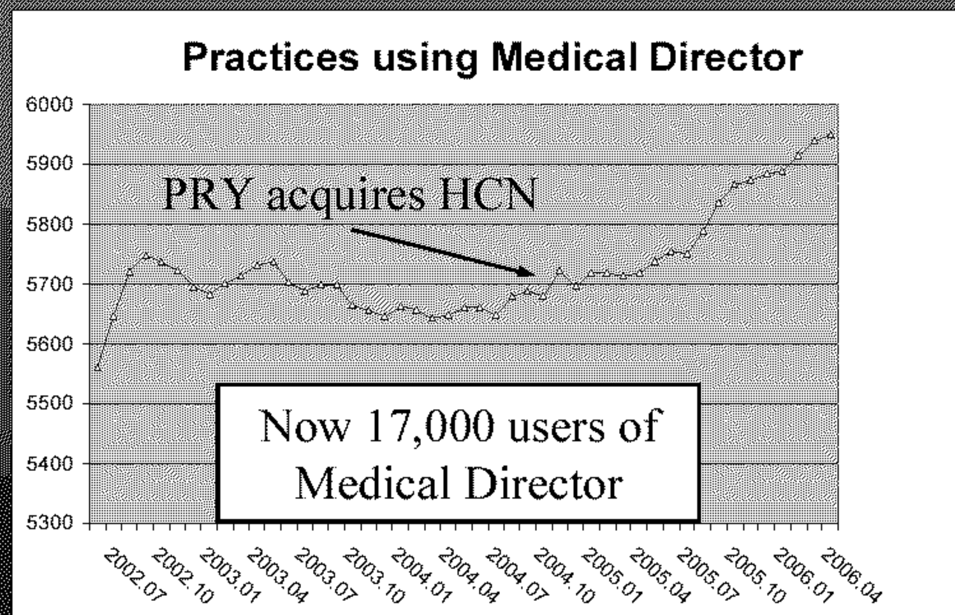
Operations : Pathology

($ 000s)	2006	*growth*	2005	*growth*	2004
Revenue	79,136	*16%*	68,280	*8%*	63,217
EBITDA	14,004	*6.5%*	13,144	*5.8%*	12,421
Margin	*17.7%*		*19.3%*		*19.6%*
EBITA	12,596	*9%*	11,581	*6%*	10,921
Margin	*15.9%*		*17.0%*		*17.3%*

- Organic Growth component of Revenue very encouraging
Margins affected by:
- Infrastructure costs as a result of expansion into new markets
- Some pressure on core business costs

Health Technology:

- Product Suite all showing growing subscriber support
  - MD3 released with circa 600 sites migrated and live with circa 1600 known users
  - Integrated decision support – www.mdreference.com.au achieving compounding growth
  - Practice Management and USE applications increasing market share
- Product Development capability expanding in capacity and ability
- Outlook
  - MD3 migration slow/steady
  - Subscriber growth
  - Additional development investment



Future Growth : Medical Centres

24	Centres opened prior to 30 June 2005
7	Centres opened FY06
31	Centres open at 30 June 2006
5	Further centres scheduled to open 2H FY07
4	Further centres estimated to open 1H FY08
40	Centres open by 31 December 2007

Future Growth

- Medical centre growth to come from:

  Historic organic growth of established centres
  Newly opened centres
  Further 9 centres by 31 December 2007
  Still fragmented market (estimate Primary share 3% National Market)

- Investment for each new centre continues in line with historical

- Current facility of $175m utilised to $122m

Focus for FY 2007

- Medical Centres
  - Continue roll-out of new centres particularly inter-state
  - Improve and leverage existing centres
  - Continued cost and administrative pressures for small GP practices will work to advantage of our model
  - Demand for services driven by ageing population, improving technology and patient expectations
- Pathology
  - Consolidate Inter-state operations
  - Maintain strong revenue gains
- Health Technology
  - Roll out MD3
  - Enhance all HCN software and products